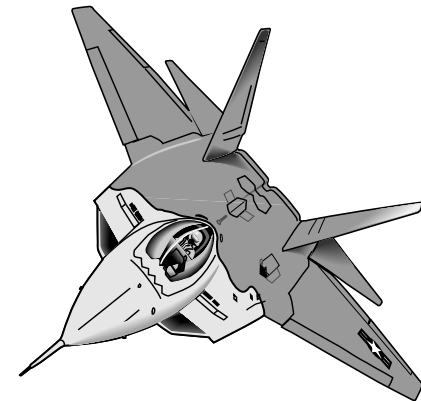
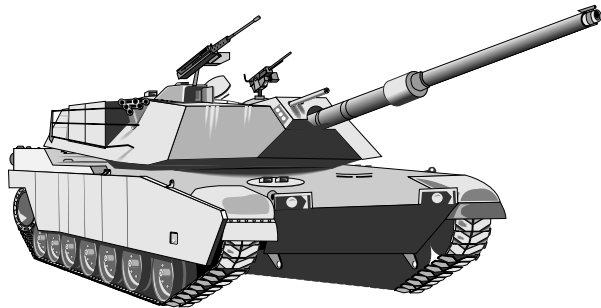
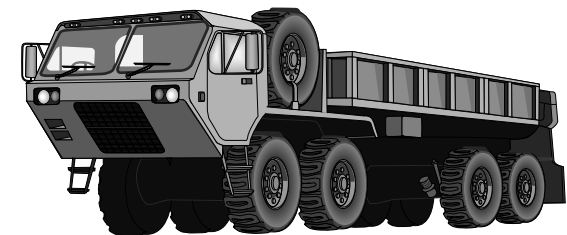
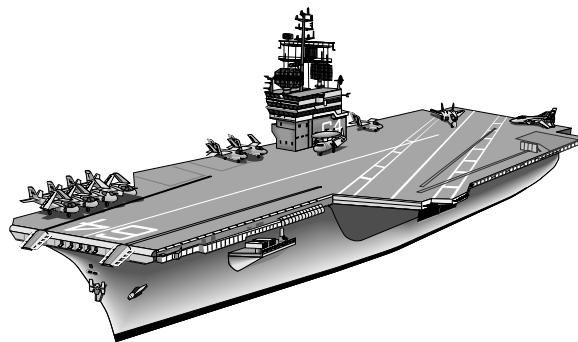


Office of the Secretary of Defense
Operation and Maintenance Overview

June 2001



FY 2002 Amended Budget Submission



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O&M TOA BY SERVICE BY APPROPRIATION

	(\$ in Millions)						
	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Army</u>	<u>26,969.3</u>	<u>+224.1</u>	<u>-3,338.9</u>	<u>23,854.5</u>	<u>+130.5</u>	<u>+2,671.3</u>	<u>26,656.3</u>
Army	22,310.2	+96.8	-3,473.8	18,933.2	+23.1	+2,235.4	21,191.7
Army Reserve	1,481.3	+36.4	+59.4	1,577.1	+41.4	+168.7	1,787.2
Army National Guard	3,177.8	+90.9	+75.5	3,344.2	+66.0	+267.1	3,677.4
<u>Navy</u>	<u>27,322.0</u>	<u>+1,526.2</u>	<u>-1,070.0</u>	<u>27,778.2</u>	<u>+419.9</u>	<u>+2,803.3</u>	<u>31,001.4</u>
Navy	23,433.0	+1,325.6	-954.7	23,803.9	+357.5	+2,800.0	26,961.4
Marine Corps	2,775.3	+99.6	-31.8	2,843.2	+53.7	-4.6	2,892.3
Navy Reserve	972.2	+95.7	-84.3	983.6	+6.6	+13.5	1,003.7
Marine Corps Reserve	141.6	+5.3	+0.7	147.6	+2.1	-5.7	144.0
<u>Air Force</u>	<u>27,299.0</u>	<u>+1,525.3</u>	<u>-1,205.7</u>	<u>27,618.6</u>	<u>+1,106.8</u>	<u>+3,318.6</u>	<u>32,044.0</u>
Air Force	22,226.8	+1,114.2	-1,098.0	22,242.9	+826.1	+3,077.8	26,146.8
Air Force Reserve	1,779.8	+128.3	-4.5	1,903.6	+106.2	+20.1	2,029.9
Air National Guard	3,292.4	+282.8	-103.1	3,472.1	+174.5	+220.7	3,867.4
<u>Defense-Wide and Other</u>	<u>32,901.2</u>	<u>+899.1</u>	<u>-1,875.8</u>	<u>32,064.5</u>	<u>+851.1</u>	<u>+3,075.1</u>	<u>35,990.8</u>
Defense-Wide	11,661.4	+345.6	+116.9	+12,123.9	+315.8	+78.9	12,518.6
Defense Health program	12,305.5	+441.4	-398.3	+12,348.5	+424.1	+5,126.4	17,899.0
Emergency Response Fund, Defense	0.3	+0.0	-0.3	-	-	-	-
Former Soviet Union Threat Reduction	458.1	+7.7	-23.4	+442.4	+8.4	-47.8	403.0
Office of the Inspector General	136.5	+5.3	+5.7	+147.4	+5.3	-0.7	152.0
OPPLAN 34A-35 P.O.W.	11.2	+0.2	-5.9	+5.6	+0.1	-5.7	-
Overseas Humanitarian, Disaster and Civic Aid	55.5	+1.0	-0.7	+55.8	+0.9	+0.5	57.2
Payment to Kah'olawe Island	34.4	+0.5	+25.0	+59.9	+1.0	-35.8	25.0

O&M TOA BY SERVICE BY APPROPRIATION

	(\$ in Millions)						
	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Quality of Life Enhancements, Defense	298.4	+4.8	-143.1	+160.1	+2.6	-162.7	-
U.S. Court of Appeals for the Armed Forces	7.5	+0.3	+0.8	+8.6	+0.1	+0.4	9.1
Defense Export Loan Guarantee Program Account	0.1	0.0	-0.1	-	-	-	-
Defense Vessels Transfer Program Account	-	-	4.0	4.0	0.1	-4.1	-
Rifle Practice, Army	0.2	0.0	-0.2	-	-	-	-
Support for International Sporting Competitions	9.4	0.2	-9.6	-	-	15.8	15.8
Environmental Restoration, Army*	(369.6)	+6.0	+6.9	+389.1	+6.6	-5.9	389.8
Environmental Restoration, Navy*	(273.6)	+4.5	+6.4	+293.4	+5.0	-40.9	257.5
Environmental Restoration, Air Force*	(371.1)	+6.0	-5.5	+375.5	+6.4	+3.6	385.4
Environmental Restoration, Defense-Wide*	(25.1)	+0.4	-4.2	+21.4	+0.4	+1.7	23.5
Environmental Restoration, Formerly Used Defense Sites (FUDS)*	(225.0)	+3.8	-10.8	+231.0	+3.9	-44.6	190.3
Drug Interdiction And Counter-Drug Activities, Defense*	(883.4)	+14.7	+83.2	+981.3	+17.3	-178.2	820.4
Overseas Contingency Operations Transfer Fund (OCOTF)*	(4,481.9)	+71.7	-136.8	+4,416.8	+74.3	-1,646.9	2,844.2
Pentagon Renovation Transfer Fund	221.6	3.8	-225.4	-	-	-	-
Total Obligational Authority	106,790.5	+4,086.4	+439.0	+111,315.9	+2,529.5	+11,847.1	125,692.5
Financing Adjustments	1,985.1	-	-	-3,152.0	-	-	253.6
Total Budget Authority	108,775.6	-	-	108,163.9	-	-	125,946.1

*Transfer Accounts. The FY 2000 data is non-additive. The Department transfers these program funds to other appropriations (primarily Operations and Maintenance appropriations) where the Components manage, obligate, and expend the transferred funds for the purposes appropriated.

O&M TOA BY SERVICE BY APPROPRIATION

The amounts reflected in this Overview are expressed in Total Obligational Authority (TOA) terms, which includes Budget Authority (BA) and financing adjustments. The previous summary table identifies the TOA by appropriation within the Operation and Maintenance (O&M) Title and also identifies the net financing adjustments. The FY 2001 financing adjustment of \$-3,152.0 million includes contributions from allied nations for Defense Burdensharing (\$+210.0 million), receipts involving disposal, lease, or recovery of DoD facilities and real property (\$+21.1 million), and restoration efforts at the Rocky Mountain Arsenal and Kaho'olawe Island (\$+65.9 million).

These financing adjustments are offset by; (1) unobligated balance of \$565.7 million carried forward and a \$1,100.0 million reappropriation from the FY 2000 Emergency Supplemental (Title IX, P.L. 106-259); (2) unobligated balance of \$203.4 million carried forward from the Emergency Supplemental Act, 2000 (P.L. 106-246, Division B, Title I); (3) an unexpended balance of \$337.2 million carried forward from the FY 2000 program for the Overseas Contingency Operations Transfer Fund (OCOTF), (4) \$47.3 million remaining from the FY 1999 Emergency Supplemental (P.L. 106-31) appropriated to the OCOTF for Munitions/Readiness not related to contingency operation requirements; (5) \$800.0 million transfer from the Working Capital Fund for Fuel (P.L. 106-259, Section 8085); (6) \$114.2 million from the FY 2000 Colombia Emergency Supplemental that is being executed in FY 2001; (7) unobligated balance of \$275.6 million carried forward for the Defense Health Program (DHP); and (8) unobligated balance carried forward for payments to former prisoners of war (\$5.6 million).

The FY 2002 financing increase of \$253.6 million is primarily due to contributions for Defense burdensharing (\$+210.0 million), and restoration efforts at the Rocky Mountain Arsenal and Kaho'olawe Island (\$+31.0 million), and receipts involving disposal, lease, or recovery of DoD facilities and real property (\$+20.1 million) offset by unobligated balances carried forward for Overseas Humanitarian, Disaster and Civic Aid (\$7.5 million).

OPERATION AND MAINTENANCE TITLE SUMMARY

<u>(\$ in Millions)</u>						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
106,790.5	+4,086.4	+439.0	111,315.9	+2,529.5	+11,847.1	125,692.5

The Department of Defense’s Operation and Maintenance (O&M) programs underpin the military readiness of the United States. America’s military must be capable of responding effectively to crises in order to protect our national interest, demonstrate U.S. resolve, and reaffirm the role of the United States as a global leader. The U.S. forces must be able to execute the full spectrum of military operations -- from deterring aggression and coercion, to conducting concurrent smaller-scale contingency operations, to fighting and winning major theater wars.

To fulfill these roles, U.S. forces must be prepared and ready to execute their combat missions decisively. Resources dedicated to O&M reflect the Department’s commitment to readiness. The Department’s first-to-fight forces are the best in the world. However, due to many years of inadequate O&M funding levels together with the intensity of operations, readiness has become more difficult to sustain. To protect U.S. military excellence and to reverse signs of any degradation in readiness, the FY 2002 amended budget substantially increases O&M funding levels in order to bolster U.S. military readiness.

The funding amounts reflected in this Overview are expressed in Total Obligational Authority (TOA) terms. The term “TOA” includes Budget Authority and financing adjustments (e.g., transfers from unobligated balances), which comprise the total funding available for obligation in the appropriations included in the O&M Title. The previous summary tables identifies the TOA for the appropriations included in the O&M Title and provide an explanation of the financing adjustments. The FY 2002 TOA for the O&M Title is \$125.7 billion, which reflects a net increase of \$14.3 billion above the FY 2001 funding level. This increase is made up of \$2.5 billion for pricing changes and \$11.8 billion (+10.4 percent) of net program growth.

The TOA for the O&M Title increases between FY 2001 and FY 2002 as a percentage of the DoD portion of the National Defense Function (051 function) reflected in the FY 2002 amended budget request. In FY 2002, the O&M share of the Defense budget is 38.2 percent increasing from 37.0 percent in FY 2001.

The following provides a summary of the pricing changes affecting the O&M appropriations. This is followed by a description of the significant programmatic changes in the FY 2002 amended budget request for the O&M Title compared to the enacted FY 2001

OPERATION AND MAINTENANCE TITLE SUMMARY

funding level. A summary of the functional transfers into and out of the O&M appropriations is included at the end of this Summary section.

PRICE GROWTH

Price growth reflects the additional cost of executing the previous year's program at the next year's prices. In general, price growth amounts are estimated by applying price change rates to amounts budgeted for various commodity groups (i. e., civilian pay, Working Capital Fund purchases, medical supply purchases, general nonpersonnel purchases, etc.). The FY 2002 price growth is \$2.5 billion. Rates used for the major commodity groups follow:

For civilian pay, the FY 2002 price growth is based on annualization of the FY 2001 pay raises for classified and wage board employees to include locality increases, which were effective January 1, 2001, and the portion of the FY 2002 pay increases scheduled to become effective January 1, 2002. It also provides for foreign national employee pay raises at the rates the host country provided its public sector personnel. For FY 2001, the budgeted pay raise increase is 3.7 percent for classified and wage board employees and is effective January 1, 2001. For FY 2002, the budgeted pay raise increase is 3.6 percent for classified and wage board employees and is effective January 1, 2002.

Consistent with Office of Management and Budget (OMB) direction, the general non-personnel purchase rate is 1.6 percent for FY 2001 and 1.7 percent for FY 2002.

Fuel purchase prices from the Working Capital Fund reflect a very slight decrease (1 percent) in FY 2002. With these rates, Working Capital Fund customers pay an average cost per barrel of \$42.42 in FY 2001 and \$42.00 in FY 2002. The FY 2002 customer fuel prices are set based on revised estimates of fuel purchase inflation provided by OMB and recovery of realized and expected losses through the end of FY 2001.

Other Working Capital Fund rates change by business area and vary from year to year. The following list of FY 2002 rate changes represent those business areas that account for the vast majority of orders from O&M customers: Army Managed Supplies and Materials (-2.5 percent), Navy Managed Supplies and Materials (-4.7 percent), Air Force Managed Supplies and Materials (+10.6 percent), Defense Logistics Agency (DLA) Managed Supplies and Materials (+0.4 percent), Army Equipment Purchases (-2.5 percent), Navy Equipment Purchases (-4.7 percent), Air Force Equipment Purchases (+10.6 percent), Army Depot Systems Command - Maintenance (+4.0 percent), Naval Aviation Depots (+3.2 percent), Naval Shipyards (+5.7 percent), Depot Maintenance Air Force - Organic (+16.9 percent), Army Armament (-7.9 percent), and Army Information Services (+32.8 percent).

OPERATION AND MAINTENANCE TITLE SUMMARY

The FY 2002 amended budget estimate for overseas purchases is based on foreign currency exchange rates that are consistent with recent market conditions. Overall, these rates reflect an improvement in the purchasing power of the U. S. dollar. In two of the three countries where DoD has its largest overseas presence, Japan and Korea, the dollar's value has improved. For the Japanese Yen, the buying power of the dollar increases by 3.7 percent from 122.1325 Yen in FY 2001 to 126.680 Yen in FY 2002. Likewise, the U.S. dollar increases in value compared to the Korean Won by 8.5 percent, moving from 1,244.076 Won in FY 2001 to 1,349.5 Won in FY 2002. In Germany, where the DoD has its largest overseas presence, the dollar declines from 1.2325 Euros to 1.1967, a decrease of 2.9 percent. On balance, there is a net increase in the purchasing power of the U.S. dollar, reducing the budget estimates for the O&M accounts by more than \$0.3 billion.

PROGRAM GROWTH

The FY 2002 amended budget request includes \$11.9 billion (+10.4 percent) of net program growth for the O&M Title, which is targeted to improve significantly support to readiness programs. The level of O&M funding sought in the FY 2002 amended budget will begin to reverse the decline in readiness attributable to years of underfunding, high tempo of operations, and escalating maintenance costs of aging weapon systems. The following indicators reflect planned operating tempo (OPTEMPO) rates for FY 2002. The Active Army budget request supports objective OPTEMPO rates of 730 home station training miles per year for M1 Abrams tanks and an average of 14.0 flying hours per aircrew per month. The Active Navy steaming days continues to be funded at the planning level of 50.5 days per quarter for deployed fleets and 28.0 days per quarter for the non-deployed fleets. Further, active naval tactical air primary mission readiness (PMR) rates increase from 17.8 to 22.6 tactical flying hours per month per aircrew. Active Air Force tactical fighter aircrew flying hour rates decline slightly from 17.1 to 17.0 flying hours per pilot per month. Active Air Force bomber crew flying hour rates increase from 14.8 to 15.5 flying hours per crew per month.

The FY 2002 amended budget request includes a significant functional realignment of Defense resources. The Department is requesting the Congress to appropriate the \$1.2 billion required to maintain the forces and to conduct operations in Southwest Asia (SWA) in the appropriations of the Military Departments and the Defensewide Components vice the Overseas Contingency Operations Transfer Fund (OCOTF). Operations in SWA have been ongoing for 10 years, have become more predictable, and there are no plans to withdraw forces in the near-future since the United States remains committed to ensuring that security requirements are maintained in the area of the world. Therefore, the funds required for SWA operations should be provided directly to the Military Departments and the Defensewide Components.

OPERATION AND MAINTENANCE TITLE SUMMARY

The following outlines program change by major program area:

The Air Operations program finances the cost to maintain aircraft and to train pilots to achieve and maintain flying proficiency in support of the national military strategy. The OPTEMPO portion of the Air Operation program is commonly referred to as the “flying hour program.” The flying hour program is based on pilot training syllabuses, which are used to estimate the number of training hours needed to achieve and to maintain aircrew skill levels. The flying hour program costs are a function of training hours multiplied by the cost of depot level repairables, consumable spare parts, and fuel necessary to operate the aircraft. The other significant portion of the Air Operations program is aviation depot maintenance. The Air Force and Navy have identified serious shortfalls in aviation readiness for the last several years. For example, the FY 2001 enacted level supports Air Force at 73 percent mission capable versus 85 percent in 1991. The FY 2002 amended budget request of \$30.1 billion for the Air Operations program reflects a net program increase of \$4.3 billion (+16.5 percent) above The FY 2001 enacted funding level. The FY 2002 increases fully fund the Services’ flying hour requirements to meet readiness-training goals. The major program changes are primarily due to increases in the cost of the flying hour program for consumables and depot level repairables due to aging aircraft. Additional air operations funding will reduce the strain on mission capable rates.

The Land Forces program includes funding to train and sustain active Army and Marine Corps ground combat forces. The Army’s program includes units assigned to heavy, airborne, air assault and light division; corps combat units. The Marine Corp program includes divisions, service support groups, helicopter groups, and light anti-aircraft missile battalions that constitute the Marine air-ground team and Marine security forces. The FY 2002 amended budget request of \$3.8 billion for Land Forces programs reflects a program increase of \$3 million (+0.1 percent). The Army’s FY 2002 amended budget funding level of \$3.3 billion increases by \$19 million (+0.6 percent) above The FY 2001 program level. The Army program reflects the Army’s training strategy that exposes all soldiers to a full range of realistic training exercises. The Army’s funding level in FY 2002 supports 730 home station miles for ground OPTEMPO for the M1 Abrams tank, a decline of 70 home station miles from the FY 2001 level. The Army has chosen to accept a minor risk in OPTEMPO in order to halt deterioration of facilities. The Marine Corps FY 2002 amended budget request of \$460 million for land forces reflects a program decrease of \$16 million (-3.3 percent) from the FY 2001 funding level, primarily due to the effect of one-time congressional increases for the Initial Issue program (\$-47 million).

The Ship Operations programs include OPTEMPO as well as depot maintenance and support. The FY 2002 amended budget request of \$7.6 billion includes a net program increase of \$0.6 billion (+8.9 percent). The Ship Operations OPTEMPO program of \$2.9 billion includes a net increase of \$72 million (+2.5 percent) above the FY 2001 level. This program increase is largely attributable to two additional replenishment ships in the Military Sealift Command.

OPERATION AND MAINTENANCE TITLE SUMMARY

The Mobilization program provides for airlift and sealift capability to deploy combat forces and materiel in contingencies by providing funding to maintain an inventory of immediately available supplies and equipment to sustain the forces as outlined in the National Military Strategy. The FY 2002 amended budget request of \$5.1 billion for the Mobilization program reflects a net program increase of \$0.3 billion (+7.1 percent) above the FY 2001 funding level. The Air Force (\$+341 million) accounts for the majority of this program increase, which reflects increases to the Airlift Operations, Airlift Operations Training, and Mobilization Base Support. The Air Force's increase is offset by net decreases in the Army program (\$-12 million) due to a reduction in industrial preparedness for the Rock Island Arsenal and the Watervliet Arsenal. The Marine Corps program decrease (\$-12 million) is due to a one-time congressional increase for Maritime Propositioning Ship spares. The Navy reflects a minor net program increase (\$+22 million) primarily due to changes in the activation/inactivation workload.

The Depot Maintenance program funds the overhaul, repair, and maintenance of aircraft, missiles, ships, submarines, combat vehicles and other equipment. Depot maintenance efforts are performed at both public (DoD) and private (contractor) facilities. These efforts provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, and to renovate assets that are being transferred from active forces to the Reserve Components. The FY 2002 Depot Maintenance budget request of \$8.7 billion reflects a net program increase of \$0.9 billion (+10.8 percent) from the enacted FY 2001 funding level. This increase is designed to make a substantial investment toward achieving optimal depot maintenance funding levels. The Army increases their depot maintenance program by \$104 million, allowing the Army to reduce the maintenance backlog, support recapitalization to extend the service life of key systems. The FY 2002 funding level supports 70 percent of the Army's depot maintenance requirement (vs. the optimal level of 90 percent). The Navy increases its ship depot maintenance program by \$394 million permitting 90 percent of the ship depot maintenance requirement to be funded (vs. the optimal level of 100 percent). There is an additional \$251 million for Navy aircraft combat support which supports 100 percent (optimal level) of the airframe requirement for deployed forces, 90 percent (optimal level) of the airframe requirement for non-deployed forces, and 90 percent (optimal level) for Navy aircraft engines. There is an additional \$104 million for Air Force aircraft, which enables the Air Force to finance 91 percent of its depot maintenance requirement (vs. optimal level of 92 percent).

The Transportation program provides for the movement of materiel between contractors' plants, military logistics centers, and field activities throughout the world. The FY 2002 amended budget request of \$1.3 billion reflects a net program increase of \$69 million (+5.7 percent) above the FY 2001 enacted level. The majority of this net program increase is in the Army (\$+28 million), of which most is for its Transformation Initiative, and in the Air Force (\$+47 million), of which most is due to the functional realignment of SWA contingency resources from the OCOTF.

The Training and Education program finances the operation of training centers, Service schools, and scholarship programs, which are necessary to acquire and maintain a trained force of personnel able to effectively support DoD's military units, ships, aircraft, and

OPERATION AND MAINTENANCE TITLE SUMMARY

installed weapon systems. Also included are resources to finance base support activities and facility sustainment. The FY 2002 amended budget request of \$7.5 billion includes net program growth of \$0.7 billion (9.3 percent). All of the Services have reflected increased training and education support. Most of the increase is in base support and facilities sustainment (\$+353 million); flight training (\$+174 million); and specialized skills, professional development, Senior Reserve Officer Training Corps, and training support (\$+154 million).

The Recruiting, Advertising, and Examining program provides funds to support the recruiting commands and stations throughout the United States, to finance the costs for local, regional, and national advertising to support the procurement and retention of quality enlisted and officer personnel, and to support the U.S. Military Entrance Processing Command to process all enlisted personnel entering active duty. The FY 2002 amended budget of \$1.3 billion includes net program growth of \$76 million (5.9 percent). Most of this net program increase is for the Army (\$+63 million) primarily for increased recruiter support and advertising. The Air Force has a net program growth (\$+18 million), which is primarily for increased media advertising.

The Base Operations Support (BOS) program provides the resources to operate the bases, installations, camps, posts, and stations of the Military Departments. These resources sustain mission capability, ensure quality-of-life, enhance work force productivity, and fund personnel and infrastructure support. The FY 2002 amended budget request of \$16.8 billion includes program growth of \$2.3 billion (16 percent). The significant program growth seeks to increase funding for critical quality of-life and essential installation support, and to reduce the risk of funds migrating from mission programs to finance “must fund” bills during execution. All of the Military Departments and the Defense Health Program (DHP) reflect increases: Army, \$+1,007 million; Navy, \$+422 million; Marine Corps, \$+84 million; Air Force, \$+747 million; and DHP, \$+53 million.

The Command, Control, Communications, and Intelligence (C3) program finances base level and worldwide communication networks for voice, data, and imagery traffic to ensure responsive support to U.S. forces. The FY 2002 amended budget request of \$4.0 billion includes a net program increase of \$0.2 billion (5.8 percent) above the FY 2001 enacted level. The Air Force (\$+258 million), accounts for the majority of this net program growth, which includes increases for contracting out base communications, pay increase for information technology experts, and space-related activities. The Navy (\$+82 million) also reflects net program growth of which most is for base communications and command and control efforts. Offsetting these increases are net program reductions in the Army (\$-46 million) primarily in base communications based on historical execution and one-time increase in FY 2001 for the Army’s Global Command and Control System and in the Defense-Wide activities (\$-64 million) primarily due to reductions in the Defense Message System and in service contracts for communications support to the Pacific and European theaters by the Defense Information Systems Agency.

OPERATION AND MAINTENANCE TITLE SUMMARY

The Facilities Sustainment, Restoration, and Modernization (SRM) and Demolition programs provide funds to support two distinct efforts. The SRM program (formerly called “Real Property Maintenance”) provides funds to maintain facilities, to restore facilities whose age is excessive or have been damaged, and to improve facilities to accommodate new functions or mission. The demolition program provides funds to demolish and dispose of obsolete and excess structures. The FY 2002 amended budget request of \$6.5 billion includes a net program growth of \$0.4 billion (7.3 percent). This net program increase includes net increases of \$167 million for facilities sustainment, \$251 million for restoration and modernization efforts, and \$21 million for demolition. Partially offsetting the net increase of \$167 million in facilities sustainment is the congressional increase for the Quality of Life Enhancements, Defense appropriation that is not extended into FY 2002 (\$-163 million). The Army (\$+595 million) accounts for the majority of net program increase with significant increases in both facilities sustainment and restoration and modernization. The Navy (\$+123 million) and the Defense Health Program (\$+35 million) also include net program increases of which the majority is in facilities sustainment. Both the Marine Corps (\$-67 million) and the Air Force (\$-80 million) reflect net program reductions -- primarily in facilities sustainment.

The Operation and Maintenance, Defense-Wide appropriation provides funding to support a wide range of essential programs that are critical to the accomplishment of the missions of the Military Departments. These functions have been consolidated to achieve maximum efficiency by avoiding overlap and duplication among the Military Departments. These programs include special operations forces, intelligence activities, audit and contract management activities, treaty implementation, nuclear weapons management and analysis, dependents’ education, civilian and military personnel support, and management support to the Department. The FY 2002 amended budget request \$12.5 billion for the O&M, Defense-Wide appropriation includes a net program increase of \$78.9 million (+0.6 percent). Much of this net program increase is in the U.S. Special Operations Command (USSOCOM) (\$+115 million) and Classified Programs (\$+143 million). These increases are partially offset by congressional increases and earmarks in FY 2001 that were not extended into FY 2002 (\$-233 million).

The Defense Health Program (DHP) appropriation supports worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, graduate medical education for the training of medical personnel, and occupational and industrial health care. The FY 2002 amended budget request of \$17.9 billion for DHP includes program growth of \$5.1 billion (+45.7 percent) above the FY 2001 funding level. The program growth is predominately to finance new health care benefits (\$4,017 million) enacted in the FY 2001 National Defense Authorization Act (P.L. 106-398); this includes the new TRICARE for Life benefit that covers Medicare eligible military retirees as a second payer to Medicare . Other program increases are the restoral of FY 2001 program funding imbalances in managed care support contracts, other purchased care, pharmacy growth, equipment, supplies and contracts (\$1,532 million), increases in private sector health care costs above standard inflation (\$374 million), increases in pharmacy costs above standard inflation (\$153 million). These increases are offset by anticipated Center

OPERATION AND MAINTENANCE TITLE SUMMARY

for Medicare and Medicare Service savings (\$-315 million) and one time congressional adds in 2001 that are not continued in FY 2002 (\$-635 million).

The Former Soviet Union (FSU) Threat Reduction appropriation provides resources to address the threat from, and potential proliferation of, the FSU arsenal of weapons of mass destruction (WMD) associated materials and expertise. The FY 2002 amended budget request of \$0.4 billion for the FSU Threat Reduction appropriation reflects a net program reduction of \$48 million (-10.6 percent) primarily due to reduced cooperation threat reduction (CTR) activities in Russia (\$-137 million), which are partially offset by increased funding for chemical weapons destruction in Russia (\$+50 million) and for elimination of WMD infrastructure and strategic nuclear arms in the Ukraine and the Kazakhstan (\$+27 million).

The Defense Environmental Restoration Program consists of five transfer appropriations that the Congress established to provide for: the identification, investigation, and cleanup of past contamination from hazardous substances and wastes; correction of other environmental damage; detection of unexploded ordinances; and the demolition and removal of unsafe buildings, structures at active installations and Formerly Used Defense Sites (FUDS). The FY 2002 amended budget request of \$1.2 billion includes a net program reduction of \$86 million (-6.5 percent), which primarily consists of the discontinuance of a one-time congressional increase to the FUDS appropriation in FY 2001 (\$-45 million) and a decrease in Navy requirements in both investigations and actual cleanup activities in the budget year (\$-41 million).

The Overseas Contingency Transfer Fund (OCOTF) is a transfer appropriation that the Congress established to finance contingency operations since these operations are dynamic and unpredictable. The variability of contingency operations causes difficulty in estimating costs in the correct amounts and in the correct Component's appropriation. As a transfer appropriation, the OCOTF provides the Department with the flexibility to provide funds in the year of execution to the Components for contingency operations costs. The FY 2002 amended budget request for OCOTF is \$2.8 billion and reflects a net program reduction of \$1.6 billion. This net reduction predominately is the result of a program transfer out of \$1.3 billion for Southwest (SWA) operations to the Components since these operations have become more predictable. Beginning in FY 2002, the Components are responsible for budgeting for SWA operations in their individual appropriations (i.e., military personnel, operation and maintenance, etc.). After adjusting for the SWA program transfer of \$1.3 billion, there is a net program reduction of \$348 million in the FY 2002 budget request for OCOTF when compared to the FY 2001 funding level. This reduction includes adjustments for Bosnia (\$-56 million), Kosovo, (\$-245 million), and Munitions/Readiness carryover from the FY 1999 Emergency Supplemental (\$-47 million). The reductions for Bosnia and Kosovo are largely attributable to reductions in the force structure levels, which are partially offset by increased usage of the Reserve Forces by the Army in Bosnia.

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The DoD Counterdrug (CD) program supports the counterdrug objective directed in the President's *National Security Strategy of the United States*, "...to reduce the flow of illegal drugs into the United States by encouraging reduction in foreign production, combating international traffickers, and reducing demand at home." The CD program is funded in the Drug Interdiction and Counterdrug Activities, Defense appropriation, which is a central transfer account (CTA) that finances all DoD CD resources except for those resources required for the Active Components' military personnel, Service OPTEMPO, and CD military construction. The FY 2002 amended budget request of \$0.8 billion for the CTA includes a net program decrease of \$178 million (-17.8 percent), which is primarily attributable to the completion of Plan Columbia efforts in FY 2001.

FUNCTIONAL TRANSFERS

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

OPERATION AND MAINTENANCE TITLE SUMMARY

<u>Function/Activity</u>	<u>(\$ in Millions)</u>	
	<u>In</u>	<u>Out</u>
Information Technology (IT) Sustainment. Transfer of funding for programs from the Investment accounts to the Components' O&M appropriations for ongoing sustainment. Programs include Army Joint Simulation System (JSIMS) and Defense Threat Reduction Agency Balanced Survivability Assessments.	+30.1	<u>-250.1</u>
Navy Installation Claimant Consolidation (ICC). Transfer of funding from the Navy Working Capital Fund to consolidate base operations functions under the principal financial manager responsible for the installation.	+12.3	
U-2 Replenishment Spares. Transfers funding from the Air Force Investment appropriations to procure U-2 Replenishment Spares from the Air Force Working Capital Fund using O&M customer accounts.	+13.5	
Overseas Contingency Operations Transfer Fund (OCOTF) Transfer. Transfer from the OCOTF to the Services' Military Personnel appropriations to support sustained incremental costs of contingency operations in Southwest Asia (SWA). The OCOTF is used to finance contingency operations that are so variable in their scope, duration, and intensity that they cannot be financed via the DoD Components' appropriations without causing a readiness impact. The SWA operation has become stable enough to be financed in the individual appropriations of each of the DoD Components involved in this operation.		-179.2
A-76 Transfer. Transfer of funding from the O&M, Air Force appropriation to the Military Personnel, Air Force appropriation to reflect a decision to reduce the number of military members outsourced through OMB Circular A-76 studies.		-39.4
Army Base Realignment and Closure (BRAC) Caretaker. Transfer of funding from the O&M, Army appropriation to the DoD BRAC account to support continued caretaker costs of Army facilities undergoing realignment or closure		-14.9
Information Technology. Transfer of funding for information technology programs from the O&M title to the Components' Research, Development, Test and Evaluation appropriations. Funding for most IT programs was transferred to the R&D Title in the last President's Budget Submission. These additional transfers represent those programs that should have been transferred last year.		-11.5
Other Transfers-Out. Reflects the total of smaller transfers out of O&M for various reasons.		-5.1
Net Transfers		-194.2

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(\$ in Millions)						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual*</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
22,310.2	+96.8	-3,473.8	18,933.2	+23.1	+2,235.4	21,191.7

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

The Operation and Maintenance, Army (OMA) appropriation provides for the day-to-day operations of units, schools and power projection platforms, which in combination support a strategically ready force. The OMA appropriation contributes to readiness by supporting tough, realistic training; providing for maintenance of equipment and facilities; and providing the highest possible quality-of-life for soldiers and their families. The FY 2002 amended budget also includes funding to support the Army's Transformation. These resources will allow the Army to proceed with its efforts to produce a combat-ready "interim force" equipped with Interim Armored Vehicle systems, enroute to an "objective force" equipped with Future Combat systems. The FY 2002 amended budget request of \$21,191.7 million reflects a net increase of \$2,258.8 million, which includes price growth of \$23.1 million and a net program increase of \$2,235.4 million (11.8 percent). These funds support the following major categories of mission operations.

Operating Tempo (OPTEMPO): The Army's ground OPTEMPO and flying hour programs support 730 home station and simulator training miles per year for the M1 Abrams tank and an average of 14.0 live flying hours per aircrew per month for the Active Component. In selected units, ground OPTEMPO miles include live as well as a small number of Close Combat Tactical Trainer (simulator) miles. The OMA budget will support 9 Active Component and 1 National Guard brigade rotations through the National Training Center, 9 Active Component and 1 National Guard brigade rotations through the Joint Readiness Training Center, and 5 Active Component brigade rotations through the Combat Maneuver Training Center. Additionally, 5 Active Component divisions and 2 Active Component Corps staffs will participate in the Battle Command Training Program.

Institutional Training and Recruiting: The FY 2002 budget request provides funding to properly man the force, train the force (institutional training), and grow leaders for the 21st Century. In order to maximize the efforts in recruiting quality soldiers, which will help set the conditions for success in manning and readiness, the Army will continue to emphasize recruiting and advertising. To compete effectively with peer academic institutions for the best officer candidates available, the FY 2002 amended budget request provides additional funding for the U.S. Military Academy and Senior Reserve Officers' Training Corps (SROTC) Programs. To develop the civilian leaders of the future, the FY 2002 amended budget request provides additional funding for the Army's Civilian Training and Education System (ACTEDS). This will enable the Army to train civilian interns within career program specialties as

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the current workforce grows older and retires. In order to properly train the force and grow leaders for the 21st Century, the FY 2002 amended budget request provides additional funding for institution training. This includes a comprehensive redesign of professional military education, establishment of a new organizational construct built around reengineered processes, and enhancements to initial entry training. All of these institutional training and recruiting programs support the Army's efforts to recruit, train, and grow the best leaders for the future.

Spares/War Reserve Secondary Items: Over several years, the Army has experienced increased demand for repair parts generally due to older aircraft and ground equipment parts breaking more frequently and increased stress from higher OPTEMPO. The FY 2002 amended budget request provides additional funding for spares/war reserve secondary items to increase the availability of repair parts to meet higher demands, to remedy current out-of-stock levels, reduce the rate of future backorders, reduce the use of cannibalization (the movement of components from one end item to another), and increase the recapitalization efforts (i.e., improve the expected service life of aging legacy systems via zero time/zero mile refurbishment). This funding investment should improve the Army's ability to meet mission and operational readiness requirements.

Mobilization: The Army's Strategic Mobility Program (ASMP) remains the cornerstone of the Army's deployment capability. Within the ASMP program, the FY 2002 amended budget request supports 15 ships. The Army is realigning and consolidating prepositioned stocks on land, consistent with the Global Prepositioning Strategy. As part of this realignment, the Army is moving prepositioned stocks between theaters to better support the force structure requirement. In FY 2002, the Army will continue deployment outload enhancements, which include infrastructure improvements, unit deployment container acquisition, and strategic deployment training. These improvements facilitate movement of personnel and equipment from Continental U.S. bases to/through air and seaports of embarkation for rapid deployment to meet Army/Defense timelines.

Quality-of-Life: In order for the Army to continue to attract and retain quality soldiers, high quality-of-life (QOL) issues must be kept at the forefront because they are vital to our soldiers' morale, and commitment to the Army and to overall readiness. The QOL issues include adequate housing and support facilities, promoting soldier and family self-reliance, resiliency, and stability through various support services. These services enhance soldier retention and readiness levels. Essential morale, welfare, and recreation programs must be maintained at a consistent level for the benefit of soldiers and their families. The FY 2002 amended budget request provides funding to support 94 percent of the sustainment requirements for military facilities. The amended budget request also funds Base Operations Support at 96 percent of total requirements, which enables installation commanders to provide critical support services, and minimize and possibly preclude, the migration of resources into base operations from mission programs during execution. At this funded level, the Army will meet the Department's goal for child care demand.

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Budget Activity 1: Operating Forces

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual*</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
11,870.6	-52.9	-2,562.8	9,254.9	-127.5	+1,141.2	10,268.6

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

The FY 2002 amended budget request of \$10,268.6 million for the Operating Forces budget activity supports the requirements for three activity groups: Land Forces, Land Forces Readiness, and Land Forces Readiness Support. These resources finance the day-to-day operations of the Army's active forces and support the combat units' readiness training activity levels. The Land Forces activity group provides resources for distinct facets of the operating forces (e.g., divisions, corps combat forces, and echelon above corps forces) and special force related training activities (i.e., Combat Training Centers (CTCs)). The Land Forces Readiness activity group supports key activities essential to operational readiness, such as depot maintenance, participation in joint exercises, and combat development. And lastly, the Land Force Readiness Support activity group provides for infrastructure maintenance and support, management headquarters, unified command support, and special activities of the operating forces.

The FY 2002 amended budget request increases by \$1,013.7 million above the FY 2001 funding level. This includes a price decrease of \$127.5 million and a net program growth of \$1,141.2 million (12.5 percent). Major program changes between FY 2001 and FY 2002 include the following:

- A transfer in of \$210.3 million from the Overseas Contingency Operations Fund (OCOTF). Beginning in FY 2002, funds to finance the incremental cost of contingency operations in Southwest Asia are included in Services' accounts vice the OCOTF since Southwest Asia operations have become more stable and predictable.
- A transfer in of \$11.7 million from the Operation and Maintenance, Army Reserve (OMAR) appropriation to provide Lane Training Support to the Reserve Component (RC) during annual training. The Active Component (AC) is the Executive Agent for the RC Annual Lane Training program.
- A transfer in of \$7.2 million from the Research, Development, Test and Evaluation (RDTE) appropriation to properly align funding for the maintenance of the Joint Simulation Systems (JSIMS) as a sustainment cost. A transfer out of \$20.5 million to Budget Activity 4, Administration and Servicewide, to properly align Computer Emergency Response Teams (CERTS) with resources supporting the Information Assurance Program. An increase of \$51.1 million for projected increases in energy costs above standard inflation rates due to significant price increases for natural gas and electricity.

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- An increase of \$445.4 million in Base Operations Support to fund 96 percent of estimated total requirements for logistics, engineering, personnel, and community services on Army installations. This funding level minimizes the risk of funding migration from OPTEMPO programs.
- An increase of \$304.3 million in Facilities Sustainment, Restoration, and Modernization (SRM) for Army maintenance and repairs to facilities that have been neglected in past years due to funding constraint. This includes an increase of \$40.3 million for SRM in the European Command to properly sustain maintenance facilities, training facilities, administration space, barracks, and other real property infrastructure essential to force readiness. This increase will allow the Army to fund 94 percent of minimum essential sustainment requirements.
- An increase of \$33.4 million for Organizational Clothing and Individual Equipment based on latest actual execution data (using a 3-year moving average of demands).
- An increase of \$75.6 million in ground and air OPTEMPO costs based on latest execution data (using a 3-year moving average of demand for repair parts, changes in credit rates, and reclassification of consumables and reparable parts).
- An increase of \$19.7 million for Millennium Challenge to demonstrate the concept of rapid operations as defined in the Joint Vision 2020 and as directed by Congress.
- An increase of \$27.9 million for the additional cost to operate and maintain Light Assault Vehicles/Infantry Assault Vehicles for the new Medium Infantry Brigade Teams (IBCT) at Fort Lewis, WA, which supports the Army's Transformation efforts to restructure the current force to a visionary, highly deployable force.
- An increase of \$19.7 million for increased personnel and equipment transportation costs for airlift, air charter, sealift, and installation fees during combat training center rotations.
- An increase of \$19.4 million to provide contract logistic support for the fielding and sustainment of specific Training Aids, Devices, Simulators and Simulations to include the Warfighting Rapid Acquisition Program, Combat Synthetic Training Assessment Range, and the Tactical Engagement Systems.
- An increase of \$17.6 million for Reserve Component training support: \$14.9 million increase in Force Readiness Operations Support for lane training costs to enable RC to meet minimum training requirements and \$2.7 million in OPTEMPO to operate and maintain ground support equipment (HUMMV's and Trucks) used to monitor and track training.
- An increase of \$12.0 million for the Unmanned Aerial Vehicles to cover the operation and sustainment of the new aerial reconnaissance vehicles being fielded to tactical units.
- An increase of \$6.2 million due to one more pay day for civilians in FY 2002.
- An increase of \$17.6 million for the fielding of medical equipment to hospital and non-hospital units to achieve a balanced, operational capability and sustainment.
- An increase of \$119.0 million for Depot Maintenance missile systems accessories, components and ground support equipment for the Patriot.

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- An increase of \$23.0 million for Depot Maintenance (other end items) railway power and support equipment, tactical vehicles, and other automotive end items.
- An increase of \$36.8 million for training modernization initiatives essential to Army Transformation efforts and to meet training readiness requirements. An increase of \$4.0 million for the sustainment of the Distributed Common Ground System, Army (DCGS-A), formerly Tactical Exploitation of National Capabilities (TENCAP).
- An increase of \$19.0 million for Contract Logistics Support (CLS) required for the sustainment of 68 loaner Light Armored Vehicles (LAV) as part of the International Loan Agreements between the United States and Canada.
- An increase of \$47.5 million for emergent antiterrorism and force protection requirements in order to mitigate force protection vulnerabilities. This increase is required for control access to Army installations.
- An increase of \$31.5 million to properly support overseas environmental compliance programs that have been neglected over the years.
- An increase of \$4.7 million to stand-up the School Liaison Office in support of the Army Family Action Plan.
- An increase of \$15.5 million for utility privatization, which includes recapitalization of the Army's antiquated utility systems and the associated enhanced operation and maintenance support thereafter.
- A decrease of \$300.0 million to OPTEMPO (ground, \$-279 million and air, \$-21 million) as the Army accepts minor risk to stabilize facility deterioration. The FY 2002 amended budget request funds the ground OPTEMPO home station/simulator training program at 730 M1 tank miles and the Flying Hour Program at 14.0 hours per crew per month.
- A decrease of \$13.2 million to support Army's conversion to a Force XXI structure, which includes one less maneuver company per tank and mechanized infantry battalion.
- A decrease of \$13.8 million due to reduced overall operational costs for the Army Global Command and Control System.
- A decrease of \$33.4 million for the Army Experimentation Campaign Plan (AECPP) for a reduction in contract support for modeling, simulation, and analysis.
- A decrease of \$40.6 million in estimated savings associated with A-76 competitions in previous years.
- A decrease of \$8.3 million for Battle Labs due to an anticipated decline in the participation of experimental activities.
- A decrease of \$18.6 million in Depot Maintenance for aircraft due to reduced requirements to support older rotary wing aircraft, acceleration of phased retirement of the UH-1 helicopters, and reprioritization of depot maintenance for selected aircraft.
- A decrease of \$30.1 million in Depot Maintenance (post production software support) based on latest execution.
- A decrease of \$27.5 million in Depot Maintenance for the Bradley Fighting Vehicle (BFV) based upon the change in the Army depot priority assigned to this system and the incorporation of the BFV into the Depot Recapitalization Program (the quantity decreases from 168 to 29 in FY 2002). A decrease of \$14.6 million for Weapons of Mass Destruction is primarily due to one-time congressional plus-ups in FY 2001. The FY 2002 funding represents sustainment costs.

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Budget Activity 2: Mobilization

	(\$ in Millions)					
<u>FY 2000</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2002</u> <u>Estimate</u>
592.2	-20.7	+6.5	578.0	+15.9	-12.0	581.9

The FY 2002 budget request of \$581.9 million for the Mobilization budget activity provides funding for the Strategic Mobilization mission in support of crisis response through the prepositioning of equipment, the rapid deployment of CONUS based forces, and sustainment of industrial base preparedness.

The FY 2002 budget request increases by \$3.9 million above the FY 2001 funding level. This includes a price growth of \$15.9 million and a net program decrease of \$12.0 million (-2.0 percent). Major program changes between FY 2001 and FY 2002 include the following:

- An increase of \$12.0 million for Army Prepositioned Stocks Afloat to support cyclic maintenance on prepositioned cargo aboard ships.
- An increase of \$2.3 million for Army Prepositioned Stocks in Europe to repair and maintain excess equipment for issue/transfer to Afloat, Korea, and Southwest Asia.
- An increase of \$7.7 million for shelf-life testing and sustainment costs of Army Prepositioned Stocks in Continental U.S. (CONUS).
- An increase of \$4.8 million for Army Prepositioned Stocks in Pacific (non-ammunition) to support maintenance requirements in Korea.
- A decrease of \$30.0 million for Industrial Mobilization Capacity. This decrease is due to a one-time congressional increase (\$11.5 million) for the Rock Island Arsenal in FY 2001 and a program decrease (\$18.4 million) for declining workload at the Watervliet Arsenal.
- A decrease of \$5.1 million for Deployment Outload due to CONUS infrastructure improvement projects approaching scheduled completion.
- A decrease of \$2.1 million for Army Prepositioned Stocks in Pacific (ammunition) funds the ammunition program at reduced levels.

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Budget Activity 3: Training and Recruiting

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
3,393.8	+80.9	-28.5	3,446.2	+72.0	+580.1	4,098.3

The FY 2002 budget request of \$4,098.3 million for the Training and Recruiting budget activity supports funding requirements for three Activity Groups: Accession Training, Basic Skill and Advanced Training, and Recruiting and Other Training and Education. These resources provide the cornerstone for the Army's ability to attract, recruit, and produce a trained force to meet the Army's mission.

The FY 2002 request increases by \$652.1 million above the FY 2001 funding level. This includes price growth of \$72.0 million and a net program growth of \$580.1 million (16.5 percent). Major program changes between FY 2001 and FY 2002 include the following:

- A transfer in of \$8.0 million from the Defense Security Cooperation Agency to finance training at the Africa Center
- A transfer in of \$2.3 million from Budget Activity 1, Operating Forces, for proper alignment to support language-training funds.
- An increase of \$34.7 million for projected increases in energy costs above standard inflation rates and to properly fund utility costs despite prior over-estimates of privatization savings.
- An increase of \$74.1 million for Flight Training based on latest actual execution data.
- An increase of \$12.5 million for 1,768 additional Senior Reserve Officers Training Program scholarships.
- An increase of \$17.2 million to support the Senior Reserve Officers Training Program Alternate Staffing concept.
- An increase of \$5.6 million for the Army Civilian Training, Education, and Development System to support increased training requirements for civilian employees.
- An increase of \$16.5 million to fund increased enrollments in the Army Continuing Education System and Tuition Assistance.
- An increase of \$2.0 million for the National Defense University to establish office space for the Africa Center.
- An increase of \$21.1 million for Training and Doctrine Command Transformation requirements to restructure the way the institutional Army trains and accesses soldiers and officers.
- An increase of \$46.3 million for Training Support systems for training services, products, and programs that support individual and collective training.
- An increase of \$51.6 million for recruiter support and advertising to support Recruiting Companies, Partnership for Youth Success increased contract costs for the Army's new advertising, and information technology in support of the accession mission.

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- An increase of \$70.1 million in Base Operations Support to fund 96 percent of estimated total requirements for logistics, engineering, personnel, and community services on Army installations. This increase will reduce the risk of funding migration from OPTEMPO programs.
- An increase of \$60.0 million in Facilities Sustainment, Restoration, and Modernization (SRM) for Army maintenance and repair of facilities that have been neglected in past years due to funding constraint. This increase will allow the Army to fund 94 percent of estimated total requirements.
- An increase of \$19.5 million for emergent antiterrorism and force protection requirements in order to mitigate force protection vulnerabilities. This increase is required for controlled access to Army installations.
- An increase of \$52.2 million for utilities modernization requirements and heating plant projects at various training and doctrine commands installations to ensure safety and environmental compliance, primarily at Forts Gordon, Lee, and Sill; and upgrade the old steam distribution system at Carlisle Barracks.
- An increase of \$7.7 million for Army University Access Online training to provide soldiers at Fort Hood, TX; Fort Campbell, KY; and Fort Benning, Georgia, the opportunity to pursue academic, post-secondary education, and technical certification via the internet.
- An increase of \$58.1 million for the Joint Recruiting Facilities program to fund the increased costs for leases, utilities, forced relocations, and other support costs.
- An increase of \$5.5 million for essential renovation and repair requirements at the Military Entrance Processing Command at Fort Jackson, South Carolina, to ensure compliance with building, health, and safety codes.
- An increase of \$5.4 million to establish 45 additional Junior Recruiting Officers Training Corps (JROTC) units in schools.
- A decrease of \$16.3 million for Specialized Skill due to a net reduction of 516 in direct training loads primarily in the enlisted initial skill training and enlisted skill progression training.
- A decrease of approximately \$20.0 million in base operations support as a result of A-76 studies, facilities reduction initiative for demolition, and other fact-of-life adjustments.

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Budget Activity 4: Administration and Servicewide Activities

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
6,453.6	+89.5	-889.1	5,654.0	+62.7	+526.2	6,242.9

The FY 2002 budget request of \$6,242.9 million for the Administration and Servicewide budget activity supports funding requirements for four Activity Groups: Security Programs, Logistics Operations, Servicewide Support, and Support of Other Nations. These activity groups provide resources for the administration, logistics, communications, and other Servicewide support functions for Army forces worldwide.

The FY 2002 request increases by \$588.9 million above the FY 2001 funding level. This includes a price growth of \$62.7 million and a net program increase of \$526.2 million (9.2 percent). Major program changes between FY 2001 and FY 2002 include the following:

- A transfer in of \$20.5 million from Budget Activity 1, Operating Forces, to properly align Land Information Warfare Activity (LIWA) Computer Emergency Response Teams (CERTS) with resources supporting the Information Assurance Program.
- An increase of \$21.4 million for projected increases in energy costs above standard inflation rates due to significant price increases for natural gas and electricity.
- An increase of \$23.0 million in Second Destination Transportation to support Army Transformation, recapitalization, and equipment movement for force modernization.
- An increase of \$250.0 million to increase the availability of readiness spares to meet strategic sustainment level and demand base.
- An increase of \$63.6 million in Sustainment, Restoration, and Modernization (SRM) in order to increase funding support for critical maintenance and repair to 94 percent of requirements.
- An increase of \$25.7 million to fund a utilities modernization project, which will replace the heating plant at Redstone Arsenal.
- An increase of \$12.6 million for fielding and sustaining Joint Computer Aided Acquisition and Logistics Support (JCALS) sites.
- An increase of \$157.5 million in Base Operations Support to fund 96 percent of estimated total requirements for logistics, engineering, and administrative support; reducing the risk of funding migration from OPTEMPO accounts.
- An increase of \$10.8 million in Ammunition Management to support near-term readiness functions of receipt, issue, and transportation, and long-term readiness support such as depot surveillance, ammunition stockpile reliability, and maintenance.
- A decrease of \$21.6 million in Security Programs due to an predicted reduction in the backlog of personnel security investigations.
- A decrease of \$42.2 million in Logistics Support Activities to sustain minimum levels of logistics support based on execution.
- A decrease of \$24.0 million for Pentagon Reservation due to reduced number of startup renovation projects for FY 2002.

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(\$ in Millions)						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
23,433.0*	+1,325.6	-954.7	23,803.9	+357.5	+2,800.0	26,961.4

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

The Operation and Maintenance, Navy (O&M,N) appropriation finances the day-to-day costs of operating naval forces, including fuel, supplies, and maintenance of ships, Navy and Marine Corps aircraft, related weapon systems, and the support establishment ashore. The primary focus of the Department's FY 2002 budget is to continue to ensure the readiness of deployed forces. These resources will allow the Department to achieve our readiness goals for ship and aircraft operations and aircraft depot maintenance. Ship depot maintenance is funded at 90 percent against a readiness goal of 96 percent.

The FY 2002 estimate of \$26,961.4 million includes a price increase of \$357.5 million. This price increase primarily results from increases in Working Capitol Fund (WCF) rates (\$144.2 million), civilian pay raises (\$127.1 million), and general inflation changes (\$154.4 million), offset by decreases in fuel costs (\$68.2 million). This budget reflects an overall program increases of \$2,800.0 million (+11.8 percent).

Budget Activity 1: Operating Forces

(\$ in Millions)						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
16,712.3	+1,131.8	-770.4	17,073.7	+190.2	+2,237.5	19,501.4

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

The FY 2002 budget estimate of \$19,501.4 million includes a price increase of \$190.2 million and program increases totaling \$2,237.5 million (+13.1 percent). Major program changes include:

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- Functional transfer out includes \$38.9 million for depot maintenance on the T-45 training aircraft (airframes and T-405 engines) to the Flight Training program (BA-3). Functional transfer in includes \$209.3 million from the Overseas Contingency Operations Transfer Fund (OCOTF) to finance the incremental cost of contingency operations in Southwest Asia (SWA) within the Navy's account since SWA operations have become more stable and predictable.
- Air Operations increases overall by \$961.1 million, including net price decreases of \$92.5 million. In addition to the functional transfer of \$177.0 million from OCOTF, major program changes include an increase in the Flying Hour Program for additional hours required to reach optimum Primary Mission Readiness (PMR) of 83 percent (with simulator contribution of 2 percent) and for increased usage of aviation depot level repairables (AVDLRs) (\$489.7 million); increased number of Standard Depot Level Maintenance actions (SDLMs), engine overhaul/repairs and other aviation maintenance (\$194.0 million); and an increase for Enterprise Resource Planning initiatives, which are designed to reengineer and standardize business processes, integrate operations, optimize management of resources and implement regional maintenance (\$22.6 million).
- Ship Operations increases overall by \$781.2 million, including net price increases of \$150.3 million. In addition to the functional transfer of \$28.6 million from OCOTF, increases include per diem costs due to the transition of AOE-6 to the Military Sealift Command (\$32.3 million); additional nuclear fuel core processing (\$15.5 million); increases to ship depot maintenance to accomplish a higher percentage of identified requirements and reduce deferred maintenance (\$462.0 million); and additional Fleet Modernization Program efforts (\$56.5 million). Offsetting these increase are reductions due to fewer Tarawa class amphibious assault ship (LHA) Mid-Life modernization actions (\$-32.5 million) and changes in force structure (\$-37.5 million).
- Combat Operations and Support increases overall by \$109.9 million, including net price increase of \$27.6 million. In addition to the functional transfer of \$1.1 million from OCOTF, the increase includes funds for additional support for various satellite communication programs (\$38.2 million); extended maintenance period for the cable ship USNS Zeus (\$7.6 million); enhancements for Tactical Training Ranges (\$8.0 million); improved command, control, communications, computers and intelligence (C4I) capabilities (\$9.8 million); and increased support to the Unified Commanders (\$16.8 million) including Navy-Marine Corps Intranet (NMCI) support (\$12.0 million). There is a decrease for civilian compensation primarily through Strategic Sourcing savings (\$-10.2 million).
- Weapons Support increases overall by \$11.5 million, including net price increases of \$12.1 million. In addition to the functional transfer of \$1.2 million from OCOTF, the major change to the program is the reduced recertification of Trident II (C-4) missiles (\$-39.0 million) with a corresponding increase in Trident II (D-4) missile support (\$37.0 million).
- Real Property Maintenance increases by \$154.6 million, which is comprised of price increases of \$15.4 million and program increases of \$139.2 million, primarily to slow the growth in the backlog of maintenance and repair in such areas as dredging,

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airfield pavement and joint repair, pier fender piles, airfield lighting, fire protection upgrades in hangars, utility system repairs and improvements, seismic upgrades, asbestos abatement, and dry dock repairs.

- Base Support increases by \$418.1 million, including \$78.6 million in price growth. Primary program changes include force protection upgrades (\$45.7 million); increased utility requirements (\$46.2 million); base support contract cost increases (\$16.5 million), and an overall increase in base support to reach a C2 readiness level in mission operations (air and port operations, utilities and force protection) and a C3 readiness level in all other base support functions (\$221.9 million). For base support, C-level readiness ratings equate to the percentage of full mission requirement funded. At the C2 readiness level, 90-94 percent of requirements are funded. At the C3 readiness level, 85-89 percent of the requirements are funded.

Budget Activity 2: Mobilization

<u>(\$ in Millions)</u>						
<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
749.0	+2.1	-27.5	723.6	+70.7	+21.7	816.0

The Mobilization budget activity maintains assets that will support forces that rapidly respond to unforeseen contingencies throughout the world. Also funded are the maintenance, overhaul, and calibration of Navy-Type Navy-Owned (NTNO) equipment installed on Coast Guard ships and aircraft. Additionally, this program funds the inactivation of ships, submarines, and aircraft and includes the maintenance of selected inactive ships and aircraft as well as material disposal costs.

The FY 2002 budget estimate of \$816.0 million includes a price increase of \$70.7 million and program increases of \$21.7 million (+2.7 percent). Major program changes include:

- Full year funding of two additional Maritime Prepositioned Forces - Expeditionary (MPF-E) ships (\$13.2 million).
- One-time withdrawal of 14 F-16 adversary aircraft from inactive status for re-entry to the fleet (\$2.6 million).
- Increase due to revised mix and number of submarine inactivations and the decontamination of a submarine tender, offset by six fewer conventional ship inactivations in FY 2002 than FY 2001 (\$5.6 million).

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Budget Activity 3: Training and Recruiting

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
1,862.3	+71.5	+99.3	2,033.1	+35.9	+81.8	2,150.8

The Training and Recruiting budget activity funds all centrally managed or directed individual training required to meet Navy training standards. This includes accession training, basic skills training, and professional military education provided at the Naval War College, the Naval Postgraduate School, and the Armed Forces Command and Staff College. It also includes Navy recruiting and advertising, centralized civilian training programs, the Junior Navy Reserve Officer Training Corps, and all base operating support for the above programs. Team training for ships of battle groups is funded in the Operating Forces budget activity, as is all advanced and refresher flight training and aircraft carrier qualifications.

The FY 2002 budget estimate of \$2,150.8 million reflects includes a price increase of \$35.9 million and program increases of \$81.8 million (+4.0%). Major program changes include:

- Functional transfer of maintenance costs for the T-45 training aircraft from Aircraft Depot Maintenance (BA-1) into Flight Training and an increase in operations and support cost for 13 new T-45 aircraft (\$44.0 million). Decreases are budgeted for reduced Pilot Training Rates due to a decline in the number of Harrier squadrons from 20 in FY 2001 to 16 in FY 2002 (\$-10.0 million).
- Basic Skills and Advanced Training increases to support curriculum development and classroom equipment upgrades primarily to meet demand for training in new command and control systems (\$14.1 million). Decreases are budgeted for model and prototyping of distance learning technologies (\$-9.0 million).
- Recruiting and Other Training and Education programs have a net increase of \$9.1 million reflecting compliance with DoD guidance on education and staffing of the acquisition workforce (\$3.5 million) and increased participation and higher tuition reimbursement costs in the voluntary education program (\$3.8 million). The balance of the program change is attributable to an increase in the recruiting and advertising program, primarily for extending advertising to local markets and target audiences (\$1.8 million). The budget maintains support costs for a production recruiter force of 5,000.
- Base Operations reflects a net increase of \$36.1 million, including price change of \$7.5 million and program increases totaling \$28.6 million. The program increases fund initiatives to enhance shore installation facilities to achieve a C2/C3 level of readiness (\$22.6 million) and to provide for increased utility costs at bases purchasing commercial utilities at existing facilities (\$5.2 million) and for utility costs at new buildings (\$0.8 million).

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Budget Activity 4: Administrative and Servicewide Activities

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
4,109.4	+120.2	-256.1	3,973.5	+60.8	+458.8	4,493.1

The Administration and Servicewide Activities budget activity funds shore based activities required for the effective operation of the Department of the Navy. The general services provided include administration and personnel support, engineering and acquisition support, security and investigative support, humanitarian and civic support, centralized transportation, communications services, and base operating support.

The FY 2002 budget estimate of \$4,493.1 million includes a price increase of \$60.8 million and net program increases of \$458.8 million (+11.5%). Major programmatic changes are discussed below.

- Transfers in including \$62.3 million for the Naval Reserve Information System Office (NRISO) from O&M, Navy Reserve appropriation; \$6.9 million for the Defense Integrated Military Human Resources System (DIMERS) from the O&M, Defense-wide appropriation; \$7.8 million from the Defense Working Capital Fund for the Naval Air Systems Command Industrial Operations Division; and \$9.3 million from the Overseas Contingency Operations Transfer Fund (OCOTF) to the Navy baseline (\$7.3 million). Transfers out including \$8.3 million for the AV-8B Self Contained Approach program to the RDT&E, Navy appropriation; \$6.0 million for the Joint Counterintelligence Assessment Group to the RDT&E, Navy appropriation; and \$3.1 million for the Configuration Management Information System, Joint Engineering Data Management Information and Control programs to the RDT&E, Navy appropriation.
- Servicewide Support increases overall by \$263.7 million, including net price increases of \$13.2 million. In addition to the functional transfer of \$70.5 million for the NRISO, DIMHRS, and OCOTF programs, includes \$180.0 million in net program growth described below.
 - The Administration activity includes program increases to finance estimated Defense Finance and Accounting Service costs (\$11.8 million); to establish the Navy eBusiness Operations Office (\$11.9 million); to improve financial and feeder systems and ensure compliance with the Chief Financial Officer's (CFO) Act (\$9.7 million), to centralize funds required to pay new Defense Travel Service contract fees (\$16.0 million), and to procure and issue Common Access Cards (\$5.8 million). Offsetting these increases are reductions due to the one-time FY 2001 Metro entrance facility project (\$-2.3 million), savings associated with implementing NMCI (\$-6.5 million), and a decline in the number of strategic sourcing studies conducted (\$-13.1 million).

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- The Other Personnel Support activity includes an increase of \$11.0 million to settle obligations with the Government of Bermuda related to maintaining Longbird Bridge.
- The Servicewide Communications activity includes program increases associated primarily with the Navy Marine Corps Intranet (NMCI) effort (\$75.2 million), Tier One communications costs to the Defense Information Systems Agency (\$36.6 million), Defenses Messaging System (DMS) transition costs (\$14.9 million), Mobile User Objective System (MUOS) program support (\$5.1 million), Naval Computer and Telecommunications Command (NCTC) contractual support (\$5.8 million), Base Level Information Infrastructure connectivity and O&M costs (\$7.7 million), and the DoD Teleport program (\$10.0 million). These increases are offset by savings associated with the one-time effect of congressional increases for Biometrics support in FY 2001 (\$-3.0 million), NMCI implementation (\$-6.2 million), the rephasing of IT-21 Command and Control programs (\$-3.4 million), the decrease in Tactical Switching and Element Management System legacy system support (\$-2.1 million), and the transfer of Naval Computer and Telecommunications Station, (NCTS) San Diego (\$-3.4 million).
- Logistics Operations and Technical Support increases overall by \$160.0 million, including net price increases of \$31.2 million. In addition to the functional transfers of \$8.0 million from OCOTF, \$1.2 million to the Naval Security Group, and \$11.4 million to the RDT&E, Navy appropriation, increases include additional resources for Program Related Logistics (PRL) and Program Related Engineering (PRE) in Air Systems Support (\$107.5 million); environmental, energy conservation and hazardous waste abatement programs (\$8.0 million), and an increase to a classified program (\$11.5). Program decreases include terminating the NAPALM disposal program (\$-11.1 million).
- Security Programs increases overall by \$38.1 million, including net price increases of \$12.1 million. Major program increases support force protection and information security requirements (\$20.5 million).
- Base Support increases overall by \$56.2 million, including net price increases of \$2.9 million. Major program increases include funding to restore the program to the FY 2000 funded level (\$200.8 million) to support initiatives to enhance shore facilities to achieve C2/C3 level of readiness. Included in the program increase is \$4.7 million associated with one-time FY 2002 costs for collateral equipment associated with military construction projects.

