

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

FY 2001	Price	Program	(\$ in Millions)	Price	Program	FY 2003
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2002</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
4,308.4	+68.9	-4,198.9	178.4	+2.7	-131.1	50.0

The Overseas Contingency Operations Transfer Fund (OCOTF) was established by the FY 1997 DoD Appropriations Act to meet operational requirements in support of emerging contingency operations without disrupting approved program execution or force readiness. The OCOTF was established as a “no year” transfer account in order to provide additional flexibility to meet operational requirements by transferring the funding to the Military Components based on actual execution experience as events unfold during the year of execution. Between the fiscal years 1997 and 2001, the DoD had been appropriated funds into the 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.

Beginning in FY 2002, funds to finance the incremental cost of contingency operations in Bosnia, Kosovo, and Southwest Asia are included in the Services accounts vice the OCOTF. These operations had become stable enough to budget in the Component’s baseline appropriations. Therefore, in FY 2002, \$2,665.8 million was transferred from the OCOTF to the Components budgets. The budget request for FY 2003 was similarly adjusted, while still providing funding to finance contingency requirements in excess of those budgeted in the Services accounts.