

## OPERATION AND MAINTENANCE TITLE SUMMARY

<u>(\$ in Millions)</u>										
	<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
	<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<b>O&amp;M, Title 2</b>	125,201.5	+2,577.1	-12,286.8	115,491.7	+3,365.7	-1,898.3	116,958.9	+3,448.5	+1,260.4	121,667.4
<b>Other DoD Programs, Title 6</b>	<u>17,773.0</u>	<u>+977.6</u>	<u>-2,925.1</u>	<u>15,825.5</u>	<u>+796.3</u>	<u>-371.4</u>	<u>16,250.3</u>	<u>+871.0</u>	<u>+261.5</u>	<u>17,382.9</u>
<b>Defense Health Program</b>	17,623.0	+972.7	-3,802.2	14,793.5	+781.1	-304.1	15,270.5	+853.7	+258.7	16,382.9
<b>Drug Interdiction and Counter Drug Activities, Defense*</b>	(852.6)	-	+871.9	871.9	+11.6	-66.1	817.4	+12.8	+3.3	833.5
<b>Office of the Inspector General</b>	150.0	+4.9	+5.2	160.1	+3.6	-1.2	162.4	+4.5	-0.5	166.5
<b>GRAND TOTAL</b>	<b>142,974.5</b>	<b>+3,554.7</b>	<b>-15,211.9</b>	<b>131,317.2</b>	<b>+4,162.0</b>	<b>-2,269.7</b>	<b>133,209.2</b>	<b>+4,319.5</b>	<b>+1,521.9</b>	<b>139,050.3</b>

\*Transfer Account. The FY 2002 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.

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.

The display above for O&M Title differs from what has been reported in previous years. In the past, the Defense Health Program (DHP), the Drug Interdiction and Counter Drug Activities, Defense; and the Office of the Inspector General (OIG) were included in the O&M Title. They are now reflected in the Other DoD Programs Title to conform to the way the Congress appropriates funds. The

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O&M Title has been adjusted appropriately. To compare to previous years, O&M Title and Other DoD Programs Title must be added together. The narrative below addresses both 1) the O&M Title and 2) Other DoD Programs as in previous years.

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 FY 2004 TOA for the O&M Title is \$117.0 billion, which reflects a net increase of \$1.5 billion above the FY 2003 funding level. This increase is made up of \$3.4 billion for pricing changes and -\$1.9 billion (-1.6 percent) in net program growth.

The Budget Authority for the O&M Title increases between FY 2003 and FY 2004 as a percentage of the DoD portion of the National Defense Function (051 function) reflected in the FY 2004 budget estimates. In FY 2004, the O&M share of the Defense budget is 30.8 percent decreasing from 31.2 percent in FY 2003.

The \$12 billion reduction between FY 2002 and FY 2003 reflects the impact of the FY 2002 Global War on Terrorism Supplemental received late in FY 2002. The FY 2004 President’s Budget does not reflect any anticipated supplementals in FY 2003 or FY 2004.

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 2004 budget estimates for the O&M Title compared to the enacted FY 2003 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. In addition, programs included in Other DoD Programs, Title 6 are reviewed, as in previous years.

### **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, general nonpersonnel purchases, etc.). The FY 2004 price growth is \$3.4 billion. Rates used for the major commodity groups follow:

For civilian pay, the FY 2004 price growth is based on annualization of the FY 2003 pay raises for classified and wage board employees to include locality increases, which were effective January 1, 2003, and the portion of the FY 2004 pay increases scheduled to become effective January 1, 2004. It also provides for foreign national employee pay raises at the rates the host country provided its public sector personnel. For FY 2003, the budgeted pay raise increase is 3.1 percent for classified and wage board employees and is

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effective January 1, 2003. For FY 2004, the budgeted pay raise increase is 2.0 percent for classified and wage board employees and is effective January 1, 2004.

Consistent with Office of Management and Budget (OMB) direction, the general non-personnel purchase rate is 1.1 percent for FY 2003 and 1.5 percent for FY 2004.