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(\$ in Millions)						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
2,775.3*	+99.6	-31.7	2,843.2	+53.7	-4.6	2,892.3
* Includes funds from transfer accounts (e.g., Overseas Contingency Operations Transfer Fund, Drug Interdiction and Counterdrug Activities, Defense, and Environmental Restoration, Navy)						

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

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

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

Shore facilities receiving funding support from this appropriation are: 3 major bases; 2 recruit depots; 11 air installations; 1 Marine Corps Combat Development Command; 1 Marine Corps Systems Command; 1 Marine Corps Air-Ground Combat Center; and 2 Expeditionary Warfare Training Groups. These facilities are being maintained at standards that will permit effective utilization, avoid major replacement costs, and allow operation and maintenance on an economical and effective basis.

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

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

The FY 2002 budget request of \$2,892.3 million reflects a net increase of \$49.1 million from the FY 2001 funding level. The change includes \$53.7 million in price growth and a \$4.6 million (-0.2 percent) net decrease in functional transfers and program changes. The detailed explanations of the transfers and program changes are explained below:

Budget Activity 1: Operating Forces

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
2,070.8	79.6	-49.8	2,100.6	44.4	-24.6	2,120.4

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

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

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

The FY 2002 budget request of \$2,120.4 million for Operating Forces reflects a net increase of \$19.8 million from the FY 2001 funding level. The increase includes \$44.4 million in price growth and a \$24.6 million (-1.2 percent) net decrease from transfers and program changes. Major program changes in FY 2002 include an increase of \$35.9 million for the transition to and the fielding of the Navy Marine Corps Intranet (NMCI); an increase of \$26.9 million for installation reform costs; an increase of \$4.0 million for increased strategic lift to support operating forces training; an increase of \$4.9 million to support the Marine Corps participation in the

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Joint Experiment Millennium Challenge 02; and an increase of \$5.0 million to offset a reduction in the Government of Japan funding support. These increases are offset by a decrease of \$65.0 million associated with one-time congressional increases for maritime repositioning ship spares, corrosion control and equipment maintenance, initial issue gear, lightweight maintenance enclosure, extended cold weather clothing system, modular command post system, Joint Nuclear, Biological and Chemical (NBC) defense equipment, and the ultra lightweight camouflage netting system (ULCANS); a decrease of \$30.0 million associated with the carryover of one-time funding for Facilities Sustainment, Modernization and Restoration included in the FY 2000 Emergency Supplemental; and a decrease of \$2.4 million for operations in East Timor.

Budget Activity 3: Training and Recruiting

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
450.0	10.2	-1.4	458.8	8.6	16.3	483.7

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

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

This budget activity also funds training support for costs associated with travel and per diem for those Marines attending Service and civilian schools away from their permanent duty stations; expenses incurred in developing a proficient recruiting force; costs for advertising media and market analysis; costs for training support equipment, audiovisual aid, computer-assisted training programs, and

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direct administrative support to the training management functions and the Marine Corps Institute; injury compensation payments; and procurement of collateral equipment required to initially outfit new military construction projects at Marine Corps bases.

The FY 2002 budget request of \$483.7 million for Training and Recruiting reflects a net increase of \$24.9 million from the FY 2001 funding level. The increase includes \$8.6 million in price growth and a \$16.3 million (3.5 percent) net increase from functional transfers and program changes. Major program changes in FY 2002 include an increase of \$0.5 million associated with Recruit Training to support planned accessions; an increase of \$17.0 million for increased costs of utilities and other base operations support; an increase of \$2.7 million for Facilities Sustainment, Modernization and Repair to arrest the growth of backlog of maintenance and repair (BMAR) for critical infrastructure; an increase of \$1.0 million to support increased Off-Duty and Voluntary Education enrollments; an increase of \$6.0 million for the transition to and the fielding of the Navy Marine Corps Intranet (NMCI); and an increase of \$6.0 million for Recruiting Operations and Advertising campaign in support of increased accessions. These increases are partially offset by a decrease of \$3.0 million associated with a one-time congressional increase for Information Assurance funding associated with studies and analyses at the Marine Corps Research University; a decrease of \$13.3 million associated with the carryover of one-time funding for Facilities Sustainment, Modernization and Restoration included in the FY 2000 Emergency Supplemental; and a decrease of \$0.7 million for savings associated with the Marine Corps Installation Reform Program.

Budget Activity 4: Administration and Servicewide Activities

FY 2000	Price	Program	(\$ in Millions)			FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
254.5	9.8	19.4	283.7	0.7	3.9	288.3

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

The Special Support activity group provides funding for the support of Marine Corps prisoners confined at the Army Disciplinary Command, Fort Leavenworth, Kansas; the Marine Band located at the Marine Barracks, 8th and I Streets, Washington, DC; and Quality-of-Life (QOL) programs such as Childcare, Youth Development and Family Service Centers. Special Support also finances the administration of missions, functions and worldwide operations of the Marine Corps and Marine Security Guards. Cost of operations includes civilian personnel salaries, Defense Finance and Accounting Service (DFAS) reimbursement, automatic data processing, printing and reproduction, civilian and military travel, and personnel services on a Marine Corps-wide basis.

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

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

The FY 2002 budget request of \$288.3 million for Administration and Servicewide Activities reflects a net increase of \$4.6 million from the FY 2001 funding level. This increase includes \$0.7 million in price growth and a \$3.9 million (1.4 percent) net increase from transfers and program changes. Major changes in FY 2002 include an increase of \$2.8 million in Marine Security Guards funding for opening additional detachments; an increase of \$1.4 million for funding the Marine Corps Heritage Center; an increase of \$1.0 million for Defense Security Service (DSS) funding for additional security investigations; an increase of \$1.7 million to improve Financial Management Systems and to strengthen the audit capacity of the systems; and an increase of \$1.0 million for transportation of ammunition movements, equipment movements, and maritime prepositioning ships program movements. These increases are partially offset by a decrease of \$1.2 million for one-time cost associated with the Defense Property Accountability System (DPAS); and a decrease of \$2.8 million in the amount charged to the Marine Corps for their share of the Pentagon Reservation Maintenance Revolving Fund (PRMRF).

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<u>(\$ in Millions)</u>						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
22,226.8	+1,114.2	-1,098.1	22,242.9	+826.1	+3,077.8	26,146.8

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

The FY 2002 O&M budget request of \$26,146.8 million contains an overall increase of \$3,903.9 million above the FY 2001 funding level. The increase includes \$826.1 million in price growth and \$3,077.8 million (+13.3 percent) in functional transfers and program growth. The major pricing changes from FY 2001 to FY 2002 include increases of \$239.3 million for purchases from the Air Force Supply Management Activity Group, \$183.5 million for personnel pay raises, and \$152.5 million for depot maintenance. The single major functional transfer in FY 2002 is the transfer from the Overseas Contingency Transfer Fund (OCOTF) into Air Force O&M of \$657.9 million for Southwest Asia (SWA) contingencies. The Overseas Contingency Operations Transfer Fund (OCOTF) is used to finance contingency operations that are so variable in their scope, duration, intensity they cannot be financed via DoD Component appropriations without causing a readiness impact. The SWA operation has become stable enough that it can be financed via DoD Components' appropriations. Therefore, beginning in FY 2002 SWA requirements will cease to be funded via the OCOTF.

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Budget Activity 1: Operating Forces

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
11,641.3	+558.9	-693.2	11,507.0	+470.9	+2,098.6	14,076.6

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

Major changes included in the FY 2002 budget request of \$14,076.6 million are:

- Price increase of \$470.9 million.
- Net functional transfers in totaling \$398.4 million driven primarily by a transfer in of \$420.8 million for SWA contingency operations from OCOTF. In recognition of the relatively stable operating tempo of Southwest Asia operations, the DoD transferred the contingency operations into the Services' baseline. The major transfer out is \$27.0 million for competition and privatization to reflect decisions not to outsource programs such as Precision Measurement Equipment Laboratory and corrosion control.
- Increase of \$819.0 million for the flying hour program to reflect estimates based on annual cost factor updates and historic cost per flying hour trends.
- Increase of \$280.0 million for contractor logistics support for aircraft including the F-15A/B/C/D, F-16, B-52, B-1, and U- 2 and for unmanned aircraft.
- Increase of \$81.6 million for additional sustainment of facilities to include funding necessary day-to-day recurring maintenance of real property facilities and infrastructure.
- Increase of \$80.0 million for increased base support including \$33.0 million for higher utility costs.
- Increase of \$70.0 million to support early warning sites.

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- Increase of \$48.0 million for sustainment of readiness training including full funding for six combat training missions and training range modernization.
- Increase of \$45.6 million for increased base support funding for force enablers such as vehicle maintenance, mess hall attendants, library, and linen contracts.
- Increase of \$34.1 million for the F-16 Engine Safety Upgrade; completes replacement of engine parts to prevent engine in-flight failure two and one half years earlier than planned.
- Increase of \$37.4 million for base communications to support Land Mobile Radio migration to narrow band, to pay for increased core network contract costs, to expand electronics records management, and to support Combat Ammunition System hardware and maintenance.
- Increases of \$32.7 million for the demolition of excess structures.
- Increase of \$32.0 million to support the stand-up of the Evolved Expendable Launch Vehicle and maintenance of the space lift ranges at Patrick Air Force Base.
- Increase of \$30.1 million for nuclear, biological, chemical defense program in support of the Expeditionary Air Force including individual protection equipment, decontamination kits, and aircrew and ground crew ensembles.
- Increase of \$29.9 million reflecting increased funding for B-1 sustaining engineering (\$+77.7 million) offset by savings (\$-47.8 million) due to consolidation of the B-1 aircraft from five to two sites.
- Increase of \$26.2 million in Depot Maintenance for the A-10 Hog-Up Structural Repair Program.
- Increase of \$20.1 million to support the Air Force Space Analysis Center for analysis of space capabilities and development of future space requirements and operation deployments.
- Increase of \$19.0 million for the E-4B National Airborne Operations Center scheduled programmed depot maintenance and purchase of super high frequency components due to diminishing manufacturing sources.

Budget Activity 2: Mobilization

<u>(\$ in Millions)</u>						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
3,111.9	+291.5	-279.2	3,124.2	+153.0	+340.8	3,618.0

The Mobilization budget activity includes the following activity groups that support the Air Force Mobility Operations: Airlift Operations; Airlift Operations Command, Control, Communications and Intelligence (C3I); Mobilization Preparedness; and Payment to the Transportation Business Area. Mobility Operations provides global mobility through strategic and theater airlift to support

AIR FORCE

peacetime, contingency, humanitarian, and wartime operations in pursuit of national objectives. The rapid movement and sustainment of United States combat forces anywhere in the world to deter aggression or provide humanitarian/peacekeeping assistance is a major instrument of the U.S. national security policy. The Joint Chiefs of Staff (JCS), the Military Services, and other Department of Defense (DoD) and government agencies depend heavily on the Air Force’s Mobility Operations for essential cargo and troop movements in support of a variety of missions.

Major changes included in the FY 2002 budget request of \$3,618.0 million are:

- Price increase of \$153.0 million.
- Net functional transfers of \$146.8 million which includes a transfer in of \$164.3 million for Southwest Asia contingency operations offset by a transfer out of \$12.3 million for competition and privatization savings to reflect decision not to outsource programs such as Precision Measurement Equipment Laboratory and corrosion control.
- Increase of \$69.7 million for contractor logistics support. Includes an increase of 10 engine overhauls for the KC-10 due to aging aircraft, an increase in funding to perform the periodic depot inspections required by the Federal Aviation Administration for the C-9 and the C-20 aircraft, and an increase to pay for contract price increases for engine repair of the C-17A training aircraft.
- Increase of \$33.5 million for logistics support for the KC-135 and the C-130 aircraft to cover increased equipment maintenance costs and to purchase technical data, supplies, and reparable.
- Increase of \$19.8 million to reflect estimates based on annual cost factor updates and historic cost per flying hour trends.
- Increase of \$46.8 million for operational support aircraft for leasing, contractor logistics support, fuel, and travel costs for C-37A and C-40B aircraft.
- Increase of \$18.8 million for increased utility costs.
- Increase of \$14.0 million for aircrew training for the C-5, C-17, and C-141 aircrews. Ensures that aircrews train in necessary tasks to gain flying experience, maintain currency, and meet readiness ratings.
- Increase of \$9.5 million for facility sustainment to meet necessary day-to-day recurring maintenance of real property.

Budget Activity 3: Training and Recruiting

<u>(\$ in Millions)</u>						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
2,033.3	+105.9	+71.6	2,210.8	+53.1	+235.8	2,499.7

AIR FORCE

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

Major changes included in the FY 2002 budget request of \$2,499.7 million are:

- Price increase of \$53.1 million.
- Net program transfers of \$22.4 million including a transfer in of \$16.3 million in base support as Lackland Air Force Base assumes residual portions of Kelly Air Force Base support as Kelly closes.
- Increase of \$46.0 million for increased mission critical training driven by Air Force accession rates and increased promotion objective to address retention problems.
- Increase of \$37.0 million for instruction and logistics support contracts for undergraduate flying hour training production.
- Increase of \$31.0 million for the flying hour program to reflect estimates based on annual cost factor updates and historic cost per flying hour trends.
- Increase of approximately \$44.8 million in Base Support and Facilities Sustainment, Restoration, and Modernization costs as a result of change in approach in competitive sourcing and cancellation of A-76 studies for programs such as Precision Measurement Equipment Laboratory (PMEL) and Corrosion Control.
- Increase of \$23.0 million to support recruiting and advertising including video production, Internet media, and 1,650 recruiters.
- Increase of \$10.3 million for Officer and Enlisted Professional Military Education to support increased attendance at the Airman Leadership Schools and Non-Commissioned Officer Academy.
- Increase of \$13.0 million for one-time costs for dorm refurbishing requirements at the Air Education and Training Command (AETC) to house an additional Basic Military Training Squadron in order to meet Air Force Enlisted Accession goals, and for the new Officer Training School Facility, and for the 120-room dorm expansion and Commissioned Officer Training academic facility.

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- Increase of \$8.3 million for Junior Reserve Officer Training Corps (JROTC) instructor pay and support and for 58 additional JROTC units as the program is projected to increase by 8,550 students between FY 2001 and FY 2002.

Budget Activity 4: Administration and Servicewide Activities

<u>(\$ in Millions)</u>						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
5,440.3	+157.9	-197.3	5,400.9	+149.1	+402.3	5,952.3

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

Major changes included in the FY 2001 budget request of \$5,952.5 million are:

- Price increase of \$149.1 million.
- Net functional transfers in of \$64.0 million include transfers in of \$66.3 million for Southwest Asia contingency operations, of \$12.0 million for counterintelligence and security offset, and of \$2.0 million for miscellaneous transfers. These are offset by the transfer out of \$16.3 million to Budget Activity 3 Base Support as Lackland Air Force Base assumes residual portions of Kelly Air Force Base support as Kelly closes.
- Increase of \$235.0 million for Depot Maintenance Quarterly Surcharge.
- Increase of \$107.8 million for classified programs.

OPERATION AND MAINTENANCE, DEFENSE -WIDE

<u>(\$ in Millions)</u>						
<u>FY 2000</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2002</u> <u>Estimate</u>
11,661.4	+345.6	+116.9	12,123.9	+315.8	+78.9	12,518.6

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

At the summary level, the net change from FY 2001 to FY 2002 for O&M, D-W is an increase of \$394.7 million and includes price growth of \$315.8 million and a net program increase of \$78.9 million (+0.6 percent).

Major Program Changes

Highlights of program changes between FY 2001 and FY 2002 to include functional realignments are as follows:

- Functional Transfers In: Primarily for the functional realignment of responsibility for of contingency operations funding to the United States Special Operations Command (USSOCOM) and Defense Threat Reduction Agency (DTRA) from the Overseas Contingency Operations Transfer Fund; the Terrorist Device Defeat and Balance Survivability Assessments programs to DTRA's O&M, D-W from their Research, Development, Technology and Evaluation, Defense-Wide (RDT&E,D-W) appropriation; the Universal Beneficiary Card program to Defense Human Resource Agency (DHRA) from the Defense Health Program; and the Joint Warfighting Capabilities Assessment program to The Joint Staff (TJS) from the Services.

(\$ in Millions)

+78.9

+53.8

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(\$ in Millions)

- Functional Transfers Out: Primarily for the functional realignment of responsibility for programs such as the Universal Service Fee (USF) to the Defense Information Systems Agency's (DISA) customers, the Defense Environmental Security Corporate Information System (DESCIM) from the Office of the Secretary of Defense (OSD) to the Army, the Defense Integrated Military Human Resources System (DIMHRS) from DHRA to the Navy, the Exercise Northern Edge from TJS to the Services, and the Computer Network Defense from DISA to United States SPACE Command. -52.2
- FY 2001 DoD Appropriations Act congressional adds and earmarks not continued in FY 2002. -233.0
- Classified Agencies: National Imagery and Mapping Agency (NIMA), National Security Agency (NSA), and Defense Intelligence Agency (DIA). +357.4
- Classified Special Programs: FY 1999 Emergency Supplemental (\$-212.8 million) and Special Access Programs (\$-2.0 million). -214.8
- Net Other Program Changes +167.7

A brief description of the major budget activities, along with a description of significant changes between FY 2001 and FY 2002 follows:

Budget Activity 1: Operating Forces

<u>(\$ in Millions)</u>						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
1,649.6	+97.9	-98.7	1,648.8	+20.1	+109.7	1,778.6

Budget Activity 1 funds the following:

The operational activities of the U.S. Special Operations Command (USSOCOM), which provides vital and critical warfighting capability to the United States. The funds provide for:

- The deployment of special warfare operations worldwide to include unique infiltration and exfiltration capabilities;
- The training of Special Operations Forces (SOF) warfighting personnel;
- The transportation of unique and special equipment and SOF personnel to any location;
- The participation of SOF units in overseas contingency operations; and

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- The operation and maintenance of SOF equipment.

The operational activities of The Joint Staff (TJS), which support the Chairman, Joint Chiefs of Staff (CJCS), provide the funds for:

- CJCS command and control of U.S. military forces worldwide;
- Presidential and National Security Council support;
- Coordination of joint training exercises with the Services and the Defense Agencies and the transportation requirements of the CJCS Exercise Program; and
- Development of warfighting models to improve joint training and command and control of deployed U.S. and allied forces.

From FY 2001 to FY 2002, the Operating Forces budget activity increases by \$129.8 million. The increased funding includes price growth of \$20.1 million and program growth increase of \$109.7 million (+6.6 percent). Major program increases include:

Functional Transfers (\$+7.8 million):

Transfers-In (\$+15.2 million): Transfers \$15.2 million to USSOCOM for contingency operations from the Overseas Contingency Operations Transfer Fund for Southwest Asia operations.

Transfers-Out (\$-7.4 million): Transfers \$4.8 million from TJS to the Services for Exercise Northern Edge and \$1.8 million from the Chairman of TJS Exercise program to the Navy for the U.S. Joint Forces Command, who has a requirement for contractor travel, the Commercial Ticketing Program. Also, transfers \$0.8 million from TJS O&M,D-W appropriation to its RDT&E, D-W appropriation for the Joint Warrior Interoperability Demonstration project.

Other Program Changes (\$+101.9 million):

SOF Readiness (\$+93.3 million): Provides additional funds for Combat Development Activities (\$21.4 million), Anti-Terrorism/Force Protection and Contingency Operations (\$1.7 million), SOF Training Systems and ranges (\$12.8 million), an increase of 115 full-time equivalents (FTEs) (i.e., 36 for the United States Army Special Operations Command (USASOC) and 60 for the Air Force Special Operations Command (AFSOC), 17 for Naval Special Warfare Special Operations Command, and 2 for United States Special Operation Joint Forces Command (SOCJFCOM)) (\$6.9 million), and the Alert Posture program (\$8.7 million). Also provides additional funds for the Public Key Infrastructure and Command, Control, Communication, and Intelligence Automation System Capital Equipment Replacement Programs (\$3.3 million), collateral equipment associated with SOF projects (\$7.5 million), Patrol Coastal (PC) ship steaming program and cyclic equipment purchases (\$3.5 million), sustainment of SOF Connectivity

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Systems (\$3.7 million), and an increase for new cost-per-flying hour factors (\$23.3 million). Finally, adds funds for Focus Relief requirements (\$9.0 million) and sustainment of the replacement Special Operations riverine craft and the E/160th Special Operations Aviation Regiment (\$5.2 million). Partially offsetting these increases are reductions in funding for the decommissioning PC ships 5 and 6 and the removal of PC 7 from the Depot Phased Maintenance Availability (\$5.6 million), the descoping of several programs to meet total ownership savings goals (\$3.6 million), the Systems Engineering Technical Assistance requirements for the Air Force Special Operations Command (\$1.4 million), and Systems Program Office overhead (\$3.1 million).

CJCS Exercise Program (\$0.0 million) – Provides funding increases for commercial airlift augmentation (\$3.7 million), unanticipated Military Sealift Command Surcharges (\$3.8 million), and settlement of the Special Middle East Sealift contract dispute (\$0.6 million). Offsetting these increases are reductions in funding for C-17 equivalent flying hours and steaming days (\$ 4.6 million); and other exercise program adjustments (\$3.5 million).

Combating Terrorism Readiness Initiative Funds (\$+7.2 million) – Provides additional funds to address antiterrorism and force protection findings/recommendations identified by the COLE Commission’s review of the terrorist attack on the U.S.S. Cole. The COLE Commission recommended that funds be made available to provide the means and flexibility for the CJCS and the CINCs to rapidly respond to terrorist threats.

CINC Initiative Funds (\$-3.0 million) – Provides for a reduction to fund higher priority CJCS exercise commercial airlift augmentation and Military Sealift Command requirements, and settlement of the special Middle East sealift contract dispute.

Total Other BA – 1 Net Program Changes (\$+4.4 million) – Provides for additional funding for various operating forces programs.

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Budget Activity 2: Mobilization

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
38.2	+0.6	+13.8	52.6	+0.9	-8.8	44.7

Budget Activity 2 funds the Defense Logistics Agency (DLA) Warstoppers Program -- a program that procures supply items and preserves critical industrial capabilities that do not have a peacetime demand sufficient to maintain an industrial base to support a mobilization surge in requirements. Items purchased include medical supplies, chemical protective clothing, nerve agent antidotes, and the equipment to produce tray packs and meals ready-to-eat (MRE). The program also purchases and stores Halon 1301 as part of the Ozone Depleting Substances (ODS) Reserve Program.

From FY 2001 to FY 2002, the Mobilization budget activity reflects a net reduction of \$7.9 million. This includes price growth of \$0.9 million and a real program reduction of \$8.8 million (-16.4 percent).

Other Programs Changes (\$-8.8 million):

DLA Mobilization (\$-7.6 million) – The chemical protective clothing program decreases with the completion of the FY 2001 procurement of long lead-time fabric liner components and other industrial actions.

DLA Mobilization (\$-2.5 million) – The ODS funding decrease reflects a planned reduction in the procurement of Halon 1301 for the reserve program. The purchase of the remaining reserve program is to be completed by FY 2003.

Medical Readiness (\$+1.8 million) – Medical Readiness is increased for expansion of the Corporate Exigency Contracts and Vendor Managed Inventory programs and stock rotation industrial readiness measures that provide DoD with a ready stock of wartime medical supplies without having to own and manage the stocks. These programs are aimed at reducing the approximately \$780 million wartime planning shortfall in available stocks of medical supplies.

Total Other BA-2 Net Program Changes (\$-0.5 million)

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Budget Activity 3: Training and Recruiting

	(\$ in Millions)					
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
227.4	+5.4	+26.5	259.3	+5.6	+6.6	271.5

Budget Activity 3 funds the following schools; the organization responsible for the school is identified also:

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

From FY 2001 to FY 2002, the Training and Education budget activity increases by \$12.2 million. The increase includes price growth of \$5.6 million and a program increase of \$6.6 million (+2.5 percent).

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Functional Transfers Out (\$-6.0 million):

DFAS FMET program (\$-6.0 million) - Transfers \$6.0 million from DFAS direct funding to the DFAS' Working Capital Fund rates in accordance with the incremental transfer of the FMET to the Defense Working Capital Fund by FY 2003.

One-Time Congressional Adjustments (\$-4.0 million): FY 2001 DoD Appropriations Act congressional adds not continued in FY 2002.

DHRA --Joint Recruiting and Advertising Program (JRAP) (\$-2.0 million)

DAU – Information Technology (IT) Organizational Composition Research (\$-2.0 million).

Other Program Changes (\$+16.6 million):

Education (\$+14.2 million): Provides funds to standup the DLAMP instructional facility at Sturbridge, MA and increases funding for the DLAMP core program to support the phased increase in student load, instructor course development and delivery, facility operations, student travel, rotational assignments, and participant backfill (\$+14.4 million) and other education program adjustments (\$+0.7 million). Partially offsetting these increases is a reduction in funding for student travel as a result of savings generated by distance learning programs (\$-1.0 million).

Readiness (\$+1.0 million): Provides additional funding to support a DoD-wide military recruiting market research and advertising initiative, JRAP, which provides educators of youth to increase their likelihood of recommending military service as a viable alternative (\$+1.0 million).

Total Other BA-3 Net Program Changes (\$+1.4 million)

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Budget Activity 4: Administration and Servicewide Activities

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
9,746.2	+241.7	+175.3	10,163.2	+289.2	-28.6	10,423.8

Budget Activity 4 funds the following:

- Overall management of the Department of Defense - The Office of the Secretary of Defense (OSD), TJS, Washington Headquarters Services (WHS), and Defense Legal Services Agency (DLSA)
- Contract audit and administration - DCAA and the Defense Contract Management Agency (DCMA)
- National Industrial Security Program - DSS
- Nuclear and advanced weapons effects expertise, treaty verification, and technology security – DTRA
- Education of Military Dependents - Department of Defense Dependents Education Activity (DoDEA)
- Communications activities controlling worldwide strategic communications services - DISA
- Central management of Prisoner of War/Missing Personnel affairs within the DoD - DoD Prisoner of War/Missing Personnel Office (DPMO)
- Civilian Personnel Management - DHRA
- Information, audiovisual, and visual information activities – AFIS
- Technical and financial assistance to communities affected by base closures – Office of Economic Adjustment (OEA)
- Defense-Wide Logistics Services - Defense Logistics Agency (DLA)
- Program management and implementation support to humanitarian assistance and demining programs - Defense Security Cooperation Agency (DSCA)
- Intelligence functions and other classified activities - DIA, NSA, NIMA, and Special Programs.
- Outreach and service programs benefiting communities and youth - Civil Military Programs (CMP)

The net change from FY 2001 to FY 2002 for Budget Activity 4 is \$260.6 million and includes price growth of \$289.2 million and a net program decrease of \$28.6 million (-0.3 percent).

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Functional Transfers (\$-0.2 million):

Transfers In (\$+38.6 million):

Transfers \$3.8 million from the White House Communications Agency to the DISA for transportation of personnel and equipment by the Air Force.

Transfers \$5.9 million from the Defense Health Program to the DHRA for the Universal Beneficiary Card.

Transfers \$0.2 million from the Office of the Inspector General (OIG) to the DHRA for an audit of the Military Retirement Trust Fund.

Transfers \$3.7 million from the Overseas Contingency Operations Transfer Fund (OCOTF) to the DTRA's O&M,D-W appropriation. The OCOTF is used to finance contingency operations that are so variable in scope, duration, and intensity that they cannot be financed via DoD Component appropriations without causing a readiness impact. The Southwest Asia (SWA) operation has become stable enough to finance via DoD Component appropriations. Therefore, beginning in FY 2002 SWA requirements will cease to be funded via the OCOTF.

Transfers \$12.1 million from DTRA's RDT&E, D-W appropriation to its O&M,D-W appropriation for the Terrorist Device Defeat program (\$7.5 million) and for balanced survivability assessments (Counterproliferation) (\$4.6 million).

Transfers \$5.6 million from the Services to TJS for Joint Warfighting Capabilities Assessment (JWCA).

Transfers \$4.5 million to DLA's RDT&E, D-W appropriation to its O&M, D-W appropriation for the Defense Property Accountability Ssystem for software upgrades.

Other Transfers In - \$2.8 million.

Transfers Out (\$-38.8 million):

Transfers \$3.9 million from the DISA to the Air Force for the USSPACECOM for Computer Network Defense.

Transfers \$6.5 million from the DHRA to the Navy, the executive agent for the Defense Integrated Military Human Resources System (DIMHRS), to properly align the funding with the appropriate agency and appropriation.

Transfers \$9.0 million from OSD to the Army for the operation of various environmental information management programs.

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Transfers \$5.0 million from OSD’s O&M, D-W appropriation to its RDT&E, D-W appropriation for proper execution of the Command Information Superiority Architecture program.

Transfers \$0.9 million from TJS’s O&M, D-W appropriation to the Services’ O&M appropriations to backfill the CINCs for military billets transferred to USSPACECOM.

Transfers \$2.5 million from TJS’s O&M, D-W appropriation to the Military Construction, Defense-Wide appropriation to finance the Pentagon Athletic Center.

Transfers \$11.0 million from the DISA to their customers for the Universal Services Fee (USF) subsidy that is no longer included in the budget.

FY 2001 Congressional Adds (Excludes Classified Activities) (\$-228.9 million): The FY 2002 estimate for Administration and Servicewide Activities reflects a decrease of \$228.9 million for congressional adds funded in FY 2001 but not continued in FY 2002, as listed below:

CMP – Individual Readiness Training	-10.4	OSD – Pacific Command Regional Initiative	-20.3
CMP – Youth Development and Leadership Opportunities	-0.5	OSD – Center for Preservation of Democracy	-20.3
CMP – STARBASE	-4.1	OSD – Legacy Resource Management	-12.2
DFAS – Mechanization of Contract Administration Service (MOCAS)	-1.0	OSD – Indian Lands Mitigation	-10.2
DLA – Aging Aircraft Program	-4.1	OSD – Measurement and Signals Intelligence Feasibility	-10.2
DLA – Generalized Emulation of Microcircuits	-2.2	OSD – Grant to United Services Organization (USO)	-7.6
DoDEA – Impact Aid	-35.5	OSD – Commercial Tech for Maint Activities	-6.1
DoDEA – Special Education Support	-5.1	OSD – Grant to Red Cross	-5.1
DoDEA – High Desert Partnership	-5.1	OSD – Command Information Superiority Architecture	-5.0
DoDEA – Galena International Distance Education of Alaska	-4.1	OSD – Energy Savings Performance Contracts	-4.1
DoDEA – Youth at Risk – Family Advocacy Program	-2.0	OSD – Facilities Infrastructure and Engineering System Data Capture Program	-4.1

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DoDEA – Math Program Skill Set Kits	-0.6	OSD – D-Day Museum	-2.1
DoDEA – Math Leadership	-0.6	OSD – Bosque Redondo Memorial	-2.0
OEA – Fitzsimmons Army Hospital	-10.2	OSD – Oakland Military Institute (no-year)	-2.0
OEA – Charleston Naval Shipyard	-10.2	OSD – Clara Barton Center	-1.5
OEA – Adak Reuse Support	-7.1	OSD – Middle East Security Issues	-1.0
OEA – Naval Air Station Cecil Field	-3.0	OSD – National Flag Foundation	-1.0
OEA – Pico Rivera	-2.0	OSD – Commercial Tech for Maint Activities Wearable Computers	-0.8
OEA – Marine Corps Air Station El Toro	-1.5	TJS – Joint Multi-Dimensional Education and Analysis System (JMEANS)	-3.0
OEA – Fort Greely	-1.0		

Other Program Changes (\$+200.5 million):

Classified Programs (\$+142.6 million):

Intelligence Agencies (NIMA, DIA, & NSA) (\$+357.4 million)

Special Programs (\$-214.8 million) - Reflects reduced funding resulting from the execution of the remaining funds from the FY 1999 Emergency Supplemental Appropriation (P.L. 106-31) in FY 2001 (\$-212.8 million) and a reduction in Special Access Programs (\$-2.0 million).

Business Practice and Financial Management Improvements (\$+19.7 million):

DHRA (\$+2.4 million) – Funds increased enhancements and sustainment of the modern Defense Civilian Personnel Data System (DCPDS) including PKI requirements (\$+6.5 million), and the workforce screening project to reduce the backlog of personnel security investigations (\$+1.0 million). Partially offsetting these increases is a reduction in funding for the termination of the Defense Integrated Travel Relocation Solutions Office (DITRS) (\$-2.5 million) and a reduction in requirements for Common Access Card stock that will be procured by the Components (\$-2.6 million).

WHS (\$+22.6 million) - Funds the completion of operational and scalability testing of the Defense Travel System (DTS) and deployment of the DTS to pilot and high volume sites.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

OSD (\$+1.6 million) – Increases funding for the Commercial Practices Initiative to improve the performance of acquisition workforce personnel.

DCMA (\$+0.7 million) – Increases funding for the Standard Procurement System program to achieve full operational capability across DoD by FY 2003.

DoDEA (\$-7.7 million) – Reduces civilian personnel for above school level administrative staffing (-54 FTEs) and management headquarters (-3 FTEs).

TJS (\$+1.4 million) – Funds an increase for the Joint Deployment and Distribution Process Improvements initiative (\$+0.9 million) and the Focused Logistics program (\$+0.5 million).

DLA (\$-4.7 million) – Reduces funding for the Joint Total Asset Visibility program (\$-1.1 million) and the Defense Property Accountability System (\$-3.6 million) due to reduced requirements.

Other Business Practices and Financial Management Improvements Net Program Changes (\$+3.4 million)

Information Technology (IT) and Security Initiatives (\$+4.2 million):

DHRA (\$+13.9 million) – Increases funds for the development of the infrastructure to integrate Smart Card technology into the DEERS/RAPIDS infrastructure and to add 2 million records to the DEERS database. Funding will allow for the test and deployment of software that will allow local registration authorities to issue the common access card, with PKI token, as the DoD identification card for military, civilian, and contractor personnel. Further, this increase reflects additional DEERS database requirements created by the growth in military healthcare programs.

WHS (\$+5.2 million) - Supports outsourcing of IT support services and facilities maintenance (\$+1.9 million), operation and maintenance of the new U.S. Exports System (USEXPORTS) (\$+1.1 million), and DoD's requirement to fund a portion of the FIRSTGov.gov and the Federal Chief Information Officer Council (\$+2.2 million).

DISA (\$+4.1 million) – Funds increased engineering support to implement state of the art technologies necessary to provide rapid growth in global information transfer capabilities, including initial implementation of Multi-Protocol Label Switching (\$+1.1 million). Also adds funding to provide education and training products for DoD Information Assurance. This

OPERATION AND MAINTENANCE, DEFENSE-WIDE

initiative includes the development of training and awareness materials such as Computer Base Training and Systems Administrator training and certification (\$+3.0 million).

DISA (\$+6.6 million) – Funds sustainment costs required for the integration of Advanced Concept Technology Demonstration (ACTD) tools with existing ACTD components and upcoming releases of the Global Combat Support System (\$+2.9 million). It also funds replacement of White House Communications Agency equipment that is beyond repair and the upgrade and replacement of the Secure Video Teleconferencing System (\$+3.7 million).

DISA (\$-5.4 million) – Reduces funding because of less reliance on Federally Funded Research and Development Centers and increased usage of in-house expertise (\$-1.1 million) and the completion of the program to enhance features in local exchange carrier networks of the Government Emergency Telecommunications Service with full operating capability achieved in FY 2001 (\$-3.3 million). This reduction also reflects a decrease in personnel background investigation requirements (\$-1.0 million).

TJS (\$+3.4 million) – Increase funding for TJS Information Network transition from the Joint Staff Action Processing System and its follow-on successor and for the expansion of the system to accommodate additional users and the increased quantity and size of applications on the system.

DSS (\$-42.4 million) – Reduces funding due to a reduction in requirements related to the backlog of periodic background reinvestigations for contractor personnel (National Industrial Security Program).

OSD (\$+2.1 million) – Increases funding for the Technical Security Countermeasure Program (TSCM) to support the new requirements for the Joint Security Consortium, workforce screening, evaluation of the Department of Energy Foreign Visitor system, and the OSD Security Awareness effort (\$+2.1 million).

OSD (\$+12.3 million) – Increased funding for classified cryptographic activities.

Other IT and Security Net Program Changes (\$+4.4 million)

Education (\$+26.9 million):

DoDEA (\$+16.5 million) – Continues implementation of the full-day kindergarten and reduced pupil-teacher ratios educational initiatives.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

DoDEA (\$+14.5 million) – Adds funds for critical repair and maintenance projects for overseas schools (\$+11.9 million) and growth in the Permanent Change of Station program to accommodate unanticipated increased airfare costs for teacher reassignments, renewal agreement travel, student travel, and the teacher transfer program (\$+2.6 million).

DoDEA (\$+9.0 million) – Funds classroom technology purchases (\$+2.6 million), tuition payments for the attendance at non-DoD dependent schools due to the opening of new embassies, consulates, and NATO headquarters in former Soviet Republics, the Middle East, and Africa (\$+3.2 million), and classroom supplies for overseas schools to accommodate the implementation of full day kindergarten, educational initiatives, and the purchase of replenishment instructional support materials and workbooks (\$+3.2 million).

DoDEA (\$-7.8 million) – Reflects closure of Linwood Elementary School at Warner Robins AFB, Georgia (\$-2.4 million) and the termination of a leased facility resulting from completion of the Anderson Elementary School (GUAM) MILCON project (\$-5.4 million).

DoDEA (\$-13.1 million) – Reflects reduction in facility maintenance to support the DoDDS teacher pay raise.

DoDEA (\$-3.1 million) – Reflects a one-time program decrease for administrative support to the Troops-to-Teachers Program that was transferred-in from the Department of Education in FY 2001.

CMP (\$+5.6 million) – Increases the total number of STARBASE academics from 26 to 39.

Other Education Net Program Changes (\$+5.3 million)

Command and Control (\$+37.5 million):

DISA (\$+28.4 million) – Increases funding for computer network defense to upgrade servers to monitor cyber intruders and defend the Defense Information Infrastructure.

DISA (\$+9.9 million) – Increases funding to infuse mission application capabilities into the Global Command and Control System (GCCS) (\$+8.4 million) and to sustain operational hardware and software maintenance of the GCCS (\$+1.5 million).

OPERATION AND MAINTENANCE, DEFENSE-WIDE

DISA (\$+5.4 million) – Supports the Global Broadcast System (GBS) transponder lease (\$+4.2 million) and increased contractual support for allied coordination for the Joint Warrior Interoperability Demonstrations (JWID) (\$+1.2 million).

DISA (\$-1.8 million) – Reduces funding for the Standard Tactical Entry Point program based on revised Teleport program funding requirements.

DISA (\$-2.4 million) – Reduces funding due to the completion of the Military Strategic and Tactical Relay Satellite voice conferencing project.

DISA (\$-3.5 million) – Reduces funding due to lower costs for the Global Broadcast System (GBS).

DCMA (\$+3.9 million) – Increases funding for the lifecycle replacement of automation hardware and software.

WHS (+2.0 million) – Increases funding for replacement of worn-out White House Military Office communications equipment.

Other Command and Control Net Program Changes (\$-4.4 million)

Threat Reduction (\$18.3 million):

DTRA (\$+3.0 million) – Funds additional program requirements for arms control treaty assumptions and timeline adjustments. Programmatic planning has been phased for treaty implementation based upon official treaty assumptions. However, the annual funding for treaty enter-into-force dates is based upon more realistic timeline assumptions. Increased costs for START, Chemical Weapons, Conventional Armed Forces in Europe Treaty, Plutonium Production Reactor Agreement, Biological Weapons, Open Skies, and other missions (\$+8.6 million). The increases are offset partially by a decrease in the number of Intermediate-Range Nuclear Forces Treaty missions (\$-5.6 million).

DTRA (\$+12.5 million) – Provides funding for an increase in the number of arms control monitoring stations in Russia (\$+6.0 million) to significantly enhance DoD's ability to assess compliance with treaty requirements, and for the expanded International Counterproliferation (ICP) programs to stem the proliferation of weapons of mass destruction. Also provides additional funding to allow DTRA to expand activities to secure border security and train law enforcement personnel (\$+6.5 million).

OPERATION AND MAINTENANCE, DEFENSE-WIDE

DTRA (\$+3.6 million) – Funds requirements for the Nuclear Test Personnel Review program to determine the radiological impact of nuclear atmospheric test on U.S. veterans participating in the tests (\$+1.8 million) and the Nevada test site remediation costs (\$+1.8 million).

DTRA (\$-6.7 million) – Reflects decreases for relocation costs of moving DTRA operations from the Dulles airport facility to temporary modular buildings at Ft. Belvoir (\$-3.1 million), for relocation costs for moving DTRA European operations from Rhein-Main to Darmstadt, Germany (\$-2.1 million), and for GSA rent cost due to delays in relocation within the National Capital Area (\$-1.5 million).

DTRA (\$-5.0 million) – Reflects a decrease in the funding requirement for a project in the Republic of Georgia to eliminate existing Russian ammunition and armament stockpiles. This project will be completed by the end of FY 2001.

DTRA (\$+7.5 million) – Reflects an increase in funding for a classified program.

Other Threat Reduction Net Program Changes (\$+3.4 million)

Readiness (\$+8.4 million):

DSCA (\$+7.1 million) – Increases funding for Partnership for Peace exercises and seminars and International Programs Security Requirements.

TJS (\$1.3 million) – Increases funding for the Combating Terrorism Readiness Initiative Fund to address findings and recommendations of the USS COLE Commission's review of the recent terrorist attack.

Special Programs (\$-40.7 million) - Reflects execution of the Vieques multiyear funding appropriated in the FY 2000 Supplemental Appropriations Act (P.L. 106-246) and brought forward in FY 2001.

Pentagon Maintenance & Renovation (\$-25.9 million):

TJS (\$-11.0 million) – Reduces funding for payment to the Pentagon Reservation & Maintenance Revolving Fund consistent with changes in the renovation schedule, swing-space leases, furnishings, and above-standard requirements.

TJS (\$+3.0 million) – Increases funding for payment to the Pentagon Reservation & Maintenance Revolving Fund for the construction of the Pentagon Athletic Center (\$+2.5 million), and Pentagon security requirements (\$+0.5 million).

OPERATION AND MAINTENANCE, DEFENSE-WIDE

WHS (\$-17.9 million) - Funding decreases for payment to the Pentagon Reservation & Maintenance Revolving Fund consistent with changes in the renovation schedule, swing-space leases, furnishings, and above-standard requirements.

Total Other BA-4 Net Program Changes (\$+9.4 million)

RESERVE COMPONENTS

	(\$ in Millions)						
	FY 2000 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2001 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2002 <u>Estimate</u>
Army Reserve	1,481.3	+36.4	+59.4	1,577.1	+41.4	+168.7	1,787.2
Navy Reserve	972.2	+95.7	-84.3	983.6	+6.6	+13.5	1,003.7
Marine Corps Reserve	141.6	+5.3	+0.7	147.6	+2.1	-5.7	144.0
Air Force Reserve	1,779.8	+128.3	-4.5	1,903.6	+106.2	+20.1	2,029.9
Army National Guard	3,177.8	+90.9	+75.5	3,344.2	+66.0	+267.2	3,677.4
Air National Guard	<u>3,292.4</u>	<u>+282.8</u>	<u>-103.1</u>	<u>3,472.1</u>	<u>+174.5</u>	<u>+220.8</u>	<u>3,867.4</u>
Total	10,845.1	+639.4	-56.3	11,428.2	+396.8	+684.6	12,509.6

The Operation and Maintenance (O&M) appropriations provide funding for operating the Reserve Components' forces and maintaining their assigned equipment in a state of readiness to permit rapid deployment in the event of full or partial mobilization. Reserve Component personnel maintain adequate skill levels in highly technical specialties through training during weekend drills and active duty training. Concurrently, the Reserve Components contribute significant support to a variety of Active mission areas. The FY 2002 budget request of \$12,509.6 million for the Reserve Forces includes price growth of \$396.8 million and net program increase of \$684.6 million (5.8 percent) above the FY 2001 funding level. Summary program data for the Reserve Components is displayed below.

Reserve Forces Program Data

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Selected Reserve End Strength	865,242	-1,467	863,775	+883	864,658
Civilian Personnel Full-Time Equivalents (FTEs)	75,766	-304	75,462	-12	75,450
Military Technicians (MEMO)	(62,357)	(+512)	(62,869)	(+817)	(63,686)
Ship Inventory (End FY)	27	-2	25	-	25
Steaming Hours (000)	42	-4	38	-2	36
Total Aircraft Inventory (TAI)	3,866	-115	3,751	-163	3,588
Primary Authorized Aircraft (PAA)	4,224	-91	4,133	-157	3,976
Flying Hours (000)	939	+137	1,076	-11	1,065

RESERVE COMPONENTS

ARMY RESERVE

Program/Price Growth. The FY 2002 budget request for the Army Reserve increases by \$210.1 million from the FY 2001 level. This increase includes \$41.4 million for price growth and a net program increase of \$168.7 million (10.4 percent), which includes a decrease of \$15.6 million for functional transfers.

Program Discussion. The Army Reserve end strength decreases in FY 2002 by 300 to 205,000, consistent with the end strength goal established by the Quadrennial Defense Review. The FY 2002 amended budget includes a realignment of \$15.6 million to the O&M, Army appropriation for Training Support Divisions under the direct control of the Active Component (\$11.7 million) and miscellaneous other programs to eliminate reimbursement actions between the Army Reserve and the Active Army (\$3.9 million). Program increases include \$15.9 million for increased OPTEMPO to support the Army's First-to-Fight funding priorities; \$44.9 million for base operations and for Long Haul Communications; \$5.5 million for Recruiting, Retention and Advertising activities; \$5.6 million for additional information management support; \$8.6 million for tuition assistance and for professional skill training for Regional Medical Training Sites and the Army School system to reach the Army's goal of 85 percent Duty Military Occupational Skill Qualification; \$34.0 million for full-time support; \$20.1 million for Depot Level Maintenance to fund 81 percent of requirements; \$13.0 million for additional Force Protection; \$36.9 million for facility sustainment, maintenance and repair and for demolition and disposal of excess facilities; \$8.3 million for aircraft maintenance and crash damage programs for an increased number of authorized aircraft; and \$1.6 million for medical and dental readiness. Program decreases occur in combat vehicle end items (\$4.9 million) and in Reserve Readiness Support due to aligning equipment purchase with construction schedules (\$4.0 million). Other net decreases total \$1.2 million. The reduction of 23 Army Reserve centers is a result of the Army's Facility Reduction Program. Centers closed are obsolete, generally small facilities and have been consolidated into larger centers in the same locales.

Army Reserve Program Data

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	206,892	-1,592	205,300	-300	205,000
Civilian Personnel (FTEs)	10,581	-114	10,467	+207	10,674
Technicians (MEMO)	(6,118)	(+436)	(6,554)	(+354)	(6,908)
Total Aircraft Inventory (TAI)	129	+6	135	+8	143
Primary Authorized Aircraft (PAA)	129	+6	135	+8	143
Flying Hours (000)	32	+11	43	-	43
Major Installations	6	-	6	-	6
Reserve Centers	809	-	809	-23	786

RESERVE COMPONENTS

NAVY RESERVE

Program/Price Growth. The budget request increases by \$20.1 million from the FY 2001 level, and includes \$6.6 million for price growth and a net program increase of \$13.5 million (1.4 percent), which includes a decrease of \$60.7 million for functional transfers.

Program Discussion. The FY 2002 request includes a decrease of \$60.7 million and 339 civilian personnel for the transfer of Naval Reserve Information Technology funding into the O&M, Navy appropriation to consolidate this funding under the newly established Program Executive Office, Information Technology (PEO-IT). This consolidation is expected to achieve savings through efficiencies by deletion of duplicative organizations and activities. Program increases are for aviation depot engine maintenance (\$7.0 million) to fund the CNO goal of 90 percent of the requirement for non-deployed squadrons; the flying hour program for Aviation Depot Level Repairables (AVDLRs), and aviation contract maintenance (\$33.0 million) to maintain 87 percent primary mission readiness; utilities and other base operations support (\$13.5 million) to cover unanticipated commercial rate increases; Navy Marine Corps Intranet (\$24.0 million); the quality assurance program (\$0.6 million); recruiting and advertising programs (\$4.0 million) to provide increased recruiter support and a national advertising campaign; and the Manpower and Personnel (M&P) Business Process Reengineering (BPR) initiative that will create better business practices to track development of M&P plans and processes (\$2.9 million). Program decreases include reduced requirements for travel and supplies and other operations due to the transition to Navy Marine Corps Intranet (\$-1.1 million) and the unplanned loss of the ex-USS LA MOURE COUNTY (LST-1194), which was decommissioned early in FY 2001 after a grounding accident (\$-9.7 million) and results in a decrease of 2000 steaming hours. A net decrease of 1 aircraft is associated with the retirement of four DC-9s, five SH-2Gs, one C12B and one C-20G, which are partially offset by the commissioning of four new C-40As, two C-130Ts, three SH-60Bs, and one UC-35C. Finally, the Navy Reserve will achieve efficiencies by regional consolidation of Reserve Management tasks by closing the Naval Reserve Readiness Command, Region Six, located at Ft Dix, NJ.

Navy Reserve Program Data

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	86,933	-922	86,011	+989	87,000
Civilian Personnel (FTEs)	1,897	-27	1,870	-339	1,531
Primary Authorized Aircraft (PAA)*	411	-7	404	-1	403
Flying Hours (000)	174	-3	171	-	171
Ship Inventory	27	-2	25	-	25
Steaming Hours (000)	42	-4	38	-2	36
Reserve Centers	159	-2	157	-1	156
Major Installations	5	-1	4	-	4

* Total Aircraft Inventory is included under active Navy.

RESERVE COMPONENTS

MARINE CORPS RESERVE

Program/Price Growth. The FY 2002 budget request for the Marine Corps Reserve (MCR) decreases by \$3.6 million from the FY 2001 level. This decrease is the net of an increase of \$2.1 million for price growth and a program decrease of \$5.7 million (3.8 percent).

Program Discussion. The FY 2002 request supports manpower levels of 39,558 military end strength and 148 civilian full-time equivalents. The programmatic decrease is mainly associated with one-time FY 2001 congressional enhancements (\$11.1 million). Other programmatic decreases include a reduction in the requirement for replenishment/replacement items as a result of fielding new equipment (\$5.1 million), a reduction in the number of combat vehicles and other end items scheduled for depot maintenance (\$5 million), and reduced Defense Finance and Accounting Service (DFAS) costs estimates (\$2.3 million). These programmatic decreases are offset by increased funding for the Navy Marine Corps Intranet (NMCI) to which the Marine Corps Reserve will begin transitioning in FY 2002 (\$6.4 million), the increased maintenance requirements for aging equipment (\$1.8 million), increased requirements for base support for host/tenant must pay bills, utilities, and environmental costs (\$7.3 million), increased facilities maintenance projects (\$1.2 million), increased funding for Semper Fit and Morale Welfare and Recreation programs (\$.4 million), and miscellaneous other program increases (\$.7 million). The Marine Corps Reserve aircraft inventory increases as a result of the commissioning of one UC-35C aircraft that will enhance their logistics capabilities.

Marine Corps Reserve Program Data

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	39,667	-109	39,558	-	39,558
Civilian Personnel (FTEs)	154	-4	150	-2	148
Primary Authorized Aircraft (PAA)*	186	-1	185	+1	186
Flying Hours (000)	49	-2	47	-	47
Divisions	1	-	1	-	1
Training Centers	185	-	185	-	185

* Total Aircraft Inventory is included under active Navy.

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

RESERVE COMPONENTS

AIR FORCE RESERVE

Program/Price Growth. The FY 2002 budget request for the Air Force Reserve increases by \$126.3 million from the FY 2001 level. This increase includes an increase of \$106.2 million for price growth and a net program increase of \$20.1 million (1 percent).

Program Discussion. The FY 2002 budget request supports 74 flying units and a manpower level of 74,700 military end strength and 14,334 civilian full-time equivalents. The FY 2002 budget includes increases for depot level repairables to support flying hour requirements (\$15.6 million), an increase for Base Operations and Support (\$14.6 million), and an increase for nuclear, biological, chemical defense equipment for the Expeditionary Air Force and Red Horse Unit support (\$4 million). These increases are offset by program decreases in facilities sustainment (\$11.0 million). Other programmatic reductions total \$3.1 million.

Depot maintenance has been funded at 92 percent of requirements and the Flying Hour program is funded at 100 percent of requirement. End strength growth is a reflection of increased demand for Reserve personnel by the Air Force Material Command, the Air Education and Training Command, and the various intelligence activities. Base Support growth is driven primarily by funding requirements for contracts, health benefits increases, and utility bills.

Air Force Reserve Program Data

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	72,340	+2,018	74,358	+342	74,700
Civilian Personnel (FTEs)	14,608	+162	14,770	-436	14,334
Technicians (MEMO)	(9,715)	(+198)	(9,913)	(-75)	(9,838)
Total Aircraft Inventory (TAI)	445	+11	456	+3	459
Primary Authorized Aircraft (PAA)	397	+1	398	+5	403
Flying Hours (000)	124	+12	136	+2	138
Major Installations	13	-	13	-	13

RESERVE COMPONENTS

ARMY NATIONAL GUARD

Program/Price Growth. The FY 2002 budget request for the Army National Guard increases by \$333.2 million from the FY 2001 level. The total increase includes an increase of \$66.0 million for price growth and a net program increase of \$267.2 million (7.8 percent).

Program Discussion. The FY 2002 budget provides for the training and operations for Selected Reserve end strength of 350,000. Major program changes include increases to ground OPTEMPO (\$99 million) and facility sustainment (\$119 million). For FY 2002, the flying hour program is funded at 94 percent of critical requirement for units with assigned aircraft, which provides 9 hours per aircrew per month in accordance with the Army's training strategy. Ground OPTEMPO is funded at 100 percent of critical requirements. The FY 2002 budget provides \$609 million to fund 260 miles for Enhanced Separate Brigades and 152 miles for Division requirements. Depot maintenance has increased to 80 percent of the funded requirement. The increased funding reduces the repair backlog by 8 percent of requirement. The FY 2002 budget also increases Land Forces readiness operations and systems support for training ranges and Integrated Training Area Management (\$47.2 million) and for Recruiting and Advertising initiatives (\$2.0 million). Weapons of Mass Destruction (WMD) funding reflects a one-time FY 2001 Congressional add for the WMD Implementation Plan and adjustments to the baseline.

Army National Guard Program Data

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	353,045	-2,519	350,526	-526	350,000
Civilian Personnel (FTEs)	24,429	-54	24,375	+277	24,652
Technicians (MEMO)	(23,904)	(-44)	(23,860)	(+286)	(24,146)
Total Aircraft Inventory (TAI)/PAA	1,930	-99	1,831	-154	1,677
Flying Hours (000)	251	+90	341	+9	350
Training Locations	283	-	283	-	283
Divisions	8	-	8	-	8
Brigades	15	-	15	-	15

RESERVE COMPONENTS

AIR NATIONAL GUARD

Program/Price Growth. The FY 2002 budget request for the Air National Guard (ANG) increases by \$395.3 million from the FY 2001 level. This change includes a price increase of \$174.5 million and a program increase of \$220.8 million (6.1 percent), which includes functional transfers into and out of the O&M, ANG appropriation equaling \$-2.4 million.

Program Discussion. The FY 2002 budget request supports 86 flying units, 316,000 flying hours, and 24,111 civilian full-time equivalents. Personnel increases are the result of reengineering efforts including increases for the Air Control Squadron in Alaska, personnel recovery officers, and for participation in the Aerospace Expeditionary Force. Civilian personnel increases for full time military technicians to help alleviate declining mission capable rates and because a decision was made not to competitively source the Precision Measurement Equipment laboratory activities, which requires restoration of the FTE levels. The FY 2002 request includes additional funding to support the increased consumption of reparable and consumable parts directly attributable to the aging weapon systems in the ANG inventory that are performing flying hours required for the mission readiness of ANG crews and to support Air Force taskings (\$342 million). Other increases are for readiness enhancements to begin eliminating repair backlogs and spares shortfalls based on a review of worldwide reparable spares requirements (\$21.6 million), for additional nuclear, biological, chemical defense equipment (\$11.9 million), utility cost increases above the standard inflation rates (\$10 million), and for the establishment of an ANG family support program (\$8 million). Program reductions are the result of one-time congressional adds (\$33 million), the decision to consolidate the Air Force's B-1 bomber forces which results in the loss of 2 ANG bomber units and 14 aircraft (\$130.5 million), and a decrease in real property maintenance funding (\$14.2 million). Other miscellaneous program changes result in a net program increase of \$7.4 million.

Air National Guard Program Data

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	106,365	+1,657	108,022	+378	+108,400
Civilian Personnel (FTEs)	24,097	-267	23,830	+281	24,111
Technicians (MEMO)	(22,620)	(-78)	(22,542)	(+252)	(22,794)
Total Aircraft Inventory (TAI)	1,362	-33	1,329	-20	1,309
Primary Authorized Aircraft (PAA)	1,171	+9	1,180	-16	1,164
Flying Hours (000)	309	+29	338	-22	316
Major Installations	3	-1	2	-	2
Other Operating Locations	172	-	172	+1	173

DEFENSE HEALTH PROGRAM

	(\$ in Millions)						
	FY 2000 Actual	Price Growth	Program Growth	FY 2001 Estimate	Price Growth	Program Growth	FY 2002 Estimate
Operation & Maintenance (O&M)	11,659.9	+422.6	-435.9	11,646.6	+405.8	+5,513.3	17,565.7
Procurement	350.7	+14.1	-75.4	289.4	+11.3	-32.8	267.9
RDT&E	294.8	+4.7	+113.0	412.5	+7.0	-354.2	65.3
Total DHP	12,305.4	+441.4	-398.3	12,348.5	+424.1	+5,126.3	17,898.9

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

The Department's managed care program, called "TRICARE", is designed to provide military families with access to quality care that is cost-effective. The TRICARE program provides medical care to about 6 million beneficiaries through a network of 78 military hospitals, 511 military clinics, and 7 regional Managed Care Support (MCS) contracts valued at about \$4.7 billion in FY 2002. The TRICARE program offers a triple option benefit: (1) TRICARE Prime, a Health Maintenance Organization (HMO) style benefit requiring beneficiary enrollment; (2) TRICARE Extra, a Preferred Provider Organization (PPO) style benefit; and (3) TRICARE Standard, a fee-for-service option.

The FY 2002 Defense Health Program amended budget request of \$17,898.9 million includes funding for significant benefit increases resulting from new requirements legislated in the FY 2001 National Defense Authorization Act (NDAA) (P. L. 106-398) and increases above inflation for pharmacy and managed care support contract health care costs. The most significant of these increases is for the new TRICARE for Life benefit, which covers Medicare eligible military retirees as second payer to Medicare. Additionally, the DHP experienced a program funding imbalance in pharmacy, managed care support contracts, and supplies and equipment in FY 2001 that was recognized by the Department and is funded in the FY 2002 budget.

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Operation & Maintenance Program

	(\$ in Millions)						
	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
In-House Care	3,636.3	+127.1	+206.6	3,970.0	+132.7	+399.4	4,502.1
Private Sector Care	5,449.0	+228.9	-642.5	5,035.4	+206.5	+4,888.8	10,130.7
Information Management	280.4	+4.5	+59.3	344.2	+5.9	+252.8	602.9
Education & Training	327.7	+10.5	-16.2	322.0	+10.6	-23.4	309.2
Management Activities	205.4	+4.5	-3.6	206.3	+4.5	+22.0	232.8
Consolidated Health Support	908.6	+26.8	-74.8	860.6	+18.5	-114.6	764.5
Base Operations	<u>852.5</u>	<u>+20.3</u>	<u>+35.3</u>	<u>908.1</u>	<u>+27.1</u>	<u>+88.3</u>	<u>1,023.5</u>
Total	11,659.9	+422.6	-435.9	11,646.6	+405.8	+5,513.3	17,565.7

Program/Price Growth

The FY 2002 DHP O&M amended budget request of \$17,565.7 million reflects a net increase of \$5,919.1 million above the FY 2001 funding level; which includes price growth of \$405.8 million and a net program increase of \$5,513.3 million (45.7 percent). The net \$5,513.3 million program growth is primarily composed of increases of: \$4,017.0 million for new benefits legislated in the NDAA (primarily for Medicare eligible retirees); \$1,531.9 million to restore FY 2001 program funding imbalances in managed care support contracts, other purchased care, pharmacy growth above inflation, and equipment, supplies, and contracts; \$373.9 million for private sector care costs above inflation including phase in/start up of new contracts; \$153.3 million for pharmacy increases above inflation; and \$35.8 million for improvement of data quality and restoration of deferred maintenance. These increases are partially offset by decreases of \$315.0 million in anticipated savings related to the adoption of Center for Medicare and Medicaid Services (formerly the Health Care Financing Administration) prospective payment schedules for skilled nursing facilities and hospital outpatient department changes and of \$283.1 million for FY 2001 congressional adds not continued in FY 2002.

In-House Care

The DHP In-House provides for the delivery of care in MTF's worldwide. The program includes care in medical centers, station hospitals, clinics, and dental care activities. The FY 2002 In-House Care amended budget request of \$4,502.1 million increases by \$532.1 million above the FY 2001 funding level. This increase includes price growth of \$132.7 million and a net program increase of \$399.4 million (9.7 percent). The net \$399.4 million program growth is primarily composed of increases of: \$391.4 million to restore

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FY 2001 program funding imbalances for MTF pharmacy, supplies, equipment, and contracts; \$139.2 million in MTF pharmacy growth above inflation; \$12.7 million for increased data quality requirements; and, \$2.0 million for requirements for Southwest Asia transferred in from Contingency Operations. These increases are offset by decreases of \$20.7 million for FY 2001 congressional adds not continued in FY 2002 and a \$125.2 million internal DHP realignment to information management/information technology and base operations.

Private Sector Care

The DHP Private Sector Care provides for delivery of care outside the military treatment facilities. The program includes Managed Care Support (MCS) contracts, the CHAMPUS program, Uniformed Services Family Health Plan (formerly known as Uniformed Service Treatment Facilities (USTFs)) and supplemental/emergency care. Under the MCS contracts and CHAMPUS, active duty families and retirees and their families can individually obtain medical and dental care from civilian sources at the government's expense, after satisfying applicable enrollment fees, deductibles, and co-payments. Currently, there are seven MCS contracts that deliver health care nationwide to the military and their dependents. The MCS contractors are responsible for the purchase of TRICARE standard fee-for-service benefits and coordinating the care between MTFs and civilian providers. The FY 2002 Private Sector Care amended budget request of \$10,130.7 million reflects a net increase of \$5,095.3 million above the FY 2001 funding level. This includes price growth of \$206.5 million and a net program increase of \$4,888.8 million (93.3 percent). The net \$4,888.8 million program growth is composed of increases of: \$4,017.0 million for benefits mandated in the FY 2001 NDAA (primarily TRICARE for Life); \$1,076.4 million to restore FY 2001 program funding imbalances for managed care support contracts and other purchased care; \$326.6 million for health care costs above inflation; \$61.5 million for phase in/start up of the management care support contracts; and \$1.7 million for requirements for Southwest Asia transferred in from Contingency Operations. These increases are offset by decreases of: \$315.0 million for anticipated savings as a result of the adoption of Center for Medicare and Medicaid Services prospective payment system changes; \$208.2 million for FY 2001 congressional adds not continued in FY 2002; \$24.6 million for over 65 demonstration programs no longer necessary as a result of implementing TRICARE for Life; \$40.7 million realigned to Management Activities within the DHP; and, \$5.9 million transferred to the Defense Human Resource Activity for the Universal Beneficiary Card;.

Information Management

The DHP Information Management focuses on the development and deployment of standardized systems to ensure close integration, interoperability, and commonality of information management throughout the military health system. The Information Management amended budget request of \$602.9 million reflects an increase of \$258.7 million above the FY 2001 funding level. This includes price growth of \$5.9 million and a net program increase of \$252.8 million (72.2 percent). The net \$252.8 million program growth is primarily composed of an increase of \$33.6 million for infrastructure and modernization to support new TRICARE capabilities and defense-wide immunization tracking and a realignment of \$272.6 million from other DHP areas to fund non-central information

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management/information technology (a new program element). These increases are offset by decreases of \$35.1 million in system sustainment reductions and \$18.3 million for FY 2001 congressional adds not continued in FY 2002.

Education & Training

The DHP Education and Training provides support for worldwide medical education and training for active duty personnel, civilian medical personnel, and students. The FY 2002 Education and Training amended budget request of \$309.2 million reflects a decrease of \$12.7 million below the FY 2001 funding level. This includes a price growth of \$10.6 million and a net program decrease of \$23.4 million (-7.0 percent). The net \$23.4 million program reduction consists of increases of \$3.5 million for General Medical Officer conversion and accession support and \$5.0 million for increased training requirements and building upgrades. These increases are offset by decreases of: \$19.3 million for FY 2001 congressional adds not continued in FY 2002; a \$7.6 million realignment within the DHP to Information Management; and, \$5.0 million resulting from privatization and outsourcing.

Management Activities

The DHP Management Activities includes the TRICARE Management Activity (TMA) and the medical commands. These headquarters activities oversee the delivery of DoD healthcare worldwide. The FY 2002 Management Activities amended budget request of \$232.8 million reflects a net increase of \$26.5 million above the FY 2001 funding level. This includes a price growth of \$4.5 million and a net program increase of \$22.0 million (10.4 percent). The \$22.0 million net program growth consists of a net realignment of \$39.8 million within the DHP from In-House Care and to Consolidated Health Support. This increase is offset by decreases of \$12.0 million for FY 2001 congressional adds not continued in FY 2002 and a \$5.7 million reduction in contract requirements.

