

ARMY

<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>Actuals</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>
25,668.5	+420.8	-2,263.1	23,826.2	+468.9	+670.2	24,965.3	+672.7	+152.1	25,790.1
<p>*Includes funds from transfer accounts(e.g., Overseas Contingency Transfer Fund and Drug Interdiction and Counter drug Activities, Defense). The budget does not include cost of war funding contained in the Department's Defense Emergency Response Fund Congressional Justification Book.</p>									

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. Readiness remains the Army's top priority in fulfilling the nonnegotiable contract with the American people to fight and win the Nation's wars - decisively.

The FY 2004 President's Budget request provides an increase of \$1,139.1 million in the Operation and Maintenance, Army account over the current FY 2003 estimate in order to ensure that the Army forces are properly trained, equipped, and ready to fight. This increase includes \$468.9 million for pricing adjustments (e.g. inflation, foreign currency and pay raises) and \$670.2 million (+2.8 percent) of programmatic changes. This budget request does not include any funding requests associated with current Global War on Terrorism operations (Operation Noble Eagle / Operation Enduring Freedom/Operation Iraqi Freedom) or other potential future operations.

The FY 2004 budget reflects the Army's commitment to fully fund the ground Operating Tempo (OPTEMPO) requirements, as well as to make significant strides towards resolving depleted inventories of tactical repair parts and assemblies. In addition, the budget provides funding to maintain and improve our infrastructure at acceptable levels. To ensure high levels of military readiness, this budget supports the following major categories of mission operations:

1. Unit Training. OPTEMPO is a top priority. The Army remains committed to improving its training and unit readiness.

Ground OPTEMPO. The budget fully funds the Active Component's ground OPTEMPO training strategy, encompassing actual miles driven for home station training (HST) and at the National Training Center (NTC), as well as virtual miles associated with using simulators such as the Close Combat Tactical Trainer (CCTT) and the Unit Conduct of Fire Trainer (UCOFT).

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Air OPTEMPO. The FY 2004 budget request funds air OPTEMPO at the highest historical execution level of 13.1 live flying hours per aircrew per month.

Training Rotations to Combat Training Centers. All scheduled training rotations are fully funded: ten brigade rotations (nine Active Component and one Army National Guard) through the National Training Center, 10 Brigade rotations (nine Active Component and one Army National Guard) through the Joint Readiness Training Center, and five brigade rotations through the Combat Maneuver Training Center. The Battle Command Training Program will conduct three corps warfighter exercises and train eight Active Component division command & staff groups.

2. Institutional Training. This budget request will enable the Army to provide professional, up-to-date training for soldiers and civilians in order to grow them into competent, self-aware, courageous leaders.

Recruit Training. To set the conditions for success in growing leaders, the Department must recruit a quality workforce now and in the future. The FY 2004 budget request continue to emphasize recruiting and advertising in order to ensure that today's youth are aware of career opportunities available in the Army. In addition, it provides increased funding for the U.S. Military Academy, Senior Reserve Officers Training, and the Recruiter Initiative Programs.

Advanced Training. To train the force and develop future leaders, the FY 2004 budget request includes additional funding for Initial Entry Training, Professional Development, Off-Duty Voluntary Education, and Flight Training. The Army expects an additional 14,000 soldiers to seize the opportunity to continue their education through the Army University Access Online program (eArmyU). The eArmyU program provides soldiers post-secondary education opportunities via the eArmyU portal. This program also allows soldiers from the U.S., four U.S. territories, and 36 countries including Afghanistan, Bosnia, and Kuwait to access online classes.

Aviation Training. To produce better-trained Army aviators, the Army made fundamental changes in its aviation training strategy. The Army will implement the Flight School XXI (FSXXI) program. It will provide 27-40 additional flight training hours in advanced "go to war" aircraft. The flight students also will receive enhanced aviator survival training based on lessons learned from post-Operation Desert Storm operations. The principal benefits of FSXXI are twofold -- it reduces time students spend in flight school and it increases the live flying hours flown in the advanced "go to war" aircraft.

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3. Strategic Mobility Programs. The FY 2004 budget supports Army mobilization operations, which remains the cornerstone for the Army's worldwide deployment capability.

Afloat Stocks. The Army's afloat prepositioned fleet has 13 ships, including eight new Large, Medium Speed Roll-on/Roll-off ships. The Army is realigning and upgrading our brigade sets on land consistent with our Global Prepositioning Strategy.

Prepositioned Stocks. Wartime inventories in Europe are being reconfigured from three brigade sets into a tailored set to support European Command (EUCOM) contingency requirements. The excess stocks are being redistributed to fill shortages and increase readiness in critical Army Prepositioned Stock sets afloat in Southwest Asia and the Pacific.

Wartime Enhancements. The Army will continue deployment-outload enhancements that include infrastructure improvements and unit deployment container acquisition.