Fuel purchase prices from the Working Capital Fund reflect an increase of 8.3 percent in FY 2004 based on world fuel market prices. With these rates, Working Capital Fund customers pay an average cost per barrel of \$35.28 in FY 2003 and \$38.22 in FY 2004. The FY 2004 customer fuel prices are based on revised estimates of fuel purchase inflation provided by OMB and recovery of actual gains through the end of FY 2003.

Other Working Capital Fund rates change by business area and vary from year to year. The following list of FY 2004 rate changes represent those business areas that account for the vast majority of orders from O&M customers: Army Managed Supplies and Materials (+4.5 percent), Navy Managed Supplies and Materials (+6.1 percent), Air Force Managed Supplies and Materials (+18.3 percent), Defense Logistics Agency (DLA) Managed Supplies and Materials (-2.9 percent), Army Equipment Purchases (+4.5 percent), Navy Equipment Purchases (+6.1 percent), Air Force Equipment Purchases (+18.3 percent), Army Depot Systems Command - Maintenance (+8.3 percent), Naval Aviation Depots (-2.4 percent), Naval Shipyards (-3.6 percent), Depot Maintenance Air Force - Organic (+19.1 percent), Army Armament (+1.4 percent), and Navy Civil Engineering Services (+1.5 percent).

The FY 2004 budget estimate for overseas purchases is based on foreign currency exchange rates that are consistent with recent market conditions. Overall, these rates reflect a reduction in the purchasing power of the U. S. dollar. In three currencies where DoD has its largest overseas presence, Japan, Korea and the Euro zone, the dollar's value has decreased since last year's estimate. For the Japanese Yen, the buying power of the dollar decreased by 7.3 percent from 135.44 Yen in FY 2003 to 125.49 Yen in FY 2004. Likewise, the U.S. dollar decreases in value compared to the Korean Won by 8.9 percent, moving from 1,378.04 Won in FY 2003 to 1,255.0 Won in FY 2004. In Germany, where the DoD has its largest overseas presence, the dollar declines from 1.2403 Euro's to 1.0314, a decrease of 16.8 percent.

## **PROGRAM GROWTH**

The FY 2004 budget estimate includes -\$1.9 billion (-1.6 percent) in net program growth for the O&M Title. The following indicators reflect planned operating tempo (OPTEMPO) rates for FY 2004. The Active Army budget request supports executable objective OPTEMPO rates of 913 training miles (homestation, National Training Center, and simulator miles) per year for M1 Abrams tanks and an average of 13.1 flying hours per aircrew per month. The Active Navy steaming days continues to be funded at the planning

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level of 54.0 days per quarter per ship for deployed fleets and 28.0 days per quarter per ship for the non-deployed fleets. Further, the FY 2004 budget request supports an average of 20.8 tactical flying hours per crew per month for the active Navy and Marine Corps. The active Air Force tactical fighter aircrew flying hour rates decline slightly from 16.9 to 16.6 flying hours per pilot per month. The active Air Force bomber crew flying hour rates remain the same as FY 2003 at 15.6 flying hours per crew per month. 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 FY 2004 budget request of \$28.8 billion for the Air Operations program reflects a net program growth of \$-0.2 billion (-0.9 percent) below the FY 2003 funding level. Air Operations program changes include an Army transformation initiative to increase flight training. Both the Army and the Navy increased aircraft depot maintenance to ensure readiness. The US Special Operations Command increased the funding to support low density/high demand assets and to move assets to forward locations in support of the US Central Command. The Air Force flying hour program declined due to decreases in the consumption of spare parts and to force restructure.