Consolidated Health Support

The DHP Consolidated Health Support includes support functions such as occupational health, strategic aeromedical evacuation, pathology, examining activities, regional health care management functions and veterinary service. The FY 2002 Consolidated Health Support amended budget request of \$764.5 million reflects a net decrease of \$96.1 million below the FY 2001 finding level. This includes a price growth of \$18.5 million and a net program decrease of \$114.6 million (-13.0 percent). The net \$114.6 million program reduction consists of an increase of \$26.3 million to restore FY 2001 program funding imbalances for contracts, supplies, and equipment and \$2.5 million for requirements for Southwest Asia transferred in from Contingency Operations. This increase is offset by decreases of: \$136.7 million realigned within DHP to Information Management; \$4.5 million for FY 2001 congressional adds not continued in FY 2002; and \$2.2 million for Medical Entrance Processing Station workload reduction.

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Base Operations

The DHP Base Operations/Communications includes funding for the operation and maintenance of 78 hospitals and 511 clinics and other DHP facilities. The Base Operations/Communications FY 2002 amended budget request of \$1,023.5 million reflects a net increase of \$115.4 million above the FY 2001 funding levels. This includes a price growth of \$27.1 million and a net program increase of \$88.3 million (9.4 percent). The net \$88.3 million program growth is composed of increases of: \$37.7 million to restore FY 2001 program funding imbalance for real property services and facility sustainment; \$24.9 million for increased utility and accounting costs; \$23.2 million for facility sustainment and restoration and modernization; and \$4.6 million for other requirements. These increases are offset by a net program decrease of \$2.1 million resulting from realignments within the DHP to Information Management and from In House Care.

Procurement Program

	(\$ in Millions)						
	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Medical Equipment - Replacement/Modernization	326.0	+13.7	-73.0	266.7	+10.9	-20.6	257.0
Medical Equipment - New Facility Outfitting	<u>24.7</u>	<u>+0.4</u>	<u>-2.4</u>	<u>22.7</u>	<u>+0.4</u>	<u>-12.2</u>	<u>10.9</u>
Total	350.7	+14.1	-75.4	289.4	+11.3	-32.8	267.9

The DHP Procurement Program totals \$257.0 million in FY 2002 and funds procurement of capital equipment in support of the DoD health care program in military medical treatment facilities and other health activities worldwide. It includes equipment for initial outfitting of new, expanded, or altered health care facilities. Also funded is modernization and replacement of equipment past its useful life and automated equipment (IM/IT) in support of the TRICARE Management Activity. The Procurement Program funding level decreases from FY 2001 to FY 2002 by \$21.5 million, reflecting price growth of \$11.3 million and a net program decrease of \$32.8 million (-10.9 percent). The net \$32.8 million program reduction reflects a \$12.2 million decrease for FY 2001 one-time costs for initial outfitting and a \$20.6 million decrease in replacement and modernization equipment requirements.

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Research, Development, Test and Evaluation (RDT&E) Program

	<u>(\$ in Millions)</u>						
	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
RDT&E	294.8	+4.7	+113.0	412.5	+7.0	-354.2	65.3

The DHP RDT&E program funds health care related Information Management/Information Technology development and Small Business Innovative Research (SBIR). The FY 2002 RDT&E program amended budget request of \$65.3 million reflects a net decrease of \$347.2 million below the FY 2001 funding level. This includes a price growth of \$7.0 million and a net program reduction of \$354.2 million (84.4 percent). The net \$354.2 million program reduction consists a decrease of \$352.5 million for FY 2001 congressional adds not continued in FY 2002 and a \$1.7 million decrease in Information Technology development program requirements.

Program Data

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Organic Medical Programs</u>					
Hospitals/Medical Centers	88	-10	78	-	78
Clinics	516	-3	513	-2	511
Dispositions (000)	281	-9	272	-7	265
Inpatient Work Units (000)	310	-6	304	-7	297
Occupied Bed Days (000)	965	-23	942	-22	920
Average Length of Stay (Days)	3.4	+0.1	3.5	-	3.5
Ambulatory Visits (000)	30,738	+28	30,766	+5	30,771
<u>Training Workloads</u>					
USUHS	866	+15	881	+12	893
Other Education & Training	58,123	+3,546	61,669	-484	61,185
Health Professionals Scholarship Program/ Financial Assistance Program	4,142	+23	4,165	+280	4,445

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	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Civilian Personnel FTEs</u>					
U.S. Direct Hire	37,703	-2,354	35,349	-514	34,835
Foreign National Direct Hire	<u>561</u>	<u>-23</u>	<u>538</u>	<u>+14</u>	<u>552</u>
Total Direct Hire	38,264	-2,377	35,887	-500	35,387
Foreign National Indirect Hire	<u>1,534</u>	<u>+155</u>	<u>1,689</u>	<u>-15</u>	<u>1,674</u>
Total	39,798	-2,222	37,576	-515	37,061
<u>Military Personnel End Strength</u>					
Officers	31,386	+1,217	32,603	-123	32,480
Enlisted	<u>55,730</u>	<u>+4,072</u>	<u>59,802</u>	<u>-409</u>	<u>59,393</u>
Total	87,116	+5,289	92,405	-532	91,873
<u>Eligible Beneficiary Population (000)</u>					
Active Duty	1,527.2	-6.7	1,520.5	-6.3	1,514.2
Dependents of Active Duty	2,148.0	-6.8	2,141.2	-6.6	2,134.6
Dependents of Retirees Under 65	1,905.2	-17.0	1,888.2	-13.4	1,874.8
Retirees Under 65	1,138.0	-13.2	1,124.8	-10.8	1,114.0
Beneficiaries Over 65	<u>1,424.9</u>	<u>+49.3</u>	<u>1,474.2</u>	<u>+45.8</u>	<u>1,520.0</u>
Total	8,143.3	+5.6	8,148.9	+8.7	8,157.6
<u>User Population (000)</u>					
Active Duty	1,527.2	-6.7	1,520.5	-6.3	1,514.2
Dependents of Active Duty	2,058.8	-6.5	2,052.3	-6.3	2,046.0
Dependents of Retirees Under 65	1,185.0	-10.2	1,174.8	-8.0	1,166.8
Retirees Under 65	697.2	-7.8	689.4	-6.4	683.0
Beneficiaries Over 65	<u>341.6</u>	<u>+12.3</u>	<u>353.9</u>	<u>+11.4</u>	<u>365.3</u>
Total	5,809.8	-18.9	5,790.9	-15.6	5,775.3
<u>Managed Care Support (MCS) Contracts (000)</u>					
Total CHAMPUS Eligibles	5,191.1	-36.9	5,154.2	-30.8	5,123.4
Total CHAMPUS Users	3,941.0	-24.5	3,916.5	-20.7	3,895.8

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

(\$ in Millions)						
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
883.4*	+14.7	+83.2	981.3**	+17.3	-178.2	820.4

* Included for comparability, these funds were transferred to other Defense appropriations for execution.

** The FY 2001 funding includes \$114. 2 million from the FY 2000 Colombia Emergency Supplemental that is being executed in FY 2001.

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

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

The Counterdrug (CD) Program is funded through the Drug Interdiction and Counterdrug Activities, Defense appropriation, which is a central transfer account (CTA) with a single budget line that accounts for all associated CD resources with the exception of those resources for the Active components’ military personnel, Service OPTEMPO, and military construction. The CTA provides inherent flexibility for the Department’s CD program to respond effectively to the dynamic nature of the counterdrug threat. The OPTEMPO

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portion of the CD program (estimated at \$180 million in FY 2001 and \$167 million in FY 2002) is budgeted in the Services' O&M appropriations but supports the President's National Counterdrug Strategy. Further, OPTEMPO is managed by the DoD Drug Coordinator as an integral part of the Department's CD effort. Additionally, in FY 2002, there is \$12.5 million for construction of the counterdrug Forward Operating Location in El Salvador that is requested in the Military Construction, Defense-Wide appropriation.

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

	<u>FUNDING BY GOAL</u>							
	<u>(\$ in Millions)</u>						Net	
	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>	<u>FY 01-02</u>
	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate*</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Change</u>
1. Educate America's Youth	27.4	+0.4	+0.7	28.5	+0.5	-3.7	25.3	-3.2
2. Increase Safety of Citizens	113.6	+1.4	-0.2	114.8	+1.8	-38.2	78.4	-36.4
3. Reduce Health & Social Costs	74.2	+0.8	-0.8	74.2	+1.3	+2.2	77.7	+3.5
4. Shield America's Frontiers	343.4	+7.8	+7.3	358.5	+7.3	-31.3	334.5	-24.0
5. Break Drug Sources of Supply	324.8	+4.3	+76.2	405.3	+6.4	-107.2	304.5	-100.8
Total	883.4	+14.7	+83.2	981.3	+17.3	-178.2	820.4	-160.9

* The FY 2001 DoD funding level includes \$114.2 million funded by the FY 2000 Emergency Colombia Supplemental, which will be executed in FY 2001.

The Department's FY 2002 CD budget request of \$820.4 million for the CTA reflects a net decrease of \$160.9 million, which includes price growth of \$17.3 million and a net program decrease of \$178.2 million (-17.8 percent). The program decrease is the net effect of one-time congressional adjustments in FY 2001 of \$78.1 million that are not funded in FY 2002, completion of Plan Columbia efforts of \$114.2 million funded by the FY 2000 Emergency Colombia Supplemental, and other program increases of \$14.1 million.

For FY 2002, the Drug Interdiction and Counterdrug Activities, Defense central transfer account funds will be allocated as follows:

Goal 1: Education America's Youth

- In FY 2002: \$25.3 million is requested for the National Guard State Plans and Service outreach programs (\$24.8 million) and the Young Marines outreach program (\$.5 million). Funding for this goal reflects a program decrease of \$3.7 million, primarily

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reflecting the discontinuation in FY 2002 of the FY 2001 congressionally increased level of funding for the Young Marines and National Guard outreach programs.

Goal 2: Increase “Safety of Citizens”

- In FY 2002: \$78.4 million is requested for DoD support to federal, state, and local drug law enforcement agencies’ (DLEAs) requests for domestic operational and logistical support. This funding will assist the DLEAs in their efforts to reduce drug-related crime. Of this amount, \$61.0 million is for National Guard State Plans; \$2.2 million is for the Regional Counterdrug Training Academy (RCTA); \$2.5 million is for the congressionally-directed Florida National Guard Multi-Jurisdictional Counterdrug Task Force Academy in St. Petersburg; \$7.4 million is for Joint Task Force (JTF)-6 and reserve support to DLEAs; \$1.5 million is for Command, Control, Communication, Computers, and Intelligence (C4I) support; and \$3.8 million is for non-operational support. The net program reduction of \$38.2 million results primarily from congressional increases in FY 2001 that are not funded in FY 2002 (\$30.6 million). The programs increased in FY 2001 by the Congress include the National Guard State Plans, Multi-Jurisdictional Task Force, Gulf States Counterdrug Initiative Programs, Counternarcotics Center at Hammer, and the Northeast Counterdrug Center. There was also a decrease for one-time FY 2001 costs to reimburse the Army for section 506(a)(2) Drawdown expenses, which authorizes the drawdown of USG stocks, services, and training for counternarcotics upon a Presidential Determination (\$8.0 million). Additionally, other various Goal 2 programs were reduced (\$0.4 million).

Goal 3: Reduce Health & Social Costs

- In FY 2002: \$77.7 million is requested for the continued support of DoD Demand Reduction Programs. These funds support drug testing for active duty military, National Guard and Reserve personnel, and DoD civilian employees; drug abuse prevention/education activities for military and civilian personnel and their dependents; and drug treatment for military personnel. The net program increase of \$2.2 million is due primarily to increases in drug testing levels within the Army and the Navy.

Goal 4: Shield America’s Frontiers

- In FY 2002: \$334.5 million is budgeted to fund counterdrug detection and monitoring programs to assist U. S. law enforcement agencies to counter the flow of drugs in transit into Puerto Rico and the Virgin Islands and across the U.S. Southwest border into the United States. Of this amount, \$38.6 million is for C4I support in the transit zone and along the Southwest border; \$160.8 million is for detection and monitoring platforms and assets; \$3.0 million is for Ground Based End Game Operations in Mexico; \$49.9 million is for National Guard State Plans; \$22.2 million is for JTF-6 and Reserves operational support to DLEAs along the Southwest border and in Puerto Rico and the Virgin Islands; \$44.5 million is for intelligence support and Signals Intelligence (SIGINT) collection and processing; and \$15.5 million is for support to include research and development activities.

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

Overall, there is net program decrease of \$31.3 million in FY 2002. This decrease primarily results from the discontinuance in FY 2002 of the FY 2001 congressional increase for Southwest Border Information Systems, the Southwest Border Fence, National Guard State Plans, and Caper Focus (\$25.6 million). Additional decreases include termination of the Air National Guard F-16 tracker program (\$10.8 million) and completion of system upgrades at the Joint Southern Surveillance and Reconnaissance Operations Center (\$5.3 million). These decreases are partially offset by additional funding for system upgrades at the Virginia and Texas Relocatable Over-the-Horizon Radar (ROTHR) sites (\$3.0 million) and operating costs for the Tethered Aerostat Radars (\$1.2 million) and TAGOS ships (\$1.8 million). There was also an increase resulting from one-time costs in FY 2001 to fund Global Hawk development efforts (\$4.4 million).

Goal 5: Break Drug Sources of Supply

- In FY 2002: \$304.5 million is for CTA funding to continue to provide critical intelligence support, initial detection and monitoring, infrastructure development, training, and other support to U.S. and host nation counterdrug law enforcement entities. Of this amount, DoD will provide \$34.0 million for C4I in support of source nation law enforcement initiatives; \$80.2 million for detection, monitoring, and interdiction programs; \$34.9 million for intelligence support and analysis; \$26.4 million for National Guard marijuana eradication efforts; \$102.6 million for operational support to DLEAs to include Ground Based End Game Operations in SOUTHCOM; \$20.3 million for SIGINT collection and processing to include support for the Airborne Reconnaissance-Low platform; and \$6.1 million for non-operational support to include Research and Development. There is a net program decrease of \$107.2 million in FY 2002. This program reduction primarily results from the completion of efforts funded by the FY 2000 Emergency Colombia Supplemental (\$114.2 million), developmental efforts for Global Hawk (\$18.0 million), and from the discontinuance in FY 2002 of the FY 2001 congressional increase for ROTHR security enhancements and National Guard State Plans (\$17.9 million). These decreases were partially offset by increases for sustainment support of Plan Colombia programs such as helicopter and follow-on CD battalion training (\$22.5 million) and increased operating costs at the Forward Operating Locations (\$6.6 million). There are also increases to multiple Goal 5 programs, which were delayed because of one-time costs in FY 2001 to fund Global Hawk development efforts (\$13.8 million).

ENVIRONMENTAL RESTORATION (ER) TRANSFER APPROPRIATIONS

	<u>(\$ in Millions)</u>						
	<u>FY 2000</u> <u>Actual*</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2002</u> <u>Estimate</u>
ER, Army	376.2	+6.0	+6.9	389.1	+6.6	-5.9	389.8
ER, Navy	282.5	+4.5	+6.4	293.4	+5.0	-40.9	257.5
ER, Air Force	374.9	+6.0	-5.5	375.4	+6.4	+3.6	385.4
ER, Defense-Wide	25.2	+0.4	-4.2	21.4	+0.4	+1.7	23.5
ER, Formerly Used Def. Sites	<u>238.0</u>	<u>+3.8</u>	<u>-10.8</u>	<u>231.0</u>	<u>+3.9</u>	<u>-44.6</u>	<u>190.3</u>
Total	1,296.8	+20.7	-7.2	1,310.3	+22.3	-86.1	1,246.5

* Provided for comparison purposes only. These funds were transferred and obligated in the Components' appropriations. During FY 2000, all of the funds were transferred to the Components' active O&M appropriations except for \$11 million of the Army's ER appropriation, which was transferred to the Military Construction, Army appropriation for execution.

The Department's Environmental Restoration program focuses on reducing the risks to human health and the environment at active installations and Formerly Used Defense Sites (FUDS), while ensuring that DoD environmental cleanup policy conforms to existing laws and regulations. The five DoD Environmental Restoration appropriations provide for: the identification, investigation, and cleanup of past contamination (prior to 1986) from hazardous substances and wastes; correction of other environmental damage; detection of unexploded ordnance; and the demolition and removal of unsafe buildings, structures, and debris. These five appropriations are transfer accounts that have their own special transfer authority that allows the Department to transfer funds from these appropriations to any other appropriation of the Department of Defense in order to finance environmental restoration efforts.

Until 1994, the Department spent the majority of the resources documenting the magnitude of the cleanup problem on DoD lands, a significant but necessary investment. In 1994, DoD turned the corner, by devoting more resources to actual cleanup than to studies. As a result, the pace of restoration has increased while more sites continue to be cleaned up and closed out. In FY 1996, DoD began a relative risk approach to environmental cleanup. This process enables the Department to prioritize cleanup activities that pose the greatest danger to the health and safety of the environment and public in the context of regulatory agreements. The relative risk process is now one of the key tools used by the Department in the planning, programming, and budgeting of the cleanup program as well as its execution. Between FY 2001 and FY 2002, the Department's Defense Environmental Restoration program declines by \$63.8 million, reflecting programmatic reductions of \$86.1 million (-6.5 percent) and price growth of \$22.3 million. The program decrease of \$86.1 million primarily consists of the discontinuance of a one-time congressional increase to the FUDS account in FY 2001 (\$-44.6 million) and a decrease in Navy requirements in both investigations and actual cleanup activities in FY 2002 (\$-40.9 million).

FORMER SOVIET UNION (FSU) THREAT REDUCTION

FY 2000 <u>Actual</u> 458.1	<u>Price Growth</u> +7.7	<u>Program Growth</u> -23.4	<u>(\$ in Millions)</u> FY 2001 <u>Estimate</u> 442.4	<u>Price Growth</u> +8.4	<u>Program Growth</u> -47.8	FY 2002 <u>Estimate</u> 403.0
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The FY 2002 amended budget requests \$403.0 million to address the threat from, and potential proliferation of, the former Soviet arsenal of weapons of mass destruction (WMD), associated materials, and expertise. The budget request, which decreases by \$39.4 million from the FY 2001 funding level, includes \$8.5 million for price growth and a net program decrease of \$46.8 million (-10.6 percent). The program decreases include reductions in submarine launched ballistic missile launcher eliminations, strategic nuclear submarine dismantlement, and spent naval fuel disposition (\$48.4 million); in the fissile material storage facility with one wing completed (\$57.3 million); and in weapons storage security assistance to include the automated inventory control and management system, guard force training, and site support equipment (\$35.2 million). The remaining program decreases include reductions for completed projects in the Weapons Transportation Security Program (\$4.7 million) and the Kukus Chemical Research Institute (\$2.5 million). These decreases are offset partially by additional funding for the elimination of weapons grade plutonium production (\$9.0 million); for elimination of strategic nuclear arms/infrastructure (\$27.0 million); for the Biological Weapons Proliferation Prevention program (\$4.8 million); for construction of the Shchuch'ye chemical weapons destruction facility and continued demilitarization of production facilities (\$50.0 million); and for a growing defense/military contacts program (\$9.5 million). The following table shows price and program changes from FY 2000 to FY 2002 for the major programs:

	<u>(\$ in Millions)</u>						
	FY 2000 <u>Actual</u>	<u>Price Change</u>	<u>Program Change</u>	FY 2001 <u>Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	FY 2002 <u>Estimate</u>
Strategic Offensive Arms Elimination - Russia	182.3	+3.3	-7.8	177.8	+4.0	-48.4	133.4
Weapons Storage Security – Russia	84.0	+1.4	+4.3	89.7	+1.5	-35.2	56.0
Weapons Transportation Security – Russia	15.2	+.2	-1.4	14.0	+.2	-4.7	9.5
Fissile Material Storage Facility – Russia	62.1	+1.0	-6.7	56.4	+.9	-57.3	-
Elimination of Weapons Grade Plutonium - Russia	37.0	+.6	-5.5	32.1	+.6	+9.0	41.7
Strategic Nuclear Arms Elimination - Ukraine	36.5	+.6	-1.2	35.9	+.6	+15.0	51.5
WMD Infrastructure Elimination – Ukraine	-	-	-	-	-	+6.0	6.0
WMD Infrastructure Elimination - Kazakhstan	-	-	-	-	-	+6.0	6.0
BW Proliferation Prevention – Former Soviet Union	14.0	+.2	-2.2	12.0	+.2	+4.8	17.0
Chemical Weapons Destruction – Russia	23.0	+.4	-23.4	-	-	+50.0	50.0
Nukus Chemical Research Institute Demil - Uzbekistan	-	-	+2.5	2.5	-	-2.5	-
Defense and Military Contacts	2.0	-	+7.0	9.0	+.2	+9.5	18.7
Other Program Support	<u>2.0</u>	<u>-</u>	<u>+11.0</u>	<u>13.0</u>	<u>+.2</u>	<u>-</u>	<u>13.2</u>
Total	458.1	+7.7	-23.4	442.4	+8.4	-47.8	403.0

FORMER SOVIET UNION THREAT REDUCTION

The objectives for the Former Soviet Union (FSU) Threat Reduction program for FY 2002 are as follows:

Strategic Offensive/Nuclear Arms/WMD Infrastructure Elimination (SOAE/SNAE/WMDIE): Russia, Ukraine, and Kazakhstan

- Continues eliminating Submarine Launch Ballistic Missiles (SLBM) launchers, Intercontinental Ballistic Missile (ICBM) silos and mobile launchers, strategic bombers, ICBMs, and SLBMs; disposing of associated Strategic Nuclear Ballistic Submarines (SSBNs) and spent fuel; and dismantling air-launched, nuclear-tipped missiles;
- Completes construction and operates and maintains the ICBM/SLBM solid propellant disposition facility in Russia;
- Continues providing assistance to the Ukraine to store SS-24 disassembled missile motors, to complete construction of the solid propellant disposition facility, and to eliminate 66 missile motors; and
- Assists Ukraine and Kazakhstan in eliminating WMD infrastructure and prevents proliferation of WMD materials.

Nuclear Weapons Storage and Transportation Security - Russia:

- Enhances the safety, security, control, and accounting of nuclear weapons while in storage and during transportation; and
- Transports nuclear warheads downloaded from Russian delivery systems from operational sites or storage sites to dismantlement facilities.

Biological Weapons (BW) Proliferation Prevention - FSU:

- Dismantles former BW production facilities;
- Enhances security of dangerous biological pathogen collections; and
- Supports DoD bio-defense collaborative research with FSU scientists.

Chemical Weapons (CW) Destruction - Russia:

- Supports construction of a CW destruction facility for the safe, secure, and ecologically sound destruction of the Russian inventory of weaponized nerve agents and the dismantlement of former CW production facilities in Russia.
- Section 1305 of the FY 2000 National Defense Authorization Act (NDAA) prohibited the use of FY 2000 Cooperative Threat Reduction (CTR) funds or any subsequent appropriations for the planning, design, or construction of the Shchuch'ye chemical weapons destruction facility because Russia was not constructing the requisite infrastructure such as water and electricity. The FY 2001 NDAA maintained the prohibition; however, in the Statement of the Managers accompanying the Act, the Congress noted the availability of prior year funds that may be used to continue to secure and eliminate Russia's chemical weapons stockpiles.
- Russia is building infrastructure, has demonstrated commitment to chemical weapons elimination (spending \$27.8 million in 2000 and planning to spend over \$100 million in 2001), and has developed a revised, more realistic plan for completion of the project.

FORMER SOVIET UNION THREAT REDUCTION

- The Department has released prior year funds and contracted for further design and site preparation. The Department intends to release the remaining prior year funds to start construction.
- The FY 2002 budget includes a legislative proposal that removes the restrictions in the section 1305 of the FY 2000 NDAA prohibiting DoD from obligating new funds for the construction of the Shchuch'ye chemical weapons destruction facility. The FY 2002 budget request includes \$35 million for CW destruction facility in the Shchuch'ye. These funds, along with continued growth in the Russian CW destruction budget and other international contributions, will help Russia eliminate WMD systems, equipment, and facilities and move toward Chemical Weapons Convention compliance.

Elimination of Weapons Grade Plutonium Production - Russia:

- Continues support to cease the production of weapons-grade plutonium at the three remaining production reactors in Russia; Russia agreed to shut down the reactors by 2008;
- Section 1307 of the FY 2001 NDAA prohibits the use of FY 2001 funds to construct a fossil fuel energy plant and requires the President to submit a report to Congress detailing options for assisting Russia in the development of alternative energy sources. The report to Congress concludes that the fossil alternative is the most effective and efficient energy source, and identifies the CTR program as the best alternative for this project. The Department has included a legislative proposal in the FY 2002 amended budget requesting the Congress to repeal the prohibition in section 1307 of the FY 2001 NDAA.

Defense and Military Contacts – FSU:

- Supports bilateral engagement activities such as senior counterpart meetings, staff discussions, unit visits, and exchanges between DoD and military establishments of CTR-eligible states (Russia, Ukraine, Moldavia, Georgia, Kazakhstan, Kyrgyzstan, and Uzbekistan) to promote restructuring of defense establishments, professional military units, and democratic civilian control.

Other Program Support - FSU:

- Supports the congressionally mandated Audit and Examination (A&E) program to ensure CTR assistance is used for the intended purpose,
- Provides for non-government technical assistance to DoD in carrying out the CTR program.

OFFICE OF THE INSPECTOR GENERAL

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
136.5	+5.3	+5.6	147.4	+5.3	-.7	152.0

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

The budget includes \$152.0 million for the OIG, an increase of \$4.6 million over the FY 2001 level. This increase is composed of \$5.3 million for price growth and a net decrease of \$0.7 million in program (0.5 percent). The total civilian full-time equivalents (FTE) will be 1,212, a reduction of 1 FTE, from FY 2001 to FY 2002. Major program increases include increased support related to the operations and maintenance of the data base at the Computer Network Defense/Law Enforcement/Counterintelligence Center (\$1.0 million) and phased implementation of process improvements to convert paper-based processing to electronic processing (\$0.4 million), and an additional pay day (\$0.4 million). These increases are offset by the functional transfer out of funding to the Office of the Secretary of Defense for the contracted audit of the Military Retirement Trust Fund (\$-0.2 million); OIG will retain oversight responsibility. Other major program reductions include reduced maintenance for the public key infrastructure (\$-0.9 million); reduced equipment and furniture requirements (\$-0.8 million); reduced civilian personnel costs to include 1 fewer FTE and the Secretary's initiative to restructure the workforce to include streamlining the organization and reducing high level managerial personnel costs (\$-0.2 million), and other miscellaneous adjustments (\$-0.4 million).

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(\$ in Millions)						
FY 2000 <u>Actual</u> 4,481.9*	Price <u>Growth</u> +71.7	Program <u>Growth</u> -136.8	FY 2001 <u>Estimate</u> 4,416.8**	Price <u>Growth</u> +74.3	Program <u>Growth</u> -1,646.9	FY 2002 <u>Estimate</u> 2,844.2

* Provided for comparison purposes. This amount was transferred to and obligated in the Service/Agency appropriations.

** The total obligation authority of \$4,416.8 million includes \$4,369.5 million (available from the \$2,838.8 million appropriated in FY 2001 (P.L. 106-259), \$1,100.0 million reappropriated in the FY 2000 Emergency Supplemental (Title IX, P.L. 106-259), \$100.0 million increase offset by a \$6.5 million reduction (0.22% rescission) from the Omnibus Appropriation (P.L. 106-554), and \$337.2 million of unexpended balances carried forward from the FY 2000) and \$47.3 million remaining from the FY 1999 Emergency Supplemental (P.L. 106-31) appropriated to the Overseas Contingency Operations Transfer Fund (OCOTF) for Munitions/Readiness (balance of the \$1.1 billion appropriated) and classified program requirements not related to contingency operation requirements. This \$47.3 million for FY 2001 is excluded from the tables shown below.

The Overseas Contingency Operations Transfer Fund (OCOTF), established by the FY 1997 DoD Appropriations Act, allows the Department to meet operational requirements in support of contingency operations without disrupting approved program execution or force readiness. The OCOTF, established as a “no year” transfer account, provides added flexibility by allowing for the transfer of funds to the Military Components based on actual experience as events unfold during the year. The OCOTF allows the Department to adjust to the dynamic changes in operational requirements and better allocate funds based on more current and up-to-date information.

The FY 2002 amended budget request for the OCOTF supports the requirements (i.e., usually those funded by the Operation and Maintenance and Military Personnel appropriations) of the respective Services and Agencies for operations in both Bosnia and Kosovo. Beginning in FY 2002, requirements for Southwest Asia (SWA) are financed in the Services’ and Agencies’ operation and maintenance and military personnel accounts rather than in the OCOTF, which is used to address relatively short term and unpredictable events where realistic program projections are difficult to assess with any amount of confidence. Since forces have been deployed to SWA for 10 years and the basic force structure has stabilized, SWA no longer meets this criteria and requirements can better be addressed through the normal appropriation process utilizing the Components’ baseline budget appropriations.

BOSNIA: There has been a continued, gradual improvement in all aspects of civil implementation and in the security situation in Bosnia. The Entity Armed Forces (EAFs) have been cooperative, and implementation of the final Brcko arbitration decision has been uneventful. Increasing flows of returning refugees and internally displaced persons continue. To the extent that Bosnia slowly moves

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

toward normalcy and as its leaders and citizens take on greater responsibility for implementing all aspects of the Dayton Peace Agreement, the requirement for an overwhelming NATO presence should diminish. The threat of a resumption of hostilities by the Entity Armed Forces remains low. In accordance with Operations Plan (OPLAN) 10407, NATO will continue to evaluate its presence and the level of forces required based on these elements. Continued U.S. presence and leadership in the NATO Stabilization Force (SFOR) will remain a critical element of its success.

The NATO and the international community continues to work diligently to condemn extremist activity in South Serbia and Northern Macedonia, support territorial integrity, and urge political and social measures to address legitimate concerns for minority rights. The United States remains committed to the U.S.-NATO alliance and the mutual goal of regional stability in the Balkans. Modifications to Balkans force structure and mission are considered in full consultation with Allies in the NATO 6-Month Review context as conditions in the Balkans allow.

The FY 2002 amended budget includes \$1,315.6 million to support a U.S. troop level of 3,250 in Bosnia, a reduction of 750 troops from the FY 2001 level of 4,000. Originally, 20,000 U.S. troops deployed in December 1995 (FY 1996) as part of the total NATO force of 60,000 troops, with progressive reductions to 6,200 U.S. troops by end of FY 1999, then down to 4,600 in FY 2000, 4,000 in FY 2001, and now 3,250 troops projected for FY 2002. (The current NATO SFOR force is approximately 19,000 troops, down from the high of 60,000 in 1995). The continued reduction in the U.S. troop strength is based on a UN assessment of progress made in Bosnia. The funding reduction in FY 2002 predominately relates to the full year impact of force reductions that began in July of 2001, offset by the increased use of the Reserve Component (RC) by the Army (from 1,798 in FY 2001 to 3,374 in FY 2002).

			<u>Bosnia</u>			
			<u>(\$ in Millions)</u>			
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
1,483.1	+23.7	-158.3	1,348.5	+22.9	-55.8	1,315.6

KOSOVO: After the air campaign against Serbia in 1999, the Military Technical Agreement was signed in June 1999 by representatives of NATO and the Yugoslav and Serbian security forces. This agreement, in conjunction with UN Security Council Resolution 1244 that established the UN Mission in Kosovo (UNMIK), triggered the deployment of 7,100 U.S. troops of 42,000 NATO and non-NATO troops in support of NATO’s Kosovo Force (KFOR). The number of U.S. troops peaked at approximately

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

10,000 in December 1999. Today there are approximately 6,100 U.S. troops contributing to KFOR, of which 5,600 are in Kosovo (37,000 total KFOR). This level of 5,600 troops is projected to remain in Kosovo through FY 2002. Their primary mission is to provide a safe and secure area to facilitate civil implementation under UNMIK. The following table shows the funding requirements for Kosovo for FY 2000 through FY 2002. The funding reduction in FY 2002 predominately relates to reduced force sustainment costs as the overall in-theater situation has continued to stabilize and reduced classified/other program requirements.

			<u>Kosovo</u>			
			(\$ in Millions)			
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
1,803.1	+28.9	-88.3	1,743.7	+29.7	-244.8	1,528.6

SOUTHWEST ASIA: It has become increasingly difficult to separate the costs of the U.S. regional presence in SWA from specific operations defined as “contingencies.” The interest of the United States in SWA goes beyond Operations Northern and Southern Watch and the forecast of a U.S. presence in the region is open-ended. Additionally, those baseline activities that are focused on countering possible aggression by Iraq have become very stable. In the event operational requirements demand immediate accelerated force deployments, the additional financing required remains within the purview of the OCOTF to maintain funding responsiveness.

The current level of force structure dedicated to the SWA region, in combination with the applicability of prepositioned equipment in the area and the flexibility of the Air Force to respond on short notice if needed (with the enhanced responsiveness afforded under the new Air Expeditionary Force (AEF) deployment structure), provides the Department with a basic capability to respond in a timely and coordinated fashion to any heightened levels of tension in that geographic area, at least in the near-term. It is recognized that this more stable and robust level of forces will remain in the SWA arena for the foreseeable future. As a result, the Department should now address this projected level of effort as part of the normal appropriation process.

Therefore, beginning in FY 2002, the Department plans to finance the costs for Southwest Asia operations in the Services’ and Agencies’ baseline appropriations (e.g., operation and maintenance and military personnel appropriations) rather than in the OCOTF. The Department requests that the FY 2002 funds be appropriated directly to the Services’ and Agencies’ appropriations. The FY 2002 amended budget request for the Services and Agencies includes \$1.2 billion to fully support activities in Southwest Asia to include maintaining troop strength at approximately 18,000.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

			<u>Southwest Asia</u>			
			(\$ in Millions)			
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
1,138.9	+18.2	+120.2	1,277.3	+21.7	-1,299.0	0

EAST TIMOR: In response to a deteriorating situation of violence and intimidation by armed militias against East Timorese civilians, on September 15,1999, the UN Security Council adopted Resolution 1264 authorizing the formation of a multinational peacekeeping force that became known as International Force East Timor (INTERFET). On March 1, 2000, the Secretary of Defense designated U.S. participation in and support of Operation Stabilise (the operational name for INTERFET). The military objectives of INTERFET, which was led by Australia, were to restore peace and security in East Timor; to protect and support the UN Mission in East Timor in carrying out its tasks; and, within force capabilities, to facilitate humanitarian assistance operations. The U.S. military participated in Operation Stabilise from September 15,1999, to February 23, 2000, when INTERFET was formally ended. The United States does maintain a presence through the U.S. Support Group East Timor (USGET), which coordinates periodic U.S. military rotational deployments designed to provide unique hands-on training opportunities for the deployed troops while providing engineering, medical, and dental assistance to the people of East Timor, but this follow-on activity is not considered a continuation of the “contingency” operation. It is more accurately considered a training exercise.

			<u>East Timor</u>			
			(\$ in Millions)			
FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
56.8	+9	-57.7	0	-	-	-

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

(\$ in Millions)						
<u>FY 2000 Actual</u>^{1/}	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2001 Estimate</u>^{2/}	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2002 Estimate</u>^{3/}
55.5	+1.0	-0.7	55.8	+0.9	+0.5	57.2
<ol style="list-style-type: none"> 1. The actual FY 2000 obligations are \$75.7 million. This requirement is financed with unobligated prior year balance of \$48.4 million and \$27.3 million of the FY 2000 appropriation. 2. The estimated FY 2001 program requirements are \$76.5 million. This requirement is financed with an FY 2000 unobligated balance of \$28.2 million carried forward into FY 2001 and \$48.3 million of the FY 2001 appropriation. 3. The FY 2002 OHDACA budget request is \$49.7 million. The combination of the budget request of \$49.7 million and projected "carry-over" of \$7.5 million from the FY 2001 appropriation will finance the FY 2002 program requirement of \$57.2 million. 						

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

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

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

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

The **FY 2002 OHDACA budget request is \$49.7 million.** The combination of the budget request of \$49.7 million and projected “carry-over” funds of \$7.5 million from the FY 2001 appropriation will finance the actual FY 2002 program requirement of \$57.2 million. The FY 2002 decrease in program requirements from the estimated program requirement in FY 2001 (\$76.5 million) and actual program executed in FY 2000 (\$75.6 million) reflects the decline of disaster response requirements after wrap-up of high intensity relief efforts associated with Hurricane Mitch in Central America. The following table arrays new and carried forward projects and funds:

OHDACA Program and Funding

	(\$ in Millions)		
	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>Total Program</u>	<u>75.7</u>	<u>76.5</u>	<u>57.2</u>
Prior Year Projects and Funds Carried Forward	48.4	28.2	7.5
New Projects/Requirements	27.3	48.3	49.7

The **Humanitarian Demining Program** requirement of \$25.8 million will support the geographical CINC’s planned humanitarian demining activities. These CINC plans include: assessments of newly designated countries; ongoing worldwide training operations; incremental funding of high-priority, emerging operations; and evaluations of current programs to determine if projected “end states” have been met. There is not any FY 2002 demining programmatic change from the FY 2001 estimate. The following table arrays new and carried forward projects and funds:

Humanitarian Demining Program and Funding

	(\$ in Millions)		
	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>Total Program</u>	<u>28.9</u>	<u>25.1</u>	<u>25.8</u>
Prior Year Projects and Funds Carried Forward	16.0	6.5	-
New Projects/Requirements	12.9	18.6	25.8

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

The **Humanitarian Assistance Program** FY 2002 requirements of \$21.4 million (\$7.5 million financed with prior year available funds) include: transportation; excess property; and other targeted assistance for disaster preparedness and mitigation. Funding also provides for distribution of relief supplies; acquisition and shipment of transportation assets to assist in distribution; acquisition and provision of relief supplies; refurbishment and restoration of excess DoD equipment; storage of excess property; and inspection, packaging and intermediary warehouse storage until excess items can be delivered. The FY 2002 decrease in program requirements from the estimated FY 2001 program requirement reflects the decline of disaster response requirements after the wrap-up of high intensity relief efforts associated with Hurricane Mitch in Central America. The following table arrays new and carried forward projects and funds:

Humanitarian Assistance Program and Funding

	<u>(\$ in Millions)</u>		
	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>Total Program</u>	<u>42.8</u>	<u>41.4</u>	<u>21.4</u>
Prior Year Projects and Funds Carried Forward	32.2	19.1	7.5
New Projects/Requirements	10.6	22.3	13.9

The **Foreign Disaster Relief Assistance/Emergency Response** estimate for FY 2002 is \$10 million. This funding supports the capacity of the Department, through the CINCs, to respond to natural and manmade disasters and to the humanitarian aspects of security crises. Among the activities covered by this item are transportation of emergency assistance during foreign disasters and programs to prepare for such activities. Emergency response includes transportation, logistical support, search and rescue, medical evacuation, and refugee assistance, in the form of both supplies and services. Projects also include those that assist Non-Government Organizations (NGO) and recipient country to build capabilities to respond to emergencies response, thereby, reducing the potential need for United States military involvement in crisis response. The following table arrays new and carried forward projects and funds:

Disaster Relief Assistance/Emergency Response Funding

	<u>(\$ in Millions)</u>		
	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>Total Program</u>	<u>4.0</u>	<u>10.0</u>	<u>10.0</u>
Prior Year Funds Carried Forward	0.2	2.6	-
New Projects/Requirements	3.8	7.4	10.0

SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE

FY 2000	Price	Program	(\$ in Millions)	Price	Program	FY 2002
<u>Actual/1</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2001</u>	<u>Growth</u>	<u>Growth/3</u>	<u>Estimate</u>
9.4	+0.2	-0.2	-	-	+15.8	15.8

1. The \$9.4 million reflects new obligation authority (\$8 million supplemental for 2002 Olympics Communication Equipment and \$1.4 million transferred to consolidate prior year unobligated balances of specific event accounts). The actual FY 2000 obligations were \$1,109 thousand.
2. The unobligated balance from prior years' funding carried forward into FY 2001 was \$22.4 million.
3. The program growth based on funding available for obligation in FY 2001 (\$22.4 million) is reduced by \$6.9 million.

The Support for International Sporting Competitions, Defense appropriation is a no-year appropriation that provides for continuing DoD support to future international sporting events.

These funds are available to fund security support for several sporting events without the need for additional appropriations. Efforts in FY 2001 and FY 2002 include specialized event security planning. Under the authority of 10 U.S.C., section 2564, the DoD has the authority to assist Federal, State or local agencies in support of civilian sporting events, if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs. Near-term events to be supported include the 2002 Winter Olympics and 2002 Paralympics.

The DoD provides this support only as a supplier of last resort while ensuring that no degradation to readiness results from this effort. Such support is essential to the national responsibility to ensure competitors and visitors are secure.

DoD plans to execute \$26.1 million in support of the 2002 Winter Olympics and 2002 Paralympics between FY 2001 and FY 2002. The FY 2001 requirement is \$10.3 million. The FY 2002 request of \$15.8 million supports the remaining known 2002 Winter Olympic Games requirements. Basic categories of support include physical security, aviation, communications, explosive ordnance disposal, temporary facilities, related equipment, and the manpower costs associated with these requirements. Funding is based on known requests for DoD support to events scheduled through 2002.

AIR OPERATIONS

	(\$ in Millions)						
	FY 2000 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2002 <u>Estimate</u>
Army	706.1	+13.8	+142.8	862.7	-7.4	+52.7	908.0
Army Reserve	29.3	+1.0	+8.9	39.2	+1.1	+3.4	43.7
Army National Guard	296.8	+8.5	-70.7	234.6	+6.3	+45.5	286.4
Navy	4,504.8	+612.9	-440.0	4,677.7	-94.6	+1,092.6	5,675.7
Navy Reserve	416.5	+70.2	-12.0	474.7	-2.2	+68.8	541.3
Air Force	13,180.9	+847.2	-960.2	13,067.9	+553.8	+2,710.3	16,332.0
Air Force Reserve	1,676.4	+158.5	-17.8	1,817.1	+89.2	+28.0	1,934.3
Air National Guard	3,277.4	+282.5	-105.2	3,454.7	+174.1	+225.6	3,854.4
USSOCOM	444.5	+33.8	-25.0	453.3	+19.1	+35.0	507.4
Defense Health Program	<u>85.6</u>	<u>+1.4</u>	<u>-64.6</u>	<u>22.4</u>	<u>+0.4</u>	<u>+0.1</u>	<u>22.9</u>
Total	24,618.3	+2,029.8	-1,543.8	25,104.4	+739.8	+4,262.0	30,106.1

The Air Operations activity supports the day-to-day operational activities; organizational, intermediate, and depot level maintenance; institutional training; unit training and operations; engineering and logistical support; and base support necessary to operate, maintain, and deploy aviation forces in support of the national military strategy. The FY 2002 budget request of \$30,106.2 million reflects a net increase of \$5,001.8 million above the FY 2001 estimate. This includes a price growth of \$739.8 million and a net program increase of \$4,262.0 million (+16.5 percent).

ACTIVE ARMY

The Army's Land Forces Air Operations funds the combat major commands (MACOMs), as well as several other agencies and commands. Within the combat MACOMs, the FY 2002 program funds rotary wing aircraft at the average OPTEMPO of 14.0 hours per crew per month. Also included are the flying hours associated with the counter-drug program, Combat Aviation Training Brigade at Fort Hood (the Army's collective trainer for the AH-64D Apache Longbow and OH-58D Kiowa Warrior programs), Combat Training Center support (National Training Center, Joint Readiness Training Center, and two training centers in Europe (the 7th Army Training Center and Combat Maneuver Training Center), and several other smaller units. The Land Forces Air Operations program also funds flying hours for fixed wing aircraft in intelligence, command, and theater aviation units. The Army's Flight Training program supports the Army's flight training program at Fort Rucker (Initial Entry Rotary Wing courses through Advanced Pilot Training), as well as flight training programs at the Intelligence School at Fort Huachuca, the Infantry School at Fort Benning, and

AIR OPERATIONS

the Transportation Training Center at Ft. Eustis. It also funds flying hours for the remaining non-training fleet in the Training and Doctrine Command and flying hours at the United States Military Academy. The Servicewide Support program funds flying hours for a small international program at Supreme Headquarters, Allied Powers Europe (SHAPE). In addition, it supports the Army Materiel Command's (AMC) Corpus Christi Army Depot and the Aviation and the Army Missile Command's (AMCOM) Navy Test Pilot School with a small contingent of Army aircraft.

Funding Summary	(\$ in Millions)						
	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Land Forces Air Operations	485.7	+6.8	+131.9	624.4	-7.7	+24.5	641.2
Depot Maintenance	123.5	+5.5	-26.3	102.7	+2.8	-28.2	77.3
Flight Training	95.2	+1.5	36.8	133.5	-2.5	+55.9	186.9
Servicewide Support	<u>1.7</u>	<u>-</u>	<u>+0.4</u>	<u>2.1</u>	<u>-</u>	<u>+0.5</u>	<u>2.6</u>
Total	706.1	+13.8	+142.8	862.7	-7.4	+52.7	908.0

Program Data	FY 2000	Change	FY 2001	Change	FY 2002
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
Primary Authorized Aircraft	2,449	+42	2,491	-69	2,422
Total Aircraft Inventory	3,033	+221	3,254	-169	3,085
Flying Hours (000)	596.7	+106.7	703.4	-20.7	682.7
OPTEMPO (Hrs/Crew/Month)					
Rotary Wing	14.5	-	14.5	-0.5	14.0

The FY 2002 budget request reflects a \$45.3 million increase above the FY 2001 level. This includes a price decrease of \$7.4 million and a program increase of \$52.7 million (+6.2 percent).

Land Force Air Operations: The FY 2002 flying hour program supports an average OPTEMPO of 14.0 hours per crew per month. The FY 2002 budget request increases of \$16.8 million above the FY 2001 level and includes a price decrease of \$7.7 million and a program increase of \$24.5 million (+4.0 percent). The FY 2002 program increase is primarily attributed to implementing logistics policy changes begun in FY 2001. The revised policy changes the supply inventory ownership from the installation level to the national level. Under this program, the Army will manage the inventory nationally and establish requirements based on the national need by a central provider -- the Army Materiel Command (AMC). As part of this concept, the Army will implement a modified credit return policy. Previously, the credit policy was based on the asset availability position and fluctuates during the execution year.

AIR OPERATIONS

The revised policy calls for basing credit rates on need at the wholesale level, and credits will be issued at the national stock number level with no credit adjustments during the execution year. This change will enable the Army to maintain stable and predictable credits given by the wholesale supply system upon turn-in of the reparable items. The program increase in FY 2002 reflects increased demand for reparable and consumable parts by Army aviation units purchased from the National Maintenance Management Program which are not offset by anticipated credits.

Depot Maintenance: The FY 2002 budget request decreases \$25.4 million below the FY 2001 level and reflects a price increase of \$2.8 million and a program decrease of \$28.2 million (-26.7 percent). The FY 2002 program finances 70 percent of the executable depot maintenance workload. The FY 2002 decrease of \$28.2 million reflects reduced depot maintenance requirements for the UH-60 helicopter and for the UH-1 helicopter pending retirement.

Flight Training: The FY 2002 budget request increases \$53.4 million above the FY 2001 level and reflects a price decrease of \$2.5 million and a program increase of \$55.9 million (+42.7 percent). The FY 2002 program increase of \$55.9 million reflects increased demand for reparable and consumable parts by Army aviation units purchased from the National Maintenance Management Program which are not offset by anticipated credits.

Servicewide Support: The FY 2002 budget request increases \$0.5 million above the FY 2001 level, reflects no price changes, and includes a program increase of \$0.5 million (+23.8 percent). The FY 2002 program increase of \$0.5 million reflects the effects of changes in logistics policies begun in FY 2001 and an increase in demand of reparable and consumable spare parts by Army aviation units.

ARMY RESERVE

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

	<u>(\$ in Millions)</u>						
<u>Funding Summary</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Training Operations	29.3	+1.0	+8.9	39.2	+1.1	+3.4	43.7

AIR OPERATIONS

	FY 2000		FY 2001		FY 2002
<u>Program Data</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Primary Authorized Aircraft	129	+6	135	+8	143
Total Aircraft Inventory (TAI)	129	+6	135	+8	143
Flying Hours (000)	32.1	+10.6	42.7	-	42.7
OPTEMPO:					
Rotary (Hours/Crew/Month)	8.7	-0.1	8.6	-0.4	8.2
Fixed (Aircraft Hours/Month)	49.3	+4.5	53.8	-	53.8

The FY 2002 budget request reflects a net increase of \$4.5 million. This includes a price decrease of \$1.1 million and a program increase of \$3.4 million (+8.4 percent) associated with the activation of two new General Aviation companies in FY 2002.

ARMY NATIONAL GUARD

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

	<u>(\$ in Millions)</u>						
	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Training Operations	296.8	+8.5	-70.7	234.6	+6.3	+45.5	286.4
	FY 2000			FY 2001			FY 2002
<u>Program Data</u>	<u>Actual</u>	<u>Change</u>		<u>Estimate</u>	<u>Change</u>		<u>Estimate</u>
Primary Authorized Aircraft	1,930	-99		1,831	-154		1,677
Total Aircraft Inventory	1,930	-99		1,831	-154		1,677
Flying Hours (000)	250.6	+90.5		341.1	+8.6		349.7
OPTEMPO:							
Rotary (Hours/Crew/Month)	5.6	+3.6		9.2	-		9.2

AIR OPERATIONS

<u>Program Data</u>	<u>FY 2000</u>	<u>Change</u>	<u>FY 2001</u>	<u>Change</u>	<u>FY 2002</u>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
Fixed (Aircraft Hours/Month)	27.5	-4.5	23.0	+2.0	25.0

The FY 2002 budget request reflects a net increase of \$51.8 million. This includes a price change of \$6.3 million and a program increase of \$45.5 million (+18.9 percent), which reflects increased consumption of depot level reparable and consumable spare parts.

ACTIVE NAVY

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

	<u>(\$ in Millions)</u>						
<u>Funding Summary</u>	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Mission/Flight Operations	2,424.6	+422.0	-216.1	2,630.5	-86.2	+662.5	3,206.8
Fleet Air Training	751.3	+102.5	-58.0	795.8	-12.4	+167.6	951.0
Intermediate Maintenance	58.4	+1.9	-4.1	56.2	+1.8	+4.5	62.5
Air Ops and Safety Support	84.9	+2.2	+12.5	99.6	+1.0	+2.8	103.4
Depot Maintenance	817.8	+42.3	-192.1	668.0	+3.7	+182.6	854.3
Depot Operations Support	19.8	+1.1	-0.1	20.8	-0.4	+33.8	54.2
Combat Communications	42.8	+9.8	+0.4	53.0	-1.6	+4.3	55.7
Flight Training	287.7	+27.0	+17.5	332.2	+0.6	+34.5	367.3
Blue Angels	17.5	+4.1	-	21.6	-1.1	-	20.5
Total	4,504.8	+612.9	-440.0	4,677.7	-94.6	+1,092.6	5,675.7

<u>Program Data</u>	<u>FY 2000</u>	<u>Change</u>	<u>FY 2001</u>	<u>Change</u>	<u>FY 2002</u>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
Primary Authorized Aircraft	2,499	+9	2,508	-10	2,498
Total Aircraft Inventory (TAI) *	4,055	+15	4,070	+24	4,094
Total Flying Hours (000)	1,200.4	-42.1	1,158.3	+157.9	1,316.2
Tactical Fighter Wings	10	-	10	-	10

AIR OPERATIONS

<u>Program Data</u>	<u>FY 2000</u> <u>Actual</u>	<u>Change</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2002</u> <u>Estimate</u>
Hours Per Crew Per Month	20.9	-3.1	17.8	+4.8	22.6
Primary Mission Readiness **	76%	-8%	68%	+15%	83%
Naval Aviation Installations					
CONUS	15	-	15	-	15
Overseas	8	-	8	-	8

* TAI includes Navy and Marine Corps Reserve aircraft.

** Includes 2% simulator contribution

The FY 2002 budget request increases \$998.0 million above of the FY 2001 level and reflects a price decrease of \$94.6 million and a program increase of \$1,092.6.0 million (+23.8 percent) from the FY 2001 level. The Primary Authorized Aircraft (PAA) decreases from FY 2001 to FY 2002 due to various force structure changes, including delays in delivery of FA-18E/F and MV-22B aircraft. In FY 2002, the flying hour program achieves readiness and training goals.

Mission/Flight Operations: The FY 2002 budget request reflects a net increase of \$576.3 million above the FY 2001 level, which includes a price decrease of \$86.2 million primarily due to a decrease in fuel, Aviation Depot Level Repairables (AVDLR) and aviation consumable prices. The FY 2002 program increase of \$662.5 million (+26.0 percent) reflects an increase in flying hours of 143,469 hours to meet the Primary Mission Readiness (PMR) levels and training goals, as well as expected increases in usage of consumables and repairables due to aging aircraft. The Navy included an aging aircraft factor of 8 percent for the expected increased usage of aircraft parts.

Fleet Air Training: The FY 2002 budget request reflects a net increase of \$155.2 million above the FY 2001 level, which includes a price decrease of \$12.4 million primarily due to decreased fuel, AVDLR and aviation consumable prices. Programmatic adjustments in FY 2002 total \$167.6 million (+21.4 percent) and result from higher usage rate of consumables and repairables as well as an increase in hours (+6,730 hours) to correspond to changes in training requirements.

Navy Intermediate Maintenance: The FY 2002 budget request reflects a net increase of \$6.3 million above the FY 2001 level, which includes a price growth of \$1.8 million and programmatic increases of \$4.5 million (+7.8 percent). The net increase will provide additional engineering and technical support for tactical aircraft.

Air Operations and Safety Support: The FY 2002 budget reflects a net increase of \$3.8 million above the FY 2001 level, which includes a price increase of \$1.0 million and a program increase of \$2.8 million (+2.8 percent). The increase will support the technical publication library, the distribution of technical data to the Fleets, and the operation and maintenance of the technical drawings repository.

AIR OPERATIONS

Aircraft Depot Maintenance: The FY 2002 budget reflects a net increase of \$186.3 million, which includes a price increase of \$3.7 million and a net program increase of \$182.6 million (+27.2 percent). The program increase reflects net transfers-out of \$7.5 million and net program increase of \$190.1 million. A transfer-out of \$38.9 million for the contracted maintenance of the T-45 aircraft and engine component from this subactivity group to the Flight Training subactivity group where it is more appropriately funded is offset by a transfer-in of \$31.4 million from the Overseas Contingency Operations Fund for ongoing support to Southeast Asia. The real program increase of \$190.1 million results from increases in standard depot level maintenance actions, phased depot maintenance actions, and engine overhauls/repairs. The program is fully funded to meet Navy optimal maintenance levels.

Aircraft Depot Operations Support: The FY 2002 budget request reflects a net increase of \$33.4 million above the FY 2001 level. This includes a price decrease of \$0.4 million and a program increase of \$33.8 million (+166 percent). The programmatic increase reflects additional funding for Enterprise Resource Planning (ERP), resulting in the standardization of business processes and optimization of resource management.

Combat Communications. Combat Communication funds the E-6A/B TACAMO program. The FY 2002 budget request reflects a net increase of \$2.7 million above the FY 2001 level. This includes a price decrease of \$1.6 million and a program increase of \$4.3 million (+8.4 percent) associated with a slight increase in hours to be flown (+1,332 hours).

Flight Training: The FY 2002 budget reflects a net increase of \$35.1 million above the FY 2001 level. This includes price growth of \$0.6 million and a program increase of \$34.5 million (+10.4 percent). Program growth is mainly a result of the transfer-in of the contract effort for T-45 aircraft and engine component repairs from Aircraft Depot Maintenance (\$38.9 million) to this subactivity group offset by miscellaneous program decreases (\$-4.4 million).

Blue Angels: The FY 2002 funding is the same as the FY 2001 funding level except for a slight price decrease of \$1.1 million.

NAVY RESERVE

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

AIR OPERATIONS

	(\$ in Millions)						
	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Mission/Flight Operations	294.2	+63.9	-4.4	353.7	-4.9	+56.7	405.5
Intermediate Maintenance	16.3	+0.4	+0.2	16.9	+0.2	+0.1	17.2
Air Ops and Safety Support	3.9	+0.1	-1.4	2.6	-	-0.6	2.0
Depot Maintenance	101.9	+5.8	-6.5	101.2	+2.5	+12.6	116.3
Depot Operations Support	<u>0.2</u>	<u>-</u>	<u>+0.2</u>	<u>0.3</u>	<u>-</u>	<u>-</u>	<u>0.3</u>
Total	416.5	+70.2	-12.0	474.7	-2.2	+68.8	541.3

	FY 2000		FY 2001		FY 2002
<u>Program Data</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Primary Authorized Aircraft	411	-7	404	-1	403
Total Aircraft Inventory (TAI)*	4,055	+15	4,070	+24	4,094
Total Flying Hours (000)	173.7	-3.1	170.6	+0.5	171.1
Tactical Fighter Wings	1	-	1	-	1
Hours Per Crew Per Month	11.0	-	11.0	-	11.0
Primary Mission Readiness **	87%	-	87%	-	87%

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

** Includes 2% simulator contribution.

The FY 2002 request reflects a net increase of \$66.6 million above the FY 2001 funding level. This includes a price decrease of \$2.2 million (primarily from decreasing fuel prices) and a real program growth of \$68.8 million (+14.6 percent) above FY 2001 level. Programmatic increases in FY 2002 are associated with increased costs of Aviation Depot Level Repairables (AVDLRs), contract maintenance increases (most notably on the F-5), introduction of the C-40 "Clipper" aircraft, a one time cost increase for the P-3 Logistics Engineering Change Proposal (LECP) to be completed on all of the Reserve Force P-3s in FY 2002, and increased funding for engine repairs.

AIR OPERATIONS

ACTIVE AIR FORCE

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

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

<u>Funding Summary</u>	<u>(\$ in Millions)</u>						
	<u>FY 2000</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2002</u> <u>Estimate</u>
Primary Combat Forces	2,367.5	+289.5	-120.5	2,536.5	+140.7	+570.0	3,247.2
Primary Combat Weapons	277.4	+6.4	+2.9	286.7	+7.5	+31.7	325.9
Combat Enhancement Forces	205.0	+6.2	-7.4	203.8	+4.6	+26.4	234.8
Air Operations Training	753.0	+82.9	-2.8	833.1	+41.9	+352.0	1,227.0
Combat Communications	1,163.9	+59.8	-145.9	1,077.8	+28.0	+251.1	1,356.9
Facilities Sustainment (FSRM)	730.8	-14.9	+58.7	774.6	+15.8	+44.9	835.3
Base Support	2,130.8	-0.5	-446.1	1,684.2	+20.4	+507.8	2,212.4
Global C3I & Early Warning	709.7	+10.2	-36.5	683.4	+21.7	+138.7	843.8
Other Combat Ops Spt Programs	311.1	+11.2	-38.3	284.0	+8.2	+112.5	404.7
Airlift Operations	1,751.1	+213.6	-300.4	1,664.3	+59.9	+332.2	2,056.4
Flight Training	509.9	+62.3	+7.3	579.5	+13.3	+65.2	658.0
Rescue & Recovery Services	67.4	+4.3	-11.5	60.2	+3.0	+9.2	72.4
Arms Control	27.2	+1.1	+5.8	34.1	+0.6	-	34.7
Security Programs	605.6	+20.3	+57.6	683.5	+20.1	+121.3	824.9
International Support	16.2	-0.6	-3.1	12.5	+0.1	+7.6	20.2
Depot Maintenance (All Air Force)	<u>1,554.3</u>	<u>+95.4</u>	<u>+20.0</u>	<u>1,669.7</u>	<u>+168.0</u>	<u>+139.7</u>	<u>1,977.4</u>
Total	13,180.9	+847.2	-960.2	13,067.9	+553.8	+2,710.3	16,332.0

AIR OPERATIONS

The FY 2002 budget request reflects a net increase of \$3,264.1 million above the FY 2001 funding level. This includes a price increase of \$553.8 million and a program increase of \$2,710.3 million (+19.9 percent).

<u>Program Data</u>	<u>FY 2000</u> <u>Actual</u>	<u>Change</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2002</u> <u>Estimate</u>
Primary Aircraft Authorized					
Bomber	126	+4	130	-18	112
Fighter/Attack	1,383	-30	1,353	6	1,359
Trainer	1,026	+34	1,060	-49	1,011
Mobility	338	+1	339	+3	342
Other	<u>462</u>	<u>+14</u>	<u>476</u>	<u>+1</u>	<u>477</u>
Total	3,335	+23	3,358	-57	3,301
Total Aircraft Inventory (TAI)					
Bomber	177	+2	179	-35	144
Fighter/Attack	1,577	-18	1,559	+5	1,564
Trainer	1,274	-33	1,241	-113	1,128
Mobility	331	+2	333	+2	335
Other	<u>572</u>	<u>+4</u>	<u>576</u>	<u>+1</u>	<u>577</u>
Total	3,931	-43	3,888	-140	3,748
Flying Hours (000)	1,256.8	+36.2	1,293.0	+6.3	1,299.3
Fighter Wing Equivalents	12.6	-	12.6	-	12.6
Crew Ratio (Average per Aircraft)					
Bombers					
B-52	1.40	-	1.40	-	1.40
B-2	1.31	-	1.31	-	1.31
B-1	1.31	-	1.31	-	1.31
Fighters	1.25	-	1.25	-	1.25

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<u>Program Data</u>	FY 2000 <u>Actual</u>	<u>Change</u>	FY 2001 <u>Estimate</u>	<u>Change</u>	FY 2002 <u>Estimate</u>
OPTEMPO (Hrs/Crew/Month)					
Bombers	18.2	-3.4	14.8	+0.7	15.5
Fighters	15.8	+1.3	17.1	-0.1	17.0
Airlift	24.5	-0.8	23.7	+0.3	24.0
Tanker	24.5	-0.8	23.7	+0.3	24.0
Primary Mission Capable (%)					
Bombers	68.8	+1.8	70.6	-1.3	69.3
Fighters	74.3	-0.5	73.8	+2.5	76.3
Airlift	68.1	-0.3	67.8	+3.5	71.3
Tanker	71.8	+3.9	75.7	+2.3	78.0
ICBM Inventory					
Minuteman III	500	-	500	-	500
Peacekeeper	<u>50</u>	-	<u>50</u>	-	<u>50</u>
Total	550	-	550	-	550

Primary Combat Forces: The FY 2002 budget request reflects a net increase of \$710.7 million above the FY 2001 funding level. This includes a price growth of \$140.7 million and a net program increase of \$570.0 million (+21.3 percent). The net program increase includes net transfers out totaling \$33.4 million and a real program increase of \$603.4 million (+22.5 percent). The transfers include a transfer-in from the Southwest Asia Contingency Operations (\$+17.6 million) offset by a transfer-out of the Distributed Mission Training program (\$-51.0 million) to the Air Operations Training subactivity group. The program increase primarily results from the \$423.4 million increase in the cost of the Flying Hour Program, which is attributable to aging aircraft. The estimated cost for the FY 2002 flying hour program reflects the approved cost factors based on FY 2000 consumption, adjusted for a 5 year historical pattern of cost growth in flying hour depot level repairables (DLR) and consumables attributable to an aging fleet. Other significant increases include \$125.4 million to support FY 2002 the flying hour program including non-flying hour DLRs, general support supplies, sustaining engineering, and contractor logistics support and \$34.1 million to accelerate replacement of engine parts associated with the F-16 safety upgrade.

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Primary Combat Weapons: The FY 2002 funding level increases by \$39.2 million above the FY 2001 level. This includes a price growth of \$7.5 million and a program increase of \$31.7 million (+10.8 percent). The program increase reflects increased funding for the Minuteman (\$15.1 million) for maintenance of the missile and the guidance system and for DLRs supporting a life extension program for the launch facility and guidance set batteries. In addition, the FY 2002 program restored a one-time reduction to this subactivity group to fund the FY 2001 shortfall in the flying hour program (\$12.5 million).

Combat Enhancement Forces: The FY 2002 budget request includes a net increase of \$31.0 million above the FY 2001 funded level. This includes a price growth of \$4.6 million and a net program growth of \$26.4 million (+12.7 percent). The program increase consists of functional transfers-in totaling \$4.7 million and real program increases totaling \$21.7 million (+10.4 percent). The transfers include \$3.0 million from the Depot Maintenance subactivity group for engine maintenance for MH-53J helicopters because the Air Force will purchase depot maintenance via a contract rather than perform the maintenance at an organic depot. In addition, the FY 2002 request includes a functional transfer from the Other Procurement appropriation for safety modifications for lightweight parachutes, life preservers and other mission gear (\$1.0 million) because this equipment is properly funded in O&M, Air Force and a functional transfer from O&M, Air National Guard to consolidate all support for Scathe View (\$0.7 million). The program increase of \$21.7 million is primarily attributed to an increase in contractor logistics support and courseware development for Compass Call aircraft and unmanned aerial vehicles.

Air Operations Training: The FY 2002 budget request reflects a net increase of \$393.9 million. This includes a price growth of \$41.9 million and a net program increase of \$352.0 million (+40.2 percent). Net transfers of \$55.3 million primarily reflect a transfer in of \$50.8 million from Primary Combat Forces for the Distributed Mission Training program, which provides a shared environment of geographically separated aircraft simulators. Other transfers include \$8.3 million transferred from the Overseas Contingency Operations Transfer Fund (OCOTF) and miscellaneous transfers out totaling \$-3.8 million. After adjusting for transfers, the FY 2002 real program increase of \$296.7 million includes \$185.1 million for the flying hour program and reflects the approved cost factors based on FY 2000 consumption, adjusted for a 5-year historical pattern of cost growth in flying hour depot level repairables (DLR) and consumables and largely attributable to an aging fleet. Other increases totaling \$110.7 million support mission and readiness training and include full funding for six scheduled combat training exercises (\$48.0 million), additional funds for Distributed Mission Training (\$26.1 million), and training range support (\$36.6 million) to pay for range and aircraft maintenance and for low observable aircraft support to training exercises.

Combat Communications: The FY 2002 budget request reflects a net increase of \$279.1 million. This includes a price growth of \$28.0 million and a net program increase of \$251.1 million. Net functional transfers total \$56.1 million. Transfers-in (\$+68.6 million) consist of \$58.2 million from the OCOTF and of \$10.6 million from the Aircraft Procurement, Air Force appropriation for U-2 spares. Spares and repair parts are funded in the operation and maintenance appropriation. Transfers-out (\$-25.9 million) include \$12.0 million transferred to the Administration subactivity group for Distributed Common Ground System (DCGS). The DCGS supports the Air Force Office of Special Investigations, which is funded in the Administration subactivity group. Other miscellaneous transfers-out total \$13.9 million. After adjusting for transfers, the FY 2002 program increases by a total \$195.0 million

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(+17.6 percent) and includes \$50.7 million in the flying hour program for the Joint Stars, Airborne Warning and Control System (AWACS) and Tactical Airborne Control System that reflects the approved cost factors based on FY 2000 consumption, adjusted for a 5-year historical pattern of cost growth in flying hour depot level repairables (DLR) and consumables and largely attributable to an aging fleet. In addition, the FY 2002 increase includes \$133.1 million for contractor logistics support for the JSTARS, manned reconnaissance system, AWACS, and U-2.

Facilities Sustainment, Restoration, and Modernization: The FY 2002 budget request reflects a net increase of \$60.7 million. This includes a price growth of \$15.8 million and a net program growth of \$44.9 million (+5.7 percent). The program increase includes net transfers-in of \$6.9 million. The transfers include \$11.2 million for Southwest Asia Contingency Operations from the OCOTF, offset by miscellaneous transfers. After adjusting for transfers, the true program growth is \$38.0 million (+4.8 percent). This increase includes \$67.8 million to provide additional funding for sustainment of facilities to fund necessary day-to-day recurring maintenance for emergency and critical repair efforts. This increase also includes an increase in demolition efforts by \$32.7 million. Offsetting the increases are program decreases including \$62.5 million used to fund other Air Force priority efforts.

Base Support: The FY 2002 budget request reflects a net increase of \$528.2 million. This includes a price growth of \$20.4 million and a net program increase of \$507.8 million (+29.8 percent). The program increase reflects net functional transfers totaling \$297.5 million. Transfers-in include a transfer-in of \$304.7 million from OCOTF and a transfer-in of \$4.5 million from the Air Operations Facilities, Sustainment, Restoration and Modernization subactivity group for dormitory furniture, which is more appropriately funded in the Base Support subactivity group. These transfers-in are offset by a functional transfer-out to the Military Personnel appropriation that reflects a change in approach to competitive sourcing and the cancellation of A-76 studies for programs such as Precision Measurement Equipment Laboratory (PMEL) and Corrosion Control (\$-11.8 million). After adjusting for transfers, the real program increase of \$210.3 million (+12.3 percent) is primarily driven by a restoration of funds after a temporary shortfall caused by a repricing of cost factors in the FY 2001 Flying Hour Program (\$79.3 million) and by added funding for severely constrained base operating support activities to include vehicle maintenance, mess attendant, library, and linen exchange contracts (\$46.6 million). Additionally, increases are for electrical utility cost increases in California (\$32.7 million) and for contractual efforts (\$29.8 million) that support Land Mobile Radios (LMR) migration to narrow band, increased network contract costs, electronic records management, and Combat Ammunition System (CAS) hardware and maintenance.

Global C3I & Early Warning: The FY 2002 budget request reflects a net increase of \$160.4 million. This includes a price increase of \$21.7 million and a net program increase of \$138.7 million (+19.7 percent). The program increase reflects functional transfers totaling \$7.9 million from the Research, Development, Test and Evaluation (RDT&E), Air Force appropriation including \$3.6 million to support an Air Force Space Command program realignment, \$1.5 million to sustain existing and additional international warning sites, and \$2.8 million for the for Joint Data Exchange Centers and International Cooperative Administrative Support Services paid through the US Embassy in Moscow. The real program increase of \$130.8 million (+18.6 percent) is primarily driven by the realignment of sustainment responsibilities for the MILSTAR satellite system (\$38.1 million) and by an increase in contract support for Ballistic Missile Early Warning Systems at Clear Air Force Station, Alaska; Thule Air Base, Greenland; and Flyingdales, United

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Kingdom (\$26.3 million). Changes also include increased funding for the Space Analysis Center to provide the analytical support for developing future space capabilities (\$20.1 million) and to provide additional programmed depot maintenance inductions to be performed by contract for E-4B aircraft (\$19.0 million).

Other Combat Operations Support Programs: The FY 2002 budget request reflects a net increase of \$120.7 million. This includes a price increase of \$8.2 million and a net program increase of \$112.5 million (38.5 percent). The increase in program includes net functional transfers of \$2.6 million that consist of a transfer in of \$4.3 million from Combat Communications subactivity group for the operations and maintenance of the Eagle Vision Commercial Satellite system at Ramstein Air Base Germany, offset by miscellaneous transfers out totaling \$1.7 million. The net program growth of \$109.9 million (+37.6 percent) is driven by increases for nuclear, biological, and chemical equipment, to include aircrew and ground crew ensembles in support of Expeditionary Air Forces (\$30.1 million); for six additional primary F-22 aircraft with 1,200 flying hours (\$28.3 million), for air base ground defense support equipment (\$15.3 million), for anti-terrorism installation level improvements (\$10.8 million), and for additional equipment and support items (\$25.4 million).

Airlift Operations: The FY 2002 budget request reflects a net increase of \$392.1 million. This includes a price growth of \$59.9 million and a net program increase of \$332.2 million (+19.3 percent). The program increase reflects functional transfers-in totaling \$148.5 million that consist of a transfer from the OCOTF (\$149.7 million), offset by miscellaneous transfers-out totaling \$1.2 million. After adjusting for transfers, the real program growth is \$183.7 million (+10.7 percent). The Air Force increased contractor logistics support by \$69.7 million to support ten engine overhauls for the KC-10 due to aging aircraft, to provide periodic depot maintenance inspections by contractors (rather than at organic Air Force depot maintenance facilities) for the C-9 and C-20 aircraft in order to meet FAA requirements, and to pay for contract price increases for engine repair of the C-17A training fleet. Additionally, the program increases totaling \$33.5 million support equipment maintenance, replacement reparable, technical data and supplies for the KC-135 and C-130 aircraft. Based on updated assessment of actual workyear costs and on multiple civilian manpower changes reflecting changing workloads, military to civilian conversions, communications and computer realignments, and competitive sourcing and reengineering decisions, civilian pay increases by \$30.0 million, and the civilian workforce increases by nine full time equivalents. The airlift flying hour program increases by \$19.8 million as a result of the FY 2002 approved cost factors based on consumption of spares and consumables for an aging fleet. The Air Force also increased funding for lease, logistics support, fuel, and travel costs for five C-37A aircraft and two C-40B aircraft (\$19.5 million). Airlift flight crew training increases by \$14.0 million in order for the crews to gain more flying experience, to maintain currency, and to meet readiness goals.

Flight Training: The FY 2002 funding budget request reflects a net increase of \$78.5 million above the FY 2001 level. Changes include a price growth of \$13.3 million and a net program increase of \$65.2 million (11.0 percent). The program increase includes a functional transfers-in totaling \$5.0 million from the Air Operations Training subactivity group for an automated system which tracks aircrew training and individual aircrew flying hours and from Base Operating Support to correctly align funding for a previous A-76 award. The real program increase of \$60.2 million (+10.2 percent) is driven primarily by an increase of \$36.7 million for undergraduate flying training production. This increase supports the transition to T-6 operations; retooling, maintenance and other

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requirements associated with an annual pilot production of 1,100 students; the beddown of the T-6 aircraft at Randolph, Moody, and Laughlin Air Force Bases; the beddown of the T-38C aircraft at Moody and Columbus Air Force Bases; and the engine overhauls for T-1 aircraft engines reaching 4,500 hours of use. Funding also increased by \$25.3 million for a flying hour consumption change and reflects the approved cost factors based on consumption of spares and consumables for an aging fleet.

Rescue & Recovery Services: The FY 2002 budget request reflects a net increase of \$12.2 million about the FY 2001 level. This includes a price increase of \$3.0 million and a program increase of \$9.2 million (+14.6 percent). The program increase reflects net functional transfers-in totaling \$4.6 million that includes \$4.9 million from the Overseas Contingency Operation Transfer Fund offset by miscellaneous transfers-out totaling \$0.3 million. After adjusting for transfers, the real program increases \$4.6 million (+7.3 percent) due to flying hour consumption changes when the program was repriced to reflect approved cost factors based on consumption of spares and consumables for an aging fleet (\$6.7 million). The increase is offset by miscellaneous program changes resulting in a net decrease of \$2.1 million.

Arms Control: The FY 2002 funding increases \$0.6 million for price growth.

Security Programs: The FY 2002 budget request reflects a net increase of \$141.4 million above the FY 2001 level. This includes price growth of \$20.1 million and net program growth of \$121.3 million (+14.2 percent). Net transfers-in total \$12.4 million and are \$12.0 million from Combat Communications subactivity group for a classified program and \$0.4 million from the Overseas Contingency Operations Fund. The net real program increases of \$108.9 million (+15.5 percent) is associated with classified programs.

International Support: The FY 2002 budget request reflects a net increase of \$7.7 million above the FY 2001 level. This includes a price increase of \$0.1 million and a program increase of \$7.6 million (+60.3 percent) driven primarily by the Cooperative Defense Initiative to assess the ability of regional partners to respond to chemical or biological weapon threats, by an increase in military-to-military contacts in the central Asian states, and by an increase supporting administrative fee waivers on certain Foreign Military Sales cases.

Depot Maintenance (Air Force-wide): The FY 2002 budget request reflects a net increase of \$307.7 million above the FY 2002 level. This includes price growth of \$168.0 million and a net program increase of \$139.7 million (7.6 percent). The program increase reflects net functional transfers-out totaling \$-5.7 million. The transfer-in of \$8.0 million from the Overseas Contingency Operation Transfer Fund is offset by transfers-out that total \$13.7 million. They are: \$8.2 million to the Combat Communications subactivity group for depot software maintenance for Joint Stars to be performed by contractor instead of by an organic Air Force depot, \$3.0 million to the Combat Enhancement Forces subactivity group for the MH-53J helicopters in order to contract out a second repair source to meet demand, and \$2.5 million to the Airlift Operations subactivity group for corrosion inspections on KC-135R aircraft as a result of the change in inspection responsibility from a depot maintenance activity to a unit level responsibility. Adjusting for transfers, the real program increase is \$145.4 million (+7.9 percent). This increase is primarily

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attributed to a one-time depot quarterly surcharge for Working Capital Fund recovery of losses (\$235.3 million). Other increases include the A-10 Hog-Up structural repair program to extend the service life of the A-10 (\$26.2 million) and service life extension program maintenance for the F-16 (\$17.3 million). These are offset by program decreases totaling \$133.4 million primarily attributed changes in the planned depot maintenance programs for the B-1 software (\$-38.9 million), F-110 engine overhauls (\$-23.4 million), F-15/F-15E aircraft (\$-14.0 million), and B-52 aircraft (\$-13.5 million). In addition, the program decreases \$20.0 million due to a one-time congressional increase for depot maintenance of the B-52 attrition reserve aircraft. Miscellaneous depot maintenance program changes result in a net program decrease of \$23.6 million.

AIR FORCE RESERVE

The Air Force Reserve Air Operations provide the resources to maintain and train units for immediate mobilization and to provide administrative support for the Air Reserve Personnel Center. The FY 2002 request provides for the operation and training of 60 flying units, 275 mission support units, 13 Air Force Reserve flying installations, and the flying and mission training of 74,300 Selected Reserve personnel. Activities supported include aircraft operations, base and depot level aircraft maintenance, facility maintenance, medical treatment, civilian pay, travel, transportation, maintenance of other equipment, and base operating support.

	<u>(\$ in Millions)</u>						
<u>Funding Summary</u>	<u>FY 2000</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2002</u> <u>Estimate</u>
Primary Combat Forces	996.1	+128.1	+80.0	1,204.2	+50.7	+11.7	1,266.6
Mission Support Ops	71.5	+2.3	-22.7	51.1	+1.6	+8.9	61.6
Depot Maintenance	257.6	+18.4	+12.2	288.2	+29.0	+5.3	322.5
Base Support	270.8	+8.0	-54.8	224.0	+6.5	+14.6	245.1
Facilities Sustainment (FSRM)	<u>80.4</u>	<u>+1.7</u>	<u>-32.5</u>	<u>49.6</u>	<u>+1.4</u>	<u>-12.5</u>	<u>38.5</u>
Total	1,676.4	+158.5	-17.8	1,817.1	+89.2	+28.0	1,934.3

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<u>Program Data</u>	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Primary Aircraft Authorized					
Bomber	8	-	8	-	8
Fighter/Attack	105	-	105	-	105
Mobility	232	-	232	+5	237
Other	52	+1	53	-	53
Total	397	+1	398	+5	403
Total Aircraft Inventory (TAI)					
Bomber	9	-	9	-	9
Fighter/Attack	122	-	122	-1	121
Mobility	253	+13	266	+4	270
Other	61	-2	59	-	59
Total	445	+11	456	+3	459
Flying Hours (000)	123.8	+12.3	136.1	+1.6	137.7
Tactical Fighter Wing Equivalents	1.0	-	1.0	-	1.0
Crew Ratios (Average per Aircraft)					
Bombers	1.31	-	1.31	-	1.31
Fighters	1.25	-	1.25	-	1.25
OPTEMPO (Hrs/Crew/Month)					
Bombers	16.8	+0.3	17.1	-	17.1
Fighters	11.7	-0.7	11.0	-	11.0

The FY 2002 budget request increases \$117.2 million above the FY 2001 level. Price changes increase \$89.2 million while program changes increase \$28.0 million (+1.5 percent).

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Primary Combat Forces (Air Operations): The FY 2002 budget request reflects a net increase of \$62.4 million. This includes a price increase of \$50.7 million and a program growth of \$11.7 million (+0.9 percent). The program growth is primarily attributed to the increase in the flying hour program and reflects the increased consumption and costs of DLRs and consumable spare parts needed to support aging aircraft.

Mission Support Operations: The FY 2002 budget request reflects a net increase of \$10.5 million. This includes a price increase of \$1.6 million and a program growth of \$8.9 million (+16.9 percent). The program increase is primarily the result of increased civilian personnel costs resulting from mass transit benefits and special pay for information technology employees.

Depot Maintenance: The FY 2002 budget request includes a net increase of \$34.3 million. This includes a price increase of \$29.0 million and a program increase of \$5.3 million (+1.7 percent). The program increase reflects an increased workload for programmed depot maintenance of aircraft.

Base Support: The FY 2002 budget request reflects a net increase of \$21.1 million. This includes a price increase of \$6.5 million and a program increase of \$14.6 million (+6.3 percent). The program increase reflects increases for higher utility costs for natural gas and electricity, force protection improvements, and A-76 studies of government functions.

Facilities Sustainment, Restoration and Modernization: The FY 2002 budget request reflects a net decrease of \$11.1 million. This includes a price increase of \$1.4 million and a program decrease of \$12.5 million (-24.5 percent) that reflects savings resulting from A-76 determinations.

AIR NATIONAL GUARD

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

<u>Funding Summary</u>	<u>(\$ in Millions)</u>						
	<u>FY 2000</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2002</u> <u>Estimate</u>
Aircraft Operations	1,995.4	+223.2	-0.6	2,218.0	+96.1	+231.0	2,545.1
Mission Support Ops	431.1	+17.7	-72.8	376.0	+13.8	-41.4	348.4
Depot Maintenance	416.6	+32.8	+11.5	460.9	+56.1	-26.1	490.9

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	<u>(\$ in Millions)</u>						
	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Base Support	319.7	6.9	-36.2	290.4	+6.3	+81.2	377.9
Facilities Sustainment (FSRM)	<u>114.6</u>	<u>+1.9</u>	<u>-7.1</u>	<u>109.4</u>	<u>+1.8</u>	<u>-19.1</u>	<u>92.1</u>
Total	3,277.4	+282.5	-105.2	3,454.7	+174.1	+225.6	3,854.4

	FY 2000		FY 2001		FY 2002
<u>Program Data</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Primary Aircraft Authorized					
Bomber	16	-	16	-16	-
Fighter/Attack	495	-	495	-	495
Mobility	246	-	246	-	246
Other	414	+9	423	-	423
Total	1,171	+9	1,180	-16	1,164
Total Aircraft Inventory (TAI)					
Bomber	18	-2	16	-16	-
Fighter/Attack	586	-15	571	-6	565
Mobility	264	+1	265	-	265
Other	494	-17	477	+2	479
Total	1,362	-33	1,329	-20	1,309
Flying Hours (000)	309.0	+29.0	338.0	-22.0	316.0
Tactical Fighter Wing Equivalents	6.63	-	6.63	-	6.63
Crew Ratios (Average per Aircraft)					
Bombers	1.50	-	1.50	-	1.50
Fighters	1.25	-	1.25	-	1.25

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<u>Program Data</u>	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
OPTEMPO (Hrs/Crew/Month)					
Bombers	14.6	-	14.6	-	14.6
Fighters	10.5	-	10.5	-	10.5

The Air National Guard (ANG) FY 2002 budget increases \$399.7 million between FY 2001 and FY 2002 reflecting price growth of \$174.1 million and program increases of \$225.6 million (+6.2 percent).

Primary Combat Forces Aircraft Operations: The FY 2002 budget request reflects a net increase of \$327.1 million. This includes a price growth of \$96.1 million and a program increase of \$231.0 million (+10.0 percent). The program increases include: increased funding for the flying hours required for mission readiness and the increased consumption of reparable and consumable parts directly related to aging weapon systems (\$+249.0 million), for purchase of spare parts based on latest approved factors and consumption data (\$+93.0 million), and for readiness enhancements to begin eliminating repair backlogs and spares shortfalls (\$+21.6 million). Additional growth in FY 2002 is related to the increase to establish an Air National Guard family support program consistent with those of the active Air Force and Air Force Reserve (\$+8.0 million), contractor logistics support funding to continue operating the C-22B aircraft until a replacement is obtained (\$+5.2 million), the addition of two ANG Air Operations Groups plus the robusting of the 123 Special Tactics Flight to a full squadron (\$+1.2 million), and the annualization of full-time maintenance manpower added in FY 2001 for two units converting to F-16 training aircraft (\$+3.7 million). Program decreases reflect consolidation of the Air Force's B-1 bomber force that results in the transfer of two B-1 units from the Air National Guard to the active Air Force (\$-116.0 million), the reduction of flying hours in order to obtain additional full-time manpower for low density, high OPTEMPO career fields (\$-18.1 million), and the impact of one-time congressional increases in FY 2001 for C-130 operations, cold weather clothing, and AlaskAlert (\$-7.8 million).

Mission Support Operations: The FY 2002 budget reflects a net decrease of \$27.6 million below the FY 2001 level. This includes price increases of \$13.8 million and program decreases of \$41.4 million (-10.6 percent) between FY 2001 and FY 2002. Increases are for the annualization of FY 2001 manpower for MILSTAR operations center and USSPACECOM space operations center (\$+2.3 million), funding for existing Nuclear, Biological, Chemical defense equipment required to support Aerospace Expeditionary Force mission requirements (\$+11.9 million), additional full-time manpower required in low density, high OPTEMPO career fields (\$+10.7 million), and the transfer of resources to the air traffic control program from base communications (\$+5.5 million). Reductions are the result of one-time congressional adds in FY 2001 for Project Alert, Laser Leveling, State Partnership Program, and cold weather clothing (\$-7.3 million), and the realignment of personnel performing base communications functions from the combat communications units to base communications program in Base Support subactivity group (\$-64.2 million).

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Depot Maintenance: The FY 2002 budget reflects a net increase of \$30.0 million. This includes price increases of \$56.1 million and program decreases of \$26.1 million (-5.0 percent). Aircraft/engine maintenance growth is caused by programmed cycle requirements for F-15C/D, KC-135R, C-141, and C-30H aircraft (\$+21.7 million), by structural improvements for the F-16A/B aircraft to replace certain bulkheads and other structures (\$+4.7 million), and by improvements to the F-16Cs based on the Service Life Improvement Program (\$+9.6 million). Additional growth supports scheduled engine overhaul and repair requirements on the C-130E/H aircraft during FY 2002 (\$+5.1 million). Reductions in FY 2002 are due to decreased Programmed Depot Maintenance requirements for KC-135E, C-130E, and C-5A aircraft based on prescribed maintenance cycles (\$-21.8 million); reduced funding for F-110, F-108, and TF-39 engines that affect the F-16, C-5A, KC-135R, and C-141 aircraft (\$-15.4 million); decreased B-1 maintenance requirements attributed to the transfer of two units and 16 B-1 aircraft from the ANG inventory to the active Air Force beginning in FY 2002 (\$-14.4 million); and the one-time effect of FY 2001 congressional adjustments (\$-8.0 million).

Base Support: In FY 2002, the base support budget reflects a net increase of \$87.5 million. This includes price increases of \$6.3 million and program increases of \$81.2 million (27.4 percent). Major increases result from net functional transfers of \$58.7 million. The transfer-in of \$64.2 million reflects the realignment of resources from combat communications units in the Mission Support Operations subactivity group to base communications in the Base Support activity group to consolidate base communications funding in the Base Support activity group. This transfers-in is offset by the transfer-out of \$5.5 million associated with realigning the Air Traffic Control program from Base Support to Mission Support Operations where it is more properly funded. True program increases total \$22.5 million (+7.6 percent) and include additional funds to finance major utility rate increases affecting natural gas and electricity costs (\$+10.0 million), to improve security forces and Air Base defense (\$+10.9 million), and to reverse the competitive resourcing decision affecting ANG Precision Measurement Equipment Laboratory (PMEL) functions (\$+4.6 million). These increases are offset by FY 2002 decreases associated with the reduction in real property services funds to support the growth in full-time manpower required in low density, high OPTEMPO career fields (\$-3.0 million).

Facilities Sustainment, Restoration and Modernization: The FY 2002 budget request reflects a net decrease of \$17.3 million below the FY 2001 level. This includes a price increase of \$1.8 million and a program decrease of \$19.1 million (-17.2 percent). The FY 2002 program decrease reflects a one-time congressional increase in FY 2001 for real property maintenance (\$-5.0 million) and the decrease in funding for sustainment efforts in FY 2002 (\$-14.1 million).

US SPECIAL OPERATIONS COMMAND

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

AIR OPERATIONS

	(\$ in Millions)						
	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Funding Summary</u>	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
USSOCOM - SOF Operations	444.5	+33.8	-25.0	453.3	+19.1	+35.0	507.4
<u>Program Data</u>	<u>FY 2000</u>			<u>FY 2001</u>			<u>FY 2002</u>
	<u>Actual</u>		<u>Change</u>	<u>Estimate</u>		<u>Change</u>	<u>Estimate</u>
Primary Aircraft Authorized							
AFSOC	139		-3	136		-4	132
USASOC	146		-	146		-	146
Total Aircraft Inventory (TAI)							
AFSOC	139		-3	139		-4	132
USASOC	146		-	146		-	146
Flying Hours (000)							
AFSOC	52.0		-1.0	51.0		+1.3	52.3
USASOC	33.2		-1.2	32.0		+1.9	33.9
Crew Ratio (Average per Aircraft)							
AFSOC	1.6		+0.1	1.7		-	1.7
USASOC	1.2		-	1.2		-	1.2
OPTEMPO							
AFSOC	22.6		-0.7	21.9		+0.2	22.1
USASOC	19.9		-	19.9		-	19.9
Primary Mission Readiness (%)	75%		-	75%		-	75%

* Air Force Special Operations Command (AFSOC)

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

The FY 2002 budget reflects a net increase of \$54.1 million above the FY 2001 level. This includes a price increases of \$19.1 million and program increases of \$35.0 million (+7.4 percent). Program increases include increased funding for the flying hour program to reflect Army and Air Force increases in the cost of flying hour program as a result of increased consumption and increased costs due to aging aircraft and for the USSOCOM share of contract logistics support of the Aircrew Training and Rehearsal System.

AIR OPERATIONS

DEFENSE HEALTH PROGRAM

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

	<u>(\$ in Millions)</u>						
<u>Funding Summary</u>	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Defense Health Program	85.6	+1.4	-64.6	22.4	+0.4	+0.1	22.9
<u>Program Data</u>	FY 2000		Change	FY 2001		Change	FY 2002
	<u>Actual</u>		<u>Change</u>	<u>Estimate</u>		<u>Change</u>	<u>Estimate</u>
Primary Aircraft Authorized	27		-18	9		-	9
Flying Hours (000)	20.7		-17.7	3.0		-	3.0
Crew Ratio (Average)	2.1		+1	2.1		-	2.1

The FY 2002 budget request reflects a net increase of \$0.5 million above the FY 2001 level. This includes a price growth of \$0.4 million and a program increase of \$0.1 million (+0.4 percent).

BASE OPERATIONS SUPPORT

	<u>(\$ in Millions)</u>						
	<u>FY 2000</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2002</u> <u>Estimate</u>
Army	4,856.8	-10.1	-576.4	4,270.3	-26.4	+961.0	5,204.9
Navy	2,778.5	+43.7	-192.7	2,629.5	+87.1	+423.2	3,139.8
Marine Corps	921.5	+23.4	-46.2	898.7	+21.7	+78.0	998.4
Air Force	4,569.1	+72.6	-294.3	4,347.4	+88.9	+651.4	5,087.7
Army Reserve	315.4	+3.7	+24.9	344.0	+11.0	+51.1	406.1
Navy Reserve	148.1	+4.3	-6.6	145.8	+3.3	-1.1	148.0
Marine Corps Reserve	24.2	+0.4	-	24.6	+0.3	+6.4	31.3
Air Force Reserve	270.8	+8.0	-54.8	224.0	+6.5	+14.6	245.1
Army National Guard	549.0	+11.7	-26.6	534.1	+9.6	-5.2	538.5
Air National Guard	319.6	+7.0	-36.2	290.4	+6.2	+81.2	377.8
Defense Health Program	<u>513.1</u>	<u>+12.2</u>	<u>+13.4</u>	<u>538.7</u>	<u>+16.0</u>	<u>+53.2</u>	<u>607.9</u>
Total	15,266.1	+176.9	-1,195.5	14,247.5	+224.2	+2,313.8	16,785.5

Base operations support (BOS) provides the resources to operate the bases, installations, camps, posts, and stations of the Military Departments. These resources sustain mission capability, ensure quality-of-life, and enhance work force productivity and fund personnel and infrastructure support. Personnel support includes food and housing services for unaccompanied and deployed forces; religious services and programs; payroll support; personnel management; and morale, welfare, and recreation services to military members and their families. Infrastructure support includes utility systems operations; installation equipment maintenance; engineering services including fire protection, crash rescue, custodial, refuse collection, snow removal, and lease of real property; security protection and law enforcement; and transportation motor pool operations. The FY 2002 budget request of \$16,785.5 million includes a net price increase of \$224.2 million and a net program increase of \$2,313.8 million (16.0 percent) above from the FY 2001 funding level. Specific changes are addressed in the following sections for each Active Component and Defense Health Program.

BASE OPERATIONS SUPPORT

Active Forces Program Data

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Number of Active Installations</u>					
CONUS	224	+1	225	-2	223
Overseas	127	-1	126	-	126
<u>Active Forces Personnel</u>					
Military (End Strength)	84,635	-8,073	76,562	+150	76,712
Civilian (Full-Time Equivalents)	100,160	-11,637	88,523	-2,924	85,599

Installations: Active installations in the United States decrease by 2 in FY 2002 with the completion of the closures of McClellan Air Force Base in California, and Kelly Air Force Base in Texas, during FY 2001. There are no changes in the overall of active forces installations overseas from FY 2001 to FY 2002.

Personnel: The civilian personnel assigned to base support activities continue to decline from FY 2001 to FY 2002 primarily due to anticipated reduction in forces as a result of outsourcing and privatization efforts, Quadrennial Defense Review (QDR) decisions, installation reform reductions, and transition to the Navy Marine Corps Intranet. The military end strength increases marginally in FY 2002 primarily due to Air Force's manpower realignment within the Air Force Materiel Command from Logistics and Real Property Maintenance sub-activity groups.

	<u>ARMY</u>				
	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
<u>Active</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Funding (\$ in Millions)	4,856.8	-586.5	4,270.3	+934.6	5,204.9
Installations					
CONUS	58	-	58.0	-	58
Overseas	86	-	86.0	-	86
Personnel					
Military (End-strength)	11,076	-2,937	8,139.0	+36	8,175
Civilian (Full-Time Equivalents)	37,669	-5,196	32,473.0	-1,601	30,872

BASE OPERATIONS SUPPORT

The FY 2002 budget request for BOS of the active Army increases by \$934.6 million above the FY 2001 funding level. This net increase includes a foreign currency rate reduction of \$113.5 million, a price growth of \$87.1 million, a net increase of \$37.3 million in functional transfers and resource realignments, and a net program increase of \$923.7 million. The most significant program change is an increase for critical quality of-life sustainment actions necessary to provide adequate and essential installation support in order to reduce the risk of migration of funds from mission programs, particularly OPTEMPO, during execution (\$677 million). This program growth in FY 2002 is necessary to allow the Army to fund 96 percent of its estimated total requirements. Other major program increases include projected increases in energy costs above standard inflation rates due to significant price increases for natural gas and electricity (\$101 million); increase for the Joint Recruiting Facilities program to fund the increased costs for leases, forced relocations, and other base support costs (\$58 million); increase to support the paperless contracting feeder systems for standard procurement (\$10 million); increase to properly support overseas environmental compliance programs to initiate resolution of serious underground storage tank and other environmental issues (\$35 million); and enhance force protection in Continental U.S. to protect personnel, installations, facilities, and critical resources from terrorist/criminal threats (\$67 million). These increases are primarily offset by efficiencies and savings resulting from outsourcing and privatization efforts (\$-58 million) and reduction in payments to the Pentagon Reservation Maintenance Revolving Fund (\$-24 million).

NAVY

	<u>FY 2000</u>	<u>Change</u>	<u>FY 2001</u>	<u>Change</u>	<u>FY 2002</u>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
<u>Active</u>					
Funding (\$ in Millions)	2,778.5	-149.0	2,629.5	+510.3	3,139.8
Installations					
CONUS	80	-	80	-	80
Overseas	25	-	25	-	25
Personnel					
Military (End-strength)	18,560	+288	18,848	+13	18,861
Civilian (Full-Time Equivalents)	20,522	-2,632	17,890	-1,091	16,799

The FY 2002 budget request for BOS of the active Navy reflects a net increase of \$510.3 million above the FY 2001 funding level. This net increase includes a foreign currency rate growth of \$3.6 million, price growth of \$83.5 million, and a net program increase of \$423.2 million. The FY 2002 program increase in BOS reflects required programmed growth to achieve the installation readiness goals for the Navy's port operations, air operations, barracks operations, galley operations, quality-of-life services, and other critical BOS requirements (\$252.4 million). Other major program increases include projected increases in energy costs due to significant price increases for natural gas and electricity (\$39.0 million); increases to finance the Navy's efforts to increase installation force protection

BASE OPERATIONS SUPPORT

posture (\$48.1 million); increases to achieve a 7-year replacement cycle for Bachelors Quarter furniture (\$22.0 million); expand shore infrastructure in Naples and Sigonella, Italy recapitalization efforts (\$5.1 million); and increases for environmental compliance, natural and cultural resources conservation, and pollution prevention (\$7.6 million).

MARINE CORPS

<u>Active</u>	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
<u>Funding (\$ in Millions)</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
	921.5	-22.8	898.7	+99.7	998.4
Installations					
CONUS	19	-	19	-	19
Overseas	3	-	3	-	3
Personnel					
Military (End Strength)	12,559	-	12,559	-	12,559
Civilian (Full-Time Equivalents)	8,054	-516	7,538	-398	7,140

The FY 2002 budget request for BOS of the active Marine Corps reflects a net increase of \$99.7 million above the FY 2001 funding level. This net increase includes a foreign currency rate decrease of \$1.5 million, price growth of \$23.2 million, and a net program increase of \$78.0 million. Major program growth includes increases in base operations support to provide needed relief in critical quality-of-life and other base support areas that impact readiness, such as base communications, other engineering support, supply operations, administration, air operations, and fire safety (\$32.3 million); increase in Navy Marine Corps Intranet (NMCI) service costs as the Marine Corps begins to transition to NMCI in FY 2002 (\$29.7 million); increase for civilian transition and military substitution costs due to the majority of A-76 studies planned to be completed during FY 2002 (\$28.6 million); and projected increases in energy costs above standard inflation rates due to significant price increases for natural gas and electricity (\$20.0 million). Major program reductions that partially offset these program increases include decreases in FY 2002 associated with one-time FY 2001 congressional increases for Semper Fit, air field ops, Marine Corps Community Services, and Counter Drug costs (\$12.4 million); Installation Reform Savings to be achieved by initiatives such as competition, regionalization, process re-engineering, and elimination of functions (\$8.6 million); and reduction in NMCI Discontinued Support Costs for the current Marine Corps Enterprise Network as the Marine Corps begins to transition to NMCI in FY 2002 (\$15.6 million).

BASE OPERATIONS SUPPORT

AIR FORCE

<u>Active</u>	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
<u>Funding (\$ in Millions)</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
	4,569.1	-221.7	4,347.4	+740.3	5,087.7
Installations					
CONUS	67	+1	68	-2	66
Overseas	13	-1	12	-	12
Personnel					
Military (End Strength)	42,440	-5,424	37,016	+101	37,117
Civilian (Full-Time Equivalents)	34,987	-3,486	31,501	+131	31,632

The FY 2002 budget request for BOS of the active Air Force reflects a net increase of \$740.3 million from the FY 2000 funding level. This net increase includes a price growth of \$88.9 million; a net increase of \$297.4 million in functional transfers, which is primarily due to the transfer from the Overseas Contingency Operation Transfer Fund for operations in Southwest Asia; and a net program increase of \$354.0 million. The net program growth includes increases totaling \$448.8 million, which is primarily attributed to the required increase for critical base operations support necessary to provide essential quality-of-life and other installation support for military personnel and their families, such as vehicle operations and maintenance, food service, ground safety, library, and other necessary base support (\$207.8 million); projected increases in energy costs above standard inflation rates due to significant price increases for natural gas and electricity (\$71.9 million); increase in base communications costs primarily required to support lease of Land Mobile Radios (LMR), migration of LMR to narrow band, expansion of base communication infrastructure to support Aerospace Expeditionary Force/reachback communication mission requirements, and increase in renegotiated telephone maintenance costs (\$39.8 million); civilian pay adjustment for special salary rates for critical skills (e.g., air traffic controllers and information technology personnel) and Federal Employee Health Benefits rates (\$33.4 million); and cancellation of A-76 studies for programs such as Precision Measurement Equipment Laboratory and Corrosion Control (\$30.9 million). These increases are partially offset by program decreases totaling \$94.8 million, which is driven by estimated savings associated with the increased competition and expanded employee/private sector participation (\$-35.2 million) and reduction in payments to the Pentagon Reservation Maintenance Revolving Fund (\$-14.0 million).

BASE OPERATIONS SUPPORT

DEFENSE HEALTH PROGRAM

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Funding (\$ in Millions)	513.1	+25.6	538.7	+69.2	607.9
Installations					
CONUS	6	-	6	-	6
Overseas	-	-	-	-	-
Personnel					
Military (End Strength)	883	+1,911	2,794	-57	2,737
Civilian (Full-Time Equivalent)	2,089	-64	2,025	-42	1,983

The FY 2002 budget request reflects a net increase of \$69.2 million above the FY 2001 funding level. This net increase includes a price growth of \$16.0 million and a net program increase of \$53.2 million. The net program increase is primarily attributed to increased payments for Defense Finance and Accounting Service support and projected increases in energy costs above standard inflation rates driven by significant price increases for natural gas and electricity.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

	(\$ in Millions)						
	FY 2000 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2002 <u>Estimate</u>
Army	507.0	+5.0	-1.9	510.1	+17.5	-77.7	449.9
Navy	454.7	+15.3	+54.8	524.8	+17.1	+82.1	624.0
Marine Corps	45.8	+0.7	-1.0	45.5	+0.7	-10.2	36.0
Air Force	1,730.1	+21.2	-142.3	1,609.0	+62.0	+253.5	1,924.5
Defense-Wide	740.3	+14.4	+7.5	762.2	+21.0	-64.1	719.1
Army Reserve	46.3	+0.7	+0.4	47.4	+1.5	+12.3	61.2
Navy Reserve	9.4	+0.1	-1.1	8.4	+0.1	+0.1	8.6
Marine Corps Reserve	2.5	+0.1	-0.1	2.5	+0.1	-	2.6
Air Force Reserve	79.4	+1.6	-37.2	43.8	+1.2	+4.3	49.3
Army National Guard	66.4	+12.3	-11.3	67.4	+1.0	+19.8	88.2
Air National Guard	14.2	+0.2	+2.0	16.4	+0.2	-	16.6
Defense Health Program	36.3	+0.9	+7.6	44.8	+1.3	+2.4	48.5
Court of Military Appeals	<u>7.5</u>	<u>+0.3</u>	<u>+0.8</u>	<u>8.6</u>	<u>+0.3</u>	<u>+0.2</u>	<u>9.1</u>
Total	3,739.9	+72.8	-121.8	3,690.9	+124.0	+222.7	4,037.6

Command, control, and communications (C³) resources provide seamless base level and worldwide communication networks for voice, data, and imagery traffic of sufficient quality, reliability, and flexibility to ensure responsive support to U.S. forces. This information infrastructure contains communications networks, computers, software, databases, applications, data, security services, and other capabilities that meet the information processing and transport needs of DoD users. The C³ program specifically funds telecommunications systems, leased circuits, and other services necessary for information transfer, messaging operations, and equipment associated with sending and receiving communications transmissions. Additionally, this program funds efforts to integrate command and control systems with communications in order to support the information needs of field commanders. The FY 2002 budget request of \$4,037.6 million includes price increases of \$124.0 million and a net program increase of \$222.7 million (5.8 percent) above the FY 2001 funding level.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

<u>Program Data</u>	<u>(\$ in Millions)</u>				
	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Communications</u>	<u>2,324.6</u>	<u>-66.2</u>	<u>2,258.4</u>	<u>+164.0</u>	<u>2,422.4</u>
Sustaining Base Communications	1,158.1	-96.4	1,061.7	+62.8	1,124.5
Long Haul Communications	915.3	-16.3	899.0	+44.2	943.2
Deployable and Mobile Communications	251.2	+46.5	297.7	+57.0	354.7
<u>Command and Control</u>	<u>834.7</u>	<u>-20.5</u>	<u>814.2</u>	<u>+183.5</u>	<u>997.7</u>
National	309.9	-59.1	250.8	+11.1	261.9
Operational	486.7	+35.4	522.1	+154.9	677.0
Tactical	38.1	+3.2	41.3	+17.5	58.8
<u>C3-Related</u>	<u>580.6</u>	<u>+37.7</u>	<u>618.3</u>	<u>-0.8</u>	<u>617.5</u>
Navigation	237.5	-4.3	233.2	+11.6	244.8
Meteorology	54.1	+1.4	55.5	-	55.5
Combat Identification	1.8	+1.7	3.5	-0.8	2.7
Information Assurance Activities	287.2	+38.9	326.1	-11.6	314.5
Total	3,739.9	-49.0	3,690.9	+346.7	4,037.6

Communications: Communications are an integral element of C³ and include sustaining base, long haul, and deployable and mobile forms of communications assets. Resources for sustaining base communications are almost exclusively fixed plant and installation support and provide the “backbone” and other communications infrastructure for CONUS and overseas locations. Funding for long-haul communications, largely comprised of the Defense Information Systems Network (DISN) costs, includes primarily voice and data services for all off-post connectivity, worldwide web, and other connectivity. The DISN is a combination of DoD-owned and leased telecommunications networks and subsystems comprised of equipment, services, personnel, and facilities under the management control and operational direction of the Defense Information Systems Agency (DISA). Resources for deployable and mobile communications include funding for systems and capabilities to extend communications into areas of operations, which are primarily provided through satellite systems and other wireless transmission means and constitute moveable or transportable communications. The FY 2002 budget request reflects a net increase of \$164.0 million over the FY 2001 funding level. The following are the significant changes:

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

- The Army's budget request reflects decreased communications costs primarily in the Long Haul Communications program. The Army realigned funding out of the communications category based on prior year execution history (\$-34.9 million). The Army Reserve increased long haul communications costs to levels consistent with execution experience (\$13.4 million), and the Army National Guard increased communications funding to support additional operational sites and increased data transmissions (\$20.8 million).
- The Navy's request reflects increases costs of DISA-provided long haul communications (\$35.8 million) and the increased costs of deployable and mobile communications (\$46.4 million) in order to support International Maritime Satellite requirement of 119 leased channels per month, integrated logistics support for the IT-21 program, increased communications support for submarines, and increased commercial satellite communications.
- The Air Force's requests \$136.4 million in additional funding primarily for the expansion of contracting out base communications support for information assurance networks and telephone operations (\$86.2 million). Other increases include higher pay rates for information technology personnel, more frequent technology refreshment of information technology equipment, expanded classified network service, and contract maintenance for newly acquired theater deployable communication systems.
- The Defense Information Systems Agency request decreases by \$78.8 million in FY 2002 as a result of reductions in support of Defense Messaging System (DMS) as well as decreased planned maintenance and delayed implementation of service contracts to support the Pacific and European Theaters.
- The USSOCOM budget increases funding (\$12.4 million) for Iridium use of satellite circuits, renewal of enterprise software licenses, implementation of public key infrastructure, and support of classified networks.

Command and Control (C2): This category represents the facilities, systems, and manpower essential to a commander for planning, directing, coordinating, and controlling operations of assigned forces. These command and control capabilities cover the National Command Authority, through the joint operational and theater level echelon, and down to the front-line tactical elements. Additionally, this category includes funding for the Defense portion of the National Airspace System and other air traffic control activities. The FY 2002 budget request reflects a net increase of \$183.5 million over the FY 2001 funding level. Major changes include:

- The Army's program decreases \$13.2 million, primarily due to the one-time congressional increase in FY 2001 for the Army Global Command and Control System. (GCCS) (\$11.3 million).
- The Navy's budget for tactical C2 efforts increases \$17.6 million for GCCS-Maritime support (including engineering support and training) for unit level and force level ships.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

- The C2 budget request for the Air Force reflects increases of \$161.6 million and includes funding for sustainment of the space based Defense Support Program and Military Satellite Communication (MILSATCOM) Program (\$53.7 million); for space control missions such as counter space attack reporting, counter space architecture, and space test range programs (\$20.1 million); for radar systems including Ballistic Missile Early Warning System, North Warning System, and the Sea Launched Ballistic Missile Radar Warning System (\$53.0 million); and for the National Airborne Operations Center programmed depot maintenance and purchased high frequency components due to diminishing manufacturing resources (\$19.2 million).
- The increase for DISA's C2 budget focuses on enhancements to the GCCS and includes planned improvements for security and system administration, technology infusion, training, and technical support for worldwide operations (\$17.1 million).

C3-Related: This category includes various programs and functions related to and supportive of communications, command, and control requirements and includes both communications security and computer security. Included are communication resources to support navigation, meteorological reporting, combat identification that provides positive identification of friendly forces to prevent fratricide, and information assurance to protect information systems against denial of service and unauthorized (accidental or intentional) disclosure, modification, or destruction of the information system or data. The FY 2002 budget request reflects a net decrease of \$0.8 million below the FY 2001 funding level. The significant changes include:

- The Army's budget request reflects primarily reduced funding (\$12.1 million) for information assurance due to the one-time FY 2001 congressional add for information assurance (\$31.0 million) partially offset by program increase for the Land Information Warfare Activity Computer Emergency Response Team (\$0.5 million).
- The Navy's information assurance budget decreases by \$4.6 million in FY 2002 primarily due to the one-time congressional increase in FY 2001 for support of Biometrics (\$3.6 million).
- The budget request for the Air Force increases by \$16.9 million primarily due to increased civilian personnel and other airfield management costs from various base operating support programs to C3 programs (\$6.8 million), additional outsourcing of weather forecasting support (\$2.4 million), and increased demand for non-flying depot level reparables due to aging aircraft (\$1.4 million).

CONTINGENCY OPERATIONS

(\$ in Millions)

<u>By Region</u>	<u>FY 2000 Actual</u>	<u>Change</u>	<u>FY 2001 Estimate*</u>	<u>Change</u>	<u>FY 2002 Estimate</u>
Bosnia	1,483.1	-113.7	1,369.4	-53.8	1,315.6
Kosovo	1,803.1	+3.1	1,806.2	-277.6	1,528.6
Southwest Asia	1,138.9	+138.4	1,277.3	-94.4	1,182.9**
East Timor	<u>56.8</u>	<u>-56.8</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	4,481.9	-29.0	4,452.9	-425.8	4,027.1
 <u>By Component</u>					
Army	2,845.0	-219.9	2,625.1	-97.8	2,527.3
Navy	308.1	-41.4	266.7	-70.0	196.7
Navy Reserve	12.8	-7.2	5.6	-	5.6
Marine Corps	12.2	-1.5	10.7	+.2	10.9
Air Force	912.6	+55.8	968.4	-22.6	945.8
Defense-Wide	357.6	+189.1	546.7	-248.9	297.8
Def. Health Program (DHP)	<u>33.6</u>	<u>-3.9</u>	<u>29.7</u>	<u>+13.3</u>	<u>43.0</u>
Total	4,481.9	-29.0	4,452.9	-425.8	4,027.1

* The FY 2001 estimate includes the \$4,369.5 million appropriated for Bosnia, Kosovo, and Southwest Asia (SWA), which includes the FY 2000 balance of \$337.2 million carried forward, in the Overseas Contingency Operations Transfer Fund (OCOTF) and \$83.4 million appropriated for classified programs in other appropriations.

** SWA operational requirements are funded in the respective Service and Defense Agency operation and maintenance and military personnel appropriations beginning in FY 2002.

CONTINGENCY OPERATIONS

FY 2000 Actuals
(\$ in Millions)

<u>By Operation</u>	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense-Wide</u>	<u>Def. Health Program</u>	<u>Total</u>
<u>Bosnia</u>								
Deliberate Forge	-	35.4	-	-	64.7	1.2	-	101.3
O&M	-	34.4	-	-	64.0	1.2	-	99.6
Military Personnel	-	1.0	-	-	.7	-	-	1.7
Joint Forge	1,141.3	14.1	-	3.3	94.3	113.4	15.4	1,381.8
O&M	990.0	7.7	-	1.6	69.7	113.4	15.4	1,197.8
Military Personnel	151.3	6.4	-	1.7	24.6	-	-	184.0
<u>Bosnia Total</u>	<u>1,141.3</u>	<u>49.5</u>	<u>-</u>	<u>3.3</u>	<u>159.0</u>	<u>114.6</u>	<u>15.4</u>	<u>1,483.1</u>
O&M	990.0	42.1	-	1.6	133.7	114.6	15.4	1,297.4
Military Personnel	151.3	7.4	-	1.7	25.3	-	-	185.7
<u>Kosovo</u>								
Joint Guardian	1,447.7	32.3	-	6.4	82.6	222.3	11.8	1,803.1
O&M	1,335.8	18.4	-	1.4	79.7	222.3	11.8	1,669.4
Military Personnel	111.9	13.9	-	5.0	2.9	-	-	133.7
<u>Southwest Asia</u>								
Northern Watch	-	17.8	2.6	.3	117.9	3.9	1.2	143.7
O&M	-	17.3	1.9	.2	95.0	3.9	1.2	119.5
Military Personnel	-	.5	.7	.1	22.9	-	-	24.2
Southern Watch	-	187.5	10.2	.8	535.2	16.5	5.2	755.4
O&M	-	159.5	6.8	.4	475.0	16.5	5.2	663.4
Military Personnel	-	28.0	3.4	.4	60.2	-	-	92.0

CONTINGENCY OPERATIONS

FY 2000 Actuals
(\$ in Millions)

<u>By Operation</u>	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense-Wide</u>	<u>Def. Health Program</u>	<u>Total</u>
Desert Spring	239.8	-	-	-	-	-	-	239.8
O&M	185.9	-	-	-	-	-	-	185.9
Military Personnel	53.9	-	-	-	-	-	-	53.9
<u>Southwest Asia Total</u>	<u>239.8</u>	<u>205.3</u>	<u>12.8</u>	<u>1.1</u>	<u>653.1</u>	<u>20.4</u>	<u>6.4</u>	<u>1,138.9</u>
O&M	185.9	176.8	8.7	.6	570.0	20.4	6.4	968.8
Military Personnel	53.9	28.5	4.1	.5	83.1	-	-	170.1
<u>East Timor</u>	<u>16.2</u>	<u>21.0</u>	-	<u>1.4</u>	<u>17.9</u>	<u>.3</u>	-	<u>56.8</u>
O&M	15.6	21.0	-	1.3	17.8	.3	-	56.0
Military Personnel	.6	-	-	.1	.1	-	-	.8
<u>Grand Total</u>	<u>2,845.0</u>	<u>308.1</u>	<u>12.8</u>	<u>12.2</u>	<u>912.6</u>	<u>357.6</u>	<u>33.6</u>	<u>4,481.9</u>
O&M	2,527.3	258.3	8.7	4.9	801.2	357.6	33.6	3,991.6
Military Personnel	317.7	49.8	4.1	7.3	111.4	-	-	490.3

CONTINGENCY OPERATIONS

FY 2001 Estimate
(\$ in Millions)

<u>By Operation</u>	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense-Wide</u>	<u>Def. Health Program</u>	<u>Total</u>
<u>Bosnia</u>								
Deliberate Forge	-	31.0	-	-	71.3	-	-	102.3
O&M	-	29.9	-	-	68.9	-	-	98.8
Military Personnel	-	1.1	-	-	2.4	-	-	3.5
Joint Forge	1,034.0	15.2	-	2.5	96.3	104.7	14.4	1,267.1
O&M	873.7	8.0	-	1.1	71.8	83.9	14.4	1,052.9
Military Personnel	160.3	7.2	-	1.4	24.5	-	-	193.4
Other	-	-	-	-	-	20.8	-	20.8
<u>Bosnia Total</u>	<u>1,034.0</u>	<u>46.2</u>	<u>-</u>	<u>2.5</u>	<u>167.6</u>	<u>104.7</u>	<u>14.4</u>	<u>1,369.4</u>
O&M	873.7	37.9	-	1.1	140.7	83.9	14.4	1,151.7
Military Personnel	160.3	8.3	-	1.4	26.9	-	-	196.9
Other	-	-	-	-	-	20.8	-	20.8
<u>Kosovo Total</u>	<u>1,320.2</u>	<u>36.2</u>	<u>-</u>	<u>5.8</u>	<u>33.5</u>	<u>401.4</u>	<u>9.1</u>	<u>1,806.2</u>
Joint Guardian								
O&M	1,212.0	17.0	-	1.8	30.2	338.8	9.1	1,608.9
Military Personnel	108.2	19.2	-	4.0	3.3	-	-	134.7
Other	-	-	-	-	-	62.6	-	62.6
<u>Southwest Asia</u>								
Northern Watch	-	20.7	-	.8	131.0	3.6	1.2	157.3
O&M	-	20.3	-	.6	107.3	3.6	1.2	133.0
Military Personnel	-	.4	-	.2	23.7	-	-	24.3

CONTINGENCY OPERATIONS

FY 2001 Estimate
(\$ in Millions)

<u>By Operation</u>	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense-Wide</u>	<u>Def. Health Program</u>	<u>Total</u>
<u>Southwest Asia (continued)</u>								
Southern Watch	-	163.6	5.6	1.6	636.3	37.0	5.0	849.1
O&M	-	135.4	2.2	1.1	569.0	37.0	5.0	749.7
Military Personnel	-	28.2	3.4	.5	58.3	-	-	90.4
Other	-	-	-	-	9.0	-	-	9.0
Desert Spring	270.9	-	-	-	-	-	-	270.9
O&M	208.3	-	-	-	-	-	-	208.3
Military Personnel	62.6	-	-	-	-	-	-	62.6
<u>Southwest Asia Total</u>	<u>270.9</u>	<u>184.3</u>	<u>5.6</u>	<u>2.4</u>	<u>767.3</u>	<u>40.6</u>	<u>6.2</u>	<u>1,277.3</u>
O&M	208.3	155.7	2.2	1.7	676.3	40.6	6.2	1,091.0
Military Personnel	62.6	28.6	3.4	.7	82.0	-	-	177.3
Other	-	-	-	-	9.0	-	-	9.0
<u>Grand Total</u>	<u>2,625.1</u>	<u>266.7</u>	<u>5.6</u>	<u>10.7</u>	<u>968.4</u>	<u>546.7</u>	<u>29.7</u>	<u>4,452.9</u>
O&M	2,294.0	210.6	2.2	4.6	847.2	463.3	29.7	3,851.6
Military Personnel	331.1	56.1	3.4	6.1	112.2	-	-	508.9
Other	-	-	-	-	9.0	83.4	-	92.4

CONTINGENCY OPERATIONS

FY 2002 Estimate
(\$ in Millions)

<u>By Operation</u>	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense-Wide</u>	<u>Def. Health Program</u>	<u>Total</u>
<u>Bosnia</u>								
Deliberate Forge	-	14.4	-	-	72.7	-	-	87.1
O&M	-	13.3	-	-	70.3	-	-	83.6
Military Personnel	-	1.1	-	-	2.4	-	-	3.5
Joint Forge	1,004.6	15.6	-	2.5	98.0	80.7	27.1	1,228.5
O&M	719.8	8.1	-	1.1	73.0	80.7	27.1	909.8
Military Personnel	284.8	7.5	-	1.4	25.0	-	-	318.7
<u>Bosnia Total</u>	<u>1,004.6</u>	<u>30.0</u>	<u>-</u>	<u>2.5</u>	<u>170.7</u>	<u>80.7</u>	<u>27.1</u>	<u>1,315.6</u>
O&M	719.8	21.4	-	1.1	143.3	80.7	27.1	993.4
Military Personnel	284.8	8.6	-	1.4	27.4	-	-	322.2
<u>Kosovo Total</u>	<u>1,249.2</u>	<u>36.9</u>	<u>-</u>	<u>5.9</u>	<u>34.2</u>	<u>192.7</u>	<u>9.7</u>	<u>1,528.6</u>
Joint Guardian								
O&M	1,134.2	17.0	-	1.8	30.7	192.7	9.7	1,386.1
Military Personnel	115.0	19.9	-	4.1	3.5	-	-	142.5
<u>Southwest Asia</u>								
Northern Watch	-	13.8	2.9	.9	136.0	3.6	1.4	158.6
O&M	-	13.4	2.2	.7	111.8	3.6	1.4	133.1
Military Personnel	-	.4	.8	.2	24.2	-	-	25.6

CONTINGENCY OPERATIONS

FY 2002 Estimate
(\$ in Millions)

<u>By Operation</u>	<u>Army</u>	<u>Navy</u>	<u>Navy Reserve</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense-Wide</u>	<u>Def. Health Program</u>	<u>Total</u>
<u>Southwest Asia (continued)</u>								
Southern Watch	-	116.0	2.7	1.6	604.8	20.8	4.9	750.8
O&M	-	87.9	-	1.1	545.6	20.8	4.9	660.3
Military Personnel	-	28.1	2.7	.5	59.2	-	-	90.5
Desert Spring	273.5	-	-	-	-	-	-	273.5
O&M	210.3	-	-	-	-	-	-	210.3
Military Personnel	63.2	-	-	-	-	-	-	63.2
<u>Southwest Asia Total</u>	<u>273.5</u>	<u>129.8</u>	<u>5.6</u>	<u>2.5</u>	<u>740.9</u>	<u>24.4</u>	<u>6.2</u>	<u>1,182.9</u>
O&M	210.3	101.3	2.2	1.8	657.5	24.4	6.2	1,003.7
Military Personnel	63.2	28.5	3.4	.7	83.4	-	-	179.2
<u>Grand Total</u>	<u>2,527.3</u>	<u>196.7</u>	<u>5.6</u>	<u>10.9</u>	<u>945.8</u>	<u>297.8</u>	<u>43.0</u>	<u>4,027.1</u>
O&M	2,064.3	139.7	2.2	4.7	831.4	297.8	43.0	3,383.1
Military Personnel	463.0	57.0	3.4	6.2	114.4	-	-	644.0

Contingency Operations are those operations that are inherently unpredictable and are not part of routine force deployments, but if not addressed, have a detrimental impact on the national interests of the United States. Examples of contingency operations include peacekeeping, humanitarian relief, the air campaign to stop Serbian aggression in Kosovo, and enforcement of the no-fly zone over Iraq. Since 1997, the Congress has appropriated funds into the Overseas Contingency Operations Transfer Fund (OCOTF) to finance contingency operations that are so variable in their scope, duration, intensity they cannot be financed via DoD Component appropriations without causing a readiness impact. In FY 2002, funds for operations in Kosovo and Bosnia are requested in OCOTF appropriation. However, beginning in FY 2002, Southwest Asia (SWA) operations will cease to be financed from the OCOTF. Operations in SWA have been ongoing for 10 years, have become more predictable, and there are no plans to withdraw forces in the near-term. Therefore, funds for SWA operations are requested in the Components' appropriations beginning in FY 2002.

CONTINGENCY OPERATIONS

Description of Operations

BOSNIA

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

Joint Forge: The NATO Stabilization Force (SFOR) operation to deter the resumption of hostilities and to contribute to a secure environment, which will promote the re-establishment of civil authority in Bosnia-Herzegovina. Projected U.S. troops levels in Bosnia will be reduced from 4,600 in FY 2000 to approximately 4,000 by the end of FY 2001 with a further reduced troop level of 3,250 being maintained throughout FY 2002.

The continued force reduction in Bosnia is the predominate reason for the reduced level of funding in both FY 2001 and FY 2002; these reductions are partially offset by increased usage of the Army Reserve Components.

KOSOVO

Joint Guardian: The U.S. military support of the United Nations, since June 1999, to provide continued Military presence in Kosovo (KFOR) to deter renewed hostilities, stabilize the peace, and contribute to a secure environment for the ongoing civil implementation plan. The FY 2001 and FY 2002 estimates support 5,600 soldiers in Kosovo; 550 enabling soldiers (400 permanent party and 150 transients) at Camp Able Sentry in Macedonia; 2 base camps in Kosovo; 1 base camp in Macedonia; and 2 major troop rotations per year.

The reduced funding requirements for Kosovo result from overall reduced force sustainment costs as the in-theater situation continues to stabilize and more experience is gained. Also, there is a significant reduction in the level of classified/other program requirements.

SOUTHWEST ASIA

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

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

CONTINGENCY OPERATIONS

Desert Spring: In 1999, the operational name of all Army ground operations in Southwest Asia became Desert Spring. It incorporates all Army ground operations previously conducted as Operation Southern Watch or Operation Intrinsic Action. Operation Desert Spring facilitates the command, control and coordination of routine ground force operations in Kuwait and Saudi Arabia. Included in this operation are the costs of conducting battalion level training exercises in Kuwait; maintaining brigade equipment, storage buildings, barracks, and supply points; and purchasing spare parts. There is no increased cost associated with this re-designation. Establishes a forward deployed Coalition/Joint U.S. ground force for the purpose of deterring Iraqi aggression and providing assurance to U.S. coalition partners.

The program reduction in SWA for FY 2002 results from Navy OPTEMPO flying hours no longer being funded as a contingency cost in FY 2002, one-time Air Force costs in FY 2001 related to force repositioning that are not required in FY 2002, and reduced classified/other program requirements in FY 2002. The projected troop level for SWA in FY 2002 will continue at about 18,000.

EAST TIMOR

Operation Stabilise: The United Nations Security Council Resolution Number 1264, dated September 15, 1999, established the international peacekeeping operations in East Timor. The International Force East Timor (INTERFET) peacekeeping operations were conducted under Australian-led Operation Stabilise. Service and Agency participation was primarily in the form of logistics, planning, intelligence, civil affairs, communications support, and some intra-theater transportation. With the transition of the UN operations to UNTAET (UN Transitional Administration in East Timor) the United States ceased direct participation in the UN activities in East Timor and on February 23, 2000, Operation Stabilise officially ended. The United States does maintain a presence through the U.S. Support Group East Timor (USGET), which coordinates periodic U.S. military rotational deployments designed to provide unique hands-on training opportunities for the deployed troops while providing engineering, medical, and dental assistance to the people of East Timor.

DEPOT MAINTENANCE

	(\$ in Millions)						
	FY 2000 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2002 <u>Estimate</u>
Army	679.9	+30.3	-2.8	707.4	+19.7	+83.5	810.6
Navy	3,882.8	+118.8	-322.7	3,678.9	+82.1	+655.7	4,416.7
Marine Corps	123.6	+21.6	-26.0	119.2	+7.9	-19.3	107.8
Air Force	1,554.3	+95.4	+20.0	1,669.7	+168.0	+139.7	1,977.4
USSOCOM	<u>138.1</u>	<u>+2.2</u>	<u>+19.4</u>	<u>159.7</u>	<u>+2.6</u>	<u>+1.5</u>	<u>163.8</u>
Subtotal Active Forces	6,378.7	+268.3	-312.1	6,334.9	+280.3	+861.1	7,476.3
Army Reserve*	35.0	+2.5	-2.5	35.0*	+1.9	+23.8	60.7
Navy Reserve	199.7	+7.5	-31.6	175.6	+3.7	+10.6	189.9
Marine Corps Reserve	10.4	+1.9	-0.3	12.0	+0.8	-5.0	7.8
Air Force Reserve	257.6	+18.4	+12.2	288.2	+43.5	-9.2	322.5
Army National Guard	188.7	+5.7	-4.2	190.2	+7.0	-3.8	193.4
Air National Guard	<u>416.6</u>	<u>+32.8</u>	<u>+11.5</u>	<u>460.9</u>	<u>+56.1</u>	<u>-26.1</u>	<u>490.9</u>
Subtotal Reserve/Guard	1,108.0	+68.8	-14.9	1,161.9	+113.0	-9.7	1,265.2
Total	7,486.7	+337.1	-327.0	7,496.8	+393.3	+851.4	8,741.5

* FY 2001 Army Reserve funding excludes \$11.8 million for tactical light wheeled vehicle maintenance that was included erroneously in the Depot Maintenance program by the Army. The \$11.8 million supports unit level, not depot level, maintenance.

Depot Maintenance programs fund the overhaul, repair, and maintenance of aircraft, missiles, ships, submarines, combat vehicles and other equipment. Depot maintenance efforts are performed at both public (DoD) and private (contractor) facilities. These efforts provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, and to renovate assets that are being transferred from active forces to reserve components. The FY 2002 Depot Maintenance budget request reflects a net funding increase of \$1,244.7 million above the FY 2001 funding level. This is comprised of \$393.3 million of price growth and a net program increase of \$851.4 million (+10.8 percent).

DEPOT MAINTENANCE

Price Growth

Of the overall \$393.3 million price increase, \$236.6 million is in aircraft maintenance, \$79.5 million is in ship maintenance, \$8.8 million is for combat vehicle maintenance, and \$68.4 million is for maintenance of missiles and other equipment.

Program Changes

Of the overall \$851.4 million net program increase, \$166.7 million is in aircraft maintenance, \$385.4 million is in ship maintenance, and \$310.2 million is for maintenance of missiles and other equipment. These increases are offset by a program reduction of \$-10.9 million for combat vehicle maintenance. The major programmatic changes are discussed below.

- The Army depot maintenance program increases by \$103.5 million in FY 2002. The Active Army program increases by \$83.5 million - the net result of program increases totaling \$177.9 million offset by program decreases totaling \$94.4 million. Depot maintenance for the Patriot missile reflects the most significant change. The Patriot Missile maintenance increase of \$119.0 million will support additional missile system accessories, components, and ground support. Other increases include \$26.7 million to address the rising demand for combat vehicle parts and material for the Abrams Integrated Management XXI program and \$23.0 million to increase depot maintenance for railway power and support equipment, tactical vehicles, and other automotives. These increases are partially offset by reduced aircraft ground support and combat vehicle requirements associated with Army maintenance policy changes (\$-46.0 million), reductions to Post Production Software Support to more appropriately align funding with execution levels (\$-30.1 million), and a reduction in Ships and Rough Terrain Material/Container Handling equipment associated with Army maintenance policy changes (\$-8.1 million). The Army Reserve program increases by \$23.8 million in FY 2002, primarily to begin reducing Other End Item maintenance backlogs to optimal levels. The increase also results from including Tactical Wheeled Vehicle maintenance as an Other End Item depot requirement starting in FY 2002. Finally, the Army National Guard program decreases by \$3.8 million in FY 2002 reflecting a realignment of funds to meet higher priority readiness and mission requirements. As a result of this decrease, the number of combat vehicle overhauls will be reduced from 134 in FY 2001 to 80 in FY 2002.
- The Navy's depot maintenance program increase of \$666.3 million in FY 2002 will support a more robust aircraft depot maintenance and ship depot maintenance program. Specifically, the Navy Aircraft Depot Maintenance program includes a program increase of \$250.9 million to fund additional standard depot level maintenance (SDLM) repairs, phased depot maintenance (PDM) repairs, engine overhauls, and other maintenance actions required to achieve Active Navy aircraft depot maintenance goals (\$+238.2 million), and to induct an additional 22 Reserve airframes and 45 engines over that accomplished in FY 2001 (\$+12.7 million). The Navy Ship Depot Maintenance program includes a net program increase of \$393.7 million

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program to fund additional requirements for Active depot maintenance availabilities and increased Continuous Maintenance depot level work performed outside a full scheduled maintenance availability period. This funding level also enables a greater percentage of these increased requirements to be performed so that the percentage of requirements funded increases from 87 percent in FY 2001 to 90 percent in FY 2002. Additional program increases are associated with the Pearl Harbor Shipyard and Intermediate Maintenance Facility requirements. These increases are offset by a net decrease of \$1.0 million in Reserve Ship Depot Level Repair funding in FY 2002 associated with the unplanned loss of the ex-USS LA MOURE COUNTY due to grounding in August of 2000. The planned Reserve program will satisfy approximately 90 percent of requirements for the reserve forces ship depot maintenance in FY 2002. The Other maintenance programs increase by \$27.9 million due to programmatic increases to both target maintenance and software maintenance.