The Land Forces program includes funding to train and sustain active Army and Marine Corps ground combat forces. The Army program includes units assigned to heavy, airborne, air assault and light division; and 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 2004 budget request of \$3.9 billion for Land Forces programs reflects a program increase of \$10.6 million (+0.3 percent). The Army’s FY 2004 budget funding level of \$3.3 billion decreases by \$7.0 million ( 0.2 percent) below the FY 2003 program level, primarily associated with an anticipated reduction in orders for consumable repair parts. However, this decrease is mostly offset by a program increase associated with higher demand for parts and higher costs to repair equipment. 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 2004 supports 913 training miles (homestation, National Training Center, and simulator training miles) for ground OPTEMPO for the M1 Abrams tank. The Marine Corps FY 2004 amended budget request of \$0.6 billion for land forces reflects a program increase of \$17.6 million (+3.0 percent) above the FY 2003 funding level. Major program increases include additions for operation and maintenance of new equipment, Joint Concept Development and Experiment (JCDE) and Joint Command and Control Integration and Interoperability (JC2I2) (\$+14 million), NMCI Contract Costs (+\$71 million) offset by removal on Congressional Adjustments (\$-27 million), savings associated with NMCI Discontinued Service Costs (\$-29 million), and a decrease for the Corrosion Control Program (\$-10 million).

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The Ship Operations programs include OPTEMPO as well as depot maintenance and support. The FY 2004 budget request of \$8.0 billion includes a net program decrease of \$0.6 billion (-6.6 percent). This net program decrease in FY 2004 is primarily attributable to program changes in Mission and Other Ship Operations (\$+54 million), Operational Support and Training (\$+21 million), Depot and Intermediate-level Ship Maintenance (\$-294 million), Depot Operations Support (\$-335 million); and Reserve program changes associated with replacing three old Type I frigates with Type III frigates from the Active component, and a decrease in depot and intermediate maintenance (\$-8 million).

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 2004 budget request of \$4.8 billion for the Mobilization program reflects a net program decrease of \$-0.5 billion (-9.7 percent) below the FY 2003 funding level. The majority of the program decrease is associated with the Air Force Mobility Operations Airlift Operations program which due to positive accumulated operating results in the Transportation Working Capital Fund, the Active Air Force will not need to reimburse the Transportation Working Capital Fund (TWCF) in FY 2004 (\$-355 million). The other significant reduction represents the one-time effect of \$161 million in FY 2003 Defense Emergency Fund added to support CONUS combat air patrol, anti-terrorism/force protection, and aircraft communications modifications.

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 2004 Depot Maintenance budget request of \$10.1 billion reflects a net program increase of \$0.1 billion (+1.5 percent) from the FY 2003 funding level. The net increase is primarily driven by significant increases in aircraft maintenance (\$0.2 billion), and for maintenance of missiles and other equipment (\$0.3 billion). These increases are offset by program reductions in ship maintenance (\$-0.3 billion), and combat vehicle maintenance (\$-0.1 billion).

The Transportation program provides for the movement of materiel between contractors' plants, military logistics centers, and field activities throughout the world. The FY 2004 budget request of \$1.4 billion reflects a net program increase of \$0.1 billion (+4.0 percent) above the FY 2003 funding level. The largest single increase is in the Army program which grows \$19 million. This growth supports a requirement to reimburse the Defense Working Capital Fund directly for over ocean movement of secondary items. The Navy's program increase of \$3 million also reflects the new requirement to reimburse the Defense Working Capital Fund directly for over ocean movement. The Marine Corps' program increase of \$2 million supports increased ammunition movements overseas as well as Military Traffic Management Command working capital fund costs. The \$17 million increase in Air Force Transportation

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costs reflects the increase of shipments of 60K loaders as well as the direct reimbursement to the Working Capital Fund for the over ocean movement. The \$14 million increase in Defense-wide activities primarily reflects the increase 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 day. The net increase of \$0.8 million to the Guard and Reserve programs primarily reflects the \$2 million increase for the Air National Guard to support additional maintenance being performed at the depots resulting in an increase in the movement of parts offset by reduced requirements in the Air Force Reserve and the Army National Guard.

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 installed weapon systems. Also included are resources to finance base support activities and facility sustainment. The FY 2004 budget request of \$8.5 billion includes program growth of \$0.2 billion (2.5 percent). All of the Services, with the exception of Air Force, have reflected increased training and education support. Most of the increase is in base operating support (\$+127 million), Flight Training (\$+91 million), Training Support (\$+114 million); primarily offset by one-time costs (\$-93 million), and Air Force adjustments to the flying hour program (\$-31 million), and civilian manpower (\$-18 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 2004 budget of \$1.4 billion includes net program decreases of \$0.2 million. Most of the net program decrease is due to an increase in Army Reserve and Army National Guard for additional media and internet advertising (\$+19 million), offset by a decrease as a result of Defense Human Resources Activity's cancellation of the Joint Recruiting Advertising program in order to support higher departmental needs (\$-18 million).