- The Marine Corps's funded program decreases by \$24.3 million in FY 2002 as a result of the one-time effect of FY 2001 congressional increases associated with Kosovo operations (\$-23.5 million); increases for Active ordnance and combat vehicle maintenance (\$+9.2 million); decreases for Active missile and other end item maintenance (\$-4.9 million); and decreases in Reserve combat vehicle and other end item maintenance requirements (\$-5.1 million).
- The Air Force's depot maintenance program increases by \$104.4 million in FY 2002. This program adjustment is comprised of a \$139.7 million increase for the Active forces, and a \$35.3 million reduction for the Reserve forces. The Active Air Force program increase includes \$235.3 million to recover projected Working Capital Fund cash losses in the Depot Maintenance Activity Group (depot quarterly surcharge); \$26.2 million for A-10 aircraft structural repairs; \$17.3 million for the F-16 Service Life Extension Program (SLEP); \$8.8 million to finance interim contractor support for B-2 software maintenance as this program transitions to organic depot maintenance; and \$8.0 million to support incremental maintenance requirements associated with contingency operations in Southwest Asia. These increases are offset by decreases associated with the one-time effect of congressional adjustments in FY 2001 for the B-52 Attrition Reserve (\$-20.0 million); the reduction of the number of B-1, B-52, F-15, C-130, and C-5 Programmed Depot Maintenance (PDMs) requirements (\$-54.1 million); the deferment of engine overhauls required for the F-110, F-101, T-56, T-64, and TF-33 engines (\$-36.8 million); reduced software maintenance support for Minuteman and Peacekeeper missile guidance sets (\$-8.0 million); the transfer of JOINT STARS software maintenance to contractor logistics support (\$-8.2 million); the slippage, to FY 2003, of B-1 software maintenance for the ALR-56 receiver, Block F simulator, and Flight Test sustainment (\$-14.8 million); reduced software maintenance support for Air Force special operations activities (\$-3.0 million); reduced maintenance for deicers and fire trucks (\$-2.5 million); decreased maintenance support at Air Logistics Centers (\$-6.6 million); and realignment of corrosion inspections from depot to unit level maintenance (\$-2.5 million). The Air Force Reserve depot maintenance program decreases by \$9.2 million in FY 2002 after adding funds to meet 92 percent of depot maintenance requirements (\$+20.8 million) and realigning the circuit breaker maintenance program from maintenance to a modification effort (\$-30.0 million). The FY 2002 Air National Guard maintenance program includes a net reduction of \$26.1 million attributed primarily to reduced PDM requirements for the KC-135E, C-130E, and C-5 aircraft (\$-21.8 million); the

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one-time effect of FY 2001 congressional adjustments (\$-8.0 million); consolidation of the Air Force's B-1 bomber force that results in the loss of two units and 16 aircraft from the Air National Guard inventory (\$-14.4 million); and reduced funding to maintain F-16, C-5A, KC-135R, and C-141 aircraft engines (\$-15.3 million). These reductions are offset by increases to support additional KC-135R, C-141, and C-130H PDMs (\$18.6 million); structural upgrades on F-16 fighter aircraft (\$+9.6 million); and additional engine overhauls and repair requirements for the C-130E/H aircraft (\$+5.1 million).

- The Special Operations Command (SOCOM) FY 2002 net program increase of \$1.5 million is associated with the transition of AC-130H aircraft Low Light Level Television system maintenance to contractor logistics support (\$+3.1 million); additional operating support for MH-60K and MH-47E cockpit system maintenance (\$+1.6 million); full-year maintenance for the Advanced Seal Delivery System (\$+2.8 million); increased maintenance and logistics requirements for Dry Deck Shelters and Selectable Lightweight Attack Munitions (\$+1.8 million); and various automated data processing, intelligence, and communications systems maintenance requirements (\$+2.7 million). These increases are offset by program decreases associated with deferring less critical AC-130U platform maintenance actions (\$-1.8 million); completing Mission Advanced Tactical Terminal software updates (\$-0.4 million); and reducing the number of Patrol Coastal engine overhauls and depot phased maintenance requirements consistent with the reduction of two Patrol Coastal ships (\$-8.3 million).

Maintenance Backlog

Between FY 2001 and FY 2002, depot maintenance funding increases by \$1,244.6 million (+16.6 percent), and the percentage of funded executable requirements increases from 83.5 percent in FY 2001 (\$7,496.8 million of \$8,983.3 million executable requirement is funded) to 86.0 percent in FY 2002 (\$8,741.5 million of \$10,164.3 million executable requirement is funded). Executable requirements are those maintenance requirements that can be accommodated within current physical depot maintenance capacity. This increase in the percentage of funded requirements represents a step forward toward achieving optimal maintenance funding levels. The table on the following page displays funded and financial backlog amounts for depot maintenance:

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(\$ in Millions)

	FY 2000		FY2000/2001	FY 2001		FY 2001/2002	FY 2002	
	Funded Requirement	Unfunded Requirement	Change in Unfunded Requirement	Funded Requirement	Unfunded Requirement	Change in Unfunded Requirement	Funded Requirement	Unfunded Requirement
<u>Army *</u>	<u>903.6</u>	<u>223.6</u>	<u>+88.2</u>	<u>932.6</u>	<u>311.8</u>	<u>+151.3</u>	<u>1,064.7</u>	<u>463.1</u>
Aircraft	193.8	62.7	+32.7	186.9	95.4	+84.8	175.7	180.2
Combat Vehicle	173.4	39.7	+12.6	219.1	52.3	+41.6	215.5	93.9
Other	536.4	121.2	+42.9	526.6	164.1	+24.9	673.5	189.0
<u>Navy *</u>	<u>4,082.5</u>	<u>595.6</u>	<u>+258.8</u>	<u>3,854.5</u>	<u>854.4</u>	<u>-175.5</u>	<u>4,606.6</u>	<u>678.9</u>
Ship	2,796.1	293.7	+92.2	2,678.1	385.9	-1.0	3,151.0	384.9
Aircraft	961.4	164.1	+146.7	822.7	310.8	-162.2	1,080.0	148.6
Other	325.0	137.8	+19.9	353.7	157.7	-12.3	375.6	145.4
<u>Marine Corps *</u>	<u>134.0</u>	<u>21.0</u>	<u>+11.5</u>	<u>131.2</u>	<u>32.5</u>	<u>-0.4</u>	<u>115.6</u>	<u>32.1</u>
Combat Vehicle	47.3	4.8	+5.2	37.8	10.0	+16.0	39.3	26.0
Other	86.7	16.2	+6.3	93.4	22.5	-16.4	76.3	6.1
<u>Air Force *</u>	<u>2,228.5</u>	<u>144.0</u>	<u>+143.8</u>	<u>2,418.8</u>	<u>287.8</u>	<u>-39.1</u>	<u>2,790.8</u>	<u>248.7</u>
Aircraft	1,418.4	41.1	+39.9	1,675.2	81.0	+129.3	1,828.4	210.3
Other	810.1	102.9	+103.9	743.6	206.8	-168.4	962.4	38.4
<u>USSOCOM</u>	<u>138.1</u>	=	=	<u>159.7</u>	=	=	<u>163.8</u>	=
Ship	12.5	-	-	15.0	-	-	7.0	-
Aircraft	87.2	-	-	92.0	-	-	96.0	-
Other	38.4	-	-	52.7	-	-	60.8	-
<u>Total</u>	<u>7,486.7</u>	<u>984.2</u>	<u>+502.3</u>	<u>7,496.8</u>	<u>1,486.5</u>	<u>-63.7</u>	<u>8,741.5</u>	<u>1,422.8</u>
Ship	2,808.6	293.7	+92.2	2,693.1	385.9	-1.0	3,158.0	384.9
Aircraft	2,660.8	267.9	+219.3	2,776.8	487.2	+51.9	3,180.1	539.1
Combat Vehicles	220.7	44.5	+17.8	256.9	62.3	+57.6	254.8	119.9
Other	1,796.6	378.1	+173.0	1,770.0	551.1	-172.2	2,148.6	378.9

* Includes Active and Reserve Components

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	(\$ in Millions)						
	FY 2000 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2002 <u>Estimate</u>
Environmental Restoration	1,296.8	+20.7	-7.2	1,310.3	+22.3	-86.1	1,246.5
Environmental Compliance	1,655.5	+26.5	-54.3	1,627.7	+27.7	-32.8	1,622.6
Environmental Conservation	164.9	+2.6	-30.0	137.5	+2.3	-2.1	137.7
Pollution Prevention	281.4	+4.5	-32.7	253.2	+4.3	-12.4	245.1
Environmental Technology	290.9	+4.7	+7.3	302.9	+5.1	-96.8	211.2
Base Realignment & Closure (BRAC)	<u>355.6</u>	<u>+5.7</u>	<u>+408.8</u>	<u>770.1</u>	<u>+13.1</u>	<u>-292.1</u>	<u>491.1</u>
Total Environmental Program*	4,045.1	+64.7	+291.9	4,401.7	+74.8	-522.3	3,954.2

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

The Department of Defense Environmental Program addresses five overriding and interconnected goals: (1) to support the readiness of U. S. Forces by ensuring access to air, land, and water for training and operations; (2) to improve the quality of life by protecting military personnel and families from environmental, safety, and health hazards; (3) to ensure that weapons systems, logistics, installations, et. al., have greater performance, lower life cycle costs, and minimal health and environmental effects; (4) to serve customers, clients, and stakeholders through public participation and advocacy; and (5) to enhance international security through military-to-military cooperation. To help achieve these goals, the Department established its environmental program around five pillars -- cleanup, compliance, conservation, pollution prevention, and environmental technology. Much of this program is addressed in the Defense Environmental Restoration (or Cleanup) Program Annual Report to Congress and the Defense Environmental Quality (includes Compliance, Conservation, and Pollution Prevention) Annual Report to Congress. The FY 2002 amended budget request of \$3,948.7 million reflects a net decline of \$453.0 million, which includes price of \$74.8 million and a real decline in program of \$527.8 million (-11.8 percent). Each of the Department's environmental pillars is discussed below.

Environmental Restoration

The Department's Environmental Restoration program focuses on reducing the risks to human health and the environment at active installations and Formerly Used Defense Sites (FUDS), while ensuring that DoD environmental cleanup policy conforms to existing laws and regulations. The DoD Environmental Restoration appropriations provide for: the identification, investigation, and cleanup of past contamination (prior to 1986) from hazardous substances and wastes; correction of other environmental damage; detection of unexploded ordnance; and the demolition and removal of unsafe buildings, structures, and debris. Until 1994, the Department spent the majority of the resources documenting the magnitude of the cleanup problem on DoD lands, a significant but necessary

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investment. In 1994, DoD turned the corner, by devoting more resources to actual cleanup than to studies. As a result, the pace of restoration has increased while more sites continue to be cleaned up and closed out. In FY 1996, DoD began a relative risk approach to environmental cleanup. This process enables the Department to prioritize cleanup activities that pose the greatest danger to the health and safety of the environment and public in the context of regulatory agreements. The relative risk process is now one of the key tools used by the Department in the planning, programming, and budgeting of the cleanup program as well as its execution. Between FY 2001 and FY 2002, the Department's Defense Environmental Restoration Program declines by \$63.8 million, reflecting programmatic reductions of \$86.1 million (-6.5 percent) and price growth of \$22.3 million. The program decrease of \$86.1 million primarily consists of the discontinuance of a one-time congressional increase to the FUDS account in FY 2001 (\$-44.6 million) and a decrease in Navy requirements in both investigations and actual cleanup activities in the budget year (\$-40.9 million).

Environmental Compliance

The FY 2002 compliance program includes sufficient resources to enable the Department's day-to-day operations to comply with state and local government enforcement of current environmental laws and regulations. Environmental Compliance projects include the replacement and upgrade of waste water treatment plants to comply with Clean Water Act standards, hazardous waste management, testing and remediation of underground storage tanks, and monitoring waste water treatment systems. In FY 2002, the environmental compliance program decreases by \$10.6 million. This decline reflects a price growth of \$27.7 million and a programmatic decrease of \$32.8 million (-2.0 percent) as DoD benefits from its prior investments in pollution prevention. The program decrease of \$32.8 million primarily consists of: an increase in Army overseas requirements to comply with final governing standards and the Army National Guard's increased activities to implement the Clean Water Act (\$+61.7 million); a reduction in Department of Navy requirements due to completion of one-time projects (\$-18.0 million); a reduction in Air Force requirements due to completion of one-time measures to implement Final Governing Standards overseas and fewer Military Construction Projects (\$-27.2 million); and, a decrease in the Defense-wide requirement due to completion of some large one-time Military Construction projects, and the discontinuance of a congressional increase in the Native American Land Environmental Mitigation Program (\$-49.3 million).

Environmental Conservation

The Department of Defense is the steward of nearly 25 million acres of public lands. The DoD has a responsibility to protect, maintain, and enhance the natural and cultural resources found on these lands. Through the conservation program, biological and cultural resources are managed to help support the military mission. Additionally, conservation activities are required by law (e.g., Endangered Species Act, Sikes Act, and National Historic Preservation Act) and must be funded. In FY 2002, the Environmental Conservation funding increases by \$0.2 million, reflecting a price growth of \$2.3 million and a program decrease of \$2.1 million (-1.5 percent). The program decrease of \$2.1 million primarily consists of an increase in the Army National Guard's funding to complete the Integrated Natural Resource Management Plans and other one-time conservation projects (\$+9.0 million), and a decrease in Legacy Program funding due to the discontinuation of a one-time congressional addition in FY 2001 (\$-12.0 million).

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Pollution Prevention

The Pollution Prevention program targets the reduction of hazardous material, solid waste, toxic releases, air emissions, and water pollution at the source. The funding requested for FY 2002 will support these efforts, as well as implementation of Executive Order 13148, "Greening the Government through Leadership in Environmental Management," and Executive Order 13101, "Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition." In FY 2002, the Pollution Prevention program decreases by \$8.1 million. This reflects a price increase of \$4.3 million and a program decrease of \$12.4 million (-4.9 percent). The program decrease of \$12.4 million primarily consists of reduced requirements due to completion of one-time projects in the Navy and Marine Corps and some minor increases in the Army, Air Force, and Defense-wide programs. The significant success achieved within the Department towards meeting pollution prevention goals will cause periodic decreases in program funding as various projects are completed.

Environmental Technology

Technology development is important to meet DoD-unique environmental needs with programs that yield quick results and have high payoffs, including accelerating the development and deployment of technologies that address issues such as shipboard discharges and remediation of soil, surface, and ground water contamination from explosives. The FY 2002 request allows DoD to continue environmental research, development, test, demonstration, and validation activities to provide technologies that result in direct operational savings, mitigate future liabilities, and permit the Department to meet its environmental obligations more cost-effectively. In FY 2002, the Environmental Technology program decreases by \$91.7 million. This reflects a price increase of \$5.1 million and a program decrease of \$96.8 million (-31.4 percent). The program decrease of \$96.8 million is primarily the result of the discontinuance of several one-time congressional increases to the Military Department's Research, Development, Test & Evaluation (RDT&E) appropriation in FY 2001 (\$-102.1 million). This decrease is partially offset by an increase in the Department's Strategic Environmental Research and Development Program for accelerated development of new technologies, including the detection and cleanup of unexploded ordnance (\$+9.4 million).

Base Realignment and Closure (BRAC)

The DoD is striving to complete scheduled base closures as rapidly as possible to realize potential savings to the government and to make property available to local communities for redevelopment. To do this, the DoD must complete environmental restoration and compliance work at these bases. In FY 2002, the BRAC environmental program decreases by \$279.0 million. This reflects a price increase of \$13.1 million and a program decrease of \$292.1 million (-37.3 percent). The program decrease primarily reflects a return to a full funding policy versus the advanced appropriation financing approach proposed in FY 2000 that resulted in higher than normal funding levels in FY 2001. The FY 2001 funding level provided for the completion of projects begun in FY 2000 as well as fully funding the FY 2001 projects.

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(\$ in Millions)

<u>ENVIRONMENTAL RESTORATION</u> ^{*/}	FY 2000		FY 2001		FY 2002
<u>Cleanup</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	238.8	+32.4	271.2	+22.2	293.4
Navy	175.5	+15.1	190.6	-12.4	178.2
Air Force	217.4	-1.4	216.0	+51.8	267.8
Formerly Used Defense Sites	133.3	-5.3	128.0	-4.2	123.8
Defense-Wide	<u>18.1</u>	<u>-1.3</u>	<u>16.8</u>	<u>+2.2</u>	<u>19.0</u>
Subtotal	783.1	+39.5	822.6	+59.6	882.2
<u>Investigations and Analysis</u>					
Army	95.0	-25.5	69.5	-22.9	46.6
Navy	70.0	-5.9	64.1	-18.2	45.9
Air Force	95.2	+6.4	101.6	-37.5	64.1
Formerly Used Defense Sites	82.6	-18.8	63.8	-21.2	42.6
Defense-Wide	<u>2.6</u>	<u>-1.8</u>	<u>0.8</u>	<u>-0.1</u>	<u>0.7</u>
Subtotal	345.4	-45.6	299.8	-99.9	199.9
<u>Program Oversight</u>					
Army	42.4	+6.0	48.4	+1.4	49.8
Navy	37.0	+1.7	38.7	-5.3	33.4
Air Force	62.3	-4.5	57.8	-4.3	53.5
Formerly Used Defense Sites	22.1	+17.1	39.2	-15.3	23.9
Defense-Wide	<u>4.5</u>	<u>-0.7</u>	<u>3.8</u>	<u>-</u>	<u>3.8</u>
Subtotal	168.3	+19.6	187.9	-23.5	164.4
<u>Total</u>					
Army	376.2	+12.9	389.1	+0.7	389.8
Navy	282.5	+10.9	293.4	-35.9	257.5
Air Force	374.9	+0.5	375.4	+10.0	385.4
Formerly Used Defense Sites	238.0	-7.0	231.0	-40.7	190.3
Defense-Wide	<u>25.2</u>	<u>-3.8</u>	<u>21.4</u>	<u>+2.1</u>	<u>23.5</u>
Total Environmental Restoration	1,296.8	+13.5	1,310.3	-63.8	1,246.5

*/ This display shows the amounts budgeted by functional area for each of the five Environmental Restoration transfer appropriations – one for each Department, one for Formerly Used Defense Sites, and one for Defense-wide. The FY 2000 amounts (executed in various Component appropriations) are included for comparability purposes.

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(\$ in Millions)

<u>ENVIRONMENTAL COMPLIANCE</u>	FY 2000		FY 2001		FY 2002
<u>Army</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation & Maintenance, Army	360.9	-23.9	337.0	+42.7	379.7
Operation & Maintenance, Army Reserve	23.1	-0.2	22.9	+1.6	24.5
Operation & Maintenance, Army National Guard	71.8	+29.1	100.9	+16.8	117.7
RDT&E, Army	4.0	-1.5	2.5	-2.5	-
Reserve Personnel, Army	1.1	-1.1	-	-	-
Procurement of Ammunition, Army	13.3	+1.8	15.1	+12.2	27.3
Military Construction, Army	27.5	-5.5	22.0	+1.0	23.0
Family Housing, Army	5.1	-5.1	-	+0.1	0.1
Defense Working Capital Fund	<u>20.2</u>	<u>+0.3</u>	<u>20.5</u>	<u>-1.4</u>	<u>19.1</u>
Total Army	527.0	-6.1	520.9	+70.5	591.4
<u>Navy</u>					
Operation & Maintenance, Navy	253.6	+1.8	255.4	-31.9	223.5
Operation & Maintenance, Navy Reserve	6.5	-1.1	5.4	+0.1	5.5
RDT&E, Navy	4.7	-1.1	3.6	+0.8	4.4
Other Procurement, Navy	112.0	-57.6	54.4	+16.8	71.2
Military Construction, Navy	20.7	-14.1	6.6	+15.7	22.3
Military Construction, Navy Reserve	1.9	-1.9	-	-	-
Defense Working Capital Fund	<u>84.9</u>	<u>+10.2</u>	<u>95.1</u>	<u>-7.9</u>	<u>87.2</u>
Total Navy	484.3	-63.8	420.5	-6.4	414.1
<u>Marine Corps</u>					
Operation & Maintenance, Marine Corps	81.5	-2.1	79.4	-1.7	77.7
Operation & Maintenance, Marine Corps Reserve	<u>2.4</u>	<u>+1.6</u>	<u>4.0</u>	<u>-1.4</u>	<u>2.6</u>
Total Marine Corps	83.9	-0.5	83.4	-3.1	80.3

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(\$ in Millions)

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	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
<u>Air Force</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation & Maintenance, Air Force	306.8	-0.1	306.7	-10.5	296.2
Operation & Maintenance, Air Force Reserve	11.3	-0.5	10.8	+0.8	11.6
Operation & Maintenance, Air National Guard	17.0	-2.5	14.5	+0.4	14.9
Aircraft Procurement, Air Force	12.1	+1.0	13.1	-0.8	12.3
Missile Procurement, Air Force	1.4	-	1.4	-0.1	1.3
Military Personnel, Air Force	18.2	-3.4	14.8	-0.5	14.3
Guard Personnel, Air Force	1.1	-	1.1	+1.2	2.3
Military Construction, Air Force	23.4	-6.1	17.3	-7.1	10.2
Military Construction, Air Force Reserve	2.0	-2.0	-	-	-
Military Construction, Air National Guard	1.7	+2.1	3.8	-3.8	-
Defense Working Capital Fund	<u>16.9</u>	<u>-3.2</u>	<u>13.7</u>	<u>-</u>	<u>13.7</u>
Total Air Force	411.9	-14.8	397.1	-20.4	376.7
<u>Defense-Wide</u>					
Operation & Maintenance, Defense-Wide	57.4	-4.9	62.3	-7.5	54.8
Military Construction, Defense-Wide	1.3	+44.1	45.4	-39.9	5.5
RDT&E, Defense-Wide	8.5	+3.4	11.9	-2.5	9.4
Defense Working Capital Fund	<u>81.2</u>	<u>+5.0</u>	<u>86.2</u>	<u>+4.1</u>	<u>90.3</u>
Total Defense-Wide	148.4	+57.4	205.8	-45.8	160.0
<u>Total</u>					
Army	527.0	-6.2	520.8	+70.6	591.4
Navy	484.3	-63.7	420.6	-6.4	414.2
Marine Corps	83.9	-0.5	83.4	-3.1	80.3
Air Force	411.9	-14.8	397.1	-20.4	376.7
Defense-Wide	<u>148.4</u>	<u>+57.4</u>	<u>205.8</u>	<u>-45.8</u>	<u>160.0</u>
Total Environmental Compliance	1,655.5	-27.8	1,627.7	-5.1	1,622.6

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

<u>ENVIRONMENTAL CONSERVATION</u>	FY 2000		FY 2001		FY 2002
<u>Army</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation & Maintenance, Army	59.3	-7.8	51.5	+1.0	52.5
Operation & Maintenance, Army Reserve	1.6	+0.3	1.9	-0.3	1.6
Operation & Maintenance, Army Natl Guard	15.6	-1.6	14.0	+9.3	23.3
Defense Working Capital Fund	<u>3.4</u>	<u>+0.3</u>	<u>3.7</u>	<u>+0.2</u>	<u>3.9</u>
Total Army	79.9	-8.8	71.1	+10.2	81.3
Navv					
Operation & Maintenance, Navy	19.0	-8.8	10.2	+1.1	11.3
Operation & Maintenance, Navy Reserve	0.4	-0.4	-	+0.1	0.1
RDT&E, Navy	0.5	-	0.5	-0.2	0.3
Defense Working Capital Fund	<u>1.1</u>	<u>+0.9</u>	<u>2.0</u>	<u>-0.3</u>	<u>1.7</u>
Total Navy	21.0	8.3	12.7	+0.7	13.4
Marine Corps					
Operation & Maintenance, Marine Corps	7.2	+0.4	7.6	-	7.6
Operation & Maintenance, MC Reserve	<u>0.1</u>	<u>-0.1</u>	<u>-</u>	<u>=</u>	<u>-</u>
Total Marine Corps	7.3	+0.3	7.6	-	7.6
Air Force					
Operation & Maintenance, Air Force	36.8	-6.4	30.4	+1.3	31.7
Operation & Maintenance, AF Reserve	2.2	-0.1	2.1	-0.4	1.7
Operation & Maintenance, Air National Guard	<u>2.0</u>	<u>-1.5</u>	<u>0.5</u>	<u>+0.3</u>	<u>0.8</u>
Total Air Force	41.0	-8.0	33.0	+1.2	34.2
Defense-Wide					
O& M, Defense-Wide (Includes Legacy)	15.6	-2.6	13.0	-12.0	1.0
DoD Working Capital Fund	<u>0.1</u>	<u>+0.1</u>	<u>0.2</u>	<u>+0.1</u>	<u>0.3</u>
Total Defense-Wide	15.7	-2.5	13.2	-11.9	1.3
<u>Total</u>					
Army	79.9	-8.9	71.01	+10.3	81.3
Navy	21.0	-8.3	12.7	+0.7	13.4
Marine Corps	7.3	+0.3	7.6	-	7.6
Air Force	41.0	-8.0	33.0	+1.1	34.1
Defense-Wide	<u>15.7</u>	<u>-2.5</u>	<u>13.2</u>	<u>-11.9</u>	<u>1.3</u>
Total Environmental Conservation	164.9	-27.4	137.5	+0.2	137.7

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

<u>POLLUTION PREVENTION</u>	FY 2000		FY 2001		FY 2002
<u>Army</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation & Maintenance, Army	71.4	-37.2	34.2	+6.3	40.5
Operation & Maintenance, Army Reserve	1.3	-	1.3	+0.8	2.1
Operation & Maintenance, Army National Guard	2.2	-1.5	0.7	+0.4	1.1
RDT&E, Army	0.0	+5.4	5.4	-5.4	-
Procurement of Weapons & Tracked Combat Vehicles, Army	3.5	-3.5	-	-	-
Procurement of Ammunition, Army	2.5	-2.5	-	-	-
Other Procurement, Army	1.8	+0.2	2.0	-2.0	-
Defense Working Capital Fund	<u>1.3</u>	<u>+0.9</u>	<u>2.2</u>	<u>+0.1</u>	<u>2.3</u>
Total Army	84.0	-38.2	45.8	+0.2	46.0
<u>Navy</u>					
Operation & Maintenance, Navy	35.8	-3.3	32.5	-5.67	26.9
Operation & Maintenance, Navy Reserve	0.8	-0.2	0.6	-	0.6
RDT&E, Navy	1.1	-	1.1	-1.1	-
Other Procurement, Navy	18.5	-2.0	16.5	-0.8	15.7
Defense Working Capital Fund	<u>7.5</u>	<u>+1.6</u>	<u>9.1</u>	<u>-0.4</u>	<u>8.7</u>
Total Navy	63.7	-3.9	59.8	-7.9	51.9
<u>Marine Corps</u>					
Operation & Maintenance, Marine Corps	33.0	+4.3	37.3	-5.8	31.5
Operation & Maintenance, Marine Corps Reserve	<u>1.5</u>	<u>-1.2</u>	<u>0.3</u>	<u>+0.5</u>	<u>0.8</u>
Total Marine Corps	34.5	3.1	37.6	-5.3	32.3

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

<u>POLLUTION PREVENTION</u>	FY 2000		FY 2001		FY 2002
<u>Air Force</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation & Maintenance, Air Force	82.8	-1.9	80.9	+2.4	83.3
Operation & Maintenance, AF Reserve	3.5	-0.3	3.2	-0.1	3.1
Operation & Maintenance, Air National Guard	3.8	-0.9	2.9	+0.5	3.4
Aircraft Procurement, Air Force	3.0	-0.1	2.9	+0.1	3.0
Missile Procurement, Air Force	1.1	-	1.1	-	1.1
RDT&E, Air Force	2.4	+0.1	2.5	+0.02	2.7
Other Procurement, Air Force	<u>0.9</u>	<u>-</u>	<u>0.9</u>	<u>-</u>	<u>-</u>
Total Air Force	97.5	-3.1	94.4	+3.1	97.5
<u>Defense-Wide</u>					
Operation & Maintenance, Defense-Wide	1.2	+2.5	3.7	+0.3	4.0
RDT&E, Defense-Wide	-	+0.1	0.1	+0.1	0.2
Defense Working Capital Fund	<u>0.5</u>	<u>+11.3</u>	<u>11.8</u>	<u>+1.4</u>	<u>13.2</u>
Total Defense-Wide	1.7	+13.9	15.6	+1.8	17.4
<u>Total</u>					
Army	84.0	-38.2	45.8	+0.2	46.0
Navy	63.7	-3.9	59.8	-7.9	51.9
Marine Corps	34.5	+3.1	37.6	-5.3	32.3
Air Force	97.5	-3.1	94.4	+3.1	97.5
Defense-Wide	<u>1.7</u>	<u>+13.9</u>	<u>15.6</u>	<u>+1.8</u>	<u>17.4</u>
Total Pollution Prevention	281.4	-28.2	253.2	-8.1	245.1

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

ENVIRONMENTAL TECHNOLOGY

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>					
RDT&E, Army	<u>101.5</u>	<u>+15.0</u>	<u>116.5</u>	<u>-66.8</u>	<u>49.7</u>
Total Army	101.5	+15.0	116.5	-66.8	49.7
<u>Navy</u>					
RDT&E, Navy	<u>101.7</u>	<u>-4.3</u>	<u>97.4</u>	<u>-30.6</u>	<u>66.8</u>
Total Navy	101.7	-4.3	97.4	-30.6	66.8
<u>Air Force</u>					
RDT&E, Air Force	<u>8.0</u>	<u>-7.0</u>	<u>1.0</u>	<u>-1.0</u>	<u>=</u>
Total Air Force	8.0	-7.0	1.0	-1.0	-
<u>Defense-Wide</u>					
Strategic Environmental R&D Program (SERDP)	56.9	+2.1	59.0	+10.4	69.4
Env Security Technology Certification Program	<u>22.8</u>	<u>+6.2</u>	<u>29.0</u>	<u>-3.7</u>	<u>25.3</u>
Total Defense-Wide	79.7	+8.3	88.0	+6.7	94.7
<u>Total</u>					
Army	101.5	+15.0	116.5	-66.8	49.7
Navy	101.7	-4.3	97.4	-30.6	66.8
Air Force	8.0	-7.0	1.0	-1.0	-
Defense-Wide	<u>79.7</u>	<u>+8.3</u>	<u>88.0</u>	<u>+6.7</u>	<u>94.7</u>
Total Environmental Technology	290.9	+12.0	302.9	-91.7	211.2

ENVIRONMENTAL PROGRAMS
(\$ in Millions)

<u>BASE REALIGNMENT&CLOSURE (BRAC)</u>	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>BRAC 95</u>					
Army	105.5	+149.9	255.4	-112.2	143.2
Navy	123.2	+267.3	390.5	-251.9	138.6
Air Force	125.8	-8.1	117.7	+84.3	202.0
Defense-Wide	<u>1.1</u>	<u>+5.4</u>	<u>6.5</u>	<u>+0.8</u>	<u>7.3</u>
Total BRAC 95	355.6	+414.5	770.1	-279.0	491.1

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

<u>Operation & Maintenance Title Summary</u>	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	491.6	-68.9	422.7	+49.9	472.6
Army Reserve	26.0	+0.1	26.1	+2.1	28.2
Army National Guard	89.6	+26.0	115.5	+26.6	142.1
Navy	308.3	-10.2	298.1	-36.4	261.7
Navy Reserve	7.6	-1.6	6.0	+0.2	6.2
Marine Corps	121.7	+2.6	124.3	-7.5	116.8
Marine Corps Reserve	4.1	+0.2	4.3	-0.8	3.5
Air Force	426.4	-8.3	418.1	-6.9	411.2
Air Force Reserve	16.9	-0.9	16.0	+0.4	16.4
Air National Guard	22.8	-5.0	17.8	+1.3	19.1
Defense-Wide	74.1	+5.0	79.1	-19.3	59.8
Environmental Restoration (*)	<u>1,285.8</u>	<u>+24.5</u>	<u>1,310.3</u>	<u>-63.8</u>	<u>1,246.5</u>
Total Operation & Maintenance	2,874.9	-36.6	2,838.4	-54.4	2,784.1
<u>Program Summary for Operation and Maintenance</u>					
<u>Title</u>					
Environmental Restoration (*)	1,285.8	+24.5	1,310.3	-63.8	1,246.5
Environmental Compliance	1,192.2	+7.1	1,199.3	+9.4	1,208.7
Environmental Conservation	159.8	-28.6	131.2	+0.4	131.6
Pollution Prevention	<u>237.3</u>	<u>-39.7</u>	<u>197.6</u>	<u>-0.4</u>	<u>197.3</u>
Total Operation & Maintenance	2,874.9	-36.6	2,838.4	-54.4	2,784.1

* FY 2000 does not reflect \$11.0 million executed in Military Construction, Army for Environmental Restoration project.

FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

	(\$ in Millions)						
	FY 2000 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2002 <u>Estimate</u>
Army	1,505.3	-46.4	+72.5	1,531.4	-46.8	+447.3	1,931.9
Navy	870.8	+10.1	+277.8	1,158.7	+19.7	+140.0	1,318.4
Marine Corps	428.9	+10.2	+38.5	477.6	+8.5	-67.8	418.3
Air Force	1,475.0	+4.0	+69.0	1,548.0	+35.0	-48.0	1,535.0
Defense-Wide	128.2	+1.6	+1.2	131.0	+1.8	-2.6	130.2
Defense Health Program	339.4	+8.1	+21.8	369.3	+11.0	+35.2	415.5
Army Reserve	130.8	+2.2	-3.0	130.0	+2.5	+28.8	161.3
Navy Reserve	38.5	+0.7	+27.6	66.8	+1.3	-17.0	51.1
Marine Corps Reserve	10.1	+0.2	+0.8	11.1	+0.2	-1.2	10.1
Air Force Reserve	80.4	+1.7	-32.4	49.7	+1.3	-12.5	38.5
Army National Guard	203.4	+3.7	+21.9	229.0	+3.9	+118.9	351.8
Air National Guard	114.6	+2.0	-7.2	109.4	+1.9	-19.2	92.1
Quality of Life Enhancements, Defense	<u>298.5</u>	<u>+3.6</u>	<u>-142.0</u>	<u>160.1</u>	<u>+2.4</u>	<u>-162.5</u>	<u>-</u>
Total	5,623.9	+1.7	+346.5	5,972.1	+42.7	+439.4	6,454.2

The Facilities Sustainment, Restoration and Modernization (SRM) program, (formerly Real Property Maintenance) provides funds to keep the Department's inventory of facilities in good working order, (i.e., day to day maintenance requirements). In addition, provides resources to restore facilities whose age is excessive or have been damaged by fire, accident, or natural disasters and alternations of facilities to implement new or higher standards to accommodate new functions or mission. The demolition program provides funds to demolish and dispose of obsolete and excess structures of which some have been around since World War II.

The FY 2002 amended budget request of \$6,454.2 million includes price growth of \$42.7 million and net program growth of \$439.4 million (7.3 percent) above the FY 2001 funding level. This request includes \$6,243.3 million for the SRM program, which includes price growth of \$39.9 million and net program growth of \$418.6 million (7.2 percent) above the FY 2001 funded level. It also includes \$210.9 million for the demolition program, which includes price growth of \$2.8 million and net program growth of \$20.8 million (10.9 percent) above the FY 2001 funded level.

The following data provides details on funding levels for the SRM program, and the demolition program and the personnel data associated with these efforts.

FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

FACILITIES SUSTAINMENT

(\$ in Millions)

	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	1,297.7	-43.8	+113.5	1,367.4	-46.9	+266.1	1,586.6
Navy	819.8	+10.1	+242.8	1,072.7	+17.7	+139.0	1,229.4
Marine Corps	401.6	+9.2	+38.2	449.0	+8.0	-67.0	390.0
Air Force	1,391.0	-	+67.0	1,458.0	+34.0	-136.0	1,356.0
Defense-Wide	115.4	+1.4	+4.5	121.3	+1.7	-4.7	118.3
Defense Health Program	311.2	+8.0	+9.4	328.6	+9.0	+24.5	362.1
Army Reserve	124.1	+2.0	-4.5	121.6	+2.5	+34.7	158.8
Navy Reserve	28.9	+0.7	+21.2	50.8	+1.3	-5.5	46.6
Marine Corps Reserve	8.9	+0.1	+0.1	9.1	+0.1	-1.4	7.8
Air Force Reserve	69.0	+1.5	-23.8	46.7	+1.3	-9.9	38.1
Army National Guard	170.8	+3.1	+18.5	192.4	+3.3	+99.9	295.6
Air National Guard	89.2	+1.6	+7.6	98.4	+1.7	-10.0	90.1
Quality of Life Enhancements, Defense	<u>298.5</u>	<u>+3.6</u>	<u>-142.0</u>	<u>160.1</u>	<u>+2.4</u>	<u>-162.5</u>	<u>-</u>
Total	5,126.1	-2.5	+352.5	5,476.1	+36.1	+167.2	5,679.4

RESTORATION AND MODERNIZATION

Army	123.6	-4.0	-66.2	53.4	-1.7	+200.3	252.0
Navy	24.0	-	+26.0	50.0	+1.0	-2.0	49.0
Marine Corps	27.3	+1.0	+0.3	28.6	+0.5	-0.8	28.3
Air Force	55.0	+4.0	-6.0	53.0	+1.0	+57.0	111.0
Defense-Wide	12.8	+0.2	-3.3	9.7	+0.1	+2.1	11.9
Defense Health Program	28.2	+0.1	+12.4	40.7	+2.0	+10.7	53.4
Army Reserve	6.7	+0.2	+1.5	8.4	-	-8.4	-
Navy Reserve	9.6	-	+6.4	16.0	-	-11.5	4.5
Marine Corps Reserve	1.2	+0.1	+0.7	2.0	+0.1	+0.2	2.3
Air Force Reserve	9.3	+0.2	-7.1	2.4	-	-2.4	-
Army National Guard	31.4	+0.6	+3.4	35.4	+0.6	+15.5	51.5
Air National Guard	<u>21.6</u>	<u>+0.4</u>	<u>-12.9</u>	<u>9.1</u>	<u>+0.2</u>	<u>-9.3</u>	<u>-</u>
Total	350.7	+2.8	-44.8	308.7	+3.8	+251.4	563.9

FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

TOTAL SRM PROGRAM

(\$ in Millions)

	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	1,421.3	-47.8	+47.3	1,420.8	-48.6	+466.4	1,838.6
Navy	843.8	+10.1	+268.8	1,122.7	+18.7	+137.0	1,278.4
Marine Corps	428.9	+10.2	+38.5	477.6	+8.5	-67.8	418.3
Air Force	1,446.0	+4.0	+61.0	1,511.0	+35.0	-79.0	1,467.0
Defense-Wide	128.2	+1.6	+1.2	131.0	+1.8	-2.6	130.2
Defense Health Program	339.4	+8.1	+21.8	369.3	+11.0	+35.2	415.5
Army Reserve	130.8	+2.2	-3.0	130.0	+2.5	+26.3	158.8
Navy Reserve	38.5	+0.7	+27.6	66.8	+1.3	-17.0	51.1
Marine Corps Reserve	10.1	+0.2	+0.8	11.1	+0.2	-1.2	10.1
Air Force Reserve	78.3	+1.7	-30.9	49.1	+1.3	-12.3	38.1
Army National Guard	202.2	+3.7	+21.9	227.8	+3.9	+115.4	347.1
Air National Guard	110.8	+2.0	-5.3	107.5	+1.9	-19.3	90.1
Quality of Life Enhancements, Defense	<u>298.5</u>	<u>+3.6</u>	<u>-142.0</u>	<u>160.1</u>	<u>+2.4</u>	<u>-162.5</u>	<u>-</u>
Total	5,476.8	+0.3	+307.7	5,784.8	+39.9	+418.6	6,243.3

DEMOLITION COSTS

Army	84.0	+1.4	+25.2	110.6	+1.8	-19.1	93.3
Navy	27.0	-	+9.0	36.0	+1.0	+3.0	40.0
Marine Corps	-	-	-	-	-	-	-
Air Force	29.0	-	+8.0	37.0	-	+31.0	68.0
Defense-Wide	-	-	-	-	-	-	-
Defense Health Program	-	-	-	-	-	-	-
Army Reserve	-	-	-	-	-	+2.5	2.5
Navy Reserve	-	-	-	-	-	-	-
Marine Corps Reserve	-	-	-	-	-	-	-
Air Force Reserve	2.1	-	-1.5	0.6	-	-0.2	0.4
Army National Guard	1.2	-	-	1.2	-	+3.5	4.7
Air National Guard	<u>3.8</u>	<u>-</u>	<u>-1.9</u>	<u>1.9</u>	<u>-</u>	<u>+0.1</u>	<u>2.0</u>
Total	147.1	+1.4	+38.8	187.3	+2.8	+20.8	210.9

FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

PERSONNEL DATA

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Active Force Military Personnel (End Strength)</u>					
Officer	819	+17	836	+4	840
Enlisted	<u>4,812</u>	<u>-709</u>	<u>4,103</u>	<u>-829</u>	<u>3,274</u>
Total	5,631	-692	4,939	-825	4,114
<u>Civilian Personnel (Full-Time Equivalents)</u>					
U.S. Direct Hires	16,962	-2,937	14,025	-1,599	12,426
Foreign National Direct Hires	<u>919</u>	<u>+62</u>	<u>981</u>	<u>-41</u>	<u>940</u>
Total Direct Hire	17,881	-2,875	15,006	-1,640	13,366
Foreign National Indirect Hire	<u>4,363</u>	<u>-529</u>	<u>3,834</u>	<u>-87</u>	<u>3,747</u>
Total	22,244	-3,404	18,840	-1,727	17,113

Army

The Army is requesting \$1,838.6 million in FY 2002 for SRM in its O&M, Army appropriation. These funds reflect a net increase of \$417.8 million from the FY 2001 funding level (\$-48.6 million in price growth (foreign currency fluctuations adjustments) and \$466.4 million (34.0 percent) in increased program). The additional SRM funding for FY 2002 will fund critical requirements such as roof repairs, resolve plumbing and sewer problems, and address critical utility requirements. The Army is requesting \$93.3 million for its demolition program, which reflects a net decrease of \$17.3 million from the FY 2001 funded level. This includes price growth of \$1.8 million and a real decline in program of \$19.1 million (-17.0 percent) due to the fact the Army is ahead of its plan to demolish 51.0 million square feet of obsolete facilities by FY 2003.

Navy

The Navy is requesting \$1,278.4 million in FY 2002 for SRM in its O&M, Navy appropriation. These funds reflect a net increase of \$155.7 million from the FY 2001 funding level (\$18.7 million in price growth and \$137.0 million (12.0 percent) in increased program). The program increase in FY 2002 will fund both major and minor specific work required to maintain full operational capability in airport/seaport functions, utility infrastructure reliability, and training functions at readiness levels. The Navy is requesting \$40.0 million for its demolition program, which reflects a net increase of \$4.0 million from the FY 2001 funded level. This includes price growth of \$1.0 million and program growth of \$3.0 million (8.1 percent) to ensure the Navy remains on schedule to meet its goal to demolish 9.9 million square feet of obsolete facilities by FY 2002.

FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

Marine Corps

The Marine Corps is requesting \$418.3 million in FY 2002 for SRM in its O&M, Marine Corps appropriation. These funds reflect a net decrease of \$59.3 million from the FY 2001 funding level (\$8.5 million in price growth and \$-67.8 million (-13.9 percent) in reduced program). The program in FY 2002 reflects a level of funding more consistent with prior year levels. The funds will be used primarily to maintain and repair barracks, runways, buildings, and other infrastructure items. The Marine Corps has completed their demolition program.

Air Force

The Air Force is requesting \$1,467.0 million in FY 2002 for SRM in its O&M, Air Force appropriation. These funds reflect a net decrease of \$44.0 million from the FY 2001 funding level (\$35.0 million in price growth and \$-79.0 million (-5.1 percent) in reduced program). The request provides resources for in-service and contractual accomplishment and repair work on buildings, structures, warehouses, roadways, runways and aprons, and utility and distribution systems. The Air Force is requesting \$68.0 million for its demolition program, which reflects a net increase of \$31.0 million above the FY 2001 funded level. This program growth (83.7 percent) is associated with demolition requirements at Johnston Atoll that were identified after the Air Force's demolition goal was established in May 1998.

Defense-Wide

The Defense-Wide activities are requesting \$130.2 million in FY 2002 for SRM in its O&M, Defense-Wide appropriation. These funds reflect a net decrease of \$0.8 million from FY 2001 funding level (\$1.8 million in price growth and \$-2.6 million (-2.0 percent) in reduced program). The program in FY 2002 reflects a level of funding consistent with prior year levels. The funds will be used primarily for replacement of heating and air conditioning units, plumbing, electrical systems and other mechanical equipment because of their age and condition.

Defense Health Program (DHP)

The DHP is requesting \$415.5 million in FY 2002 for SRM in its O&M budget activity. These funds reflect a net increase of \$46.2 million from the FY 2001 funding level (\$11.0 million for price growth and \$35.2 million (9.3 percent) of program growth). The program increase will be used primarily to maintain military medical facilities heating and air conditioning units, plumbing, and electrical systems that are required to support active duty, military dependents, eligible retirees, and family members.

FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

Guard and Reserve Forces

The Guard and Reserve Forces are requesting \$695.3 million in FY 2002, which reflects a net increase of \$103.0 million from the FY 2001 funding level (\$11.1 million in price growth and \$91.9 million (15.2 percent) in increased program). The program supports the operation, protection and maintenance of real property facilities including, buildings, roads, grounds, and airfields of the Guard and Reserve supporting a level of combat readiness that enables them to augment the active forces. In addition, the Army Reserve, Air Force Reserve, Army National Guard, and Air National Guard are requesting \$9.6 million for their demolition programs, which is a net increase of \$5.9 million above the FY 2001 funded level (+159.5 percent). These funds will be used to ensure the Reserve Forces are on schedule to meet their demolition goals by FY 2003.

LAND FORCES

	(\$ in Millions)						
	FY 2000 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2002 <u>Estimate</u>
Army*	2,796.1	-6.3	+523.9	3,313.7	-29.8	+19.1	3,303.0
Marine Corps	<u>465.7</u>	<u>+19.8</u>	<u>-13.7</u>	<u>471.8</u>	<u>+3.6</u>	<u>-15.7</u>	<u>459.7</u>
Total	3,261.8	+13.5	+510.2	3,785.5	-26.2	+3.4	3,762.7

* Includes both Air and Ground OPTEMPO.

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

Resources in Land Forces train and sustain the active component ground combat forces. These resources support the key ingredients of combat readiness by providing the funds necessary to operate combat vehicles and weapon systems, train combat personnel, perform field level equipment maintenance, and maintain required readiness levels. The FY 2002 amended budget request of \$3,762.7 million reflects a net reduction of \$22.8 million. This includes a price reduction of \$26.2 million (driven mostly by changes in working capital fund rates) and a net program increase of \$3.4 million (0.1 percent).

ARMY

The Army's Land Forces program provides Operating Tempo (OPTEMPO) resources to train and sustain the active component combat forces and support training strategies at high (T1/T2) readiness levels, which ensure that operating forces train to reach full proficiency on tasks identified in unit mission essential task lists (METL). Included in FY 2002 is OPTEMPO funding for the M1 Abrams tank at 730 home station training miles. The 730 OPTEMPO miles include actual ground operations as well as a small number of Close Combat Tactical Trainer (CCTT) miles (simulator operations) for those units who have fielded CCTT as a part of the overall Army training strategy. Funding in this activity group will allow the Army to field a trained and ready force, possessing the combat capabilities necessary to execute assigned missions and fulfill the Army's critical role in meeting the National Military Strategy, threat scenarios, and other national military requirements. In addition to funding unit training and its associated costs (such as fuel, supplies, repair parts, travel and transportation), the Land Forces program includes the resources to fund the operation of the Combat Training Centers (CTCs).

LAND FORCES

The Army's Land Forces resources support a training strategy that exposes all soldiers, from the infantryman to the corps commander, to a full range of realistic training exercises. Funding in FY 2002 will permit the Army to train 9 Active Component (and 1 National Guard) brigades at the National Training Center, 9 Active Component (and 1 National Guard) brigades at the Joint Readiness Training Center, and 5 Active Component brigades at the Combat Maneuver Training Center. Additionally, 5 Active Component divisions and 2 Active Component corps staffs (which includes 1 Command and General Staff College (CGSC) Prairie Warrior Exercise, a Corps Battle Command Training Program equivalent) will participate in the Battle Command Training Program.

The FY 2002 program reflects a net decrease of \$10.7 million below the FY 2001 funding level. This decrease includes a price decrease of \$29.8 million, net functional transfers in totaling \$52.7 million, and a net program decrease of \$33.6 million (-1 percent). The net program decrease includes program decreases totaling \$322.4 million, which is primarily attributed to a reduction in OPTEMPO to an acceptable readiness risk level (\$-300.0 million). This allows the Army to accept a minor risk in OPTEMPO in order to stabilize and possibly halt facility deterioration and augment training enablers. Additional reductions are associated with force structure changes to modernize and convert three AH64A Apache Helicopter Battalions to AH-64D (\$-9.2 million) and continuing changes to transform the Army to a Force XXI structure (\$-13.2 million). These decreases are partially offset by program increases totaling \$288.8 million. Major program increases include cost increases associated with the demand changes in repairable and consumable parts and supplies (\$75.6 million); increase for organizational clothing and individual equipment based on 3-year actual demands (\$33.4 million); increase in operation and maintenance cost for the Light Assault Vehicles/Infantry Assault Vehicles used by the newly formed Medium Infantry Brigade Combat Teams at Fort Lewis, Washington (\$27.9 million); increase in operation and support costs for newly fielded modernized equipment (\$26.9 million); increase in FY 2002 due to a one-time across the board congressional reduction in FY 2001 (\$25.1 million); increase Contractor Logistics Support (\$19.4 million) based on new Training Aides, Devices, Simulations and Simulators (TADSS) fielding schedules; increase in Combat Training Center rotation costs (\$19.7 million) as units transport more digitized equipment to the National Training Center; increase for the completion of the repair by replacement of the range data management systems at the Combat Training Centers (\$11.7 million); increase in transportation costs due to the need for units to transport more modernized/digitized equipment to the National Training Center (\$15.0 million); and increase to support Army participation in joint experiment Millennium Challenge (\$19.7 million).

MARINE CORPS

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

LAND FORCES

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

The FY 2002 program reflects a net decrease of \$12.1 million below the FY 2001 funding level. This decrease is the sum of a price growth of \$3.6 million and a net program decrease of \$15.7 million. Major program decreases include reductions in initial issue funding associated with one-time FY 2001 congressional adds for items such as the lightweight maintenance enclosure, extended cold weather clothing system, and ultra-lightweight camouflage netting system (\$-41.3 million); in operation and maintenance support for newly fielded equipment in FY 2001 (\$-5.4 million); in corrosion control and coating program primarily due to a one-time congressional add in FY 2001 (\$-2.6 million); and in East Timor operations (\$-2.4 million). These decreases are partially offset by increases for the transition to the Navy Marine Corps Intranet in FY 2002 (\$25.7 million); for strategic lift (\$4.0 million); for Marine Corps participation in Joint Experiment Millennium Challenge (\$4.9 million); and for the addition of a CH-53D squadron into the unit deployment program (\$1.6 million).

Program Data

Army OPTEMPO Miles*

	<u>Battalions</u>	FY 2000	FY 2001		FY 2002	
		<u>Actual</u>	<u>Requirement</u>	<u>Budget</u>	<u>Requirement</u>	<u>Budget</u>
Armor (M1):						
	Home Station Training	652	771	771	760	690
	Close Combat Tactical Trainer	17	29	29	40	40
	OPTEMPO Miles Subtotal	669	800	800	800	730
	Training at National Training Center	95	101	101	101	101
	Total	764	901	901	901	831

LAND FORCES

<u>Battalions</u>	FY 2000	FY 2001		FY 2002	
	<u>Actual</u>	<u>Requirement</u>	<u>Budget</u>	<u>Requirement</u>	<u>Budget</u>
Mech Infantry (M2)					
Home Station Simulator Training	651	905	905	895	811
Close Combat Tactical Trainer	25	29	29	39	39
Training at National Training Center	<u>112</u>	<u>103</u>	<u>103</u>	<u>103</u>	<u>103</u>
Total	788	1,037	1,037	1,037	953
Cavalry Squadron (M3)					
Home Station Simulator Training	470	950	950	950	863
Close Combat Tactical Trainer	<u>10</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
Total	480	970	970	970	883

* Excludes M1 and M2 OPTEMPO miles executed in Bosnia and S.W. Asia that are partially funded through OPTEMPO offsets. FY 2000 Actuals: Training in S.W. Asia (M1: 47 miles and M2: 27 miles) and Bosnia (M1: 3 miles and M2: 6 miles).

Marine Corps Participation in Collective Unit Training

	FY 2000	<u>Change</u>	FY 2001	<u>Change</u>	FY 2002
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
<u>Marine Forces Atlantic (MFL)</u>					
Chairman Joint Chiefs of Staff Exercises	31	-1	30	-	30
II Marine Expeditionary Forces Exercises	61	-1	60	-	60
Marine Operating Force Exercises	14	-	14	-	14
Marine Expeditionary Unit Special Operations Capable (MEUSOC) Exercises	10	-	10	-	10

LAND FORCES

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Marine Forces Pacific (MPF)</u>					
Chairman Joint Chiefs of Staff Exercises	22	+3	25	-	25
I Marine Expeditionary Forces Exercises	48	+3	51	-	51
III Marine Expeditionary Forces Exercises	44	+1	45	-	45
Marine Operating Force Exercises	10	-	10	-	10
Marine Expeditionary Unit Special Operations Capable (MEUSOC) Exercises	17	-	17	-	17

Personnel Data

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Active Forces Personnel</u>			<u>(End Strength)</u>		
Army Officer	30,125	+657	30,782	-202	30,580
Army Enlisted	<u>253,483</u>	<u>+9,897</u>	<u>263,380</u>	<u>+5</u>	<u>263,385</u>
Subtotal Army	283,608	+10,554	294,162	-197	293,965
Marine Corps Officer	8,643	-214	8,429	-	8,429
Marine Corps Enlisted	<u>87,851</u>	<u>8,792</u>	<u>96,643</u>	=	<u>96,643</u>
Subtotal Marine Corps	96,494	8,578	105,072	-	105,072
Total Officer	38,768	+443	39,211	-202	39,009
Total Enlisted	<u>341,334</u>	<u>18,689</u>	<u>360,023</u>	<u>+5</u>	<u>360,028</u>
Total Active Force Personnel	380,102	19,132	399,234	-197	399,037
<u>Civilian Personnel</u>			<u>(Full-Time Equivalents)</u>		
Army	3,027	-141	2,886	-158	2,728
Marine Corps	<u>201</u>	<u>-1</u>	<u>200</u>	<u>-3</u>	<u>197</u>
Total Civilian Personnel	3,228	-148	3,086	-161	2,925

MANAGEMENT HEADQUARTERS

(Military End Strength/Civilian Full-Time Equivalents)*

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Military	30,099	-423	29,676	-449	29,227
Civilian	31,863	+19	31,882	+10	31,892
Total DoD	61,962	-404	61,558	-439	61,119

* The FY 1999 actual baseline is 63,786 (Military, 30,860; Civilian, 32,926) in accordance with the revised definition approved in the DoD Directive 5100.73 issued on May 13, 1999, and is consistent with subsection (d) of section 130a of Title 10, United States Code as amended by subsection (a).

Management Headquarters include the Office of the Secretary of Defense, the Office of the Chairman of the Joint Chiefs of Staff, the Joint Staff, Headquarters of Unified and Specified Commands, Headquarters of the Defense Agencies, the Service Secretariats and Service Staffs, Headquarters of Major Service Commands, and other organizations (i.e., field operating activities and direct reporting units) that manage the programs and operations of the Department of Defense.

The table above reflects the personnel levels applicable to management headquarters activities between FY 2000 and FY 2002. As noted, the FY 1999 DoD baseline used to measure management headquarters personnel (military and civilian) is 63,786, and is consistent with the DoD Directive 5100.73 of May 13, 1999. The FY 2002 estimate of 61,119 reflects a reduction of 439 below the FY 2001 program of 61,558, and a cumulative reduction of 2,667 below the FY 1999 baseline (-4.2 percent). The details of these reductions were recently provided to the Congress on June 8, 2001, in the “DoD Report on Major Headquarters Activities,” in accordance with section 921 of the FY 2000 National Defense Authorization Act. Funding by appropriation is not yet available to accurately report these resources primarily because of the systems changes required to capture the field operating activities and direct reporting units as prescribed in the revised DoD Directive 5100.73. However, the DoD plans to begin reporting this information in the FY 2003 President’s Budget submission.

The estimates on the following pages reflect the total management headquarters military personnel end strength and civilian full-time equivalents in the DoD assigned to the combatant and functional commands and to Departmental headquarters and headquarters support between FY 2000 and FY 2002.

MANAGEMENT HEADQUARTERS

COMBATANT COMMANDS

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>					
Military	2,128	-5	2,123	-	2,123
Civilian	<u>2,112</u>	<u>-21</u>	<u>2,091</u>	<u>-</u>	<u>2,091</u>
Total	4,240	-26	4,214	-	4,214
<u>Navy</u>					
Military	2,694	-84	2,610	-23	2,587
Civilian	<u>1,245</u>	<u>+36</u>	<u>1,281</u>	<u>+18</u>	<u>1,299</u>
Total	3,939	-48	3,891	-5	3,886
<u>Air Force</u>					
Military	5,261	-134	5,127	-243	4,884
Civilian	<u>1,832</u>	<u>+55</u>	<u>1,887</u>	<u>+108</u>	<u>1,995</u>
Total	7,093	-79	7,014	-135	6,879
<u>Special Operations Forces (Service Components)</u>					
Military	737	-	737	+17	754
Civilian	<u>372</u>	<u>-</u>	<u>372</u>	<u>-</u>	<u>372</u>
Total	1,109	-	1,109	+17	1,126
<u>Unified Commands</u>					
Military	4,547	-26	4,521	-35	4,486
Civilian	<u>1,389</u>	<u>+7</u>	<u>1,396</u>	<u>+9</u>	<u>1,405</u>
Total	5,936	-19	5,917	-26	5,891

MANAGEMENT HEADQUARTERS

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>US Special Operations Command (USSOCOM)</u>					
Military	482	-13	469	-20	449
Civilian	<u>220</u>	<u>-1</u>	<u>219</u>	<u>-</u>	<u>219</u>
Total	702	-14	688	-20	668
<u>Total Combatant Commands</u>					
Military	15,849	-262	15,587	-304	15,283
Civilian	<u>7,170</u>	<u>+76</u>	<u>7,246</u>	<u>+135</u>	<u>7,381</u>
Total	23,019	-186	22,833	-169	22,664

FUNCTIONAL COMMANDS

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>					
Military	1,353	-41	1,312	-4	1,308
Civilian	<u>4,894</u>	<u>-</u>	<u>4,894</u>	<u>-3</u>	<u>4,891</u>
Total	6,247	-41	6,206	-7	6,199
<u>Navy</u>					
Military	1,566	+7	1,573	-7	1,566
Civilian	<u>2,861</u>	<u>-1</u>	<u>2,860</u>	<u>-35</u>	<u>2,825</u>
Total	4,427	+6	4,433	-42	4,391

MANAGEMENT HEADQUARTERS

FUNCTIONAL COMMANDS

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Air Force</u>					
Military	2,180	-101	2,079	-11	2,068
Civilian	<u>2,563</u>	<u>-105</u>	<u>2,458</u>	<u>+12</u>	<u>2,470</u>
Total	4,743	-206	4,537	+1	4,538
<u>Defense-Wide (less OSD/TJS) *</u>					
Military	718	+63	781	+3	784
Civilian	<u>5,593</u>	<u>+127</u>	<u>5,720</u>	<u>-39</u>	<u>5,681</u>
Total	6,311	+190	6,501	-36	6,465
<u>Total Functional Commands</u>					
Military	5,817	-72	5,745	-19	5,726
Civilian	<u>15,911</u>	<u>+21</u>	<u>15,932</u>	<u>-65</u>	<u>15,867</u>
Total	21,728	-51	21,677	-84	21,593

DEPARTMENTAL HEADQUARTERS AND HEADQUARTERS SUPPORT

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>					
Military	1,764	-3	1,761	-12	1,749
Civilian	<u>3,336</u>	<u>-2</u>	<u>3,334</u>	<u>-36</u>	<u>3,298</u>
Total	5,100	-5	5,095	-48	5,047

* The Defense-Wide includes the DoD Office of the Inspector General

MANAGEMENT HEADQUARTERS

DEPARTMENTAL HEADQUARTERS AND HEADQUARTERS SUPPORT

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Navy</u>					
Military	2,163	-55	2,108	-34	2,074
Civilian	<u>1,835</u>	<u>-45</u>	<u>1,790</u>	<u>-34</u>	<u>1,756</u>
Total	3,998	-100	3,898	-68	3,830
<u>Air Force</u>					
Military	2,879	-19	2,860	-65	2,795
Civilian	<u>1,905</u>	<u>-30</u>	<u>1,875</u>	<u>+13</u>	<u>1,888</u>
Total	4,784	-49	4,735	-52	4,683
<u>Office of the Secretary of Defense (OSD)</u>					
Military	507	-	507	-	507
Civilian	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	2,007	-	2,007	-	2,007
<u>The Joint Staff (TJS)</u>					
Military	1,120	-12	1,108	-15	1,093
Civilian	<u>206</u>	<u>-1</u>	<u>205</u>	<u>-3</u>	<u>202</u>
Total	1,326	-13	1,313	-18	1,295
<u>Total Departmental Headquarters and Headquarters Support</u>					
Military	8,433	-89	8,344	-126	8,218
Civilian	<u>8,782</u>	<u>-78</u>	<u>8,704</u>	<u>-60</u>	<u>8,644</u>
Total	17,215	-167	17,048	-186	16,862

MANAGEMENT HEADQUARTERS

MANAGEMENT HEADQUARTERS

DOD SUMMARY

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>					
Military	5,245	-49	5,196	-16	5,180
Civilian	<u>10,342</u>	<u>-23</u>	<u>10,319</u>	<u>-39</u>	<u>10,280</u>
Total	15,587	-72	15,515	-55	15,460
<u>Navy</u>					
Military	6,423	-132	6,291	-64	6,227
Civilian	<u>5,941</u>	<u>-10</u>	<u>5,931</u>	<u>-51</u>	<u>5,880</u>
Total	12,364	-142	12,222	-115	12,107
<u>Air Force</u>					
Military	10,320	-254	10,066	-319	9,747
Civilian	<u>6,300</u>	<u>-80</u>	<u>6,220</u>	<u>+133</u>	<u>6,353</u>
Total	16,620	-334	16,286	-186	16,100
<u>Unified Commands</u>					
Military	4,547	-26	4,521	-35	4,486
Civilian	<u>1,389</u>	<u>+7</u>	<u>1,396</u>	<u>+9</u>	<u>1,405</u>
Total	5,936	-19	5,917	-26	5,891
<u>US Special Operations Command (USSOCOM)</u>					
Military	482	-13	469	-20	449
Civilian	<u>220</u>	<u>-1</u>	<u>219</u>	<u>-</u>	<u>219</u>
Total	702	-14	688	-20	668

MANAGEMENT HEADQUARTERS

DOD SUMMARY

(Military End Strength/Civilian Full-Time Equivalents)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Special Operations Forces (Service Components)</u>					
Military	737	-	737	+17	754
Civilian	<u>372</u>	<u>-</u>	<u>372</u>	<u>-</u>	<u>372</u>
Total	1,109	-	1,109	+17	1,126
<u>Office of the Secretary of Defense (OSD)</u>					
Military	507	-	507	-	507
Civilian	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total	2,007	-	2,007	-	2,007
<u>The Joint Staff (TJS)</u>					
Military	1,120	-12	1,108	-15	1,093
Civilian	<u>206</u>	<u>-1</u>	<u>205</u>	<u>-3</u>	<u>202</u>
Total	1,326	-13	1,313	-18	1,295
<u>Defense-Wide (less OSD/TJS)*</u>					
Military	718	+63	781	+3	784
Civilian	<u>5,593</u>	<u>+127</u>	<u>5,720</u>	<u>-39</u>	<u>5,681</u>
Total	6,311	+190	6,501	-36	6,465
<u>DoD Total</u>					
Military	30,099	-423	29,676	-449	29,227
Civilian	<u>31,863</u>	<u>+19</u>	<u>31,882</u>	<u>+10</u>	<u>31,892</u>
Total	61,962	-404	61,558	-439	61,119

* The Defense-Wide includes the DoD Office of the Inspector General

MOBILIZATION

	<u>(\$ in Millions)</u>						
	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	592.2	-20.6	+6.4	578.0	+15.9	-12.0	581.9
Navy	749.0	+2.1	-27.5	723.6	+70.7	+21.7	816.0
Marine Corps	80.5	+1.8	+17.3	99.6	+1.2	-12.1	88.7
Air Force	<u>3,111.9</u>	<u>+291.4</u>	<u>-279.1</u>	<u>3,124.2</u>	<u>+153.0</u>	<u>+340.8</u>	<u>3,618.0</u>
Total	4,533.6	+274.7	-282.9	4,525.4	+240.8	+338.4	5,104.6

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

The Mobilization program increases by \$579.2 million from FY 2001 to FY 2002. This includes price growth of \$240.8 million and real program increase of \$338.4 million (+7.1 percent). The price growth is primarily associated with Air Mobility Command (AMC) and Military Sealift Command (MSC) Defense Working Capital Fund rate changes. The majority of the program increases are associated with the Air Force Mobility Operations Airlift Operations program. These increases are partially offset by decreases resulting from the effect of one-time FY 2001 increases associated with the Army's Rock Island Arsenal and the Marine Corps Maritime Prepositioning Ship spares program, and workload decreases at the Watervliet Arsenal. The funding profile shown above includes all Budget Activity 2 (Mobilization) resources plus the Marine Corps Prepositioning activity group included in Budget Activity 1 (Operating Forces).

MOBILIZATION

Airlift and Sealift Programs

	<u>(\$ in Millions)</u>				
	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Airlift Subsidy (Air Force)	312.2	+117.6	429.8	+43.4	473.2

The Air Force's airlift program is financed primarily through US Transportation Command (USTRANSCOM) rates; however, a direct payment to USTRANSCOM is required to meet airlift expenses due to the difference between USTRANSCOM rates and total costs of airlift operations, which include maintaining airlift mobilization capabilities to meet potential contingency requirements. The FY 2002 increase is primarily associated with AMC rate changes (\$41.2 million) and additional funding to support critical infrastructure protection vulnerability assessments (\$2.2 million).

	<u>(\$ in Millions)</u>				
	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Afloat Prepositioned Fleet (APF)</u>					
Army APF	284.8	+33.8	318.6	+34.3	352.9
Navy Maritime Prepo Ships (MPS)	365.3	-2.8	362.5	+54.7	417.2
Navy Maritime Prepo Ships (Enhanced)	12.1	+13.4	25.5	+12.3	37.8
Navy Prepositioned Hospital Ship	4.8	-4.8	-	-	-
CENTCOM Ammo Prepo Ship	10.6	-3.3	7.3	+2.7	10.0
Air Force APF	<u>48.8</u>	<u>-11.7</u>	<u>37.1</u>	<u>+13.8</u>	<u>50.9</u>
Total	726.4	+24.6	751.0	+117.8	868.8

The Afloat Prepositioned Fleet program funds prepositioned ships, which carry equipment, supplies and ammunition, and are available for immediate and rapid response to unforeseen contingencies throughout the world.

- The Army forces consist of 18/19/15 APF ships in FY 2000/FY 2001/FY 2002, respectively, with a capability to deploy and sustain five and one-third division corps with its associated force structure to any crisis worldwide. The Army initiative to field

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new construction Large Medium Speed Roll-on/Roll-off (LMSR) ships is nearing completion, with transition to the end-state fleet completed in FY 2002. The FY 2002 increase of \$34.3 million supports the end-state fleet of 15 ships (8 LMSRs, 1 crane ship, 2 heavy lift prepositioning ships, and 4 container ships); replenishes items in Humanitarian medical sets; funds increased costs associated with the U.S. Government's payment to Oman for country access; and addresses Military Sealift Command rate increases.

- The Navy forces include three squadrons of Maritime Prepositioning Ships (MPS) -- 13 MPS ships in FY 2000/FY 2001/FY 2002 -- that are forward-deployed in support of the US Pacific Command (PACOM), US Central Command (CENTCOM), and the US European Command (EUCOM). Each squadron can provide 30 days of over-the-shore support to a Marine Air-Ground Task Force or Brigade equivalent. The Navy forces also include 1/3/3 MPS (Enhanced) ships in FY 2000/FY2001/FY 2002, respectively, that provide increased capability by carrying a fleet hospital, expeditionary airfield, naval mobile construction battalion support, and additional sustainment cargo. In FY 2001, the activation of the third MPS(E) allowed for the replacement of the prepositioned fleet hospital. Finally, the Navy forces include one cargo/ammunition ship to provide support to CENTCOM. The FY 2002 increase of \$69.7 million for MPS, MPS(E) and the CENTCOM ammunition preposition ship reflects price increases associated with Military Sealift Command Working Capital Fund rate changes (\$57.7 million) and program growth associated with full-year operation for the two MPS(E) ships, WHEAT and SODERMAN (\$13.2 million).
- The Air Force funds three prepositioned ships, containing approximately 52,000 tons of preferred munitions in approximately 5,000 International Standards Organization (ISO) sea-land containers. The increase of \$13.8 million in FY 2002 is primarily attributed to price increases associated with Military Sealift Command (MSC) Working Capital Fund rate changes (\$5.3 million) and program growth associated with paying prior year MSC cash surcharges and a contractual judgment resulting from freight management charges after Operation Desert Storm (\$11.4 million). These program increases are offset by decreases resulting from savings to be achieved through competition and privatization initiatives.

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Other Mobilization Programs

	(\$ in Millions)				
	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>307.4</u>	<u>-48.0</u>	<u>259.4</u>	<u>-30.4</u>	<u>229.0</u>
Prepositioned Stocks	178.6	-51.3	127.3	+6.4	133.7
Industrial Preparedness	51.2	+24.5	75.7	-29.4	46.3
Other Prepositioned	49.3	-33.0	16.3	+0.3	16.6
Exercises	8.2	+10.7	18.9	-3.0	15.9
Facilities Sustainment, Res & Mod	20.1	+1.1	21.2	-4.7	16.5
<u>Navy</u>	<u>356.2</u>	<u>-27.9</u>	<u>328.3</u>	<u>+22.7</u>	<u>351.0</u>
Activations/Inactivations	277.7	-30.2	247.5	+19.6	267.1
Fleet Hospital Program	22.4	+0.7	23.1	+0.7	23.8
Industrial Readiness	1.2	-0.1	1.1	+0.1	1.2
Coast Guard Support	17.2	+0.7	17.9	-0.4	17.5
Other Sealift/Surge	32.4	+0.3	32.7	+2.5	35.2
Exercises	5.3	+0.7	6.0	+0.2	6.2
<u>Marine Corps</u>	<u>80.5</u>	<u>+19.1</u>	<u>99.6</u>	<u>-10.9</u>	<u>88.7</u>
Prepositioned Equipment	80.5	+19.1	99.6	-10.9	88.7
<u>Air Force</u>	<u>2,750.9</u>	<u>-93.6</u>	<u>2,657.3</u>	<u>+436.6</u>	<u>3,093.9</u>
Airlift Operations	1,188.7	-170.0	1,018.7	+347.7	1,366.4
Airlift Operations Training	562.4	+83.2	645.6	+44.4	690.0
Airlift Operations C3I	41.5	-4.0	37.5	+0.2	37.7
Mobilization Preparedness	107.3	-1.5	105.8	+12.7	118.5
Depot Maintenance	299.7	-19.1	280.6	+15.4	296.0
Real Property Maintenance	142.8	-10.3	132.5	-34.9	97.6
Base Support	408.5	+28.1	436.6	+51.1	487.7
Total Other Mobilization	3,495.0	-150.4	3,344.6	+418.0	3,762.6

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- The Army's Other Mobilization programs fund manpower, material handling and other supply support equipment, facilities, etc., required to store and handle prepositioned stock materials. The Army's prepositioned stocks (formerly War Reserves) are designed to equip and sustain the operating forces for a specific length of time and intensity of conflict as required by the National Military Strategy. Seven armor-heavy brigade equipment sets form the centerpiece of the program, enabling the CONUS-based unit soldiers to deploy in only 20 aircraft accompanied by minimal amounts of personal and small equipment. An eighth brigade set will be placed afloat to support operations in Southwest Asia in FY 2002. Industrial preparedness funds an industrial and installation support base capable of mobilizing on short notice to meet the nation's Defense requirements in high intensity and/or long duration conflicts. The Other Prepositioned program includes the procurement and maintenance of containers, the downloading of the older ships, and the uploading of new ships as well as repairs on strategic mobility infrastructure required to support and move early deploying forces.
 - The FY 2002 request for prepositioned stocks reflects a net increase of \$6.4 million primarily attributed to pricing decreases of \$7.0 million and net program growth of \$13.6 million. Major program growth is associated with repair and maintenance of non-ammunition equipment in the Pacific area, Europe, and Southwest Asia (\$7.6 million) and increased requirements for Care of Supplies in Storage (COSIS) and shelf-life testing of Chemical Defensive Equipment components in the Continental United States (\$7.7million). These increases are offset by a reduced number of cyclic inspections for prepositioned ammunition in the Pacific (\$-2.1 million).
 - The FY 2002 decrease of \$29.4 million in Industrial Preparedness is mostly the net result of price increases of \$1.4 million; the one-time effect of a congressional increase in FY 2001 for the Rock Island Arsenal (\$-11.5 million); and workload decreases at the Watervliet Arsenal (\$-18.5 million).
 - The \$3.0 million decrease in Exercises in FY 2002 reflects the scheduled ramping down of the Army's Deployment Outload Program. This program prepositions unit deployment containers and equipment at key power projection installations and includes the conduct of strategic deployment readiness training.
 - The decrease of \$4.7 million in FY 2002 in Facility Sustainment, Restoration and Modernization (formerly Real Property Maintenance) is the result of six fewer projects for the Army's Deployment Outload program as requirements identified by the Mobility Requirements Study/Mobility Requirements Study Bottom-Up Review Update (MRS/BURU) are completed.
- The Navy's Other Mobilization programs include resources to inactivate aircraft, ships, and submarines from the Navy's Active aircraft and Ship Battle Forces. This cost can vary widely from year to year as the number, mix, and complexity of inactivations changes. The Mobilization program also funds amphibious sealift equipment, such as elevated causeways, barge ferries, and light-

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erage; maintenance and upgrade of equipment and replacement of medical supplies aboard prepositioned and surge ships; periodic exercises that involve the activation of surge ships; maintenance and resupply of fleet hospital assets in storage; maintenance, overhaul, and support of Navy equipment aboard Coast Guard vessels; and an industrial readiness program.

- The FY 2002 increase of \$19.6 million in Activations/Inactivations primarily reflects price increases of \$11.2 million attributed to Naval Shipyard Working Capital Fund rate changes and a net program increase of \$8.4 million associated with: decontaminating one submarine tender ship (\$10.0 million); returning 14 F-16 Adversary aircraft to the fleet from inactive status (\$2.6 million); inactivating a different mix and number of nuclear powered submarine (\$13.9 million); planning to inactivate the USS CONSTELLATION (\$5.7 million); and performing six fewer conventional ship inactivations (\$-23.8 million).
- The increase of \$2.5 million in Other Sealift/Surge programs is attributed to price growth and procurement of one additional chemical, biological, and radiological protection/detection shipset.
- There are no significant program changes in the Fleet Hospital, Industrial Readiness, Coast Guard Support, or exercise activities.
- The Marine Corps mobilization program finances the training and exercise costs associated with the Maritime Prepositioning Force program and Aviation Logistics Support Ships (T-AVB), as well as the cost of maintaining equipment and supplies in a ready-to-operate status. The T-AVB funding finances the movement of aviation Intermediate Maintenance Activities to support the rapid deployment of Marine Corps fixed wing and rotary wing aircraft. The program also funds the DoD-directed Norway Air-Landed Marine Expeditionary Brigade (NALMEB) Prepositioning Program, a NATO rapid reinforcement capability initiative. The FY 2002 net decrease of \$10.9 million represents the one-time effect of the congressional increase for Maritime Prepositioning Ship spares in FY 2001 (\$-15.3 million), offset by increases in funding primarily to support two additional MPS offload exercises and the triennial NALMEB Battle Griffin Exercise (\$4.4 million).
- The Air Force's Other Mobilization program includes resources for Airlift Operations, Mobilization Preparedness, Depot Maintenance, Facilities Sustainment, and Base support. The Airlift Operations program supports the day-to-day missions activity of Mobility Operations, including C-130 theater airlift; C-9 medical evacuation operations; school-house and proficiency training for C-5, C-130, C-141, C-17, C-12, C-21, UH-1N, and HH-60 aircrews; air refueling operations on KC-10 and KC-135 aircraft; operational support airlift; Short Takeoff and Landing contracted airlift; and various simulators and trainer programs. The Air Force's Airlift Command, Control, Communication, and Intelligence (C3I) programs finance various command and control systems, which provide the capability to direct and control airlift and aircrew forces for worldwide deployment. Mobilization

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Preparedness funding provides the Air Force with the capability to sustain operations during crisis situations through the provision and repositioning of war reserve material (WRM), theater nuclear weapon storage and security systems (WS3), Theater Nuclear Weapon Storage and Security (WS3), industrial preparedness, inactive aircraft storage and disposal, and station hospitals and clinics.

- The FY 2002 increases to Airlift Operations and Airlift Operations Training totaling \$392.1 million are due primarily to pricing increases (\$59.9 million); a functional transfer in from the OCOTF to finance the incremental cost of contingency operations in SWA in the Air Force appropriation since SWA operations have become more stable and predictable (\$149.7 million); a functional transfer out for equipment support to the White House Communications Agency (\$-3.4 million); and net program growth of \$183.7 million. Program growth is associated primarily with one-time FY 2002 increases for contractor logistic support, airlift crew training, and flying hour program repricing (\$91.0 million); civilian pay increases associated with implementing military-to-civilian conversions and competitive sourcing (\$30.0 million); logistics support for KC-135s and C-130s (\$28.4 million); repriced flying hours based on the latest Air Force Cost Analysis Improvement Group (CAIG) cost factors (\$19.8 million); and increased operational support for five C-37A and two CINC support C-40B aircraft (\$19.5 million).
- The FY 2002 increase to Mobilization Preparedness of \$12.7 million is attributed primarily to pricing increases (\$3.7 million); a functional transfer in from the OCOTF to finance the incremental cost of contingency operations in SWA (\$6.5 million); repriced flying hours using updated Air Force CAIG cost factors (\$0.5 million); restoration of FY 2001 government-wide rescissions (\$0.5 million); and an increase in funds for aging and surveillance testing of munitions to reduce the risk of wartime failure (\$2.1 million). These increases are offset by reductions associated with savings from civilian labor rate adjustments and competition and privatization activities.
- The FY 2002 net increase of \$15.4 million in Mobility Operations Depot Maintenance includes pricing increases associated with Working Capital Fund rates at organic depots (\$26.9 million); transferring KC-135R corrosion inspections from depot level maintenance to unit level inspections (\$-2.5 million); deferring the overhaul of 15 deicers and three fire trucks (\$-2.5 million); and reducing the number of C-5 Programmed Depot Maintenance (PDM) actions by one (\$-7.2 million).
- The FY 2002 decrease of \$34.9 million in Mobility Operations Facilities Sustainment, Restoration and Modernization (formerly Real Property Maintenance) is attributed primarily to pricing increases (\$3.5 million); realigning Expeditionary Air Force (EAF) facilities sustainment funds between subactivity groups to address recurring maintenance requirements (\$7.9 million); transferring funds to Base Support to replace dormitory furnishings and fire protection vehicles (\$-1.2 million); repricing flying hours using updated CAIG cost factors (\$4.5 million); demolishing additional excess structures (\$2.7 million);

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and realigning funds to meet higher priority readiness and mission requirements (\$-29.0 million). A significant portion of the overall reduction is also attributed to the effect of one-time congressional adjustments in FY 2001 (\$-25.0 million).

- The increase to Mobility Operations Base Support of \$51.1 million consists of pricing increases (\$14.2 million), functional transfers (\$-2.7 million), program increases (\$50.0 million), and program decreases (\$-10.4 million). The major program increases include repricing flying hours using updated CAIG cost factors (\$20.4 million); funding increased utility costs (\$18.8 million); upgrading child development facilities and programs (\$4.1 million); renegotiating base communications maintenance contracts to comply with the National Telecommunications and Information Administration Act of 1992 (\$2.5 million); and funding the higher costs of renegotiated service contracts (\$2.4 million). These increases are offset by decreases associated with funding Air Mobility Command commercial air terminal support through the Transportation Working Capital Fund vice the Mobility Operations Base Support (\$-10.4 million).

RECRUITING, ADVERTISING, AND EXAMINING

(\$ in Millions)

	<u>FY 2000</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2002</u> <u>Estimate</u>
Army	469.8	+10.3	-18.9	461.2	+10.1	+49.5	520.8
Navy	205.6	+5.0	+23.4	234.0	+3.0	+1.7	238.7
Marine Corps	107.7	+1.9	-1.8	107.8	+1.9	-.7	109.0
Air Force	120.6	+2.3	-5.7	117.2	+2.4	+23.1	142.7
Defense-wide	22.9	+.4	+1.6	24.9	+.4	-1.0	24.3
Defense Health Program	29.2	+.6	+1.4	31.2	+.9	-1.5	30.6
Army Reserve	84.3	+4.9	-4.1	85.1	+5.6	-	90.7
Navy Reserve	30.9	+.5	-6.8	24.6	+.3	-2.5	22.4
Marine Corps Reserve	10.0	+.1	-.3	9.8	+.2	-2.0	8.0
Air Force Reserve	18.1	+.3	-7.1	11.3	+.3	+.3	11.9
Army National Guard	41.8	+.9	+20.7	63.4	+1.3	+13.6	78.3
Air National Guard	<u>12.3</u>	<u>+.2</u>	<u>+2.2</u>	<u>14.7</u>	<u>+.3</u>	<u>-5.0</u>	<u>10.0</u>
Total	1,153.2	+27.4	+4.6	1,185.2	+26.7	+75.5	1,287.4

Recruiting

The recruiting funds provide support for recruiting commands and stations throughout the United States. Recruiting costs are for those items essential to the accomplishment of the recruiting mission, including meals, lodging, and travel of applicants; recruiter expenses, travel and per diem; civilian pay; vehicle operation and maintenance; lease of office space; and other incidental expenses necessary to support the recruiting mission. The FY 2002 Recruiting program reflects a net increase of \$45.4 million. Of this amount, \$13.3 million is for price growth and \$32.1 million (5.2 percent) is for net program growth.

Advertising

The advertising funds provide for local, regional, and national advertising to support the procurement and retention of quality enlisted and officer personnel. All advertising is designed to increase public awareness, portray opportunities, and generate recruit leads. The Services fund a media mix of advertising that includes television and radio; magazines and newspapers; direct mail campaigns; and recruiting booklets, pamphlets, and posters. The Operation and Maintenance (O&M), Defense-Wide appropriation funds common services for the Active and Reserve Components to include providing consolidated lead lists and direct mail campaigns. The FY 2002 Advertising program reflects a net increase of \$56.3 million. This amount reflects the net sum of \$11.0 million for price growth and \$45.3 million (9.5 percent) for net program growth.

RECRUITING, ADVERTISING, AND EXAMINING

Examining

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

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

The FY 2002 Examining program reflects a net increase of \$.5 million, of which \$2.4 million is for price growth, which is partially offset by a net program decrease of \$1.9 million (-1.7 percent).

Explanation of Funding Changes

Overall funding in recruiting, advertising, and examining increases from \$1,185.2 million in FY 2001 to \$1,287.4 million in FY 2002, which is a net increase of \$102.2 million above the FY 2001 level. This increase reflects price growth of \$26.7 million and net program growth of \$75.5 million (6.3 percent). These adjustments are described further below:

	<u>(\$ in Millions)</u>
FY 2001 Current Estimate	1,185.2
Price Growth	+26.7
<u>Program Increases</u>	<u>+119.6</u>

- Funds expanded initiatives in the Army to launch an effective national advertising program in support of enlisted and officer recruiting; provides Senior Reserve Officers Training Program advertising in response to continued

RECRUITING, ADVERTISING, AND EXAMINING

(\$ in Millions)

challenges in meeting the second lieutenant accession mission; and finances the cost increase for media inflation greater than the standard rate.	+20.6
• Funds increased recruiter support for Active Army to include the Partnership for Youth Success Program; the Recruiting Companies Pilot Test to measure recruiting effectiveness as directed by the FY 2001 National Defense Authorization Act; recruiting initiatives (i.e., Operation Graduation, National Hot Rod Association sponsorship, Skills Enhancement Test Preparation, and Foreign Language Recruiting Initiatives); and other fact-of-life increases for recruiters.	+31.0
• Funds expanded recruiting and marketing initiatives for the Army Guard and Reserve to include internet, diversity, officer/warrant officer, and theater conversion as well as fact-of-life recruiter support requirements.	+24.0
• Funds additional media advertising for the Active Air Force to include local advertising, TV advertising, the Air Force Experience Road Show, and electronic media upgrading on the internet; and support to sustain a production recruiter staff of 1,650 (includes approximately 300 additional recruiters added late in FY 2001).	+23.2
• Funds Marine Corps requirements for National Media Advertising (i.e., impressions and awareness); and other fact-of-life adjustments for Active Navy and Marine Corps recruiter support (i.e., phone, laptops, vehicles, etc.)	+16.6
• Funds various other miscellaneous increases for processing applicants.	+4.2
<u>Program Decreases</u>	<u>-44.1</u>
• Reflects one-time requirements in FY 2001 primarily resulting from reduced funding for an FY 2001 congressional increase in recruiting and advertising for the Army National Guard, Marine Corps Reserve, Navy Reserve, Active Marine Corps, and the Defense-Wide Joint Advertising and Marketing Program for NFL Coaches.	-25.2
• Reflects reductions in the Active Army Recruiting Information Support System.	-14.2
• Reflects other minimal reductions in recruiting and advertising support for the Army and Marine Corps, and Navy Marine Corps Intranet savings.	-4.7
FY 2002 Estimate	1,287.4

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

RECRUITING, ADVERTISING, AND EXAMINING

RECRUITING

(\$ in Millions)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	248.8	-12.1	236.7	+35.7	272.4
Navy	132.1	+5.8	137.9	+2.6	140.5
Marine Corps	68.0	-6.3	61.7	+1.5	63.2
Air Force	56.5	-1.3	55.2	+6.9	62.1
Army Reserve	32.2	+12.9	45.1	-5.9	39.2
Navy Reserve	19.6	-2.9	16.7	-1.7	15.0
Marine Corps Reserve	5.0	-.1	4.9	+.1	5.0
Air Force Reserve	5.9	-.4	5.5	-	5.5
Army National Guard	18.8	+19.6	38.4	+5.9	44.3
Air National Guard	<u>3.3</u>	<u>+.3</u>	<u>3.6</u>	<u>+.3</u>	<u>3.9</u>
Total	590.2	+15.5	605.7	+45.4	651.1

ADVERTISING

(\$ in Millions)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	143.3	+3.9	147.2	+22.9	170.1
Navy	73.5	+22.6	96.1	+2.1	98.2
Marine Corps	39.7	+6.4	46.1	-.3	45.8
Air Force	60.7	-2.2	58.5	+18.5	77.0
Defense-Wide	22.9	+2.0	24.9	-.6	24.3
Army Reserve	52.1	-12.1	40.0	+11.5	51.5
Navy Reserve	11.3	-3.4	7.9	-.5	7.4
Marine Corps Reserve	5.0	-.1	4.9	-1.9	3.0
Air Force Reserve	12.2	-6.4	5.8	+.6	6.4
Army National Guard	23.0	+2.0	25.0	+9.0	34.0
Air National Guard	<u>9.0</u>	<u>+2.1</u>	<u>11.1</u>	<u>-5.0</u>	<u>6.1</u>
Total	452.7	+14.8	467.5	+56.3	523.8

RECRUITING, ADVERTISING, AND EXAMINING

EXAMINING

(\$ in Millions)

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	77.7	-.4	77.3	+1.0	78.3
Air Force	3.4	+.1	3.5	+.1	3.6
Defense Health Program	<u>29.2</u>	<u>+2.0</u>	<u>31.2</u>	<u>-.6</u>	<u>30.6</u>
Total	110.3	+1.7	112.0	+5	112.5

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

ENLISTED ACCESSION REQUIREMENTS (000)

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Active Forces Nonprior Service</u>	<u>188.2</u>	<u>+5.6</u>	<u>193.8</u>	<u>-10.5</u>	<u>183.3</u>
Army	69.3	+4.1	73.4	-10.7	62.7
Navy	51.9	-.6	51.3	-1.3	50.0
Marine Corps	32.6	+2.5	35.1	+1.5	36.6
Air Force	34.4	-.4	34.0	-	34.0
<u>Prior Service</u>	<u>10.9</u>	<u>-1.6</u>	<u>9.3</u>	<u>+1.7</u>	<u>11.0</u>
Army	6.7	-.7	6.0	-	6.0
Navy	3.2	-.5	2.7	+.3	3.0
Marine Corps	.2	-.2	-	-	-
Air Force	.8	-.2	.6	+1.4	2.0
Total Active Forces	199.1	+4.0	203.1	-8.8	194.3

RECRUITING, ADVERTISING, AND EXAMINING

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Reserve Forces Nonprior Service</u>	<u>61.4</u>	<u>+5.0</u>	<u>66.4</u>	<u>+5.0</u>	<u>71.4</u>
Army Reserve	23.0	-2.4	20.6	+2.1	22.7
Navy Reserve	1.5	+.7	2.2	+.5	2.7
Marine Corps Reserve	6.1	-.3	5.8	+.2	6.0
Air Force Reserve	1.7	+.7	2.4	+.2	2.6
Army National Guard	26.1	+6.0	32.1	+2.2	34.3
Air National Guard	3.0	+.3	3.3	-.2	3.1
<u>Prior Service</u>	<u>102.0</u>	<u>-2.5</u>	<u>99.5</u>	<u>-7.8</u>	<u>91.7</u>
Army Reserve	34.4	-2.3	32.1	-2.7	29.4
Navy Reserve	21.4	-.4	21.0	-2.1	18.9
Marine Corps Reserve	4.0	-.2	3.8	-.1	3.7
Air Force Reserve	6.0	+.2	6.2	-.3	5.9
Army National Guard	31.0	-1.1	29.9	-1.9	28.0
Air National Guard	5.2	+1.3	6.5	-.7	5.8
Total Reserve Forces	163.4	+2.5	165.9	-2.8	163.1
Total Active and Reserve Forces	362.5	+6.5	369.0	-11.6	357.4

SHIP OPERATIONS

	(\$ in Millions)						
	<u>FY 2000</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2002</u> <u>Estimate</u>
<u>Active Forces</u>	<u>6,646.0</u>	<u>+425.8</u>	<u>-356.8</u>	<u>+6,715.0</u>	<u>+150.1</u>	<u>+631.0</u>	<u>7,496.1</u>
Mission and Other Ship Operations	1,946.0	+299.7	-32.5	2,213.2	+38.4	+63.6	2,315.2
Operational Support and Training	540.5	+13.4	-28.1	525.8	+6.3	+13.2	545.3
Intermediate Maintenance	374.7	+20.0	-4.8	389.9	+2.3	-4.9	387.3
Depot Maintenance	2,587.6	+58.8	-234.1	2,412.3	+72.3	+433.2	2,917.8
Depot Operations Support	1,197.2	+33.9	-57.3	1,173.8	+30.8	+125.9	1,330.5
<u>Reserve Forces</u>	<u>184.3</u>	<u>+17.9</u>	<u>-65.4</u>	<u>136.8</u>	<u>+1.5</u>	<u>-9.7</u>	<u>128.6</u>
Mission and Other Ship Operations	74.6	+15.1	-38.8	50.9	+0.5	-4.8	46.6
Operational Support and Training	0.6	-	-	0.6	-	-	0.6
Intermediate Maintenance	11.5	+1.0	-2.6	9.9	-0.1	-2.8	7.0
Depot Maintenance	96.3	+1.8	-25.1	73.0	+1.1	-2.2	71.9
Depot Operations Support	1.3	-	+1.1	2.4	-	+0.1	2.5
Total	6,830.3	+443.7	-422.2	6,851.8	+151.6	+621.3	7,624.7

Ship Operations funds the operating tempo (OPTEMPO), intermediate maintenance, depot level maintenance, engineering support, and logistical support to maintain and deploy combat-ready ships to ensure control of the sea. From this activity, the Navy purchases ship fuel, repair parts, utilities, consumable supplies, and repair maintenance at public and private shipyards, as well as Fleet intermediate maintenance facilities. In addition, this category includes the cost to charter logistics support and other ships from the Military Sealift Command (MSC), and includes payments to the Department of Energy (DOE) for consumed nuclear fuel as well as storage and processing of expended nuclear cores. The FY 2002 Ship Operations budget increases by \$772.9 million from the FY 2001 level. The increase is composed of a price increase of \$151.6 million and net program increases of \$621.3 million (+8.9 percent).

SHIP OPERATIONS

The FY 2002 budget request provides \$7,496.1 million for Active ship operations, which includes price growth of \$150.1 million and program increases of \$631.0 million (+9.2 percent) above the FY 2001 level. The price change represents the net effect of decreases in fuel rates and Working Capital Fund stock fund equipment rates, offset by increases in Military Sealift Command rates and higher utility rates, particularly on the West Coast.

The key components of the \$631.0 million Active program change are described below:

- \$63.5 million in the Mission and Other Ship Operations for increased per diem associated with the transfer of two underway replenishment ships, AOE 6 and AOE 8, to the Military Sealift Command (\$32.4 million); an increase in nuclear fuel core processing (\$15.5 million); Navy Marine Corps Intranet (NMCI) costs (\$37.5 million); the addition of four DDGs and the annualization of ships delivered in FY 2001 (\$11.1 million); increased Fleet training (\$5.0 million); and the functional transfer of Southwest Asia operations funding from the Overseas Contingency Operations Transfer Fund to the baseline program (\$27.8 million). These increases are offset by reductions due to force structure changes (\$-57.1 million) and the effect of the one-time increase for improved shipboard mattresses in FY 2001 (\$-13.2 million).
- \$13.2 million in the Operational Support and Training program associated with increases for the Hazards of Electromagnetic Radiation to Ordnance safety program (\$8.4 million), resolving additional surface ship electromagnetic interference problems (\$2.2 million), AEGIS ship technical support (\$15.7 million), and surface ship configuration management program (\$7.9 million). These increases are partially offset by efficiencies achieved at the weapons handling stations and by savings achieved through the NMCI (\$-16.3 million).
- \$433.2 million in Ship Depot Maintenance to finance not only an increased number of notional requirements for depot maintenance availabilities and an increased level of Continuous Maintenance depot level work performed outside of a full scheduled maintenance availability period, but also to finance a greater percentage of these requirements than in FY 2001 -- the amount of depot maintenance requirements funded increases from 87 percent in FY 2001 to 90 percent in FY 2002.
- \$126.0 million in Depot Operations Support to fund an increased level of Fleet Modernization Program modifications for CV and CVN class ships (\$66.6 million); to initiate an Enterprise Resource Planning (ERP) effort to reengineer and standardize business processes, integrate operations, optimize management of resources (\$33.3 million); and to support increased requirements at the Pearl Harbor Shipyard and Intermediate Maintenance Facility (\$23.3 million). These program increases also support Fleet Technical Support Center waterfront support and materials (\$29.0 million); increased Berthing and Messing barge overhaul and associated material requirements (\$16.2 million); and Ship Repair Facility (SRF) Yokosuka machine shop and overhead bridge crane requirements (\$5.6 million). Offsetting these increases are reductions associated with the one-time FY 2001 congressional increase for the LHA Midlife Program (\$-32.5 million) and the transition of Shipyard apprentices to support reimbursable programs (\$-7.6 million).

SHIP OPERATIONS

The FY 2002 Operation and Maintenance, Navy Reserve (OMNR) Ship Operations request includes \$1.5 million in price growth, and a net program reduction of \$9.7 million below (7.0 percent) the FY 2001 level, associated with the loss of the U.S.S. LA MOURE COUNTY due to accidental grounding off the coast of Chile in September 2000.

<u>Ship Inventory (End of Year)</u>	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Navy Active	261	-2	259	-2	257
MSC Charter/Support	41	+1	42	-	42
Battle Force Ships (Active)	302	-1	301	-2	299
Reserve Battle Force	16	-1	15	-	15
Reserve Non-Battle Force	11	-1	10	-	10
Naval Reserve Force	27	-2	25	-	25
Total Battle Force Ships (Active plus Reserve)	318	-2	316	-2	314

The size of the deployable Battle Force declines from FY 2000 to FY 2002 as more multipurpose capability ships are added to the naval inventory and an increased portion of the combat logistics force mission is performed by the Military Sealift Command, which is funded through the Defense Working Capital Fund. Based on the 1997 Quadrennial Defense Review (QDR), the objective Ship Battle force of 306 ships will be achieved in the outyears.

<u>Battle Force Ships Inventory by Category</u>	FY 2001			FY 2002
	<u>Ending</u>	<u>Gains</u>	<u>Losses</u>	<u>Ending</u>
	<u>Inventory</u>			<u>Inventory</u>
Aircraft Carriers	12	-	-	12
Strategic (Fleet Ballistic Missile Submarines)	18	-	-	18
Surface Combatants	116	+6	-6	116
Nuclear Attack Submarines	55	-	-1	54
Amphibious Warfare Ships	39	-	-	39
Combat Logistics Ships	34	+1	-2	33
Mine Warfare, Patrol	17	-	-	17
Support Ships	<u>25</u>	<u>-</u>	<u>-</u>	<u>25</u>
Total	316	+7	-9	314

SHIP OPERATIONS

The total number of Battle Force ships decreases by two between FY 2001 and FY 2002. In FY 2002, the Navy gains four DDGs and two reserve FFGs, the Navy loses two DDs, two FFGs, two reserve FFGs, one SSN, and one MSC ammunition ship (TA-E). Also in FY 2002 the Navy transfers a fast combat support ship (AOE 8) to the Military Sealift Command. The Navy will continue to maintain a force of 12 aircraft carriers in FY 2002.

<u>Shipyears</u>	FY 2000		FY 2001		FY 2002	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	
Conventional (OMN) ¹	176	+1	177	-1	176	
Nuclear (OMN)	83	-1	82	-1	81	
Conventional (OMNR) ²	28	-2	26	-	26	

1/ Operation and Maintenance, Navy

2/ Operation and Maintenance, Navy Reserve

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

The changes from FY 2001 to FY 2002 for the Conventional Forces reflect the net loss of one Logistics Force ship. The Nuclear Forces reflect schedules for submarine inactivations. There is no change to the Reserve shipyears between FY 2001 and FY 2002.

<u>Operating Tempo (Underway Days Per Quarter/Ship)</u>	FY 2000		FY 2001		FY 2002	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	
Deployed Fleet (Readiness Goal = 50.5) ¹	50.5	-	50.5	-	50.5	
Deployed Fleet (Including Southwest Asia Military Operations) ¹	51.4	+2.6	54.0	-	54.0	
Nondeployed Fleet (Readiness Goal = 28.0)	26.6	+1.4	28.0	-	28.0	
Deployed Mine Warfare (Reserve)	N/A	-	51.0	-	51.0	
Non-Deployed Mine Warfare (Reserve)	20.9	-3.1	24.0	-	24.0	
Surface Combatant/Amphibious (Reserve) ²	19.7	-1.7	18.0	-	18.0	
Deployed CV (Reserve) ³	50.5	-50.5	-	-	-	

1/ In FY 2001, Deployed Operating Tempo reflects an estimated 3.5 additional underway days per quarter associated with support of contingency operations as funded from the Overseas Contingency Operation Transfer Fund. In FY 2002 contingency operations in Southwest Asia are included in the baseline.

2/ Operating Tempo does not reflect additional underway days in support of counternarcotics operations.

3/ Values reflect the FY 2001 transition of the USS JOHN F KENNEDY from Reserve to the Active Force. In FY 2000, the USS JOHN F KENNEDY deployed as a Reserve asset.

SHIP OPERATIONS

Sustaining the ship operating tempo is critical to meeting global forward-deployed missions and overseas presence commitments of the deployed fleet and to maintain a combat ready and rapidly deployable force in the nondeployed fleet. The budget request meets the Navy's readiness goal of 50.5 underway days per quarter for the deployed fleet and 28 underway days per quarter for the nondeployed fleet. The budget also supports an additional 3.5 underway days per quarter in support of military operations in Southwest Asia starting in FY 2002.

<u>Operating Months (Less Charter Ships)</u>	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Conventional (OMN)	1,863	-10	1,853	-50	1,803
Nuclear (OMN)	887	-45	842	-34	808
Conventional (OMNR) *	306	-34	272	+15	287

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

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

<u>Underway Steaming Hours (Thousands)</u> ¹					
Conventional (OMN)	462	-24	438	55	493
Nuclear (OMN)	24	-	24	-1	23
Conventional (OMNR) ²	42	-4	38	-2	36

1/ In FY 2001 underway steaming hours do not reflect those in support of contingency operations since they are funded from the Overseas Contingency Operation Transfer Fund. In FY 2002, operations in Southwest Asia are funded in the baseline.

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

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

SHIP OPERATIONS

Ship Depot Level Maintenance

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

Overhauls involve major repairs and modernization, and normally exceed a 6-month duration. Selected restricted availabilities (SRAs) and phased-maintenance availabilities (PMAs) are similar in that both are relatively short (2-3 months) and involve labor intensive repair and modernization efforts. However, ships that are scheduled for PMAs typically do not undergo overhauls. Since the SRAs are scheduled at longer intervals than PMAs, those ships periodically require an overhaul. Continuous Maintenance (CM) is depot level work that is performed outside of a full scheduled maintenance availability period. CM allows greater flexibility in completion of required maintenance and is intended to improve the material condition of our surface fleet. A ship will undergo overhauls, SRAs, or PMAs as part of the maintenance cycle, depending on the maintenance plan established for that ship class.

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

<u>Ship Depot Level Maintenance</u>	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
<u>Active Forces</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Overhauls	10	-4	6	-1	5
Selected Restricted Availability	66	+10	76	-5	71
Phased Maintenance Availability	29	-12	17	+9	26
Phased Incremental Availability	3	+3	6	-3	3
<u>Reserve Forces</u>					
Selected Restricted Availability	4	-1	3	+1	4
Phased Maintenance Availability	4	+6	10	+1	11

SPECIAL OPERATIONS FORCES

	(\$ in Millions)						
	FY 2000 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2001 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2002 <u>Estimate</u>
Army Special Ops Command	394.7	+11.1	-30.9	374.9	+5.5	+25.0	405.4
Joint Special Ops Command	109.1	+5.1	-13.2	101.0	+0.1	+10.6	111.7
Naval Special Warfare Center	224.4	+8.7	-14.9	218.2	+3.4	+17.7	239.3
Air Force Special Ops Command	412.5	+32.2	-37.8	406.9	+25.7	+8.4	441.0
Special Ops Command	100.5	+3.4	-2.3	101.6	+1.8	+36.1	139.5
Special Ops Acquisition Center	122.4	+2.1	+6.7	131.2	+2.3	+19.7	153.2
Theatre Special Ops Command	<u>18.2</u>	<u>+0.3</u>	<u>-1.4</u>	<u>17.1</u>	<u>+0.3</u>	<u>-2.5</u>	<u>14.9</u>
Total	1,381.8	+62.9	-93.8	1,350.9	+39.1	+115.0	1,505.0

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

The Operation and Maintenance (O&M) funding supports SOF units' training; deployments; reaction to contingency requirements; and the day-to-day operations of USSOCOM's Army, Navy, and Air Force SOF units. The resources include funding for mission enhancements, fielding of SOF equipment, depot maintenance of SOF-unique equipment, combat development activities, anti-terrorism/force protection initiatives, and force structure changes. The special operations schools (i.e., John F. Kennedy Special Warfare Center and School; the Naval Special Warfare Center; and the Air Force Special Operations School) and training development and support activities are also funded. Also included is the O&M funding associated with the acquisition of advanced special operations forces equipment and management headquarters (i.e., USSOCOM Headquarters and staff, the Naval Special Warfare Command, the U. S. Army Special Operations Command, and the Air Force Special Operations Command).

SPECIAL OPERATION FORCES

	(\$ in Millions)						
	<u>FY 2000</u>	<u>Price</u>	<u>Program</u>	<u>FY 2001</u>	<u>Price</u>	<u>Program</u>	<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
<u>Budget Activity 1 – Operating Forces</u>	<u>1,291.5</u>	<u>+60.4</u>	<u>-97.1</u>	<u>1,254.8</u>	<u>+37.1</u>	<u>+112.7</u>	<u>1,404.6</u>
<u>Special Operations Operational Forces</u>	<u>+938.4</u>	<u>+52.3</u>	<u>-100.6</u>	<u>890.1</u>	<u>+26.6</u>	<u>+100.4</u>	<u>1,017.1</u>
Flight Operations	444.5	+33.8	-25.0	453.3	+19.1	+35.0	507.4
Ship/Boat Operations	53.2	+2.7	-1.7	54.2	+0.1	+9.0	63.3
Combat Development Activities	258.0	+8.4	-22.5	243.9	+3.9	+30.2	278.0
Other Operations	182.7	+7.4	-51.4	138.7	+3.5	+26.2	168.4
<u>Special Operations Operational Support</u>	<u>353.1</u>	<u>+8.1</u>	<u>+3.5</u>	<u>364.7</u>	<u>+10.5</u>	<u>+12.3</u>	<u>387.5</u>
Force Related Training	34.9	+1.1	-3.6	32.4	+0.6	+3.2	36.2
Operational Support	26.1	+0.6	+2.1	28.8	+0.5	-0.6	28.7
Intelligence & Communications	71.8	+1.2	+24.4	97.4	+1.8	+5.9	105.1
Management/Operational Hqtrs	91.3	+2.4	-10.4	83.3	+2.8	+4.7	90.8
Depot Maintenance	108.4	+2.5	-1.6	109.3	+3.7	-0.8	112.2
Base Support	20.6	+0.3	-7.4	13.5	+1.1	-0.1	14.5
<u>Budget Activity 3 – Training and Recruiting</u>	<u>37.9</u>	<u>+1.3</u>	<u>+11.4</u>	<u>50.6</u>	<u>+1.3</u>	<u>+1.8</u>	<u>53.7</u>
<u>Skill and Advanced Training</u>	<u>37.9</u>	<u>+1.3</u>	<u>+11.4</u>	<u>50.6</u>	<u>+1.3</u>	<u>+1.8</u>	<u>53.7</u>
Specialized Skill Training	33.2	+1.2	+10.8	45.2	+1.0	+2.6	48.8
Professional Development Education	3.3	+0.1	+0.6	4.0	+0.1	-1.0	3.1
Base Support	1.4	-	-	1.4	+0.2	+0.2	1.8
<u>Budget Activity 4 – Administrative and Servicewide Activities</u>	<u>52.4</u>	<u>+1.2</u>	<u>-8.1</u>	<u>45.5</u>	<u>+0.7</u>	<u>+0.5</u>	<u>46.7</u>
<u>Logistics Operations</u>	<u>52.4</u>	<u>+1.2</u>	<u>-8.1</u>	<u>45.5</u>	<u>+0.7</u>	<u>+0.5</u>	<u>46.7</u>
Acquisition/Program Management	52.4	+1.2	-8.1	45.5	+0.7	+0.5	46.7
Total U.S. Special Operations Command	1,381.8	+62.9	-93.8	1,350.9	+39.1	+115.0	1,505.0

SPECIAL OPERATION FORCES

Explanation of FY 2001 to FY 2002 Program Changes

Budget Activity 1 - Operating Forces (\$+112.7 million)

Special Operations Operational Forces (\$+100.4 million)

Flight Operations (\$+35.0 million) - Program growth within Flight Operations includes the following: new Air Force Cost Analysis Improvement Group and U. S. Army Cost and Economic Analysis Center cost per flying hour factors based on historical data (\$23.3 million); sustainment and contract logistic support to stand up the E/160th Special Operations Aviation Regiment in Taegu, Korea (\$3.6 million); increase of 38 civilian full-time equivalents (FTEs) (i.e., security guards and conversion of military to civilian FTEs) (\$2.4 million); functional transfer of resources from the Overseas Contingency Transfer Fund (OCOTF) to fund operations in Southwest Asia (SWA) (\$5.7 million).

Ship/Boat Operations (\$+9.0 million) - Increase provides funding for the steaming day program and the cyclic equipment replacement and standardization for Patrol Coastal ships, ship operations, maintenance, utilities, port services, and deployment costs (\$3.5 million); for sustainment of eight Special Operations Riverine craft (\$1.6 million) and the new 11 meter Rigid Inflatable Boats being delivered in FY 2002 (\$0.5 million); for the transfer in from the OCOTF to fund operations in SWA (\$2.5 million); and miscellaneous program increases (\$0.9 million).

Combat Development Activities (\$+30.2 million) - This program is classified. Specific details of this increase are provided under separate cover in the USSOCOM classified annex.

Other Operations (\$+26.2 million) - Program growth includes funding increases for: Focus Relief (\$9.0 million); the functional transfer from the OCOTF for SWA operations (\$7.0 million); anti-terrorism/force protection for United States Army Special Operations Command (\$1.7 million); purchase of collateral equipment associated with numerous MILCON projects (\$4.0 million); lease of Psychological Operations Broadcast System equipment (\$0.6 million); support of training ranges and initial equipment for the 528th Special Operations Support Battalion in Fort Bragg, NC (\$1.4 million); 39 civilian FTEs (i.e., support for logistics systems, administration, and bulk printing requirements) (\$1.0 million); and other program changes (\$1.5 million).

SPECIAL OPERATION FORCES

Special Operations Operational Support (\$+12.3 million)

Force Related Training (\$+3.2 million) - Growth is a result of realigning funding in FY 2001 from the Joint Combined Exchange Training (JCET) to fund flying hour shortfalls within USSOCOM.

Intelligence & Communication (\$+5.9 million) – Funding increase supports the Command, Control, Communication, and Intelligence Automation System Capital Equipment Replacement Program (\$3.3 million), and sustainment for several new programs to include the Multi-Mission Advanced Tactical Terminal (MATT) program and the Multi-Band Inter/Intra Team Radio (MBITR) (a net increase of \$2.6 million).

Management/Operational Headquarters (\$+4.7 million) – Increase is to fund an additional 31 civilian FTEs (i.e., instructors, administrative operational support, and conversion of military to civilian FTEs) (\$1.9 million), support for AFSOC Technical Training and Intel Database requirements, and initiatives to comply with the Chief Financial Officer’s Act (\$2.8 million).

Depot Maintenance (\$-0.8 million) - An increase of \$6.9 million for Contract Logistic Support (CLS) for simulators at Hurlburt and Kirkland Air Force Bases is offset by a \$5.6 million decrease resulting from decommissioning Patrol Coastals (PC) 5 and 6 and removing PCs 7 and 8 from the depot maintenance schedule.

Other Program Changes (\$-1.5 million) – Reductions to miscellaneous programs.

Budget Activity-3 - Training (\$+1.8 million)

This funding increase will finance additional training requirements for Advanced Individual Training (AIT) at the United States Army John F. Kennedy Special Warfare Center School (\$0.7 million); for the SEAL Tactical Training (STT) (\$0.6 million); and for 8 civilian FTEs for the Air Force Special Operation Forces University (\$0.5 million).

Budget Activity-4 - Administrative and Servicewide Activities (\$+0.5 million)

Additional funding is included for the Common Avionics Architecture for Penetration (CAAP) program (\$2.7 million), sustainment engineering and logistics support for the Special Operations Craft – Riverine (SOR-R) (\$0.6 million), and fielded stock replenishment of the Body Armor/Load Carrying System (\$1.0 million). These increases are partially offset by a realignment of funds to BA-1 and reduced contractor support for the AC-130U and MC-130H (\$2.5 million). Reductions were also applied to the program management support for several Intelligence and Communications programs (\$1.1 million).

SPECIAL OPERATION FORCES

USSOCOM Flying Operations

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

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Primary Aircraft Authorized (PAA) (End of FY)</u>					
<u>Air Force Special Operations Command (AFSOC)</u>					
Tactical/Mobility	114	-3	111	-4	107
Training	<u>25</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>
Total	139	-3	136	-4	132
<u>Army Special Operations Command (USASOC)</u>					
Tactical/Mobility	121	-	121	-	121
Training	<u>25</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>
Total	146	-	146	-	146

TRAINING AND EDUCATION

	(\$ in Millions)						
	FY 2000 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2001 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2002 <u>Estimate</u>
Army	2,471.2	+61.2	-12.2	2,520.2	+51.6	+431.8	3,003.6
Navy	1,504.5	+61.4	+55.5	1,621.4	+27.8	+72.6	1,721.8
Marine Corps	310.2	+6.0	+1.6	317.8	+7.7	+14.3	339.8
Air Force	1,530.0	+91.0	+77.4	1,698.4	+40.7	+178.2	1,917.3
American Forces Information Services (AFIS)	11.0	+.2	-.2	11.0	+.3	-.2	11.1
Defense Acquisition University (DAU)	95.4	+2.1	+4.3	101.8	+2.4	-3.0	101.2
Defense Contract Audit Agency (DCAA)	-	-	3.7	3.7	.1	-	3.8
Defense Finance and Accounting Svc. (DFAS)	16.7	+.3	-2.4	14.6	+.2	-5.9	8.9
Defense Human Resources Activity (DHRA)	37.0	+.7	+7.7	45.4	+.8	+14.5	60.7
Defense Security Service (DSS)	6.6	+.1	+.7	7.4	+.2	-	7.6
Defense Threat Reduction Agency (DTRA)	-	-	+1.1	1.1	-	+1.1	1.2
USSOCOM	37.9	+1.3	+11.4	50.6	+1.2	+1.8	53.6
Defense Health Program	<u>327.7</u>	<u>+10.4</u>	<u>-16.2</u>	<u>321.9</u>	<u>+10.6</u>	<u>-23.3</u>	<u>309.2</u>
Total	6,348.2	+234.7	+132.4	6,715.3	+143.6	+680.9	7,539.8

The Training and Education program provides funds (including the costs of staff, curricula, equipment, and services) for the training and educational requirements primarily for military personnel. The principal effort is to acquire and maintain a trained force of personnel able to effectively man and support DoD's military units, ships, aircraft, and installed weapon systems. To accomplish this goal, resources are required to finance the operation of a wide range of training centers, Service schools and colleges, DoD and joint-Service schools, Reserve Officer Training Corps (ROTC) units, Service academies, and the Uniformed Services University of Health Services (USUHS), and to finance the Health Professional Scholarship Program (HPSP). Also included are resources to finance base support activities. The FY 2002 budget request reflects a total funding increase of \$824.5 million. Of this amount, \$143.6 million is for price growth and \$680.9 million (9.9 percent) is for net program growth. Specific changes by program are provided after the workload data. The following table summarizes the financial data displayed above by various training categories.

TRAINING AND EDUCATION

Individual Training by Category by Service

	(\$ in Millions)						
	FY 2000 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2001 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2002 <u>Estimate</u>
<u>Recruit Training</u>							
Army ^{1/}	28.7	+1.2	+.3	30.2	+.7	+6.8	37.7
Navy	5.3	+.2	+1.0	6.5	+.1	+.1	6.7
Marine Corps	10.2	+.1	+.2	10.5	+.2	+.3	11.0
Air Force	<u>7.1</u>	<u>+.2</u>	<u>-2.0</u>	<u>5.3</u>	<u>+.1</u>	<u>+.5</u>	<u>5.9</u>
Total	51.3	+1.7	-.5	52.5	+1.1	+7.7	61.3
<u>Specialized Skills Training</u>							
Army	256.8	+8.4	-10.7	254.5	+7.9	-1.0	261.4
Navy	258.3	+7.8	+20.3	286.4	+3.7	+15.9	306.0
Marine Corps	30.7	+.9	+3.2	34.8	+.5	-3.0	32.3
Air Force	249.7	+7.0	+11.6	268.3	+7.3	+34.6	310.2
Defense Health Program	126.6	+3.1	-10.9	118.8	+3.0	-5.5	116.3
USSOCOM	<u>33.2</u>	<u>+1.2</u>	<u>+10.8</u>	<u>45.2</u>	<u>+1.0</u>	<u>+2.6</u>	<u>48.8</u>
Total	955.3	+28.4	+24.3	1,008.0	+23.4	+43.6	1,075.0
<u>Officer Acquisition</u>							
Army	77.2	+2.2	-5.5	73.9	+2.2	+3.7	79.8
Navy	82.3	+2.9	+6.6	91.8	+2.5	+2.3	96.6
Marine Corps	.5	+.1	-.3	.3	-	-	.3
Air Force	59.8	+2.0	+6.1	67.9	+2.1	-3.5	66.5
Defense Health Program	<u>183.8</u>	<u>+6.9</u>	<u>-2.3</u>	<u>188.4</u>	<u>+7.2</u>	<u>-17.1</u>	<u>178.5</u>
Total	403.6	+14.1	+4.6	422.3	+14.0	-14.6	421.7

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

TRAINING AND EDUCATION

	(\$ in Millions)						
	FY 2000	Price	Program	FY 2001	Price	Program	FY 2002
<u>Professional Development</u>	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Army	96.0	+2.4	-.7	97.7	+2.6	+14.0	114.3
Navy	102.8	+3.1	+2.8	108.7	+2.8	-.1	111.4
Marine Corps	8.3	+2	+1	8.6	+2	-.2	8.6
Air Force	93.9	+2.1	+5.6	101.6	+2.7	+10.8	115.1
AFIS	11.0	+2	-.2	11.0	+3	-.2	11.1
DAU	95.4	+2.1	+4.3	101.8	+2.4	-3.0	101.2
DCAA	-	-	+3.7	3.7	+1	-	3.8
DFAS	16.7	+3	-2.4	14.6	+2	-5.9	8.9
DHRA	37.0	+7	+7.7	45.4	+8	+14.5	60.7
DSS	6.6	+1	+7	7.4	+2	-	7.6
DTRA	-	-	+1.1	1.1	-	+1	1.2
USSOCOM	3.3	.1	.6	4.0	.1	-1.1	3.0
Defense Health Program	<u>17.3</u>	<u>+4</u>	<u>-3.0</u>	<u>14.7</u>	<u>+4</u>	<u>-.7</u>	<u>14.4</u>
Total	488.3	+11.7	+20.3	520.3	+12.8	+28.2	561.3
<u>Senior ROTC</u>							
Army	160.9	+3.5	-14.0	150.4	+3.2	+29.8	183.4
Navy	73.9	+3.4	-1.5	75.8	+3.6	+1	79.5
Air Force	<u>52.1</u>	<u>+8</u>	<u>+9.1</u>	<u>62.0</u>	<u>+1.1</u>	<u>+1.2</u>	<u>64.3</u>
Total	286.9	+7.7	-6.4	288.2	+7.9	+31.1	327.2
<u>Flight Training</u>							
Army	264.0	+3.6	+60.2	327.8	+1.1	+74.1	403.1
Navy	287.7	+27.0	+17.5	332.2	+7	+34.4	367.3
Marine Corps	.2	-	-	.2	-	-	.2
Air Force	<u>509.9</u>	<u>+62.0</u>	<u>+7.6</u>	<u>579.5</u>	<u>+13.3</u>	<u>+65.2</u>	<u>658.0</u>
Total	1,061.8	+92.6	+85.3	1,239.7	+15.1	+173.8	1,428.6

TRAINING AND EDUCATION

<u>Training Support</u>	(\$ in Millions)						
	<u>FY 2000</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2002</u> <u>Estimate</u>
Army	434.6	+9.4	-24.1	419.9	+10.7	+55.2	485.8
Navy	209.0	+5.1	-15.4	198.7	+3.7	-9.5	192.9
Marine Corps	86.4	+1.6	-1.7	86.3	+1.5	+7.2	95.0
Air Force	<u>76.5</u>	<u>+2.7</u>	<u>-3.7</u>	<u>75.5</u>	<u>+2.8</u>	<u>+5.5</u>	<u>83.8</u>
Total	806.5	+18.8	-44.9	780.4	+18.7	+58.4	857.5

Base Support/Facilities Sustainment, Restoration and Modernization

Army <u>2/</u>	1,153.0	+30.5	-17.7	1,165.8	+23.2	+249.1	1,438.1
Navy	485.2	+11.9	+24.2	521.3	+10.7	+29.4	561.4
Marine Corps	173.9	+3.1	+1	177.1	+5.3	+10.0	192.4
Air Force	481.0	+14.2	+43.1	538.3	+11.3	+63.9	613.5
USSOCOM	<u>1.4</u>	<u>-</u>	<u>-</u>	<u>1.4</u>	<u>+1</u>	<u>+3</u>	<u>1.8</u>
Total	2,294.5	+59.7	+49.7	2,403.9	+50.6	+352.7	2,807.2

2/ Includes Base Operations Support and Facilities Sustainment, Restoration and Maintenance in support of training.

PROGRAM DATA

<u>Flying Hours</u>	(Hours in Thousands)				
	<u>FY 2000</u> <u>Actual</u>	<u>Change</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2002</u> <u>Estimate</u>
Army	238.1	+18.2	256.3	-.7	255.6
Navy	316.7	+29.8	346.5	+6.4	352.9
Air Force	<u>432.1</u>	<u>+6.7</u>	<u>438.8</u>	<u>+3.5</u>	<u>442.3</u>
Total	986.9	+54.7	1,041.6	+9.2	1,050.8

TRAINING AND EDUCATION

WORKLOAD INDICATORS

(Student/Trainee Workyears)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>57,696</u>	<u>+8,846</u>	<u>66,542</u>	<u>+697</u>	<u>67,239</u>
Recruit Training	13,502	+1,763	15,265	+414	15,679
One Station Unit Training	8,200	+1,300	9,500	+662	10,162
Specialized Skill ^{3/}	28,430	+5,447	33,877	-694	33,183
Officer Acquisition	4,423	+10	4,433	+144	4,577
Flight Training	994	+305	1,299	+69	1,368
Professional Development	2,147	+21	2,168	+102	2,270
<u>Navv</u>	<u>44,278</u>	<u>+880</u>	<u>45,158</u>	<u>-470</u>	<u>44,688</u>
Recruit Training	13,525	-82	13,443	-389	13,054
One Station Unit Training	-	-	-	-	-
Specialized Skill ^{3/}	20,579	+658	21,237	-176	21,061
Officer Acquisition	5,133	+89	5,222	+176	5,398
Flight Training	2,574	+204	2,778	-79	2,699
Professional Development	2,467	+11	2,478	-2	2,476
<u>Marine Corps</u>	<u>16,536</u>	<u>+1,302</u>	<u>17,838</u>	<u>+1,006</u>	<u>18,844</u>
Recruit Training	8,243	+457	8,700	+859	9,559
One Station Unit Training	-	-	-	-	-
Specialized Skill ^{3/}	6,633	+366	6,999	+121	7,120
Officer Acquisition	423	-26	397	+52	449
Flight Training	528	+28	556	-25	531
Professional Development	709	+477	1,186	-1	1,185

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

TRAINING AND EDUCATION

(Student/Trainee Workyears)

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Air Force</u>	<u>21,763</u>	<u>+1,869</u>	<u>23,632</u>	<u>+864</u>	<u>24,496</u>
Recruit Training	3,677	+459	4,136	+202	4,338
One Station Unit Training	-	-	-	-	-
Specialized Skill ^{3/}	10,138	+1,232	11,370	+728	12,098
Officer Acquisition	4,572	+225	4,797	-11	4,786
Flight Training	1,690	+9	1,699	-3	1,696
Professional Development	1,686	-56	1,630	-52	1,578
<u>Defense Health Program</u>	<u>63,131</u>	<u>+3,584</u>	<u>66,715</u>	<u>-192</u>	<u>66,523</u>
Recruit Training	-	-	-	-	-
One Station Unit Training	-	-	-	-	-
Specialized Skill	51,258	+3,632	54,890	-484	54,406
Officer Acquisition	5,008	+38	5,046	+292	5,338
Flight Training	-	-	-	-	-
Professional Development	6,865	-86	6,779	-	6,779
<u>USSOCOM</u>	<u>7,395</u>	<u>+319</u>	<u>7,714</u>	<u>+232</u>	<u>7,946</u>
Recruit Training	-	-	-	-	-
One Station Unit Training	-	-	-	-	-
Specialized Skill	536	+113	649	+21	670
Officer Acquisition	-	-	-	-	-
Flight Training	-	-	-	-	-
Professional Development	6,859	+206	7,065	+211	7,276

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

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

TRAINING AND EDUCATION

Funding for the Training and Education activity increases by \$824.5 million, from \$6,715.3 million in FY 2001 to \$7,539.8 million in FY 2002. This net increase reflects price growth of \$143.6 million, net functional transfers into the training account of approximately \$68.0 million primarily from the Operation and Maintenance (O&M), Navy appropriation, Operating Forces (Budget Activity 1) for the Aircraft Depot Maintenance program (\$+34.4 million); transfer from O&M, Air Force appropriation, Administration and Servicewide Support (Budget Activity 4), to fund base operations support for residual portions of Kelly Air Force Base (AFB) moving to Lackland AFB as a result of a Base Realignment and Closure (BRAC) action (\$+16.3 million); transfer from the Military Personnel, Air Force appropriation to outsource non-military essential functions (\$+7.0 million); transfer from the O&M, Defense-Wide appropriation, Defense Security Cooperation Agency into the O&M, Army appropriation for the Africa Center (\$+8.0 million); and transfer from O&M, Army, Operating Forces (Budget Activity 1) to support language training (\$+2.3 million); and program increases of approximately \$741.0 million partially offset by decreases of \$128.1 million. These adjustments are further described as follows:

	<u>(\$ in Millions)</u>
FY 2001 Current Estimate	6,715.3
Price Growth	+143.6
Net Transfers	+68.0
<u>Program Increases</u>	<u>+741.0</u>
<ul style="list-style-type: none"> ● Funds base operations support and real property maintenance projects for the Army, Navy, Marine Corps, and Air Force to reduce the backlog of maintenance and repair at Service Schools and Professional Military Institutions (\$+107.9 million). Additionally, funds Army and Air Force facility sustainment, restoration, and modernization requirements (includes utility modernization at the Training and Doctrine Command installations to ensure safety and environmental compliance at Forts Gordon, Lee, and Sill; the upgrade of the old steam distribution system at the Carlisle Barracks) (\$+118.5 million); and increases to the Army's Antiterrorism/Force Protection program due to measures required to control access to Army installations (\$+19.5 million). +245.9 ● Funds flight training for increased pilot production in the Active Components, including undergraduate navigator training. +180.1 ● Funds specialized skills training for increased accessions in the Active Navy and the Air Force. Implements a personal financial management course for Navy enlisted accessions (\$+15.9 million), supports Navy Joint Warfighting Systems communications and Information Technology requirements (\$+5.8 million); and provides increased technical training to help fill critical vacancies in the Air Force (\$+46.0 million). +67.7 	

TRAINING AND EDUCATION

(\$ in Millions)

- Funds Active Army Training and Doctrine Command Transformation requirements to restructure the way the Army trains and accesses soldiers and officers. This initiative includes enhancements to initial entry training; establishment of a Land Warfare University (consolidates intermediate and senior-level leader development under one command); and implementation of a Basic Officer Leader Development Course to combine arms common leader training for all new second lieutenants and embed Army ethos prior to branch technical/tactical training (\$+21.1 million). Additionally, provides for increased contract costs for training services, products, and programs that support individual and collective training (\$+46.3 million). +67.4
- Funds unexpected increase in energy costs for the Active Services. +34.7
- Funds 1,768 additional Senior Reserve Officers Training Corps scholarships and required staffing for the Army and Air Force. +31.1
- Funds a fact-of-life adjustment for the Air Force repricing of cost-per-flying-hour rate. +31.0
- Funds about 100 additional interns in the Army Civilian Training, Education and Development System to fill career program journeyman positions (\$+5.6 million), provides for 120 additional interns in the Air Force Civilian Leadership Initiative to support workforce shaping to address long-term force renewal and development issues(\$+10.3 million), and expansion of the Defense Leadership Management Program (\$+14.5 million) +30.4
- Funds one-time increases for the Army War College to pay for start-up costs for furniture, equipment, and supplies for the new Academic Research Facility at the Military History Institute (\$+1.8 million); Army Professional development increases for Digital Education at the Command and General Staff College to support hardware and software fielding and maintenance, curriculum development, and instructor training (\$+2.7 million); Air Force Officer Training School Facility furniture and equipment (\$+2.9 million), the National Defense University to establish office space for the Africa Center (\$+2.0 million); one-time accounting adjustment by the Veterans Administration to the Army Veterans Education Assistance Program (\$+.4 million). +9.8
- Fund increased training support in the Marine Corps for newly fielded equipment such as Joint Simulation System, Cooperative Engagement Capability, and for expansion of computer-based education efforts (i.e., Distance Learning.) +8.7

TRAINING AND EDUCATION

(\$ in Millions)

- Funds support the Army's new online education initiative for recruiting and retention by offering soldiers the opportunity to pursue academic, post-secondary degree, and technical certification via the internet. The FY 2002 funding supports up to 23,000 soldiers enrolled in this program at Forts Hood, TX, Fort Campbell, KY, and Benning, GA. +7.7
- Funds various other miscellaneous Service and Defense Agency requirements. +26.5

Program Decreases

-128.1

- One-time requirements as a result of congressional action in FY 2001 for medical training programs administered at the Uniformed Services University of the Health Sciences (\$-23.0 million), and for various Air Force programs, to include College/Officer Candidate Initiative, Information Technology training and education, Joint Multi-Dimensional Education and Analysis System at the Air War College, Squadron Officer School dormitory renovation and Aerospace Basic Course academic facility renovation (\$-15.8 million). -38.8
- Projected savings and support in Specialized Skills in the Navy and Air Force and Professional Development training in various Defense Agencies directly associated with the continued implementation of distance learning as traditional classroom costs and student travel costs are reduced commensurate with reductions in resident instruction time. -20.9
- Savings for competition and privatization initiatives in the Air Force (\$-10.1 million) and in base operations support as a result of A-76 studies, facilities reduction, and other fact-of-life decreases in the Army (\$-10.6 million). -20.7
- Civilian personnel savings in the Air Force as a result of initiatives to reshape the workforce. -18.8
- Specialized Skill Training for the Army due to a decrease of 694 student workyears. -16.3
- Reduced Navy pilot training as a result of a reduction in the number of Harrier Squadrons (from 20 in FY 2001 to 16 in FY 2002). -10.0
- Various other minor savings. -2.6

FY 2002 Estimate

7,539.8

TRANSPORTATION

<u>By Service</u>	(\$ in Millions)						
	<u>FY 2000</u>				<u>FY 2001</u>		
	<u>Actuals</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
Army	473.3	+21.9	-96.0	399.2	+0.7	+22.6	422.5
Navy	164.0	+7.0	+15.0	186.0	-	-1.0	185.0
Marine Corps	30.7	+2.7	-3.5	29.9	+0.2	+1.0	31.1
Air Force	209.4	+7.6	-18.9	198.1	-1.9	+43.6	239.8
Defense-Wide	341.5	+37.0	-0.9	377.6	-17.2	-5.5	354.9
Army Reserve	1.4	-	-	1.4	-	-	1.4
Navy Reserve	0.6	-	-0.1	0.5	-	-	0.5
Marine Corps Reserve	4.0	-	-0.3	3.7	+0.1	-	3.8
Air Force Reserve	1.9	-	+1.1	3.0	-	-	3.0
Army National Guard	28.5	+0.3	-4.5	24.3	+0.4	+5.6	30.3
Air National Guard	<u>13.3</u>	<u>+1.0</u>	<u>-7.3</u>	<u>7.0</u>	<u>+0.1</u>	<u>+3.1</u>	<u>10.2</u>
Total	1,268.6	+77.5	-115.4	1,230.7	-17.6	+69.4	1,282.5

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

In FY 2002, total DoD transportation costs are \$1,282.5 million, an increase of \$51.8 million above the FY 2001 estimate of \$1,230.7 million. This net increase includes price decrease of \$17.6 million and a net program increase of \$69.4 million (+5.7 percent). The fluctuation in price growth is due to the different mix in the types of transportation procured; the Working Capital Fund publishes the approved transportation rates. The FY 2002 program increase of \$69.4 million results from various program changes among the Components. The Army's increase of \$22.6 million (+5.7 percent) is due in large part to the Army Transformation Initiative and finances recapitalization and equipment transportation for force modernization. The Navy's program decrease of \$1.0 million (-0.5 percent) reflects a very small decline in the shipment of commercial goods in support of Navy-Marine Corps Exchange operations. The Marine Corps' program increase of \$1.0 million (+3.3 percent) supports modest increases for ammunition and equipment movements and for corrosion control and Inspect Repair Only as Necessary (IROAN) equipment maintenance efforts. The \$43.6 million (+22.2 percent) increase in Air Force Transportation costs reflects the functional transfer of funds from the Overseas

TRANSPORTATION

Contingency Operations Transfer Fund (OCOTF) to support Air Force operations in Southwest Asia including Operation Northern Watch, Southern Watch and Desert Spring. The \$5.5 million (-1.5 percent) decrease in Defense-wide activities primarily reflects a \$4.7 million reduction to the Chairman of the Joint Chiefs of Staff (CJCS) exercise program to support 34,000 C-17 equivalent flying hours and 1,100 steaming days, a \$1.8 million reduction to the US Joint Forces Command's commercial ticketing program offset by increase of \$1.0 million one-time charge for contract dispute costs. The net increase of \$8.7 million (+21.5 percent) to the Guard and Reserve programs primarily reflect the \$5.6 million (+22.7 percent) increase for the Army National Guard to support additional unit training at the National Training Center at Fort Irwin, California and a program increase of \$3.1 million (+43.7 percent) for the Air National Guard to support equipment movements to repair depots.