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 2004 budget request of \$16.9 billion includes program decreases of \$1.1 billion (-6.4 percent). The majority of the net program decrease is a result of the Army's cross leveling of base support across the Army installations, the Navy's planned efficiencies due to an Installation Claimant Consolidation, one-time DERF funding for the Marine Corps, and the Air Force's ongoing reengineering efforts. All of the Military Departments reflect decreases: Army, \$-275 million; Navy, \$-237 million; Marine Corps, \$-274 million; and Air Force, \$-32 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 2004 budget request of \$4.8 billion includes a

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net program increase of \$0.1 billion (+3.0 percent) above the FY 2003 enacted level. Out of all the services, Air Force (\$+92 million) accounts for most of the net program growth, which includes funding to support the merger of the US Strategic Command and the US Space Command, realign MILSTAR satellite engineering tasks from Investment accounts, and support operations, maintenance, and training for three deployable Offensive Counterspace Systems. The Defense Agencies (\$343.9 million) make up another large proportion of the net program growth, which includes increases to the Defense Information Systems Agency (DISA) for its Information Superiority C2, and the US Special Operations Command (USSOCOM) to sustain blue force tracking transmitters and receivers in addition to increases in contract workyears. Offsetting these increases are net program reductions mostly in Army National Guard (\$-132 million), which primarily reduce sustaining base communications costs and long haul communication for Congressional adds that did not carry into the year of execution. In addition, the Army's budget request includes program reductions (\$-70 million) due to reduction in sustaining base communication, transferring funding out to Other Procurement, Army to support the replacement of trunked radios, and Congressional adds that did not carry into the year of execution. Finally, the Navy's program reduction (\$-70 million) is primarily due to a reduction from DISA Tier-One services that will be funded by DISA beginning in FY 2004, as well as reduced requirements in deployable and mobile communications.

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 2004 budget request of \$7.1 billion includes a net program growth of \$-0.3 billion (-4.2 percent). This reduction includes a net increase of \$119 million for facilities sustainment; and net decreases of \$-405 million for restoration and modernization efforts, and \$-17 million for demolition. The Navy and Marine Corps represent the majority of the increases in sustainment (\$+100 million), yet project significant decreases in restoration/modernization efforts (\$-398 million). The Army reflects net program increases in demolition (\$35 million), while the Air Force offsets the demolition growth with a net decrease of \$-40 million. In addition, the Defense-wide agencies (\$-7 million), Army Reserve (\$-3 million), and Air National Guard (\$-3 million) reflect the various other net decreases in demolition.

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 2004 budget request \$16.6 billion for the O&M, Defense-Wide appropriation includes a net program increase of \$1.4 billion (+9.7 percent). Much of this net program increase is for various readiness programs for the U.S. Special Operations Command (USSOCOM) (\$+0.4 billion), various transfers-in (\$+0.3 billion), Counter-terrorism train and equip program (\$+0.2 billion), information systems

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sustainment and transformation initiatives (\$+0.2 billion), dependent schools education and physical security requirements and Family Assistance program requirements (\$+0.1 billion), increased rent and renovation costs for tenants of Pentagon facilities (\$+0.1 billion), and training and planning initiatives (\$+0.1 billion).

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 2004 O&M budget request of \$14.9 billion for DHP includes program increase of \$56 million (+0.4 percent) above the FY 2003 funding level. This program increase is primarily due to growth in In-House Care for the delivery of care to the military treatment facilities worldwide (\$+25 million), growth in Private Sector Care for the delivery of care outside the military treatment facilities (\$+41 million), and growth in Base Support/Communications for the operation and maintenance of hospitals, clinics, and DHP facilities (\$+41 million). Offsetting the program growth are reductions in Information Management (\$-29 million), Management Activities (\$-12 million), and Education and Training (\$-10 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 2004 budget request of \$0.5 billion for the FSU Threat Reduction appropriation reflects a net program increase of \$30.2 million (+7.3 percent), which is primarily attributed to chemical weapons destruction (\$65.4 million), and weapons storage and transportation security (\$10.9 million). The program reflects a reduction in requirements for strategic arms elimination and infrastructure elimination (\$34.0 million); and defense and military contacts (\$8.0 million). Other programs with decreased funding are Biological Weapons Proliferation Prevention (\$1.3 million); WMD Proliferation Prevention (\$1.0 million), and Other Programs (\$1.8 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 ordnances; and the demolition and removal of unsafe buildings, structures at active installations and Formerly Used Defense Sites (FUDS). The FY 2004 budget request of \$1.3 billion includes a net program reduction of \$54.5 million (-4.2 percent), which primarily consists of the discontinuance of a one-time congressional increase to the FUDS account in FY 2003 (\$-34.0 million) and deferment of some Air Force investments that will not impact their ability to meet the Department's cleanup goals

The Overseas Contingency Transfer Fund (OCOTF) is a transfer appropriation that the Congress established to finances contingency operations since these operations are dynamic and unpredictable. 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 2004 budget request for OCOTF is \$50 million and reflects a net program increase of \$12.4 million above the FY 2003 funding level. Beginning in



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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, \$2.7 billion was transferred from the OCOTF to the Components budgets. The budget request for FY 2004 is for emerging contingency operations costs that consistently surface due to the dynamic international situation.

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 2004 budget request of \$0.8 billion for the CTA includes a net program decrease of \$66.1 million (-7.6 percent), which is primarily attributable to one-time FY 2003 congressional increases to the CN program.

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**FUNCTIONAL TRANSFERS**

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

<b><u>Function/Activity</u></b>	<b><u>(\$ in millions)</u></b>	
	<b><u>In</u></b>	<b><u>Out</u></b>
	<b><u>+16.1</u></b>	<b><u>-549.4</u></b>
<b>U.S. Northern Command Homeland Defense Mission.</b> Transfer into Operations & Maintenance, Air Force from the Counterdrug Central Transfer Account (CDCTA) to support the following programs: North American Air Defense (NORAD), Civil Air Patrol, Joint Task Force Six (JTF-6), and Drug Interdiction. The transfer provides support for various initiatives in domestic law enforcement agencies as well as the newly established subordinate command to U.S. NorthCom.	+8.4	
<b>Joint Surveillance Target Attack Radar System (JSTARS) and KC-135 Air Refueling Operations.</b> Transfer into Operations & Maintenance, Air National Guard from Aircraft Procurement, Air Force to support the established Joint Surveillance Target Attack Radar System (JSTARS) and KC-135 air refueling operations at two ANG flying units that previously operated B-1 bombers.	+7.7	
<b>National Communication Systems Functions.</b> Transfer from Defense Information Systems Agency to the Department of Homeland Security for NCS functions.		-49.0
<b>Nuclear Arms Control Technology Program.</b> The Under Secretary of Defense (AT&L) approved to move the Nuclear Arms Control Technology Program and associated resources from the Defense Threat Reduction Agency (DTRA) to the Army and Air Force. This net change is the portion that DTRA transferred out of Operations & Maintenance and into Research, Development, Testing & Evaluation, Air Force.		-0.6
<b>Longbow Crew Trainers.</b> Transfer out of Operations & Maintenance, Army and into Aircraft Procurement, Army to purchase four additional Longbow Crew Trainers for the four new Longbow battalions (Active, Reserve, and National Guard). This initiative is part of the Army's Transformation Plan.		-9.5
<b>Industrial Mobilization Capacity.</b> Transfer out of Operation & Maintenance, Army and into Defense Working Capital Fund, Army to properly align funding where the costs are being incurred.		-113.9
<b>Defense Commissary Agency.</b> Transfer out of Operation & Maintenance, Army and into Defense Working Capital Fund, Defense Commissary Agency (DeCA) to support DeCA operations during the budget year.		-376.4
		<b>-533.3</b>