First Destination Transportation

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

<u>First Destination Transportation</u>	<u>(\$ in Millions)</u>						
	<u>FY 2000</u>				<u>FY 2001</u>		
	<u>Actuals</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
<u>Major Commodity</u>	<u>37.1</u>	<u>+1.1</u>	<u>+0.3</u>	<u>38.5</u>	<u>+0.5</u>	<u>+1.2</u>	<u>40.2</u>
Military Supplies and Equip	37.1	+1.1	+0.3	38.5	+0.5	+1.2	40.2
<u>Mode of Shipment</u>	<u>37.1</u>	<u>1.1</u>	<u>0.3</u>	<u>38.5</u>	<u>0.5</u>	<u>1.2</u>	<u>40.2</u>
<u>Military Commands</u>	<u>17.0</u>	<u>+1.0</u>	<u>-</u>	<u>18.0</u>	<u>+0.1</u>	<u>+0.8</u>	<u>18.9</u>
Surface	0.6	-	-0.1	0.5	-	-	0.5
Sealift	11.9	-	+0.2	12.1	+0.1	+0.6	12.8
Airlift	4.5	+1.0	-0.1	5.4	-	+0.2	5.6
<u>Commercial</u>	<u>20.1</u>	<u>+0.1</u>	<u>+0.3</u>	<u>20.5</u>	<u>+0.4</u>	<u>+0.4</u>	<u>21.3</u>
Surface	19.6	+0.1	+0.3	20.0	+0.4	+0.4	20.8
Air	0.5	-	-	0.5	-	-	0.5

TRANSPORTATION

Second Destination Transportation

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

<u>Second Destination Transportation</u>	<u>(\$ in Millions)</u>						
	<u>FY 2000</u>				<u>FY 2001</u>		
	<u>Actuals</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>	<u>Price</u>	<u>Program</u>	<u>Estimate</u>
<u>Major Commodity</u>	<u>1,231.5</u>	<u>+76.4</u>	<u>-115.7</u>	<u>1,192.2</u>	<u>-18.1</u>	<u>+68.2</u>	<u>1,242.3</u>
Military Supplies and Equip	861.1	+62.5	-120.7	802.9	-20.8	+68.0	850.1
Mail Overseas	162.9	+2.6	+4.8	170.3	+3.2	-4.9	168.6
Subsistence	30.4	+1.6	-3.4	28.6	+0.2	+1.6	30.4
Base Exchange	177.1	+9.7	+3.6	190.4	-0.7	+3.5	193.2
<u>Mode of Shipment</u>	<u>1,231.5</u>	<u>+76.4</u>	<u>-115.7</u>	<u>1,192.2</u>	<u>-18.1</u>	<u>+68.2</u>	<u>1,242.3</u>
<u>Military Commands</u>	<u>844.6</u>	<u>+71.4</u>	<u>-129.9</u>	<u>786.1</u>	<u>-24.3</u>	<u>+73.3</u>	<u>835.1</u>
Traffic Management	94.5	-10.0	-8.4	76.1	-9.6	+23.2	89.7
Surface	63.5	-10.3	-3.1	50.1	-2.9	-3.3	43.9
Sealift	273.9	+40.1	-38.9	275.1	-7.0	+28.4	296.5
Airlift	412.7	+51.6	-79.5	384.8	-4.8	+25.0	405.0
<u>Commercial</u>	<u>386.9</u>	<u>5.0</u>	<u>14.2</u>	<u>406.1</u>	<u>6.2</u>	<u>-5.1</u>	<u>407.2</u>
Surface	141.3	+2.5	+23.6	167.4	+2.1	-	169.5
Sea	42.0	-0.2	-11.8	30.0	+0.1	-0.5	29.6
Air	203.6	+2.7	+2.4	208.7	+4.0	-4.6	208.1

CIVILIAN PERSONNEL

(Full-Time Equivalents)

	FY 2000		FY 2001		FY 2002
<u>By Service/Defense-Wide</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	221,878	-5,322	216,556	-2,688	213,868
Navy	196,626	-8,445	188,181	-6,595	181,586
Air Force	162,675	-4,405	158,270	-284	157,986
Defense-Wide	<u>117,169</u>	<u>-2,235</u>	<u>114,934</u>	<u>-624</u>	<u>114,310</u>
DoD Total	698,348	-20,407	677,941	-10,191	667,750
<u>By Type of Hire</u>					
U.S. Direct Hire	645,371	-19,053	626,318	-10,010	616,308
Foreign National Direct Hire	14,914	-261	14,653	-177	14,476
Total – Direct Hire	660,285	-19,314	640,971	-10,187	630,784
Foreign National Indirect Hire	<u>38,063</u>	<u>-1,093</u>	<u>36,970</u>	<u>-4</u>	<u>36,966</u>
DoD Total	698,348	-20,407	677,941	-10,191	667,750
<u>By Appropriation</u>					
Operation and Maint, Active & Defense-Wide	381,222	-16,042	365,180	-4,807	360,332
Operation and Maintenance, Reserve	27,240	+17	27,257	-570	26,687
Operation and Maintenance, National Guard	48,526	-321	48,205	+558	48,763
Research, Development, Test, and Evaluation	25,568	+918	26,486	-507	26,034
Military Construction	7,557	+916	8,473	-373	8,089
Family Housing	1,315	-86	1,229	-26	1,203
Defense Working Capital Funds	203,970	-5,867	198,103	-4,408	193,692

CIVILIAN PERSONNEL

<u>By Appropriation</u>	<u>(Full-Time Equivalents)</u>				
	FY 2000	FY 2001		FY 2002	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Pentagon Reservation Maintenance Fund	696	+63	759	-	759
Defense Stockpile	275	+4	279	-34	245
Building Maintenance Fund	66	-	66	+5	71
Foreign Military Assistance	370	-35	335	-28	307
Defense Health Program	291	+6	297	-	297
Office of the Inspector General	1,193	+20	1,213	-1	1,212
U.S. Court of Appeals for the Armed Forces	<u>59</u>	<u>-</u>	<u>59</u>	<u>-</u>	<u>59</u>
DoD Total	698,348	-20,407	677,941	-10,191	667,750

ARMY

<u>Direct Hires by Appropriation</u>	<u>(Full-Time Equivalents)</u>				
	FY 2000	FY 2001		FY 2002	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Operation and Maintenance, Army</u>					
U. S. Direct Hire	117,966	-6,156	111,810	-1,735	110,075
Foreign National Direct Hire	<u>7,997</u>	<u>-271</u>	<u>7,726</u>	<u>-115</u>	<u>7,611</u>
Total Direct Hire	125,963	-6,427	119,536	-1,850	117,686
<u>Operation and Maintenance, Army Reserve</u>					
U. S. Direct Hire	10,581	-114	10,467	+207	10,674
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	10,581	-114	10,467	+207	10,674

CIVILIAN PERSONNEL

	<u>ARMY</u>				
	<u>(Full-Time Equivalents)</u>				
<u>Direct Hires by Appropriation</u>	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Operation and Maintenance, Army National Guard</u>					
U. S. Direct Hire	24,429	-54	24,375	+277	24,652
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	24,429	-54	24,375	+277	24,652
 <u>Research, Development, Test & Evaluation, Army</u>					
U. S. Direct Hire	15,721	+942	16,663	-576	16,087
Foreign National Direct Hire	131	+11	142	-1	141
Total Direct Hire	15,852	+953	16,805	-577	16,228
 <u>Military Construction, Army</u>					
U. S. Direct Hire	4,535	+1,110	5,645	-165	5,480
Foreign National Direct Hire	218	-6	212	+2	214
Total Direct Hire	4,753	+1,104	5,857	-163	5,694
 <u>Family Housing, Army</u>					
U. S. Direct Hire	868	-113	755	-12	743
Foreign National Direct Hire	47	-5	42	+2	44
Total Direct Hire	915	-118	797	-10	787
 <u>Working Capital Fund, Army</u>					
U. S. Direct Hire	21,495	-37	21,458	-598	20,860
Foreign National Direct Hire	91	-8	83	-	83
Total Direct Hire	21,586	-45	21,541	-598	20,943

CIVILIAN PERSONNEL

	<u>ARMY</u>		<u>(Full-Time Equivalents)</u>		<u>FY 2002</u>
	<u>FY 2000</u>		<u>FY 2001</u>		
<u>Direct Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Foreign Military Assistance, Army</u>					
U. S. Direct Hire	22	-10	12	-	12
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	22	-10	12	-	12
 <u>Army Total</u>					
U. S. Direct Hire	195,617	-4,432	191,185	-2,602	188,583
Foreign National Direct Hire	<u>8,484</u>	<u>-279</u>	<u>8,205</u>	<u>-112</u>	<u>8,093</u>
Total Direct Hire	204,101	-4,711	199,390	-2,714	196,676
 <u>Summary of Changes</u>				<u>FY 01-02</u>	
<u>Direct Hires</u>				<u>Change</u>	
Working Capital Fund					
Depot Maintenance				-238	
Information Services				-11	
Ordnance				-203	
Supply Maintenance				-96	
Transportation				-50	
Research and Development				-577	
Medical Structure				-188	
Force Structure/Streamlining				<u>-1,351</u>	
Total Direct Hire				-2,714	

CIVILIAN PERSONNEL

	<u>ARMY</u>		<u>(Full-Time Equivalents)</u>		
	FY 2000		FY 2001		FY 2002
<u>Indirect Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation and Maintenance, Army	16,879	-594	16,285	+99	16,384
Military Construction, Army	231	+11	242	-57	185
Family Housing, Army	400	+32	432	-16	416
Working Capital Fund, Army	266	-59	207	-	207
Foreign Military Financing, Army	<u>1</u>	<u>-1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Indirect Hire	17,777	-611	17,166	+26	17,192
Total Direct Hire	204,101	-4,711	199,390	-2,714	196,676
Total Indirect Hire	<u>17,777</u>	<u>-611</u>	<u>17,166</u>	<u>+26</u>	<u>17,192</u>
Total Army Civilians	221,878	-5,322	216,556	-2,688	213,868

CIVILIAN PERSONNEL

	<u>NAVY</u>		<u>(Full-Time Equivalents)</u>		
	<u>FY 2000</u>		<u>FY 2001</u>		
<u>Direct Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Operation and Maintenance, Navy</u>					
U. S. Direct Hire	75,778	-4,581	71,197	-2,513	68,684
Foreign National Direct Hire	<u>2,725</u>	<u>-2</u>	<u>2,723</u>	<u>+6</u>	<u>2,729</u>
Total Direct Hire	78,503	-4,583	73,920	-2,507	71,413
 <u>Operation and Maintenance, Marine Corps</u>					
U. S. Direct Hire	12,556	-939	11,617	-618	10,999
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	12,556	-939	11,617	-618	10,999
 <u>Operation and Maintenance, Navy Reserve</u>					
U. S. Direct Hire	1,897	-27	1,870	-339	1,531
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	1,897	-27	1,870	-339	1,531
 <u>Operation and Maintenance, Marine Corps Reserve</u>					
U. S. Direct Hire	154	-4	150	-2	148
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	154	-4	150	-2	148
 <u>Research, Development, Test and Evaluation, Navy</u>					
U. S. Direct Hire	1,108	+42	1,150	+5	1,155
Foreign National Direct Hire	<u>177</u>	<u>+44</u>	<u>221</u>	<u>-2</u>	<u>219</u>
Total Direct Hire	1,285	+86	1,371	+3	1,374

CIVILIAN PERSONNEL

	<u>NAVY</u>		<u>(Full-Time Equivalents)</u>		
	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
<u>Direct Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Military Construction, Navy</u>					
U. S. Direct Hire	2,447	-200	2,247	-164	2,083
Foreign National Direct Hire	<u>60</u>	<u>+1</u>	<u>61</u>	<u>-</u>	<u>61</u>
Total Direct Hire	2,507	-199	2,308	-164	2,144
 <u>Working Capital Fund, Navy</u>					
U. S. Direct Hire	88,945	-2,650	86,295	-2,956	83,339
Foreign National Direct Hire	<u>22</u>	<u>-3</u>	<u>19</u>	<u>-</u>	<u>19</u>
Total Direct Hire	88,967	-2,653	86,314	-2,956	83,358
 <u>Foreign Military Assistance, Navy</u>					
U. S. Direct Hire	7	-	7	-1	6
Foreign National Direct Hire	<u>47</u>	<u>-20</u>	<u>27</u>	<u>-</u>	<u>27</u>
Total Direct Hire	54	-20	34	-1	33
 <u>Total Navy</u>					
U. S. Direct Hire	170,182	-7,416	162,766	-5,968	156,798
Foreign National Direct Hire	<u>3,031</u>	<u>+20</u>	<u>3,051</u>	<u>+4</u>	<u>3,055</u>
Total Direct Hire	173,213	-7,396	165,817	-5,964	159,853
 <u>Total – Marine Corps</u>					
U. S. Direct Hire	12,710	-943	11,767	-620	11,147
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	12,710	-943	11,767	-620	11,147

CIVILIAN PERSONNEL

NAVY

(Full-Time Equivalents)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Direct Hires by Appropriation</u>					
<u>Total Department of Navy (DON)</u>					
U. S. Direct Hire	182,892	-8,359	174,533	-6,588	167,945
Foreign National Direct Hire	<u>3,031</u>	<u>+20</u>	<u>3,051</u>	<u>+4</u>	<u>3,055</u>
Total Direct Hire	185,923	-8,339	177,584	-6,584	171,000

Summary of Changes

Direct Hires

FY 01-02

Change

Changes to Working Capital Fund Workload	
Depot Maintenance	-22
Transportation	+173
Supply Management	-131
Research and Development	-261
Other Workload Changes	-290
Strategic Sourcing	-2,449
Changes to Non-Working Capital Fund Workload	
Base Support	-956
Air Operations	-220
Military Construction	-310
Ship Depot Operations	-129
Medical Activities	-154
Acquisition and Program Management	-66
Other Workload Changes	+241
Strategic Sourcing	<u>-2,010</u>
Total Direct Hires	-6,584

CIVILIAN PERSONNEL

NAVY

(Full-Time Equivalents)

	FY 2000		FY 2001		FY 2002
<u>Indirect Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation and Maintenance, Navy	6,057	+9	6,066	+13	6,079
Operation and Maintenance, Marine Corps	2,919	-109	2,810	-	2,810
Research, Development, Test, and Evaluation, Navy	3	-	3	-	3
Military Construction, Navy	66	-	66	-	66
Working Capital Fund, Navy	1,653	-2	1,651	-24	1,627
Foreign Military Assistance, Navy	<u>5</u>	<u>-4</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Indirect Hire	10,703	-106	10,597	-11	10,586
<u>DON Direct Hire</u>					
Navy	173,213	-7,396	165,817	-5,964	159,853
Marine Corps	<u>12,710</u>	<u>-943</u>	<u>11,767</u>	<u>-620</u>	<u>11,147</u>
	185,923	-8,339	177,584	-6,584	171,000
<u>DON Indirect Hire</u>					
Navy	7,784	+3	7,787	-11	7,776
Marine Corps	<u>2,919</u>	<u>-109</u>	<u>2,810</u>	<u>-</u>	<u>2,810</u>
Total – Indirect Hire	10,703	-106	10,597	-11	10,586
<u>Total Department of the Navy</u>					
Navy	180,997	-7,393	173,604	-5,975	167,629
Marine Corps	<u>15,629</u>	<u>-1,052</u>	<u>14,577</u>	<u>-620</u>	<u>13,957</u>
Total Civilians	196,626	-8,445	188,181	-6,595	181,586

CIVILIAN PERSONNEL

	<u>AIR FORCE</u>		<u>(Full-Time Equivalents)</u>		
	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
<u>Direct Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Operation and Maintenance, Air Force</u>					
U. S. Direct Hire	82,326	-2,603	79,723	-530	79,193
Foreign National Direct Hire	<u>2,159</u>	<u>-67</u>	<u>2,092</u>	<u>-86</u>	<u>2,006</u>
Total Direct Hire	84,485	-2,670	81,815	-616	81,199
 <u>Operation and Maintenance, Air Force Reserve</u>					
U. S. Direct	14,608	+162	14,770	-436	14,334
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	14,608	+162	14,770	-436	14,334
 <u>Operation and Maintenance, Air National Guard</u>					
U. S. Direct	24,097	-267	23,830	+281	24,111
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	24,097	-267	23,830	+281	24,111
 <u>Research, Development, Test, and Evaluation, Air Force</u>					
U. S. Direct Hire	7,326	-215	7,111	+79	7,190
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	7,326	-215	7,111	+79	7,190
 <u>Working Capital Fund, Air Force</u>					
U. S. Direct Hire	25,510	-1,007	24,503	+404	24,907
Foreign National Direct Hire	<u>141</u>	<u>-16</u>	<u>125</u>	<u>+3</u>	<u>128</u>
Total Direct Hire	25,651	-1,023	24,628	+407	25,035

CIVILIAN PERSONNEL

AIR FORCE

	<u>(Full-Time Equivalents)</u>				
	FY 2000			FY 2001	
<u>Direct Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Air Force Total</u>					
U. S. Direct Hire	153,867	-3,930	149,937	-202	149,735
Foreign National Direct Hire	<u>2,300</u>	<u>-83</u>	<u>2,217</u>	<u>-83</u>	<u>2,134</u>
Total Direct Hire	156,167	-4,013	152,154	-285	151,869

Summary of Changes

Direct Hires

	<u>FY 01-02</u>
	<u>Change</u>
Strategic Force	+65
General Purpose Forces	+901
Intelligence and Communications	-404
General Research and Development	+79
Other Defense Wide Missions	+189
Logistics Support	-1,378
Personnel Support	-221
Other Centralized Support	<u>+484</u>
Total Direct Hires	-285

CIVILIAN PERSONNEL

AIR FORCE

	<u>(Full-Time Equivalents)</u>				FY 2002 <u>Estimate</u>
	FY 2000 <u>Actual</u>	<u>Change</u>	FY 2001 <u>Estimate</u>	<u>Change</u>	
<u>Indirect Hires by Appropriation</u>					
Operation and Maintenance, Air Force	6,291	-408	5,883	+3	5,886
Working Capital Fund, Air Force	<u>217</u>	<u>+16</u>	<u>233</u>	<u>-2</u>	<u>231</u>
Total Indirect Hire	6,508	-392	6,116	+1	6,117
Total Direct Hire	156,167	-4,013	152,154	-285	151,869
Total Indirect Hire	<u>6,508</u>	<u>-392</u>	<u>6,116</u>	<u>+1</u>	<u>6,117</u>
Total Air Force Civilians	162,675	-4,405	158,270	-284	157,986

DEFENSE-WIDE ACTIVITIES

	<u>(Full-Time Equivalents)</u>				FY 2002 <u>Estimate</u>
	FY 2000 <u>Actual</u>	<u>Change</u>	FY 2001 <u>Estimate</u>	<u>Change</u>	
<u>Direct Hires by Appropriation</u>					
<u>Operation and Maintenance, Defense-Wide</u>					
U. S. Direct Hire	46,823	-324	46,499	+623	47,122
Foreign National Direct Hire	<u>449</u>	<u>+24</u>	<u>473</u>	<u>+5</u>	<u>478</u>
Total Direct Hire	47,272	-300	46,972	+628	47,600
<u>Research, Development, Test, & Evaluation, Defense-Wide</u>					
U. S. Direct Hire	1,102	+94	1,196	+43	1,239
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	1,102	+94	1,196	+43	1,239

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

(Full-Time Equivalents)

<u>Direct Hires by Appropriation</u>	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Working Capital Fund</u>					
U. S. Direct Hire	62,203	-2,195	60,008	-1,227	58,781
Foreign National Direct Hire	<u>650</u>	<u>+57</u>	<u>707</u>	<u>+9</u>	<u>716</u>
Total Direct Hire	62,853	-2,138	60,715	-1,218	59,497
 <u>Pentagon Reservation Fund</u>					
U. S. Direct Hire	696	+63	759	-	759
 <u>National Defense Stockpile</u>					
U. S. Direct Hire	275	+4	279	-34	245
 <u>Building Maintenance Fund</u>					
U. S. Direct Hire	66	-	66	+5	71
 <u>Defense Health Program</u>					
U. S. Direct Hire	291	+6	297	-	297
 <u>U. S. Court of Appeals for the Armed Forces</u>					
U. S. Direct Hire	59	-	59	-	59
 <u>Office of the Inspector General</u>					
U. S. Direct Hire	1,192	+20	1,212	-1	1,211
 <u>Foreign Military Sales, Defense-Wide</u>					
U. S. Direct Hire	288	-	288	-27	261

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

	<u>(Full-Time Equivalents)</u>				<u>FY 2002</u> <u>Estimate</u>
	<u>FY 2000</u> <u>Actual</u>	<u>Change</u>	<u>FY 2001</u> <u>Estimate</u>	<u>Change</u>	
<u>Direct Hires by Appropriation</u>					
<u>Total Defense-Wide Activities</u>					
U. S. Direct Hire	112,995	-2,332	110,663	-618	110,045
Foreign National Direct Hire	<u>1,099</u>	<u>+81</u>	<u>1,180</u>	<u>+14</u>	<u>1,194</u>
Total Direct Hire	114,094	-2,251	111,843	-604	111,239

Summary of Changes

Direct Hires

	<u>FY 01-02</u> <u>Change</u>
Defense Contract Audit Agency	-11
Classified and Communications	+530
Defense Finance and Accounting Services	-337
Defense Contract Management Agency	-178
Defense Logistics Agency	-524
National Defense Stockpile	-34
DoD Dependents Education Agency	-97
Ballistic Missile Defense Organization	+50
Other	<u>-3</u>
Total Direct Hires	-604

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

	<u>(Full-Time Equivalents)</u>				
	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
<u>Indirect Hires by Appropriation</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Operation and Maintenance, Defense-Wide	297	-21	276	-	276
Office of the Inspector General	1	-	1	-	1
Working Capital Fund, Defense-Wide	<u>2,777</u>	<u>+37</u>	<u>2,814</u>	<u>-20</u>	<u>2,794</u>
Total Indirect Hire	3,075	+16	3,091	-20	3,071
Total Direct Hire	114,094	-2,251	111,843	-604	111,239
Total Indirect Hire	<u>3,075</u>	<u>+16</u>	<u>3,091</u>	<u>-20</u>	<u>3,071</u>
Total Defense-Wide Civilians	117,169	-2,235	114,934	-624	114,310

MILITARY PERSONNEL

ACTIVE FORCE PERSONNEL

	FY 2000		(End Strength)		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>FY 2001</u>	<u>Change</u>	<u>Estimate</u>
			<u>Estimate¹</u>		
<u>DoD Total by Type</u>	<u>1,384,338</u>	<u>-2,096</u>	<u>1,382,242</u>	<u>+5,158</u>	<u>1,387,400</u>
Officer	217,178	+123	217,301	+128	217,429
Enlisted	1,154,624	-1,683	1,152,941	+5,030	1,157,971
Cadets	12,536	-536	12,000	-	12,000
<u>DoD Total by Service</u>	<u>1,384,338</u>	<u>-2,096</u>	<u>1,382,242</u>	<u>+5,158</u>	<u>1,387,400</u>
Army	482,170	-2,170	480,000	-	480,000
Navy	373,193	-551	372,642	+3,358	376,000
Marine Corps	173,321	-721	172,600	-	172,600
Air Force	355,654	+1,346	357,000	+1,800	358,800

¹ End strength estimates for FY 2001 may not agree with projections reflected in Service Justification Books.

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

<u>Average Strength by Service</u>	(Average Strength)				
	<u>FY 2000 Actual</u>	<u>Change</u>	<u>FY 2001 Estimate</u>	<u>Change</u>	<u>FY 2002 Estimate²</u>
<u>Army</u>	<u>478,471</u>	<u>+2,178</u>	<u>480,649</u>	<u>-2,992</u>	<u>477,657</u>
Officer	78,008	-1,633	76,375	-373	76,002
Enlisted	396,440	+3,863	400,303	-2,648	397,655
Cadets	4,023	-52	3,971	+29	4,000
<u>Navy</u>	<u>370,242</u>	<u>-1,141</u>	<u>369,101</u>	<u>+4,175</u>	<u>373,276</u>
Officer	53,107	+492	53,599	+166	53,765
Enlisted	313,006	-1,354	311,652	+4,016	315,668
Midshipmen	4,129	-279	3,850	-7	3,843
<u>Marine Corps</u>	<u>172,008</u>	<u>-794</u>	<u>171,214</u>	<u>-108</u>	<u>171,106</u>
Officer	18,119	-41	18,078	-17	18,061
Enlisted	153,889	-753	153,136	-91	153,045
<u>Air Force</u>	<u>360,226</u>	<u>-2,461</u>	<u>357,765</u>	<u>+3,268</u>	<u>361,033</u>
Officer	70,139	-833	69,306	+869	70,175
Enlisted	286,015	-1,795	284,220	+2,365	286,585
Cadets	4,072	+167	4,239	+34	4,273
<u>DoD Total</u>	<u>1,380,947</u>	<u>-2,218</u>	<u>1,378,729</u>	<u>+4,343</u>	<u>1,383,072</u>
Officer	219,373	-2,015	217,358	+645	218,003
Enlisted	1,149,350	-39	1,149,311	+3,642	1,152,953
Cadets	12,224	-164	12,060	+56	12,116

² Average strength estimates for FY 2002 are consistent with Service current projections of FY 2001 end strength.

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

ARMY

	FY 2000		(End Strength)		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>FY 2001</u>	<u>Change</u>	<u>Estimate</u>
			<u>Estimate</u>		
<u>Total</u>	<u>482,170</u>	<u>-2,170</u>	<u>480,000³</u>	<u>-</u>	<u>480,000</u>
Officer	76,667	-836	75,831	-98	75,733
Enlisted	401,414	-1,245	400,169	+98	400,267
Cadets	4,089	-89	4,000	-	4,000

	FY 01-FY 02
	<u>Change</u>
<u>Total</u>	<u>-</u>
Strategic Forces	-3
General Purpose Forces	+269
Intelligence & Communications	-505
General Research & Development	+5
Other Defense Wide Missions	-156
Logistics Support	+18
Personnel Support	-60
Other Centralized Support	+566
Special Operations Forces	-134

³ Based on current execution data, Army projects ending FY 2001 with end strength of 481,000 (officers, 76,114; enlisted, 400,886; and cadets 4,000).

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

NAVY

	FY 2000		(End Strength)		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>FY 2001</u>	<u>Change</u>	<u>Estimate</u>
			<u>Estimate</u>		
<u>Total</u>	<u>373,193</u>	<u>-551</u>	<u>372,642⁴</u>	<u>+3,358</u>	<u>376,000</u>
Officer	53,550	-168	53,382	+360	53,742
Enlisted	315,471	-211	315,260	+2,998	318,258
Midshipmen	4,172	-172	4,000	-	4,000

	FY 01-FY 02
	<u>Change</u>
<u>Total</u>	<u>+3,358</u>
Strategic Forces	+124
General Purpose Forces	+3,354
Intelligence & Communications	-124
General Research & Development	-6
Other Defense Wide Missions	+17
Logistics Support	-56
Personnel Support	+802
Other Centralized Support	-753

⁴ Based on current execution data, Navy projects ending FY 2001 with an end strength of 375,917 (officers, 53,752; enlisted, 317,948; and midshipmen 4,217) and is pursuing additional funding to support this strength level. The FY 2001 average strength reflected in the Navy Justification Book supports authorized end strength of 372,642.

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

MARINE CORPS

	FY 2000		(End Strength)		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total</u>	<u>173,321</u>	<u>-721</u>	<u>172,600</u>	-	<u>172,600</u>
Officer	17,938	-50	17,888	-	17,888
Enlisted	155,383	-671	154,712	-	154,712

	FY 01-FY 02
	<u>Change</u>
<u>Total</u>	-
Strategic Forces	-
General Purpose Forces	-74
Intelligence & Communications	-
General Research & Development	-2
Other Defense Wide Missions	+3
Logistics Support	-1
Personnel Support	+48
Other Centralized Support	+26

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

AIR FORCE

	FY 2000		(End Strength)		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>FY 2001</u>	<u>Change</u>	<u>Estimate</u>
			<u>Estimate</u>		
<u>Total</u>	<u>355,654</u>	<u>+1,346</u>	<u>357,000⁵</u>	<u>+1,800</u>	<u>358,800</u>
Officer	69,023	+1,177	70,200	-134	70,066
Enlisted	282,356	+444	282,800	+1,934	284,734
Cadets	4,275	-275	4,000	-	4,000

	FY 01-FY 02
	<u>Change</u>
<u>Total</u>	<u>+1,800</u>
Strategic Forces	-948
General Purpose Forces	+4,773
Intelligence & Communications	-831
General Research & Development	-195
Other Defense Wide Missions	+453
Logistics Support	+482
Personnel Support	-1,908
Other Centralized Support	-26

⁵ Based on current execution data, Air Force projects ending FY 2001 with end strength of 352,900 (officers, 68,600; enlisted, 280,300; and cadets 4,000). The FY 2001 average strength reflected in the Air Force Justification Book supports end strength of 352,900.

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

U.S. SPECIAL OPERATIONS COMMAND (USSOCOM) SUPPORT

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

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>15,143</u>	<u>+89</u>	<u>15,232</u>	<u>+62</u>	<u>15,294</u>
Officer	2,842	+48	2,890	+18	2,908
Enlisted	12,301	+41	12,342	+44	12,386
<u>Navy</u>	<u>5,075</u>	<u>+86</u>	<u>5,161</u>	<u>-1</u>	<u>5,160</u>
Officer	816	-1	815	-7	808
Enlisted	4,259	+87	4,346	+6	4,352
<u>Marine Corps</u>	<u>52</u>	<u>+2</u>	<u>54</u>	<u>=</u>	<u>54</u>
Officer	25	-	25	-	25
Enlisted	27	+2	29	-	29
<u>Air Force</u>	<u>8,237</u>	<u>+489</u>	<u>8,726</u>	<u>+10</u>	<u>8,736</u>
Officer	1,406	+255	1,661	-2	1,659
Enlisted	6,831	+234	7,065	+12	7,077
<u>DoD Total</u>	<u>28,507</u>	<u>+666</u>	<u>29,173</u>	<u>+71</u>	<u>29,244</u>
<u>Officer</u>	<u>5,089</u>	<u>+302</u>	<u>5,391</u>	<u>+9</u>	<u>5,400</u>
<u>Enlisted</u>	<u>23,418</u>	<u>+364</u>	<u>23,782</u>	<u>+62</u>	<u>23,844</u>

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

(Military End Strength/ Civilian Full-Time Equivalents)

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total Selected Reserve</u>	<u>865,242</u>	<u>-1,467</u>	<u>863,775</u>	<u>+883</u>	<u>864,658</u>
Trained in Units	722,409	+5,580	727,989	-4,611	723,378
Individual Mobilization Augmentees (IMAs)	19,495	+2,658	22,153	+391	22,544
Training Pipeline	57,900	-9,763	48,137	+4,417	52,554
Full-time Duty	65,438	+58	65,496	+686	66,182
Active Military Support to Reserves	12,513	+213	12,726	+111	12,837
Civilian FTEs For Reserves/National Guard (Technicians Included Above)	75,766 (62,357)	-304 (+512)	75,462 (62,869)	-12 (+817)	75,450 (63,686)
<u>Selected Reserve By Service</u>	<u>865,242</u>	<u>-1,467</u>	<u>863,775</u>	<u>+883</u>	<u>864,658</u>
Army Reserve	206,892	-1,592	205,300	-300	205,000
Navy Reserve	86,933	-922	86,011	+989	87,000
Marine Corps Reserve	39,667	-109	39,558	-	39,558
Air Force Reserve	72,340	+2,018	74,358	+342	74,700
Army National Guard	353,045	-2,519	350,526	-526	350,000
Air National Guard	106,365	+1,657	108,022	+378	108,400

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

	<u>(Military End Strength/ Civilian Full-Time Equivalents)</u>				
	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army Reserve (AR)</u>	<u>206,892</u>	<u>-1,592</u>	<u>205,300</u>	<u>-300</u>	<u>205,000</u>
Trained in Units	168,686	+1,723	170,409	-2,163	168,246
Individual Mobilization Augmentees (IMAs)	5,707	+2,293	8,000	-	8,000
Training Pipeline	19,644	-5,859	13,785	+1,861	15,646
Full-time Duty	12,855	+251	13,106	+2	13,108
Active Military Support to AR	493	+1	494	-	494
Civilian FTE for AR	10,581	-114	10,467	+207	10,674
(Technicians Included Above)	(6,118)	(+436)	(6,554)	(+354)	(6,908)
<u>Navy Reserve (NR)</u>	<u>86,933</u>	<u>-922</u>	<u>86,011</u>	<u>+989</u>	<u>87,000</u>
Trained in Units	71,546	-208	71,338	+510	71,848
Individual Mobilization Augmentees (IMAs)	-	-	-	+168	168
Training Pipeline	-	+24	24	+149	173
Full-time Duty	15,387	-738	14,649	+162	14,811
Active Military Support to NR	6,273	+332	6,605	+95	6,700
Civilian FTEs for NR	1,897	-27	1,870	-339	1,531
(Technicians Included Above)	(-)	(-)	(-)	(-)	(-)
<u>Marine Corps Reserve (MCR)</u>	<u>39,667</u>	<u>-109</u>	<u>39,558</u>	<u>=</u>	<u>39,558</u>
Trained in Units	33,133	-273	32,860	-	32,860
Individual Mobilization Augmentees (IMAs)	1,191	+229	1,420	-	1,420
Training Pipeline	3,027	-10	3,017	-	3,017
Full-time Duty	2,316	-55	2,261	-	2,261
Active Military Support to MCR	4,270	-43	4,227	(-)	4,227
Civilian FTEs for MCR	154	-4	150	-2	148
(Technicians Included Above)	(-)	(-)	(-)	(-)	(-)

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

(Military End Strength/ Civilian Full-Time Equivalents)

	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Air Force Reserve (AFR)</u>	<u>72,340</u>	<u>+2,018</u>	<u>74,358</u>	<u>+342</u>	<u>74,700</u>
Trained in Units	57,237	+2,281	59,518	+18	59,536
Individual Mobilization Augmentees (IMAs)	12,597	+136	12,733	+223	12,956
Training Pipeline	1,361	-590	771	-	771
Full-time Duty	1,145	+191	1,336	+101	1,437
Active Military Support for AFR	707	-	707	-2	705
Civilian FTEs for AFR	14,608	+162	14,770	-436	14,334
(Technicians Included Above)	(9,715)	(+198)	(9,913)	(-75)	(9,838)
<u>Army National Guard (ARNG)</u>	<u>353,045</u>	<u>-2,519</u>	<u>350,526</u>	<u>-526</u>	<u>350,000</u>
Trained in Units	301,140	-1,728	299,412	-2,933	296,479
Individual Mobilization Augmentees (IMAs)	-	-	-	-	-
Training Pipeline	29,398	-1,258	28,140	+2,407	30,547
Full-time Duty	22,507	+467	22,974	-	22,974
Active Military Support to ARNG	184	-	184	-	184
Civilian FTEs for ARNG	24,429	-54	24,375	+277	24,652
(Technicians Included Above)	(23,904)	(-44)	(23,860)	(+286)	(24,146)
<u>Air National Guard (ANG)</u>	<u>106,365</u>	<u>+1,657</u>	<u>108,022</u>	<u>+378</u>	<u>108,400</u>
Trained in Units	90,667	+3,785	94,452	-43	94,409
Individual Mobilization Augmentees (IMAs)	-	-	-	-	-
Training Pipeline	4,470	-2,070	2,400	-	2,400
Full-time Duty	11,228	-58	11,170	+421	11,591
Active Military Support for ANG	586	-77	509	+18	527
Civilian FTEs for ANG	24,097	-267	23,830	+281	24,111
(Technicians Included Above)	(22,620)	(-78)	(22,542)	(+252)	(22,794)

DoD CUSTOMER FUEL PRICES

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

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

Based on current economic assumptions, the FY 2002 amended budget has established the stabilized composite price of \$42.00 per barrel to be charged to DoD customers in FY 2002. This price is anticipated to result in adequate revenue to fully finance the Defense Working Capital Fund's costs of anticipated fuel purchases and the costs of FY 2002 operations. The FY 2002 stabilized composite price declines by 1 percent from the FY 2001 stabilized price of \$42.42 per barrel. The decline reflects projected decreases in fuel costs. The recovery of prior year operating losses that resulted from fuel prices that were higher than the stabilized rates charged to customers in FY 2000 and FY 2001 was financed through a direct appropriation to the DWCF in the Emergency Supplemental Act, 2000 (PL 106-246).

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

<u>Product Type</u>	<u>(Rates in Dollars)</u>					
	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>	
	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>
AVGAS OCONUS	2.43	102.06	3.76	157.92	4.63	194.46
AVGAS CONUS	0.75	31.50	1.22	51.24	1.29	54.18
Motor Gas Leaded	0.81	34.02	1.27	53.34	1.17	49.14
Motor Gas Unleaded	0.68	28.56	1.09	45.78	1.26	52.92
Premium	0.74	31.08	1.17	49.14	1.41	59.22
Midgrade	0.71	29.82	1.13	47.46	1.22	51.24
Regular	0.67	28.14	1.07	44.94	1.07	44.94
Gasohol	0.69	28.98	1.10	46.20	1.20	50.40
Jet Fuel Widecut	0.80	33.60	1.21	50.82	1.09	45.78

DOD CUSTOMER FUEL PRICES

	0.61	25.62	1.00	42.00	1.06	44.52
	(Rates in Dollars)					
<u>Product Type</u>	<u>FY 2000</u>		<u>FY 2001</u>		<u>FY 2002</u>	
	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>
Jet Fuel Commercial Grade						
JP-5	0.63	26.46	1.03	43.26	1.02	42.84
JP-8	0.62	26.04	1.01	42.42	1.00	42.00
Distillates	0.60	25.20	0.98	41.16	0.96	40.32
Diesel (Generic)	0.57	23.94	0.95	39.90	1.15	48.30
Diesel KSN PC&S	0.58	24.36	0.96	40.32	1.10	46.20
Diesel KS1 PC&S	0.61	25.62	1.00	42.00	1.14	47.88
Diesel FS2 PC&S	0.51	21.42	0.85	35.70	0.88	36.96
Diesel FS1 PC&S	0.58	24.36	0.96	40.32	0.98	41.16
Diesel DFA High Sulfur	0.61	25.62	1.00	42.00	1.07	44.94
Diesel DLA Low Sulfur	0.74	31.08	1.17	49.14	1.31	55.02
Diesel DL1 Low Sulfur	0.67	28.14	1.07	44.94	1.18	49.56
Diesel DF1 High Sulfur	0.57	23.94	0.95	39.90	0.95	39.90
Diesel DF2 High Sulfur	0.52	21.84	0.87	36.54	1.02	42.84
Diesel DL2 Low Sulfur	0.62	26.04	1.00	42.00	1.13	47.46
Residuals	0.38	15.96	0.65	27.30	0.70	29.40
Navy Reclaimed	0.37	15.54	0.35	14.70	0.50	21.00
Into Plane Jet Fuel	0.79	33.18	1.27	53.34	1.18	49.56
Into Plane AVGAS	0.94	39.48	1.50	63.00	1.37	57.54
Local Purchase Jet Fuel	1.50	63.00	1.50	63.00	1.66	69.72
Local Purchase Ground Fuel	0.94	39.48	1.43	60.06	1.43	60.06
Bunker-Marine	0.58	24.36	0.96	40.32	0.89	37.38
Bunker - Intermediate	0.29	12.18	0.67	28.14	0.56	23.52
Composite Price	0.62	26.04	1.01	42.42	1.00	42.00
Special Fuels:						
Special Fuels 2 (JP-TS)	3.25	136.50	3.25	136.50	3.45	144.90
Special Fuels 1 (JP-7)	3.00	126.00	3.00	126.00	3.00	126.00

FOREIGN CURRENCY RATES

The Foreign Currency Fluctuations, Defense (FCF,D) appropriation was established in FY 1979 to enable execution of budgeted programs without concern for adverse variations in foreign currency exchange rates. This centralized account is managed by the Under Secretary of Defense (Comptroller). Funds are transferred from this appropriation to selected DoD Components' Operation and Maintenance (O&M) and Military Personnel (MILPERS) appropriations to offset net losses in purchasing power because of unfavorable fluctuations in the foreign currency exchange rates of specified currencies. If a net gain results, the asset is transferred from the gaining appropriation to the FCF,D appropriation to replenish the fund. The specified currencies are shown below as well as the rates used to formulate the budget. It is these rates the Department intends to use to measure foreign currency fluctuation during execution. These rates are expressed in terms of units of foreign currency that can be purchased with one (1) U.S. dollar. Beginning with FY 2002, the national currencies of Belgium, France, Germany, Greece, Italy, the Netherlands, Portugal, and Spain are consolidated in the European Community (i.e., euro) currency.

FOREIGN CURRENCY EXCHANGE RATES (Units of Foreign Currency Per One U.S. Dollar)

<u>Country</u>	<u>Monetary Unit</u>	<u>Execution Rates</u>		<u>President's</u>
		<u>FY 2000</u>	<u>FY 2001</u>	<u>Budget Rates</u>
				<u>FY 2002</u>
Belgium	Franc	38.260	49.6404	-
Denmark	Krone	7.110	9.1871	8.9750
European Community	Euro	.9486	1.2325	1.1967
France	Franc	6.2211	8.0786	-
Germany	Deutsche Mark	1.8549	2.4048	-
Greece	Drachma	312.67	416.6065	-
Italy	Lira	1,836.37	2,384.689	-
Japan	Yen	111.6695	122.1325	126.680
Netherlands	Guilder	2.0899	2.7115	-
Norway	Krone	7.8880	9.9314	9.5603
Portugal	Escudo	190.680	247.633	-
Singapore	Dollar	1.6640	1.9098	1.8265
South Korea	Won	1,199.1	1,244.076	1,349.5
Spain	Peseta	158.250	205.5207	-
Turkey	Lira	480,770	719,969.0	1,255,000
United Kingdom	Pound	.6080	0.7415	0.7144

KEY ACTIVITY INDICATORS

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>ARMY</u>					
Active Duty Military Personnel (End Strength)	482,170	-2,170	480,000	-	480,000
Civilian Personnel (O&M FTEs)	125,963	-6,427	119,536	-1,850	117,686
Total Aircraft Inventory (TAI)	3,033	+221	3,254	-169	3,085
Primary Authorized Aircraft (PAA)	2,449	+42	2,491	-69	2,422
Flying Hours (000s)	597	+106	703	-20	683
Training Workloads	57,696	+8,846	66,542	+697	67,239
Major Installations	144	-	144	-	144
<u>NAVY</u>					
Active Duty Military Personnel (End Strength)	373,193	-551	372,642	+3,358	376,000
Civilian Personnel (O&M FTEs)	78,503	-4,583	73,920	-2,507	71,413
Total Aircraft Inventory (TAI) (Includes Reserves)	4,055	+15	4,070	+24	4,094
Primary Authorized Aircraft (PAA) (Active)	2,499	+9	2,508	-10	2,498
Flying Hours (000's)	1,200	-42	1,158	+158	1,316
Ship Inventory	302	-1	301	-2	299
Steaming Hours (Conventional) (000's)	462	-24	438	+55	493
Steaming Hours (Nuclear) (000's)	24	-	24	-1	23
Training Workloads	44,278	+880	45,158	-470	44,688
Major Installations	105	-	105	-	105
<u>MARINE CORPS</u>					
Active Duty Military Personnel (End Strength)	173,321	-721	172,600	-	172,600
Civilian Personnel (O&M FTEs)	12,556	-939	11,617	-618	10,999
Training Workloads	16,536	+1,302	17,838	+1,006	18,844
Major Installations	22	-	22	-	22
Major Supply Depots	2	-	2	-	2

KEY ACTIVITY INDICATORS

	FY 2000		FY 2001		FY 2002
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>AIR FORCE</u>					
Active Duty Military Personnel (End Strength)	355,654	+1,346	357,000	+1,800	358,800
Civilian Personnel (O&M FTEs)	84,485	-2,670	81,815	-616	81,199
Total Aircraft Inventory (TAI)	3,931	-43	3,888	-140	3,748
Primary Assigned Aircraft (PAA)	3,335	+23	3,358	-57	3,301
Flying Hours (000's)	1,257	+36	1,293	+6	1,299
Training Workloads	21,763	+1,869	23,632	+864	24,496
Major Installations	80	-	80	-2	78
<u>ARMY RESERVE</u>					
Total Selected Reserve Strength (End Strength)	206,892	-1,592	205,300	-300	205,000
Civilian Personnel (O&M FTEs)	10,581	-114	10,467	+207	10,674
(Technicians Included Above)	(6,118)	(+436)	(6,554)	(+354)	(6,908)
Total Aircraft Inventory (TAI)/PAA	129	+6	135	+8	143
Flying Hours (000's)	32	+11	43	-	43
Major Installations	6	-	6	-	6
Training Locations (Installations and Reserve Centers)	809	-	809	-23	786
<u>NAVY RESERVE</u>					
Total Selected Reserve Strength (End Strength)	86,933	-922	86,011	+989	87,000
Civilian Personnel (O&M FTEs)	1,897	-27	1,870	-339	1,531
Primary Authorized Aircraft (PAA) *	411	-7	404	-1	403
Flying Hours (000's)	174	-3	171	-	171
Ship Inventory	27	-2	25	-	25
Steaming Hours (000's)	42	-4	38	-2	36
Training Centers	159	-2	157	-1	156
Major Installations	5	-1	4	-	4

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

KEY ACTIVITY INDICATORS

	<u>FY 2000</u>	<u>Change</u>	<u>FY 2001</u>	<u>Change</u>	<u>FY 2002</u>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
<u>MARINE CORPS RESERVE</u>					
Total Selected Reserve Strength (End Strength)	39,667	-109	39,558	-	39,558
Civilian Personnel (O&M FTEs)	154	-4	150	-2	148
Division/Wing Team	1/1	-	1/1	-	1/1
Training Centers	185	-	185	-	185
<u>AIR FORCE RESERVE</u>					
Total Selected Reserve Strength (End Strength)	72,340	+2,018	74,358	+342	74,700
Civilian Personnel (O&M FTEs)	14,608	+162	14,770	-436	14,334
(Technicians Included Above)	(9,715)	(+198)	(9,913)	(-75)	(9,838)
Total Aircraft Inventory (TAI)	445	+11	456	+3	459
Primary Authorized Aircraft (PAA)	397	+1	398	+5	403
Flying Hours (000's)	124	+12	136	+2	138
Major Installations	13	-	13	-	13
<u>ARMY NATIONAL GUARD</u>					
Total Selected Reserve Strength (End Strength)	353,045	-2,519	350,526	-526	350,000
Civilian Personnel (O&M FTEs)	24,429	-54	24,375	+277	24,652
(Technicians Included Above)	(23,904)	(-44)	(23,860)	(+286)	(24,146)
Total Aircraft Inventory (TAI)/PAA	1,930	-99	1,831	-154	1,677
Flying Hours (000's)	251	+90	341	+9	350
Training Locations	283	-	283	-	283
Divisions	8	-	8	-	8
Brigades	15	-	15	-	15

KEY ACTIVITY INDICATORS

	<u>FY 2000</u>	<u>Change</u>	<u>FY 2001</u>	<u>Change</u>	<u>FY 2002</u>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
<u>AIR NATIONAL GUARD</u>					
Total Selected Reserve Strength (End Strength)	106,365	+1,657	108,022	+378	108,400
Civilian Personnel (O&M FTEs)	24,097	-267	23,830	+281	24,111
(Technicians Included Above)	(22,620)	(-78)	(22,542)	(+252)	(22,794)
Total Aircraft Inventory (TAI)	1,362	-33	1,329	-20	1,309
Primary Authorized Aircraft (PAA)	1,171	+9	1,180	-16	1,164
Flying Hours (000's)	309	+29	338	-22	316
Major Installations	3	-1	2	-	2
Other Operating Locations	172	-	172	+1	173
<u>DEFENSE HEALTH PROGRAM</u>					
Total Aircraft Inventory (TAI)/(PAA)	27	-18	9	-	9
Flying Hours (000's)	21	-18	3	-	3
Occupied Bed Days (000's)	965	-23	942	-22	920
Ambulatory Visits (000's)	30,738	+28	30,766	+5	30,771
<u>U.S. SPECIAL OPERATIONS COMMAND</u>					
Total Aircraft Inventory (TAI)					
USASOC	146	-	146	-	146
AFSOC	139	-3	136	-4	132
Primary Authorized Aircraft (PAA)					
USASOC	146	-	146	-	146
AFSOC	139	-3	136	-4	132
Flying Hours (000's)					
USASOC	33	-1	32	+2	34
AFSOC	52	-1	51	+1	52

LEGISLATIVE PROPOSALS

The FY 2002 amended budget includes funding and legislation for new authorities to enhance retention and improve quality-of-life for military and civilian members of the Department. The following tables provide a summary of the legislative proposals and the applicable funding reflected in the FY 2002 request.

	<u>(\$ in Millions)</u>
	<u>FY 2002</u>
Military Personnel, Navy	+0.8
Military Personnel, Air Force	+13.1
Reserve Personnel, Army	+0.3
Reserve Personnel, Navy	+0.3
Reserve Personnel, Marine Corps	+0.1
Reserve Personnel, Air Force	+2.1
National Guard Personnel, Army	+0.5
National Guard Personnel, Air Force	+0.2
Operation and Maintenance, Army	+1.0
Operation and Maintenance, Air Force	<u>+5.2</u>
Total	+23.6

LEGISLATIVE PROPOSALS

Military Personnel Initiatives

(\$ in Millions)

FY 2002

Officer Critical Skills Accession Pay (OCSAP) – Provides the Service Secretaries with the flexibility to recruit officers with critical skills and experience without having to establish new special or incentive pays for each officer career specialty experiencing shortfalls.

Military Personnel, Navy	+0.6
Military Personnel, Air Force	+13.1
Reserve Personnel, Navy	<u>+0.1</u>
Total	+13.8

Hazardous Duty Incentive Pay (HDIP) for Vehicle Boarding – Search and Seizure (VBSS) Team Members – Provides HDIP to members of VBSS teams who are responsible for boarding foreign vessels in support of Maritime Interdiction Operations (MIO).

Military Personnel, Navy	+0.2
Reserve Personnel, Navy	<u>*</u>
Total	+0.2

* Less than \$50,000

Reserve Components Health Professional Recruiting and Retention Incentives – Authorizes DoD to pay a stipend to students who are entering medical and dental school. Allows DoD to pay a subsequent incentive to an officer who has graduated from medical or dental school and previously received financial assistance as an undergraduate, provided that the officer enters residency training in a skill that is designated as critically short.

Reserve Personnel, Army	+0.1
Reserve Personnel, Air Force	+2.0
National Guard Personnel, Army	<u>+0.2</u>
Total	+2.3

LEGISLATIVE PROPOSALS

(\$ in Millions)
FY 2002

Montgomery GI Bill – Selected Reserves (MGIB-SR) Eligibility Period – Extends the maximum period from 10 years to 14 years that a member of the Selected Reserve would be authorized to use the educational benefits provided under the MGIB-SR.

Reserve Personnel, Army	+0.2
Reserve Personnel, Navy	+0.2
Reserve Personnel, Marine Corps	+0.1
Reserve Personnel, Air Force	+0.1
National Guard Personnel, Army	+0.3
National Guard Personnel, Air Force	<u>+0.2</u>
Total	+1.1

Civilian Personnel Initiative

Civilian Voluntary Separation Incentive Program (VSIP) and Voluntary Early Retirement Authority (VERA) for Force Shaping – Expands the uses of VSIP and VERA for force-shaping purposes without requiring DoD to link the usage of these authorities to avoiding involuntary separations.

Operation and Maintenance, Army	+1.0
Operation and Maintenance, Air Force	<u>+5.2</u>
Total	+6.2

DISTRIBUTION LIST

House Appropriations Committee	6
Senate Appropriations Committee	6
House Armed Services Committee	10
Senate Armed Service Committee	10
House Budget Committee	1
Senate Budget Committee	1
Congressional Budget Office	1
General Accounting Office	3
Office of Management and Budget	10
National Security Council	1
Library of Congress, Congressional Research Service	2
Defense Technical Information Center	1
Under Secretary of Defense (Comptroller)	1
Principal Deputy Under Secretary of Defense (Comptroller)	1
Deputy Comptroller, Program/Budget	1
Assistant Deputy Comptroller, Program/Budget	1
Directorate for Investment	2
Directorate for Military Construction	2
Directorate for Operations and Personnel	20
Directorate for Plans and Systems	12
Directorate for Program and Financial Control	2
Directorate for Revolving Funds	4
Deputy Chief Financial Officer	5
Director for Program Analysis and Evaluation	3
Office of the Under Secretary of Defense (Policy)	1
Office of the Assistant Secretary of Defense (Strategy and Threat Reduction)	1
Office of the Assistant Secretary of Defense (SO/LIC)	1
Office of the Assistant Secretary of Defense (International Security Affairs)	1
Office of the Deputy Under Secretary of Defense (Policy Support)	1
Office of the Deputy Under Secretary of Defense (Technology Security Policy)	1
Office of the Under Secretary of Defense (Personnel & Readiness)	1
Office of the Deputy Under Secretary of Defense (Readiness)	2
Office of the Deputy Under Secretary of Defense (Program Integration)	1
Office of the Deputy Under Secretary of Defense (Planning)	1

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Office of the Assistant Secretary of Defense (Health Affairs)	1
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Office of the Assistant Secretary of Defense (Command, Control, Communications & Intelligence)	1
Office of the Under Secretary of Defense (Acquisition, Technology & Logistics)	1
Office of the Deputy Under Secretary of Defense (Acquisition & Technology)	1
Office of the Deputy Under Secretary of Defense (Installations)	1
Office of the Deputy Under Secretary of Defense (Acquisition Reform)	1
Office of the Deputy Under Secretary of Defense (Logistics & Materiel Readiness)	1
Office of the Deputy Under Secretary of Defense (Industrial Affairs)	1
Office of the Deputy Under Secretary of Defense (Environmental Security)	1
Office of the Deputy Under Secretary of Defense (Science & Technology)	1
Office of the Deputy Under Secretary of Defense (Advanced Systems & Concepts)	1
Office of the Director Small & Disadvantaged Business Utilization	1
Office of the Director Defense Research & Engineering	1
Office of the Assistant to the Secretary of Defense (Nuclear, Biological & Chemical Defense Programs)	1
Office of the Assistant Secretary of Defense (Legislative Affairs)	1
Office of the Assistant Secretary of Defense (Public Affairs)	2
Office of the General Counsel, Department of Defense	1
Office of the Assistant to the Secretary of Defense (Civil Support)	1
Office of the Assistant to the Secretary of Defense (Intelligence Oversight)	1
Office of the Director Net Assessment	1
Office of the Director Administration & Management	1
Department of the Army, Office of the Assistant Secretary of the Army (FM&C)	5
Department of the Army, Office of the Army Reserve, Comptroller Division	2
Department of the Army, National Guard Bureau, Comptroller Division	2
Department of the Navy, Office of the Assistant Secretary of the Navy (FM&C)	5
Department of the Navy, Directorate of Naval Reserve, Financial Management	2
Department of the Navy, Headquarters U.S. Marine Corps, Fiscal Directorate	2
Department of the Navy, Headquarters U.S. Marine Corps, Reserve Affairs, Budget	2
Department of the Air Force, Office of the Assistant Secretary of the Air Force (FM&C)	5
Department of the Air Force, Office of Air Force Reserve, Comptroller Division	2
Department of the Air Force, National Guard Bureau, Comptroller Division	2

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Defense Intelligence Agency	1
Defense Legal Services Agency	1
Defense Logistics Agency	1
Defense Prisoner of War/Missing Personnel Office	1
Defense Threat Reduction Agency	1
Defense Security Cooperation Agency	1
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National Imagery and Mapping Agency	1
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U.S. Special Operations Command	1
Washington Headquarters Services	5

WORLD WIDE WEB ADDRESS

The Operation and Maintenance Overview is available on the

World Wide Web at

<http://www.dtic.mil/comptroller/fy2002budget/index.html>

Military Personnel Programs (M-1)

**Department of Defense
FY 2002 Amended Budget Submission**

The Military Personnel Programs (M-1) is consistent with the Comptroller Information System database

The M-1 is provided to the DoD oversight committees of the Congress. This document is available to the public on the Internet at <http://www.dtic.mil/comptroller/FY2002budget>

Office of the Under Secretary of Defense
(Comptroller)

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
MILITARY PERSONNEL, ARMY					
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER					
2010A	5	BASIC PAY	3,554,771	3,663,289	3,865,263
2010A	10	RETIRED PAY ACCRUAL	1,130,417	1,084,334	1,171,175
2010A	25	BASIC ALLOWANCE FOR HOUSING	614,189	654,236	676,228
2010A	30	BASIC ALLOWANCE FOR SUBSISTENCE	148,293	146,640	147,368
2010A	35	INCENTIVE PAYS	78,864	77,641	79,159
2010A	40	SPECIAL PAYS	207,609	207,559	205,892
2010A	45	ALLOWANCES	78,603	69,269	51,725
2010A	50	SEPARATION PAY	68,460	67,753	117,107
2010A	55	SOCIAL SECURITY TAX	270,128	278,471	293,990
TOTAL BUDGET ACTIVITY 1:			6,151,334	6,249,192	6,607,907
ACTIVITY 2: PAY AND ALLOW OF ENLISTED PERS					
2010A	60	BASIC PAY	7,682,372	8,098,895	8,638,466
2010A	65	RETIRED PAY ACCRUAL	2,442,994	2,397,273	2,617,464
2010A	80	BASIC ALLOWANCE FOR HOUSING	1,265,347	1,276,208	1,464,926
2010A	85	INCENTIVE PAYS	68,858	69,610	68,302
2010A	90	SPECIAL PAYS	436,100	493,763	425,725
2010A	95	ALLOWANCES	449,103	360,457	376,594
2010A	100	SEPARATION PAY	201,466	236,986	353,111
2010A	105	SOCIAL SECURITY TAX	581,587	615,313	654,354
TOTAL BUDGET ACTIVITY 2:			13,127,827	13,548,505	14,598,942

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 3: PAY AND ALLOW OF CADETS					
2010A	110	ACADEMY CADETS	39,646	41,697	46,889
TOTAL BUDGET ACTIVITY 3:			39,646	41,697	46,889
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERS					
2010A	115	BASIC ALLOWANCE FOR SUBSISTENCE	781,301	801,039	820,696
2010A	120	SUBSISTENCE-IN-KIND	559,732	424,058	495,478
TOTAL BUDGET ACTIVITY 4:			1,341,033	1,225,097	1,316,174
ACTIVITY 5: PERMANENT CHANGE OF STATION					
2010A	125	ACCESSION TRAVEL	167,697	172,349	166,279
2010A	130	TRAINING TRAVEL	34,000	38,459	43,478
2010A	135	OPERATIONAL TRAVEL	164,456	148,960	136,517
2010A	140	ROTATIONAL TRAVEL	535,990	556,953	552,859
2010A	145	SEPARATION TRAVEL	136,932	144,494	138,145
2010A	150	TRAVEL OF ORGANIZED UNITS	9,652	11,930	1,706
2010A	155	NON-TEMPORARY STORAGE	28,962	29,859	28,365
2010A	160	TEMPORARY LODGING EXPENSE	19,426	19,540	20,573
2010A	165	OTHER	-	-	-
TOTAL BUDGET ACTIVITY 5:			1,097,115	1,122,544	1,087,922

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 6: OTHER MILITARY PERS COSTS					
2010A	170	APPREHENSION OF MILITARY DESERTERS	944	604	608
2010A	175	INTEREST ON UNIFORMED SERVICES SAVINGS	363	203	202
2010A	180	DEATH GRATUITIES	2,832	2,850	7,632
2010A	185	UNEMPLOYMENT BENEFITS	89,178	82,394	81,940
2010A	190	SURVIVOR BENEFITS	7,161	6,717	6,560
2010A	195	EDUCATION BENEFITS	19,800	20,400	23,917
2010A	200	ADOPTION EXPENSES	252	252	250
2010A	205	SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES	13,113	13,828	4,800
2010A	210	TRANSPORTATION SUBSIDY	722	1,055	2,040
2010A	215	OTHER	-	-	-
TOTAL BUDGET ACTIVITY 6:			134,365	128,303	127,949
2010A	215	LESS REIMBURSABLES	(212,579)	(153,061)	(159,099)
TOTAL DIRECT - MILITARY PERSONNEL, ARMY			21,678,741	22,162,277	23,626,684

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
MILITARY PERSONNEL, NAVY					
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER					
1453N	5	BASIC PAY	2,522,274	2,614,107	2,775,735
1453N	10	RETIRED PAY ACCRUAL	802,083	773,775	841,048
1453N	25	BASIC ALLOWANCE FOR HOUSING	575,272	590,095	666,155
1453N	30	BASIC ALLOWANCE FOR SUBSISTENCE	101,874	102,925	105,829
1453N	35	INCENTIVE PAYS	153,251	166,681	177,748
1453N	40	SPECIAL PAYS	223,238	226,962	233,097
1453N	45	ALLOWANCES	62,429	50,640	57,037
1453N	50	SEPARATION PAY	39,653	43,870	67,735
1453N	55	SOCIAL SECURITY TAX	192,953	198,787	211,110
TOTAL BUDGET ACTIVITY 1:			4,673,027	4,767,842	5,135,494
ACTIVITY 2: PAY AND ALLOW OF ENLISTED PERS					
1453N	60	BASIC PAY	6,170,509	6,488,971	7,054,710
1453N	65	RETIRED PAY ACCRUAL	1,962,223	1,918,368	2,135,153
1453N	80	BASIC ALLOWANCE FOR HOUSING	1,446,962	1,502,003	1,841,733
1453N	85	INCENTIVE PAYS	84,057	91,217	89,291
1453N	90	SPECIAL PAYS	627,432	693,113	737,536
1453N	95	ALLOWANCES	402,292	352,536	385,568
1453N	100	SEPARATION PAY	89,631	118,431	229,464
1453N	105	SOCIAL SECURITY TAX	471,496	491,407	534,685
TOTAL BUDGET ACTIVITY 2:			11,254,602	11,656,046	13,008,140

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 3: PAY AND ALLOW OF MIDSHIPMEN					
1453N	110	MIDSHIPMEN	41,425	39,000	44,156
TOTAL BUDGET ACTIVITY 3:			41,425	39,000	44,156
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERS					
1453N	115	BASIC ALLOWANCE FOR SUBSISTENCE	530,798	529,828	569,109
1453N	120	SUBSISTENCE-IN-KIND	234,705	294,647	325,862
TOTAL BUDGET ACTIVITY 4:			765,503	824,475	894,971
ACTIVITY 5: PERMANENT CHANGE OF STATION					
1453N	125	ACCESSION TRAVEL	54,640	55,211	57,995
1453N	130	TRAINING TRAVEL	56,103	47,221	54,827
1453N	135	OPERATIONAL TRAVEL	144,966	148,512	168,177
1453N	140	ROTATIONAL TRAVEL	224,068	233,776	258,534
1453N	145	SEPARATION TRAVEL	102,245	104,146	106,049
1453N	150	TRAVEL OF ORGANIZED UNITS	16,998	17,084	18,719
1453N	155	NON-TEMPORARY STORAGE	16,893	13,894	11,402
1453N	160	TEMPORARY LODGING EXPENSE	6,380	6,131	6,964
1453N	165	OTHER	8,088	7,032	7,140
TOTAL BUDGET ACTIVITY 5:			630,381	633,007	689,807

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 6: OTHER MILITARY PERS COSTS					
1453N	170	APPREHENSION OF MILITARY DESERTERS	800	800	812
1453N	175	INTEREST ON UNIFORMED SERVICES SAVINGS	158	203	206
1453N	180	DEATH GRATUITIES	1,338	1,296	1,314
1453N	185	UNEMPLOYMENT BENEFITS	50,566	42,937	44,085
1453N	190	SURVIVOR BENEFITS	3,085	2,622	2,366
1453N	195	EDUCATION BENEFITS	9,243	6,773	7,866
1453N	200	ADOPTION EXPENSES	232	229	232
1453N	205	SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES	4,500	5,946	5,946
1453N	210	TRANSPORTATION SUBSIDY	-	5,572	9,573
1453N	215	OTHER	-	-	-
TOTAL BUDGET ACTIVITY 6:			69,922	66,378	72,400
1453N	215	LESS REIMBURSABLES	(246,554)	(230,901)	(237,984)
TOTAL DIRECT - MILITARY PERSONNEL, NAVY			17,188,306	17,755,847	19,606,984

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
MILITARY PERSONNEL, MARINE CORPS					
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER					
1105N	5	BASIC PAY	819,608	859,164	903,682
1105N	10	RETIRED PAY ACCRUAL	260,636	254,314	273,877
1105N	25	BASIC ALLOWANCE FOR HOUSING	146,072	152,730	176,837
1105N	30	BASIC ALLOWANCE FOR SUBSISTENCE	34,449	34,715	35,550
1105N	35	INCENTIVE PAYS	43,327	41,515	45,350
1105N	40	SPECIAL PAYS	1,478	1,561	1,709
1105N	45	ALLOWANCES	21,348	18,637	22,542
1105N	50	SEPARATION PAY	12,290	12,112	18,606
1105N	55	SOCIAL SECURITY TAX	62,228	65,203	68,428
TOTAL BUDGET ACTIVITY 1:			1,401,436	1,439,951	1,546,581
ACTIVITY 2: PAY AND ALLOW OF ENLISTED PERS					
1105N	60	BASIC PAY	2,735,499	2,872,772	3,055,219
1105N	65	RETIRED PAY ACCRUAL	867,901	848,381	923,588
1105N	80	BASIC ALLOWANCE FOR HOUSING	410,172	428,521	529,819
1105N	85	INCENTIVE PAYS	8,075	8,356	8,356
1105N	90	SPECIAL PAYS	95,271	118,418	113,910
1105N	95	ALLOWANCES	168,631	158,542	172,907
1105N	100	SEPARATION PAY	46,634	55,235	84,134
1105N	105	SOCIAL SECURITY TAX	208,788	219,262	233,195
TOTAL BUDGET ACTIVITY 2:			4,540,971	4,709,487	5,121,128

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERS					
1105N	115	BASIC ALLOWANCE FOR SUBSISTENCE	238,089	237,967	251,851
1105N	120	SUBSISTENCE-IN-KIND	130,819	170,124	184,122
TOTAL BUDGET ACTIVITY 4:			368,908	408,091	435,973
ACTIVITY 5: PERMANENT CHANGE OF STATION					
1105N	125	ACCESSION TRAVEL	27,905	29,265	32,434
1105N	130	TRAINING TRAVEL	5,266	7,596	7,777
1105N	135	OPERATIONAL TRAVEL	63,562	62,982	63,286
1105N	140	ROTATIONAL TRAVEL	95,321	96,857	97,884
1105N	145	SEPARATION TRAVEL	38,821	43,002	45,310
1105N	150	TRAVEL OF ORGANIZED UNITS	872	583	599
1105N	155	NON-TEMPORARY STORAGE	2,908	3,013	3,029
1105N	160	TEMPORARY LODGING EXPENSE	5,683	5,843	6,056
1105N	165	OTHER	1,298	1,164	1,181
TOTAL BUDGET ACTIVITY 5:			241,636	250,305	257,556

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 6: OTHER MILITARY PERS COSTS					
1105N	170	APPREHENSION OF MILITARY DESERTERS	1,377	905	920
1105N	175	INTEREST ON UNIFORMED SERVICES SAVINGS	15	15	15
1105N	180	DEATH GRATUITIES	942	942	984
1105N	185	UNEMPLOYMENT BENEFITS	23,164	22,211	24,738
1105N	190	SURVIVOR BENEFITS	1,460	1,400	1,287
1105N	195	EDUCATION BENEFITS	76	47	48
1105N	200	ADOPTION EXPENSES	985	1,408	3,046
1105N	205	SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES	813	935	1,870
1105N	210	TRANSPORTATION SUBSIDY	32	1,697	2,611
1105N	215	OTHER	-	-	-
		TOTAL BUDGET ACTIVITY 6:	28,864	29,560	35,519
1105N	215	LESS REIMBURSABLES	(29,407)	(30,394)	(31,717)
		TOTAL DIRECT - MILITARY PERS, MARINE CORPS	6,552,408	6,807,000	7,365,040

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
MILITARY PERSONNEL, AIR FORCE					
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER					
3500F	5	BASIC PAY	3,360,889	3,432,376	3,756,429
3500F	10	RETIRED PAY ACCRUAL	1,068,763	1,015,983	1,138,198
3500F	25	BASIC ALLOWANCE FOR HOUSING	605,867	648,442	702,854
3500F	30	BASIC ALLOWANCE FOR SUBSISTENCE	133,106	132,944	138,009
3500F	35	INCENTIVE PAYS	292,868	292,516	295,823
3500F	40	SPECIAL PAYS	181,690	200,732	220,885
3500F	45	ALLOWANCES	63,474	43,863	52,450
3500F	50	SEPARATION PAY	108,293	71,512	114,005
3500F	55	SOCIAL SECURITY TAX	254,764	260,211	284,919
TOTAL BUDGET ACTIVITY 1:			6,069,714	6,098,579	6,703,572
ACTIVITY 2: PAY AND ALLOW OF ENLISTED PERS					
3500F	60	BASIC PAY	5,944,627	6,153,049	6,791,260
3500F	65	RETIRED PAY ACCRUAL	1,890,391	1,821,303	2,057,752
3500F	80	BASIC ALLOWANCE FOR HOUSING	1,136,294	1,178,892	1,353,415
3500F	85	INCENTIVE PAYS	33,069	33,810	35,093
3500F	90	SPECIAL PAYS	262,181	317,516	455,386
3500F	95	ALLOWANCES	353,853	301,594	372,481
3500F	100	SEPARATION PAY	71,109	89,070	196,962
3500F	105	SOCIAL SECURITY TAX	454,764	470,709	516,360
TOTAL BUDGET ACTIVITY 2:			10,146,288	10,365,943	11,778,709

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 3: PAY AND ALLOWANCES OF CADETS					
3500F	110	ACADEMY CADETS	39,426	41,182	48,773
TOTAL BUDGET ACTIVITY 3:			39,426	41,182	48,773
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERS					
3500F	115	BASIC ALLOWANCE FOR SUBSISTENCE	685,906	686,911	698,080
3500F	120	SUBSISTENCE-IN-KIND	113,235	114,931	112,710
TOTAL BUDGET ACTIVITY 4:			799,141	801,842	810,790
ACTIVITY 5: PERMANENT CHANGE OF STATION					
3500F	125	ACCESSION TRAVEL	58,484	59,054	65,367
3500F	130	TRAINING TRAVEL	57,522	58,636	64,048
3500F	135	OPERATIONAL TRAVEL	137,080	143,753	157,047
3500F	140	ROTATIONAL TRAVEL	441,779	441,913	463,953
3500F	145	SEPARATION TRAVEL	112,987	104,978	111,451
3500F	150	TRAVEL OF ORGANIZED UNITS	7,067	5,991	6,785
3500F	155	NON-TEMPORARY STORAGE	22,169	21,786	23,255
3500F	160	TEMPORARY LODGING EXPENSE	36,550	36,688	37,504
3500F	165	OTHER	760	580	-
TOTAL BUDGET ACTIVITY 5:			874,398	873,379	929,410

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 6: OTHER MILITARY PERS COSTS					
3500F	170	APPREHENSION OF MILITARY DESERTERS	100	100	100
3500F	175	INTEREST ON UNIFORMED SERVICES SAVINGS	595	595	595
3500F	180	DEATH GRATUITIES	1,506	1,506	1,506
3500F	185	UNEMPLOYMENT BENEFITS	29,079	26,800	33,272
3500F	190	SURVIVOR BENEFITS	4,133	3,094	2,908
3500F	195	EDUCATION BENEFITS	3,884	3,415	3,415
3500F	200	ADOPTION EXPENSES	800	800	800
3500F	205	SPECIAL COMPENSATION FOR SEVERELY DISABLED RETIREES	9,050	2,322	15,000
3500F	210	TRANSPORTATION SUBSIDY	79	972	13,100
3500F	215	OTHER	-	-	-
TOTAL BUDGET ACTIVITY 6:			49,226	39,604	70,696
3500F	215	LESS REIMBURSABLES	(248,000)	(189,915)	(190,436)
TOTAL DIRECT - MILITARY PERS, AIR FORCE			17,730,193	18,030,614	20,151,514
TOTAL DIRECT MILITARY PERSONNEL TITLE			63,149,648	64,755,738	70,750,222

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
RESERVE PERSONNEL, ARMY					
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING					
2070A	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	902,087	979,189	1,030,452
2070A	20	PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	25,956	29,652	33,041
2070A	30	PAY GROUP F TRAINING (RECRUITS)	120,379	136,137	148,589
2070A	40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	9,920	9,434	12,113
2070A	50	OTHER	-	-	-
TOTAL BUDGET ACTIVITY 1:			1,058,342	1,154,412	1,224,195

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 2: OTHER TRAINING AND SUPPORT					
2070A	60	MOBILIZATION TRAINING	25,974	13,605	18,076
2070A	70	SCHOOL TRAINING	82,212	106,286	97,294
2070A	80	SPECIAL TRAINING	101,394	90,982	92,186
2070A	90	ADMINISTRATION AND SUPPORT	912,030	939,232	1,012,686
2070A	100	EDUCATION BENEFITS	32,706	40,884	35,596
2070A	110	ROTC - SENIOR, JUNIOR	69,935	65,924	79,200
2070A	120	HEALTH PROFESSION SCHOLARSHIP	21,092	24,869	28,902
2070A	130	OTHER PROGRAMS	14,418	21,507	16,062
TOTAL BUDGET ACTIVITY 2:			1,259,761	1,303,289	1,380,002
TOTAL DIRECT - RESERVE PERS, ARMY			2,318,103	2,457,701	2,604,197

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
RESERVE PERSONNEL, NAVY					
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING					
1405N	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	592,777	665,130	671,659
1405N	20	PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	-	-	3,687
1405N	30	PAY GROUP F TRAINING (RECRUITS)	-	327	2,329
1405N	50	OTHER	-	-	-
TOTAL BUDGET ACTIVITY 1:			592,777	665,457	677,675

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 2: OTHER TRAINING AND SUPPORT					
1405N	60	MOBILIZATION TRAINING	4,862	3,590	3,747
1405N	70	SCHOOL TRAINING	6,169	9,599	9,872
1405N	80	SPECIAL TRAINING	51,676	48,270	44,035
1405N	90	ADMINISTRATION AND SUPPORT	742,203	785,456	846,211
1405N	100	EDUCATION BENEFITS	3,571	6,533	1,793
1405N	110	ROTC - SENIOR, JUNIOR	29,209	32,306	33,722
1405N	120	HEALTH PROFESSION SCHOLARSHIP	23,974	24,963	26,468
1405N	130	OTHER PROGRAMS	-	-	-
TOTAL BUDGET ACTIVITY 2:			861,664	910,717	965,848
TOTAL DIRECT - RESERVE PERSONNEL, NAVY			1,454,441	1,576,174	1,643,523

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
RESERVE PERSONNEL, MARINE CORPS					
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING					
1108N	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	147,642	166,008	169,464
1108N	20	PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	17,025	14,630	15,336
1108N	30	PAY GROUP F TRAINING (RECRUITS)	61,160	64,803	68,584
1108N	40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	96	131	146
1108N	50	OTHER	-	-	-
TOTAL BUDGET ACTIVITY 1:			225,923	245,572	253,530

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 2: OTHER TRAINING AND SUPPORT					
1108N	60	MOBILIZATION TRAINING	1,323	2,124	2,220
1108N	70	SCHOOL TRAINING	10,106	9,792	10,322
1108N	80	SPECIAL TRAINING	24,715	26,631	29,821
1108N	90	ADMINISTRATION AND SUPPORT	123,467	129,469	134,136
1108N	100	EDUCATION BENEFITS	15,168	17,120	14,793
1108N	110	ROTC - SENIOR, JUNIOR	13,632	18,178	18,478
1108N	130	OTHER PROGRAMS	-	-	-
TOTAL BUDGET ACTIVITY 2:			188,411	203,314	209,770
TOTAL DIRECT - RESERVE PERS, MARINE CORPS			414,334	448,886	463,300

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
RESERVE PERSONNEL, AIR FORCE					
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING					
3700F	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	423,534	452,988	503,409
3700F	20	PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	81,851	86,162	94,910
3700F	30	PAY GROUP F TRAINING (RECRUITS)	12,688	13,402	14,405
3700F	50	OTHER	50	70	80
TOTAL BUDGET ACTIVITY 1:			518,123	552,622	612,804

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
ACTIVITY 2: OTHER TRAINING AND SUPPORT					
3700F	60	MOBILIZATION TRAINING	45	2,921	1,800
3700F	70	SCHOOL TRAINING	63,574	72,901	68,893
3700F	80	SPECIAL TRAINING	142,071	152,077	159,365
3700F	90	ADMINISTRATION AND SUPPORT	92,172	117,043	128,884
3700F	100	EDUCATION BENEFITS	4,981	6,201	5,706
3700F	110	ROTC - SENIOR, JUNIOR	42,690	42,477	52,299
3700F	120	HEALTH PROFESSION SCHOLARSHIP	21,229	24,782	25,409
3700F	130	OTHER PROGRAMS	-	-	-
TOTAL BUDGET ACTIVITY 2:			366,762	418,402	442,356
TOTAL DIRECT - RESERVE PERS, AIR FORCE			884,885	971,024	1,055,160

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
NATIONAL GUARD PERSONNEL, ARMY					
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING					
2060A	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	1,520,935	1,666,964	1,736,105
2060A	30	PAY GROUP F TRAINING (RECRUITS)	196,800	218,100	231,000
2060A	40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	19,200	22,500	22,500
2060A	50	OTHER	-	-	-
TOTAL BUDGET ACTIVITY 1:			1,736,935	1,907,564	1,989,605
ACTIVITY 2: OTHER TRAINING AND SUPPORT					
2060A	70	SCHOOL TRAINING	174,700	179,700	189,400
2060A	80	SPECIAL TRAINING	275,400	98,200	67,400
2060A	90	ADMINISTRATION AND SUPPORT	1,501,979	1,567,235	1,709,530
2060A	100	EDUCATION BENEFITS	43,300	53,700	58,200
2060A	130	OTHER PROGRAMS	-	-	-
TOTAL BUDGET ACTIVITY 2:			1,995,379	1,898,835	2,024,530
TOTAL DIRECT - NATIONAL GUARD PERS, ARMY			3,732,314	3,806,399	4,014,135

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
NATIONAL GUARD PERS, AIR FORCE					
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING					
3850F	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	624,468	680,102	723,053
3850F	30	PAY GROUP F TRAINING (RECRUITS)	33,205	39,985	39,284
3850F	40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	2,000	1,850	1,070
3850F	50	OTHER	-	-	-
TOTAL BUDGET ACTIVITY 1:			659,673	721,937	763,407

**EXHIBIT M-1
AMENDED FY 2002 PRESIDENT'S BUDGET**

APPROP	ID		(DOLLARS IN THOUSANDS)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
		ACTIVITY 2: OTHER TRAINING AND SUPPORT			
3850F	70	SCHOOL TRAINING	111,924	110,482	122,069
3850F	80	SPECIAL TRAINING	123,736	77,246	86,171
3850F	90	ADMINISTRATION AND SUPPORT	674,696	716,451	790,097
3850F	100	EDUCATION BENEFITS	14,164	14,965	15,000
3850F	130	OTHER PROGRAMS	-	-	-
		TOTAL BUDGET ACTIVITY 2:	924,520	919,144	1,013,337
		TOTAL DIRECT - NATIONAL GUARD PERS, AIR FORCE	1,584,193	1,641,081	1,776,744
		TOTAL RESERVE/GUARD MILITARY PERSONNEL	10,388,270	10,901,265	11,557,059
		GRAND TOTAL MILITARY PERSONNEL TITLE	73,537,918	75,657,003	82,307,281

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Operation & Maintenance Programs (O-1)

**Department of Defense
FY 2002 Amended Budget Submission**

The Operation & Maintenance Programs (O-1) is provided to the DoD oversight committees of the Congress. This document is available to the public on the Internet at <http://www.dtic.mil/comptroller/FY2002budget>

Office of the Under Secretary of Defense
(Comptroller)

**Department of Defense
FY 2002 Amended President's Budget
Exhibit O-1**

**Total Obligational Authority
(Dollars in Thousands)**

Operation and Maintenance, Army

BUDGET ACTIVITY 01: OPERATING FORCES

LAND FORCES

			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
			<u>2,796,124</u>	<u>3,313,675</u>	<u>3,303,009</u>
2020a	010	DIVISIONS	978,661	1,192,414	1,171,981
2020a	020	CORPS COMBAT FORCES	243,804	324,588	341,802
2020a	030	CORPS SUPPORT FORCES	310,678	344,324	315,109
2020a	040	ECHELON ABOVE CORPS SUPPORT FORCES	455,763	494,993	476,280
2020a	050	LAND FORCES OPERATIONS SUPPORT	807,218	957,356	997,837

LAND FORCES READINESS

			<u>2,510,044</u>	<u>2,327,608</u>	<u>2,410,691</u>
2020a	060	FORCE READINESS OPERATIONS SUPPORT	1,283,645	1,105,469	1,132,933
2020a	070	LAND FORCES SYSTEMS READINESS	546,500	514,730	467,197
2020a	080	LAND FORCES DEPOT MAINTENANCE	679,899	707,409	810,561

LAND FORCES READINESS SUPPORT

			<u>6,564,412</u>	<u>3,613,621</u>	<u>4,554,852</u>
2020a	090	BASE OPERATIONS SUPPORT	2,750,592	2,296,546	2,799,321
2020a	100	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (OPERATING FORCES)	1,000,255	974,934	1,178,502
2020a	110	MANAGEMENT & OPERATIONAL HEADQUARTERS	157,560	200,129	234,907
2020a	120	UNIFIED COMMANDS	90,912	75,970	77,907
2020a	130	MISCELLANEOUS ACTIVITIES	2,565,093	66,042	264,215

TOTAL, BA 01: OPERATING FORCES

11,870,580 9,254,904 10,268,552

BUDGET ACTIVITY 02: MOBILIZATION

MOBILITY OPERATIONS

			<u>592,202</u>	<u>578,035</u>	<u>581,884</u>
2020a	140	STRATEGIC MOBILIZATION	342,295	353,841	385,289
2020a	150	ARMY PREPOSITIONED STOCKS	178,622	127,307	133,675
2020a	160	INDUSTRIAL PREPAREDNESS	51,216	75,689	46,442
2020a	170	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (MOBILITY OPERATIONS)	20,069	21,198	16,478

TOTAL, BA 02: MOBILIZATION

592,202 578,035 581,884

**Department of Defense
FY 2002 Amended President's Budget
Exhibit O-1**

			Total Obligational Authority (Dollars in Thousands)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>					
<u>ACCESSION TRAINING</u>			<u>400,295</u>	<u>377,921</u>	<u>439,240</u>
2020a	180	OFFICER ACQUISITION	77,210	73,883	79,842
2020a	190	RECRUIT TRAINING	14,679	15,673	17,265
2020a	200	ONE STATION UNIT TRAINING	13,987	14,567	20,485
2020a	210	SENIOR RESERVE OFFICERS' TRAINING CORPS	160,898	150,354	183,376
2020a	220	BASE OPERATIONS SUPPORT (ACCESSION TRAINING)	80,923	73,834	80,840
2020a	230	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (ACCESSION TRAINING)	52,598	49,610	57,432
<u>BASIC SKILL/ ADVANCE TRAINING</u>			<u>2,071,068</u>	<u>2,142,505</u>	<u>2,564,753</u>
2020a	240	SPECIALIZED SKILL TRAINING	256,887	254,532	261,446
2020a	250	FLIGHT TRAINING	264,004	327,843	403,105
2020a	260	PROFESSIONAL DEVELOPMENT EDUCATION	96,010	97,777	114,373
2020a	270	TRAINING SUPPORT	434,606	419,949	485,815
2020a	280	BASE OPERATIONS SUPPORT (BASIC SKILL/ADVANCED TRAINING)	794,637	756,413	898,129
2020a	290	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (BASIC SKILL/ADV TRAINING)	224,924	285,991	401,885
<u>RECRUITING/OTHER TRAINING</u>			<u>922,479</u>	<u>925,799</u>	<u>1,094,314</u>
2020a	300	RECRUITING AND ADVERTISING	392,061	383,882	442,612
2020a	310	EXAMINING	77,745	77,268	78,260
2020a	320	OFF-DUTY AND VOLUNTARY EDUCATION	91,669	116,531	142,515
2020a	330	CIVILIAN EDUCATION AND TRAINING	71,984	74,133	82,563
2020a	340	JUNIOR RESERVE OFFICERS' TRAINING CORPS	82,811	81,707	88,873
2020a	350	BASE OPERATIONS SUPPORT (RECRUIT/OTHER TRAINING)	206,209	192,278	259,491
TOTAL, BA 03: TRAINING AND RECRUITING			3,393,842	3,446,225	4,098,307

**Department of Defense
FY 2002 Amended President's Budget
Exhibit O-1**

			Total Obligational Authority (Dollars in Thousands)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>					
<u>SECURITY PROGRAMS</u>			<u>455,090</u>	<u>493,642</u>	<u>479,506</u>
2020a	360	SECURITY PROGRAMS	455,090	493,642	479,506
<u>LOGISTICS OPERATIONS</u>			<u>1,662,066</u>	<u>1,655,543</u>	<u>1,899,844</u>
2020a	370	SERVICEWIDE TRANSPORTATION	563,718	485,286	517,218
2020a	380	CENTRAL SUPPLY ACTIVITIES	385,819	436,273	454,682
2020a	390	LOGISTICS SUPPORT ACTIVITIES	357,794	378,984	570,911
2020a	400	AMMUNITION MANAGEMENT	354,735	355,000	357,033
<u>SERVICEWIDE SUPPORT</u>			<u>4,036,317</u>	<u>3,298,241</u>	<u>3,628,431</u>
2020a	410	ADMINISTRATION	284,884	486,316	536,030
2020a	420	SERVICEWIDE COMMUNICATIONS	672,748	535,140	532,013
2020a	430	MANPOWER MANAGEMENT	162,123	158,246	160,159
2020a	440	OTHER PERSONNEL SUPPORT	180,739	167,626	175,429
2020a	450	OTHER SERVICE SUPPORT	1,315,100	636,107	615,653
2020a	460	ARMY CLAIMS	117,855	109,564	112,947
2020a	470	REAL ESTATE MANAGEMENT	71,000	54,440	51,431
2020a	480	BASE OPERATIONS SUPPORT (SERVICEWIDE SUPPORT)	1,024,392	951,180	1,167,160
2020a	490	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SERVICEWIDE SUPPORT)	207,476	199,622	277,609
<u>SUPPORT OF OTHER NATIONS</u>			<u>300,101</u>	<u>206,574</u>	<u>235,156</u>
2020a	500	INTERNATIONAL MILITARY HEADQUARTERS	255,950	151,972	180,812
2020a	510	MISC. SUPPORT OF OTHER NATIONS	44,151	54,602	54,344
2020a	520	EXPANSION OF NATO	-	-	-
TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES			6,453,574	5,654,000	6,242,937
Total Operation and Maintenance, Army			22,310,198	18,933,164	21,191,680

**Department of Defense
FY 2002 Amended President's Budget
Exhibit O-1**

**Total Obligational Authority
(Dollars in Thousands)**

Operation and Maintenance, Navy

BUDGET ACTIVITY 01: OPERATING FORCES

AIR OPERATIONS

			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
			<u>4,156,944</u>	<u>4,271,015</u>	<u>5,232,152</u>
1804n	010	MISSION AND OTHER FLIGHT OPERATIONS	2,424,636	2,630,514	3,206,849
1804n	020	FLEET AIR TRAINING	751,290	795,804	950,969
1804n	030	INTERMEDIATE MAINTENANCE	58,407	56,150	62,487
1804n	040	AIR OPERATIONS AND SAFETY SUPPORT	84,929	99,646	103,355
1804n	050	AIRCRAFT DEPOT MAINTENANCE	817,837	668,048	854,298
1804n	060	AIRCRAFT DEPOT OPERATIONS SUPPORT	19,845	20,853	54,194

SHIP OPERATIONS

			<u>6,646,011</u>	<u>6,714,913</u>	<u>7,496,086</u>
1804n	070	MISSION AND OTHER SHIP OPERATIONS	1,945,975	2,213,215	2,315,172
1804n	080	SHIP OPERATIONAL SUPPORT AND TRAINING	540,480	525,801	545,279
1804n	090	INTERMEDIATE MAINTENANCE	374,709	389,892	387,282
1804n	100	SHIP DEPOT MAINTENANCE	2,587,612	2,412,245	2,917,829
1804n	110	SHIP DEPOT OPERATIONS SUPPORT	1,197,235	1,173,760	1,330,524

COMBAT OPERATIONS/SUPPORT

			<u>1,653,932</u>	<u>1,688,222</u>	<u>1,798,072</u>
1804n	120	COMBAT COMMUNICATIONS	339,867	336,194	384,534
1804n	130	ELECTRONIC WARFARE	11,877	15,952	15,466
1804n	140	SPACE SYSTEMS & SURVEILLANCE	211,789	164,665	182,165
1804n	150	WARFARE TACTICS	130,731	164,283	163,864
1804n	160	OPERATIONAL METEOROLOGY & OCEANOGRAPHY	245,384	266,444	258,051
1804n	170	COMBAT SUPPORT FORCES	556,304	577,827	618,874
1804n	180	EQUIPMENT MAINTENANCE	156,780	162,096	173,381
1804n	190	DEPOT OPERATIONS SUPPORT	1,200	761	1,737

WEAPONS SUPPORT

			<u>1,325,102</u>	<u>1,370,209</u>	<u>1,381,683</u>
1804n	200	CRUISE MISSILE	128,487	125,896	124,342
1804n	210	FLEET BALLISTIC MISSILE	781,240	806,834	812,743
1804n	220	IN-SERVICE WEAPONS SYSTEMS SUPPORT	40,652	46,643	47,762
1804n	230	WEAPONS MAINTENANCE	374,723	390,836	396,836

**Department of Defense
FY 2002 Amended President's Budget
Exhibit O-1**

		Total Obligational Authority (Dollars in Thousands)		
		<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>WORKING CAPITAL FUND SUPPORT</u>		<u>43,319</u>	<u>9,998</u>	<u>1,421</u>
1804n	240 NWCF SUPPORT	43,319	9,998	1,421
<u>BASE SUPPORT</u>		<u>2,886,984</u>	<u>3,019,363</u>	<u>3,591,983</u>
1804n	250 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	623,637	865,335	1,019,891
1804n	260 BASE SUPPORT	2,263,347	2,154,028	2,572,092
TOTAL, BA 01: OPERATING FORCES		16,712,292	17,073,720	19,501,397
<u>BUDGET ACTIVITY 02: MOBILIZATION</u>				
<u>READY RESERVE AND PREPOSITIONING FORCES</u>		<u>430,610</u>	<u>434,059</u>	<u>506,394</u>
1804n	270 SHIP PREPOSITIONING AND SURGE	430,610	434,059	506,394
<u>ACTIVATIONS/INACTIVATIONS</u>		<u>277,654</u>	<u>247,492</u>	<u>267,155</u>
1804n	280 AIRCRAFT ACTIVATIONS/INACTIVATIONS	2,866	2,275	5,506
1804n	290 SHIP ACTIVATIONS/INACTIVATIONS	274,788	245,217	261,649
<u>MOBILIZATION PREPAREDNESS</u>		<u>40,724</u>	<u>42,041</u>	<u>42,470</u>
1804n	300 FLEET HOSPITAL PROGRAM	22,383	23,061	23,803
1804n	310 INDUSTRIAL READINESS	1,171	1,072	1,177
1804n	320 COAST GUARD SUPPORT	17,170	17,908	17,490
TOTAL, BA 02: MOBILIZATION		748,988	723,592	816,019
<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>				
<u>ACCESSION TRAINING</u>		<u>161,549</u>	<u>174,232</u>	<u>182,831</u>
1804n	330 OFFICER ACQUISITION	82,262	91,849	96,581
1804n	340 RECRUIT TRAINING	5,348	6,557	6,724
1804n	350 RESERVE OFFICERS TRAINING CORPS	73,939	75,826	79,526
<u>BASIC SKILLS AND ADVANCED TRAINING</u>		<u>857,803</u>	<u>925,900</u>	<u>977,690</u>
1804n	360 SPECIALIZED SKILL TRAINING	258,267	286,366	306,012
1804n	370 FLIGHT TRAINING	287,700	332,154	367,343
1804n	380 PROFESSIONAL DEVELOPMENT EDUCATION	102,838	108,695	111,404
1804n	390 TRAINING SUPPORT	208,998	198,685	192,931

**Department of Defense
FY 2002 Amended President's Budget
Exhibit O-1**

			Total Obligational Authority (Dollars in Thousands)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>RECRUITING, AND OTHER TRAINING AND EDUCATION</u>			<u>357,671</u>	<u>411,631</u>	<u>428,948</u>
1804n	400	RECRUITING AND ADVERTISING	205,627	234,004	238,727
1804n	410	OFF-DUTY AND VOLUNTARY EDUCATION	82,763	91,144	97,957
1804n	420	CIVILIAN EDUCATION AND TRAINING	43,368	54,914	59,745
1804n	430	JUNIOR ROTC	25,913	31,569	32,519
<u>BASE SUPPORT</u>			<u>485,232</u>	<u>521,290</u>	<u>561,364</u>
1804n	440	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	170,928	191,958	195,939
1804n	450	BASE SUPPORT	314,304	329,332	365,425
TOTAL, BA 03: TRAINING AND RECRUITING			1,862,255	2,033,053	2,150,833
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>					
<u>SERVICEWIDE SUPPORT</u>			<u>1,334,520</u>	<u>1,438,935</u>	<u>1,702,647</u>
1804n	460	ADMINISTRATION	618,844	652,069	692,748
1804n	470	EXTERNAL RELATIONS	21,850	5,029	4,131
1804n	480	CIVILIAN MANPOWER & PERSONNEL MGT	118,443	109,541	111,789
1804n	490	MILITARY MANPOWER & PERSONNEL MGT	94,018	100,158	94,896
1804n	500	OTHER PERSONNEL SUPPORT	210,843	189,498	195,729
1804n	510	SERVICEWIDE COMMUNICATIONS	253,965	382,640	603,354
1804n	520	MEDICAL ACTIVITIES	16,557	-	-
<u>LOGISTICS OPERATIONS AND TECHNICAL SUPPORT</u>			<u>1,886,401</u>	<u>1,641,754</u>	<u>1,801,745</u>
1804n	530	SERVICEWIDE TRANSPORTATION	164,158	185,696	185,483
1804n	540	ENVIRONMENTAL PROGRAMS	236,434	-	-
1804n	550	PLANNING, ENGINEERING & DESIGN	381,477	307,447	343,754
1804n	560	ACQUISITION AND PROGRAM MANAGEMENT	691,462	669,979	723,156
1804n	570	AIR SYSTEMS SUPPORT	259,579	323,074	400,955
1804n	580	HULL, MECHANICAL & ELECTRICAL SUPPORT	50,831	56,419	52,908
1804n	590	COMBAT/WEAPONS SYSTEMS	49,769	46,092	40,850
1804n	600	SPACE & ELECTRONIC WARFARE SYSTEMS	52,691	53,047	54,639

**Department of Defense
FY 2002 Amended President's Budget
Exhibit O-1**

			Total Obligational Authority (Dollars in Thousands)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>SECURITY PROGRAMS</u>			<u>594,164</u>	<u>635,840</u>	<u>673,912</u>
1804n	610	SECURITY PROGRAMS	594,164	635,840	673,912
<u>SUPPORT OF OTHER NATIONS</u>			<u>8,166</u>	<u>9,488</u>	<u>9,994</u>
1804n	620	INTERNATIONAL HDQTRS & AGENCIES	8,166	9,488	9,994
<u>BASE SUPPORT</u>			<u>276,994</u>	<u>247,492</u>	<u>304,835</u>
1804n	630	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	76,194	101,399	102,588
1804n	640	BASE SUPPORT	200,800	146,093	202,247
<u>CANCELLED ACCOUNTS</u>			<u>4,333</u>	=	=
1804n	650	CANCELLED ACCOUNT	<u>4,333</u>	-	-
<u>PROBLEM DISBURSEMENTS</u>			<u>4,855</u>	=	=
1804n	660	PROBLEM DISBURSEMENTS	4,855	-	-
TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES			4,109,433	3,973,509	4,493,133
Total Operation and Maintenance, Navy			23,432,968	23,803,874	26,961,382

**Department of Defense
FY 2002 Amended President's Budget
Exhibit O-1**

**Total Obligational Authority
(Dollars in Thousands)**

Operation and Maintenance, Marine Corps

BUDGET ACTIVITY 01: OPERATING FORCES

EXPEDITIONARY FORCES

		<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
1106n	010 OPERATIONAL FORCES	465,664	471,786	459,739
1106n	020 FIELD LOGISTICS	241,498	227,687	257,952
1106n	030 DEPOT MAINTENANCE	123,596	119,194	107,849
1106n	040 BASE SUPPORT	795,953	767,633	842,631
1106n	050 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	363,602	414,700	363,528

USMC PREPOSITIONING

1106n	060 MARITIME PREPOSITIONING	76,747	95,866	83,506
1106n	070 NORWAY PREPOSITIONING	3,722	3,773	5,169
TOTAL, BA 01: OPERATING FORCES		<u>2,070,782</u>	<u>2,100,639</u>	<u>2,120,374</u>

BUDGET ACTIVITY 03: TRAINING AND RECRUITING

ACCESSION TRAINING

1106n	080 RECRUIT TRAINING	10,183	10,496	11,053
1106n	090 OFFICER ACQUISITION	537	296	317
1106n	100 BASE SUPPORT	57,939	55,564	62,055
1106n	110 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	34,918	22,731	22,285

BASIC SKILLS AND ADVANCED TRAINING

1106n	120 SPECIALIZED SKILLS TRAINING	30,738	34,845	32,280
1106n	130 FLIGHT TRAINING	163	166	170
1106n	140 PROFESSIONAL DEVELOPMENT EDUCATION	8,347	8,649	8,553
1106n	150 TRAINING SUPPORT	86,416	86,285	95,066
1106n	160 BASE SUPPORT	46,471	53,021	65,140
1106n	170 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	23,249	35,319	28,078

RECRUITING AND OTHER TRAINING EDUCATION

1106n	180 RECRUITING AND ADVERTISING	107,666	107,752	109,012
1106n	190 OFF-DUTY AND VOLUNTARY EDUCATION	21,040	20,359	21,994
1106n	200 JUNIOR ROTC	11,039	12,773	12,808
1106n	210 BASE SUPPORT	7,962	7,963	12,209
1106n	220 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	3,330	2,629	2,644

TOTAL, BA 03: TRAINING AND RECRUITING

<u>449,998</u>	<u>458,848</u>	<u>483,664</u>
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**Department of Defense
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			Total Obligational Authority (Dollars in Thousands)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>					
<u>SERVICEWIDE SUPPORT</u>			<u>254,421</u>	<u>283,677</u>	<u>288,276</u>
1106n	230	SPECIAL SUPPORT	181,551	211,257	209,125
1106n	240	SERVICEWIDE TRANSPORTATION	30,703	29,906	31,118
1106n	250	ADMINISTRATION	25,183	25,701	29,895
1106n	260	BASE SUPPORT	13,211	14,561	16,335
1106n	270	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	3,773	2,252	1,803
 <u>CANCELLED ACCOUNT</u>			 <u>120</u>	 =	 =
1106n	280	CANCELLED ACCOUNT	120	-	-
TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES			254,541	283,677	288,276
Total Operation and Maintenance, Marine Corps			2,775,321	2,843,164	2,892,314

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**Total Obligational Authority
(Dollars in Thousands)**

Operation and Maintenance, Air Force

BUDGET ACTIVITY 01: OPERATING FORCES

AIR OPERATIONS

			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
			<u>8,789,837</u>	<u>8,708,308</u>	<u>10,800,750</u>
3400f	010	PRIMARY COMBAT FORCES	2,367,515	2,536,537	3,247,230
3400f	020	PRIMARY COMBAT WEAPONS	277,361	286,745	325,948
3400f	030	COMBAT ENHANCEMENT FORCES	204,973	203,808	234,838
3400f	040	AIR OPERATIONS TRAINING	753,039	833,056	1,227,042
3400f	050	DEPOT MAINTENANCE	1,161,383	1,311,537	1,361,089
3400f	060	COMBAT COMMUNICATIONS	1,163,930	1,077,782	1,356,865
3400f	070	BASE SUPPORT	2,130,843	1,684,217	2,212,409
3400f	080	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	730,793	774,626	835,329

COMBAT RELATED OPERATIONS

			<u>1,705,054</u>	<u>1,535,243</u>	<u>1,860,599</u>
3400f	090	GLOBAL C3I AND EARLY WARNING	709,670	683,359	843,775
3400f	100	NAVIGATION/WEATHER SUPPORT	154,092	160,275	170,965
3400f	110	OTHER COMBAT OPS SUPPORT PROGRAMS	311,086	284,013	404,665
3400f	120	JCS EXERCISES	31,071	24,705	37,839
3400f	130	MANAGEMENT/OPERATIONAL HEADQUARTERS	251,270	127,794	174,580
3400f	140	TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	247,865	255,097	228,775

SPACE OPERATIONS

			<u>1,146,374</u>	<u>1,263,499</u>	<u>1,415,281</u>
3400f	150	LAUNCH FACILITIES	224,316	242,670	258,792
3400f	160	LAUNCH VEHICLES	109,014	123,857	147,510
3400f	170	SPACE CONTROL SYSTEMS	210,642	233,134	251,738
3400f	180	SATELLITE SYSTEMS	40,555	51,875	53,780
3400f	190	OTHER SPACE OPERATIONS	101,789	113,737	146,175
3400f	200	BASE SUPPORT	326,716	365,140	425,643
3400f	210	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	133,342	133,086	131,643

TOTAL, BA 01: OPERATING FORCES

	<u>11,641,265</u>	<u>11,507,050</u>	<u>14,076,630</u>
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**Total Obligational Authority
(Dollars in Thousands)**

				<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>BUDGET ACTIVITY 02: MOBILIZATION</u>						
<u>MOBILITY OPERATIONS</u>				<u>3,111,941</u>	<u>3,124,173</u>	<u>3,618,048</u>
3400f	220	AIRLIFT OPERATIONS		1,751,098	1,664,279	2,056,383
3400f	230	AIRLIFT OPERATIONS C3I		41,473	37,525	37,706
3400f	240	MOBILIZATION PREPAREDNESS		156,103	142,880	169,421
3400f	250	DEPOT MAINTENANCE		299,702	280,594	296,014
3400f	260	PAYMENTS TO TRANSPORTATION BUSINESS AREA		312,237	429,775	473,243
3400f	270	BASE SUPPORT		408,522	436,640	487,654
3400f	280	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION		142,806	132,480	97,627
TOTAL, BA 02: MOBILIZATION				3,111,941	3,124,173	3,618,048
<u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u>						
<u>ACCESSION TRAINING</u>				<u>228,308</u>	<u>253,887</u>	<u>267,644</u>
3400f	290	OFFICER ACQUISITION		59,771	67,889	66,566
3400f	300	RECRUIT TRAINING		7,056	5,317	5,943
3400f	310	RESERVE OFFICER TRAINING CORPS (ROTC)		52,119	61,976	64,289
3400f	320	BASE SUPPORT (ACADEMIES ONLY)		62,937	62,756	70,412
3400f	330	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (ACADEMIES ONLY)		46,425	55,949	60,434
<u>BASIC SKILLS AND ADVANCED TRAINING</u>				<u>1,491,977</u>	<u>1,653,384</u>	<u>1,873,452</u>
3400f	340	SPECIALIZED SKILL TRAINING		249,712	268,251	310,216
3400f	350	FLIGHT TRAINING		509,939	579,494	657,993
3400f	360	PROFESSIONAL DEVELOPMENT EDUCATION		93,895	101,641	115,049
3400f	370	TRAINING SUPPORT		76,497	75,451	83,778
3400f	380	DEPOT MAINTENANCE		27,003	13,942	14,748
3400f	390	BASE SUPPORT (OTHER TRAINING)		418,050	475,552	543,005
3400f	400	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (OTHER TRAINING)		116,881	139,053	148,663
<u>RECRUITING, AND OTHER TRAINING AND EDUCATION</u>				<u>312,994</u>	<u>303,548</u>	<u>358,653</u>
3400f	410	RECRUITING AND ADVERTISING		117,178	113,749	139,189
3400f	420	EXAMINING		3,404	3,440	3,640
3400f	430	OFF DUTY AND VOLUNTARY EDUCATION		88,004	86,238	91,757
3400f	440	CIVILIAN EDUCATION AND TRAINING		72,145	67,294	82,238
3400f	450	JUNIOR ROTC		32,263	32,827	41,829
TOTAL, BA 03: TRAINING AND RECRUITING				2,033,279	2,210,819	2,499,749

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**Total Obligational Authority
(Dollars in Thousands)**

			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>					
<u>LOGISTICS OPERATIONS</u>			<u>2,875,795</u>	<u>3,118,319</u>	<u>3,366,144</u>
3400f	460	LOGISTICS OPERATIONS	850,843	1,061,915	1,052,171
3400f	470	TECHNICAL SUPPORT ACTIVITIES	391,770	388,988	404,678
3400f	480	SERVICEWIDE TRANSPORTATION	223,762	207,318	249,055
3400f	490	DEPOT MAINTENANCE	66,258	63,598	305,525
3400f	500	BASE SUPPORT	1,051,297	1,102,556	1,115,273
3400f	510	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	291,865	293,944	239,442
<u>SERVICEWIDE ACTIVITIES</u>			<u>1,942,714</u>	<u>1,586,604</u>	<u>1,741,124</u>
3400f	520	ADMINISTRATION	196,073	160,268	213,767
3400f	530	SERVICEWIDE COMMUNICATIONS	331,105	302,427	342,864
3400f	540	PERSONNEL PROGRAMS	149,045	145,121	164,480
3400f	550	RESCUE AND RECOVERY SERVICES	67,379	60,178	72,375
3400f	560	ARMS CONTROL	27,204	34,107	34,742
3400f	570	OTHER SERVICEWIDE ACTIVITIES	929,772	591,118	602,561
3400f	580	OTHER PERSONNEL SUPPORT	35,377	34,257	36,984
3400f	590	CIVIL AIR PATROL CORPORATION	22,933	19,417	18,303
3400f	600	BASE SUPPORT	170,688	220,496	233,256
3400f	610	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	13,138	19,215	21,792
<u>SECURITY PROGRAMS</u>			<u>605,580</u>	<u>683,489</u>	<u>824,906</u>
3400f	620	SECURITY PROGRAMS	605,580	683,489	824,906
<u>SUPPORT TO OTHER NATIONS</u>			<u>16,188</u>	<u>12,463</u>	<u>20,169</u>
3400f	630	INTERNATIONAL SUPPORT	16,188	12,463	20,169
TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES			5,440,277	5,400,875	5,952,343
Total Operation and Maintenance, Air Force			22,226,762	22,242,917	26,146,770

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			Total Obligational Authority (Dollars in Thousands)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Operation and Maintenance, Defense-wide					
<u>BUDGET ACTIVITY 1: OPERATING FORCES</u>					
0100d	010	JOINT CHIEFS OF STAFF	357,654	393,745	373,832
0100d	020	SPECIAL OPERATIONS COMMAND	1,291,537	1,255,017	1,404,797
0100d	030	PROBLEM DISBURSEMENTS	404	-	-
TOTAL, BUDGET ACTIVITY 1:			1,649,595	1,648,762	1,778,629
<u>BUDGET ACTIVITY 2: MOBILIZATION</u>					
0100d	050	DEFENSE LOGISTICS AGENCY	38,192	52,567	44,691
TOTAL, BUDGET ACTIVITY 2:			38,192	52,567	44,691
<u>BUDGET ACTIVITY 3: TRAINING AND RECRUITING</u>					
0100d	060	AMERICAN FORCES INFORMATION SERVICE	11,000	11,020	11,135
0100d	070	DEFENSE ACQUISITION UNIVERSITY	95,357	101,753	101,196
0100d	080	DEFENSE CONTRACT AUDIT AGENCY	-	3,725	3,833
0100d	090	DEFENSE FINANCE AND ACCOUNTING SERVICE	16,691	14,642	8,900
0100d	100	DEFENSE HUMAN RESOURCES ACTIVITY	59,899	71,185	86,190
0100d	110	DEFENSE SECURITY SERVICE	6,610	7,416	7,590
0100d	120	DEFENSE THREAT REDUCTION AGENCY	-	1,144	1,246
0100d	130	SPECIAL OPERATIONS COMMAND	37,881	50,615	53,573
TOTAL, BUDGET ACTIVITY 3:			227,438	261,500	273,663

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			Total Obligational Authority (Dollars in Thousands)		
			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES</u>					
0100d	140	AMERICAN FORCES INFORMATION SERVICE	92,041	92,727	96,637
0100d	150	CIVIL MILITARY PROGRAMS	78,686	102,423	94,596
0100d	160	CLASSIFIED PROGRAMS	4,190,029	4,238,836	4,718,802
0100d	170	DEFENSE CONTRACT AUDIT AGENCY	319,173	335,991	354,348
0100d	180	DEFENSE CONTRACT MANAGEMENT AGENCY	-	917,884	948,932
0100d	190	DEFENSE FINANCE AND ACCOUNTING SERVICE	17,415	2,379	1,492
0100d	200	DEFENSE HUMAN RESOURCES ACTIVITY	172,485	177,532	198,157
0100d	210	DEFENSE INFORMATION SYSTEMS AGENCY	877,701	760,501	803,122
0100d	220	DEFENSE LOGISTICS AGENCY	1,209,861	210,197	191,990
0100d	230	DEFENSE LEGAL SERVICES AGENCY	9,800	11,420	12,075
0100d	240	DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,405,779	1,458,907	1,465,814
0100d	250	DEFENSE POW /MISSING PERSONS OFFICE	14,256	14,690	15,211
0100d	260	DEFENSE SECURITY COOPERATION AGENCY	62,555	57,084	65,211
0100d	270	DEFENSE SECURITY SERVICE	103,506	128,548	87,118
0100d	280	DEFENSE THREAT REDUCTION AGENCY	193,799	216,343	258,597
0100d	290	OFFICE OF ECONOMIC ADJUSTMENT	72,108	54,866	16,972
0100d	300	OFFICE OF THE SECRETARY OF DEFENSE	487,367	516,579	437,141
0100d	310	SPECIAL OPERATIONS COMMAND	52,391	45,276	46,891
0100d	320	SPECIAL ACTIVITIES	-	364,293	115,000
0100d	330	JOINT CHIEFS OF STAFF	133,250	159,129	169,340
0100d	340	WASHINGTON HEADQUARTERS SERVICES	250,409	295,477	324,202
0100d	350	PROBLEM DISBURSEMENTS	3,559	-	-
TOTAL, BUDGET ACTIVITY 4:			9,746,170	10,161,082	10,421,648
Total Operation and Maintenance, Defense-Wide			11,661,395	12,123,911	12,518,631

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**Total Obligational Authority
(Dollars in Thousands)**

Operation and Maintenance, Army Reserve

BUDGET ACTIVITY 01: OPERATING FORCES

LAND FORCES

			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
2080a	010	DIVISION FORCES	13,365	9,429	14,382
2080a	020	CORPS COMBAT FORCES	17,720	22,003	24,571
2080a	030	CORPS SUPPORT FORCES	190,500	226,726	232,891
2080a	040	ECHELON ABOVE CORPS FORCES	97,823	104,174	115,183
2080a	050	LAND FORCES OPERATIONS SUPPORT	322,537	336,901	364,700

LAND FORCES READINESS

2080a	060	FORCES READINESS OPERATIONS SUPPORT	131,753	128,745	139,280
2080a	070	LAND FORCES SYSTEM READINESS	32,321	35,501	60,481
2080a	080	DEPOT MAINTENANCE	34,950	46,767	60,719

LAND FORCES READINESS SUPPORT

2080a	090	BASE SUPPORT	315,429	343,954	406,137
2080a	100	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	130,828	129,969	161,321
2080a	110	ADDITIONAL ACTIVITIES	1,928	1,340	2,536

TOTAL, BA 01: OPERATING FORCES

1,289,154 1,385,509 1,582,201

BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES

ADMINISTRATION AND SERVICEWIDE ACTIVITIES

2080a	120	ADMINISTRATION	35,138	39,883	39,256
2080a	130	SERVICEWIDE COMMUNICATIONS	27,166	22,514	30,865
2080a	140	PERSONNEL/FINANCIAL ADMINISTRATION (MANPOWER MANAGEMENT)	45,532	44,074	44,201
2080a	150	RECRUITING AND ADVERTISING	84,327	85,123	90,723

TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES

192,163 191,594 205,045

Total Operation and Maintenance, Army Reserve

1,481,317 1,577,103 1,787,246

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Operation and Maintenance, Navy Reserve

BUDGET ACTIVITY 01: OPERATING FORCES

RESERVE AIR OPERATIONS

1806n	010	MISSION AND OTHER FLIGHT OPERATIONS
1806n	030	INTERMEDIATE MAINTENANCE
1806n	040	AIR OPERATION AND SAFETY SUPPORT
1806n	050	AIRCRAFT DEPOT MAINTENANCE
1806n	060	AIRCRAFT DEPOT OPS SUPPORT

<u>416,479</u>	<u>474,704</u>	<u>541,351</u>
294,154	353,710	405,515
16,332	16,926	17,223
3,949	2,551	1,961
101,894	101,180	116,328
150	337	324

RESERVE SHIP OPERATIONS

1806n	070	MISSION AND OTHER SHIP OPERATIONS
1806n	080	SHIP OPERATIONAL SUPPORT AND TRAINING
1806n	090	INTERMEDIATE MAINTENANCE
1806n	100	SHIP DEPOT MAINTENANCE
1806n	110	SHIP DEPOT OPERATIONS SUPPORT

<u>184,312</u>	<u>136,841</u>	<u>128,758</u>
74,551	50,847	46,572
615	621	623
11,540	9,966	7,053
96,270	72,920	71,858
1,336	2,487	2,652

RESERVE COMBAT OPERATIONS SUPPORT

1806n	120	COMBAT SUPPORT FORCES
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<u>27,122</u>	<u>35,313</u>	<u>37,579</u>
27,122	35,313	37,579

RESERVE WEAPONS SUPPORT

1806n	130	WEAPONS MAINTENANCE
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<u>5,170</u>	<u>5,423</u>	<u>5,531</u>
5,170	5,423	5,531

BASE SUPPORT

1806n	140	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION
1806n	150	BASE SUPPORT

<u>186,585</u>	<u>212,614</u>	<u>199,148</u>
38,463	66,805	51,102
148,122	145,809	148,046

TOTAL, BA 01: OPERATING FORCES

<u>819,668</u>	<u>864,895</u>	<u>912,367</u>
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**Total Obligational Authority
(Dollars in Thousands)**

<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>			<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>			<u>152,478</u>	<u>118,667</u>	<u>91,323</u>
1806n	160	ADMINISTRATION	8,070	10,766	11,131
1806n	170	CIVILIAN MANPOWER & PERSONNEL	1,357	1,843	1,934
1806n	180	MILITARY MANPOWER & PERSONNEL	40,791	34,352	34,625
1806n	190	SERVICEWIDE COMMUNICATIONS	96,131	65,503	37,355
1806n	200	COMBAT/WEAPONS SYSTEM	5,686	5,558	5,606
1806n	210	OTHER SERVICEWIDE SUPPORT	443	645	672
 <u>CANCELLED ACCOUNTS</u>			 <u>10</u>	 <u>=</u>	 <u>=</u>
1806n	220	CANCELLED ACCOUNTS	10	-	-
 TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES			 152,488	 118,667	 91,323
 Total Operation and Maintenance, Navy Reserve			 972,156	 983,562	 1,003,690

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**Total Obligational Authority
(Dollars in Thousands)
FY 2000 FY 2001 FY 2002**

Operation and Maintenance, Marine Corps Reserve

BUDGET ACTIVITY 01: OPERATING FORCES

MISSION FORCES

				<u>108,957</u>	<u>110,800</u>	<u>112,463</u>
1107n	010	OPERATING FORCES	53,331	52,807	50,898	
1107n	020	DEPOT MAINTENANCE	10,350	12,014	7,784	
1107n	030	BASE SUPPORT	17,066	16,990	25,610	
1107n	040	TRAINING SUPPORT	18,120	17,913	18,144	
1107n	050	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	10,090	11,076	10,027	
		TOTAL, BA 01: OPERATING FORCES		108,957	110,800	112,463

BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES

ADMINISTRATION AND SERVICEWIDE ACTIVITIES

				<u>32,644</u>	<u>36,839</u>	<u>31,560</u>
1107n	060	SPECIAL SUPPORT	7,457	11,313	8,596	
1107n	070	SERVICEWIDE TRANSPORTATION	360	484	491	
1107n	080	ADMINISTRATION	7,644	7,493	8,632	
1107n	090	BASE SUPPORT	7,132	7,651	5,719	
1107n	100	RECRUITING AND ADVERTISING	10,051	9,898	8,122	
		TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES		32,644	36,839	31,560

Total Operation and Maintenance, Marine Corps Reserve

141,601 147,639 144,023

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		Total Obligational Authority (Dollars in Thousands)		
		<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Operation and Maintenance, Air Force Reserve				
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>AIR OPERATIONS</u>		<u>1,676,321</u>	<u>1,817,190</u>	<u>1,934,302</u>
3740f	010 PRIMARY COMBAT FORCES	996,052	1,204,196	1,266,511
3740f	020 MISSION SUPPORT OPERATIONS	71,484	51,109	61,637
3740f	030 DEPOT MAINTENANCE	257,567	288,177	322,507
3740f	040 BASE SUPPORT	270,837	224,047	245,126
3740f	050 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	80,381	49,661	38,521
TOTAL, BA 01: OPERATING FORCES		1,676,321	1,817,190	1,934,302
		1,676,321	1,817,190	1,934,302
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>ADMINISTRATION AND SERVICEWIDE ACTIVITIES</u>		<u>103,485</u>	<u>86,378</u>	<u>95,564</u>
3740f	060 ADMINISTRATION	58,054	47,913	52,083
3740f	070 MILITARY MANPOWER AND PERSONNEL MANAGEMENT	18,046	11,260	11,848
3740f	080 RECRUITING AND ADVERTISING	19,124	20,094	24,466
3740f	090 OTHER PERSONNEL SUPPORT	6,774	6,457	6,547
3740f	100 AUDIOVISUAL	1,487	654	620
TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES		103,485	86,378	95,564
Total Operation and Maintenance, Air Force Reserve		3,456,127	3,720,758	3,964,168

**Department of Defense
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Exhibit O-1**

**Total Obligational Authority
(Dollars in Thousands)**

Operation and Maintenance, Army National Guard

BUDGET ACTIVITY 01: OPERATING FORCES

LAND FORCES

			<u>1,455,624</u>	<u>1,689,916</u>	<u>1,817,193</u>
2065a	010	DIVISIONS	359,130	440,367	472,117
2065a	020	CORPS COMBAT FORCES	495,121	521,713	565,861
2065a	030	CORPS SUPPORT FORCES	195,162	256,895	280,054
2065a	040	ECHELON ABOVE CORPS FORCES	342,281	446,403	476,828
2065a	050	LAND FORCES OPERATIONS SUPPORT	63,930	24,538	22,333

LAND FORCES READINESS

2065a	060	FORCE READINESS OPERATIONS SUPPORT	-	-	19,354
2065a	070	LAND FORCES SYSTEMS READINESS	4,762	77,940	95,719
2065a	080	LAND FORCES DEPOT MAINTENANCE	188,650	190,172	193,414

LAND FORCES READINESS SUPPORT

2065a	090	BASE OPERATIONS SUPPORT	549,045	534,136	538,487
2065a	100	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	203,381	229,045	351,768
2065a	110	MANAGEMENT & OPERATIONAL HEADQUARTERS	571,283	359,021	399,117
2065a	120	MISCELLANEOUS ACTIVITIES	-	49,661	38,415

TOTAL, BA 01: OPERATING FORCES

2,972,745 3,129,891 3,453,467

BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES

ADMINISTRATION AND SERVICEWIDE ACTIVITIES

2065a	130	STAFF MANAGEMENT	84,575	81,717	84,106
2065a	140	INFORMATION MANAGEMENT	23,624	21,115	21,070
2065a	150	PERSONNEL ADMINISTRATION	34,752	32,153	35,902
2065a	160	RECRUITING AND ADVERTISING	62,121	79,370	82,814

TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES

205,072 214,355 223,892

Total Operation and Maintenance, Army National Guard

3,177,817 3,344,246 3,677,359

**Department of Defense
FY 2002 Amended President's Budget
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		Total Obligational Authority (Dollars in Thousands)		
		<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Operation and Maintenance, Air National Guard				
<u>BUDGET ACTIVITY 01: OPERATING FORCES</u>				
<u>AIR OPERATIONS</u>		<u>3,277,393</u>	<u>3,454,764</u>	<u>3,854,448</u>
3840f	010 AIRCRAFT OPERATIONS	1,995,377	2,217,971	2,545,143
3840f	020 MISSION SUPPORT OPERATIONS	431,133	376,037	348,442
3840f	030 BASE SUPPORT	319,689	290,439	377,859
3840f	040 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	114,637	109,385	92,092
3840f	050 DEPOT MAINTENANCE	416,557	460,932	490,912
TOTAL, BA 01: OPERATING FORCES		3,277,393	3,454,764	3,854,448
<u>BUDGET ACTIVITY 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES</u>				
<u>SERVICEWIDE ACTIVITIES</u>		<u>15,038</u>	<u>17,379</u>	<u>12,913</u>
3840f	060 ADMINISTRATION	2,773	2,668	2,935
3840f	070 RECRUITING AND ADVERTISING	12,265	14,711	9,978
TOTAL, BA 04: ADMINISTRATION & SERVICEWIDE ACTIVITIES		15,038	17,379	12,913
Total Operation and Maintenance, Air National Guard		3,292,431	3,472,143	3,867,361

**Department of Defense
FY 2002 Amended President's Budget
Exhibit O-1**

		Total Obligational Authority (Dollars in Thousands)		
		<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>TRANSFER ACCOUNTS</u>				
0810a	010 ENVIRONMENTAL RESTORATION, ARMY	-	389,074	389,800
0810n	020 ENVIRONMENTAL RESTORATION, NAVY	-	293,391	257,517
0810f	030 ENVIRONMENTAL RESTORATION, AIR FORCE	-	375,472	385,437
0810d	040 ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	-	21,365	23,492
0811d	050 ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	-	230,990	190,255
0105d	060 DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES	-	981,257	820,381
0118d	070 OVERSEAS CONTINGENCIES	-	4,416,827	2,844,226
0841d	080 PENTAGON RENOVATION	221,648	-	-
TOTAL, O&M, TRANSFER ACCOUNTS		221,648	6,708,376	4,911,108
<u>MISCELLANEOUS</u>				
0107d	090 OFFICE OF THE INSPECTOR GENERAL	136,478	147,431	152,021
1705a	100 RIFLE PRACTICE, ARMY	188	-	-
0104d	110 U.S. COURT OF APPEALS FOR THE ARMED FORCES	7,515	8,555	9,096
0838d	120 SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS	9,439	-	15,800
0819d	130 OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AFFAIRS /1	55,511	55,777	57,200
1236n	140 PAYMENT TO KAHO'OLAWA ISLAND	34,360	59,868	25,000
0833d	150 EMERGENCY RESPONSE FUND, DEFENSE	287	-	-
0130d	160 DEFENSE HEALTH PROGRAM	12,305,451	12,348,464	17,898,969
0134d	170 FORMER SOVIET UNION THREAT REDUCTION	458,119	442,425	403,000
5336d	180 DEFENSE EXPORT LOAN GUARANTEE PROGRAM	105	-	-
0839d	190 QUALITY OF LIFE ENHANCEMENTS	298,449	160,147	-
0842d	200 DEFENSE VESSELS TRANSFER PROGRAM	-	3,991	-
0840d	210 OPPLAN 34A-35 P.O.W.	11,219	5,587	-
TOTAL, MISCELLANEOUS		13,317,121	13,232,245	18,561,086
TOTAL OPERATION AND MAINTENANCE TITLE:		108,466,862	113,133,102	127,626,818

/1 FY 2002 program includes \$7.5 million of prior year carryover.

**Department of Defense
FY 2002 Amended President's Budget
Exhibit O-1**

	Total Obligational Authority (Dollars in Thousands)		
	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>APPROPRIATION SUMMARY</u>			
<u>Department of the Army</u>			
OPERATION AND MAINTENANCE, ARMY	22,310,198	18,933,164	21,191,680
OPERATION AND MAINTENANCE, ARMY RESERVE	1,481,317	1,577,103	1,787,246
OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD	3,177,817	3,344,246	3,677,359
RIFLE PRACTICE, ARMY	188	-	-
Total Department of the Army	26,969,520	23,854,513	26,656,285
<u>Department of the Navy</u>			
OPERATION AND MAINTENANCE, NAVY	23,432,968	23,803,874	26,961,382
OPERATION AND MAINTENANCE, MARINE CORPS	2,775,321	2,843,164	2,892,314
OPERATION AND MAINTENANCE, NAVY RESERVE	972,156	983,562	1,003,690
OPERATION AND MAINTENANCE, MARINE CORPS RESERVE	141,601	147,639	144,023
PAYMENT TO KAHO'OLAWA ISLAND	34,360	59,868	25,000
Total Department of the Navy	27,356,406	27,838,107	31,026,409
<u>Department of the Air Force</u>			
OPERATION AND MAINTENANCE, AIR FORCE	22,226,762	22,242,917	26,146,770
OPERATION AND MAINTENANCE, AIR FORCE RESERVE	3,456,127	3,720,758	3,964,168
OPERATION AND MAINTENANCE, AIR NATIONAL GUARD	3,292,431	3,472,143	3,867,361
Total Department of the Air Force	28,975,320	29,435,818	33,978,299
<u>Defense-Wide</u>			
OPERATION AND MAINTENANCE, DEFENSE-WIDE	11,661,395	12,123,911	12,518,631

**Department of Defense
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	Total Obligational Authority (Dollars in Thousands)		
	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>Transfer Accounts and Miscellaneous</u>			
OFFICE OF THE INSPECTOR GENERAL	136,478	147,431	152,021
U.S. COURT OF APPEALS FOR THE ARMED FORCES	7,515	8,555	9,096
SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS	9,439	-	15,800
ENVIRONMENTAL RESTORATION, ARMY	-	389,074	389,800
ENVIRONMENTAL RESTORATION, NAVY	-	293,391	257,517
ENVIRONMENTAL RESTORATION, AIR FORCE	-	375,472	385,437
ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	-	21,365	23,492
ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	-	230,990	190,255
OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AFFAIRS /1	55,511	55,777	57,200
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES	-	981,257	820,381
EMERGENCY RESPONSE FUND, DEFENSE	287	-	-
DEFENSE HEALTH PROGRAM	12,305,451	12,348,464	17,898,969
FORMER SOVIET UNION THREAT REDUCTION	458,119	442,425	403,000
DEFENSE EXPORT LOAN GUARANTEE PROGRAM	105	-	-
QUALITY OF LIFE ENHANCEMENTS	298,449	160,147	-
DEFENSE VESSELS TRANSFER PROGRAM	-	3,991	-
OVERSEAS CONTINGENCIES	-	4,416,827	2,844,226
OPPLAN 34A-35 P.O.W.	11,219	5,587	-
PENTAGON RENOVATION	221,648	-	-
Total Miscellaneous	13,504,221	19,880,753	23,447,194
TOTAL OPERATION AND MAINTENANCE TITLE:	108,466,862	113,133,102	127,626,818

/1 FY 2002 program includes \$7.5 million of prior year carryover.