4. Material Sustainment Programs. Supplying and maintaining equipment for soldiers is the key components of military readiness. Over several years, the Army has experienced increased demands for repair parts, generally due to aging aircraft and ground equipment parts breaking more frequently, and increased execution of OPTEMPO miles and hours. This shortage of repair parts and assemblies has been addressed in this budget request.

Spares. In FY 2003, the Army has taken aggressive measures to replenish depleted inventory by realigning \$406 million in internal resources. The FY 2004 budget will continue this effort by allocating an additional \$366 million for the spares initiative. This is a major stride towards improving the supply availability, meeting mission capability goals (especially for the CH-47D and UH-60 airframes and M1A1 Abrams tanks), and ensuring effective training and readiness.

Depot Programs. For other sustainment programs, the budget includes resources to continue the same level of effort provided last fiscal year for Depot Maintenance, Second Destination Transportation, Supply Depot Operations, Army Prepositioned Stocks, and Sustainment Systems Technical Support.

Ammunition Management. The budget also supports the Army's Recapitalization Rebuild Program and the Conventional Ammunition Stockpile Management and Surveillance program consistent with congressional directives.

5. Installations and Infrastructure. The four primary tasks of Army installations and facilities are force protection, defense of information infrastructure, training support and well-being of soldiers, families and civilians.

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Anti-terrorism and force protection programs. These programs mitigate the risk associated with terrorist and criminal threats against personnel, facilities, and equipment. One of the significant challenges in the FY 2004 budget is the escalating anti-terrorism and force protection requirements. To better protect the overseas and in-transit forces, the FY 2004 budget provides mission essential critical funding for the modernization of physical security equipment, fencing, barriers and security forces and technicians.

Defense of Information Infrastructure. The Army recently activated the Network Enterprise Technology Command (NETCOM) to serve as the Army's single authority assigned to operate, manage and defend the Army's information infrastructure. NETCOM will improve the capability, performance, and security of our networks through centralization, consolidation, and standardization at every level for all Army networks including those of the Army National Guard and Army Reserve.

Training and Installation Support. The Installation Management Activity (IMA) is one of the Army's boldest business reengineering efforts to date. Installations are the operational and service support centers where our soldiers and civilians work, live and train. The FY 2004 budget request supports the Army's initiative to streamline headquarters and resources, create more agile and responsive staff, and reduce layers of review and approval, thereby enabling mission commanders to focus on its core warfighting tasks. The IMA, established on October 1, 2002, will provide a corporate structure focused on installation management. The seven regional directorates will oversee the day-to-day installation services, operations, and well-being programs. This organization structure will establish equitable standards at all Army installations worldwide and improve the delivery of services to soldiers and their families.

Facilities Sustainment. In previous years, Facilities Sustainment, Restoration, and Modernization (FSRM) requirements were frequently underfunded. In FY 2002, commanders rated over 50% of its facilities and infrastructure in such poor condition that it adversely affected mission. The Army's FY 2004 budget request includes an additional \$141 million for the sustainment of facilities. This program growth will allow the Army to increase its funding up to 93% of its facility sustainment requirements (\$1.7 billion).

In summary, the Army is a proud steward of America's financial resources. As the stewards of these resources, the FY 2004 budget request will allow the Army to effectively manage risk while maintaining military readiness through training, mobility, and sustainment programs.

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Budget Activity 1: Operating Forces

FY 2002	(\$ in Millions)				FY 2004	Price	Program	FY 2005	
	Price	Program	FY 2003	Price					Program
<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>
13,218.5	+286.8	-1,286.1	12,219.2	+283.5	+114.4	12,617.1	+346.9	+71.3	13,035.3

The FY 2004 budget request of \$12,617.1 million for the Operating Forces budget activity provides support for three activity groups: Land Forces, Land Forces Readiness, and Land Forces Readiness Support. These resources finance the day-to-day operations and readiness training activity levels of the Army's active combat forces. The Land Forces activity group provides resources for distinct facets of the operating forces (e.g. divisions, corps combat forces, corps support 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. 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 to include contingency operations (CONOPS).

The FY 2004 budget request supports the most critical readiness requirements that will enable the Army to remain trained and ready. It will allow the Army to continue critical missions and to fight and win the global war on terrorism. The FY 2004 budget request fully funds ground OPTEMPO and funds air OPTEMPO at the highest historical execution level of 13.1 flying hours per crew per month.

The FY 2004 increases by \$397.9 million above the FY 2003 funding level. This includes a price increase of \$283.5 million and a net program growth of \$114.4 million (0.9 percent). Major program changes between FY 2003 and FY 2004 include the following:

- A transfer in of \$15.1 million from Research, Development, Test, and Evaluation (RDT&E) appropriation for Other Modern Fielding program to align contractor logistics support in the appropriate account.
- A transfer in of \$14.2 million for the Criminal Investigative Command (USACIC) Transformation reflects movement of 3 companies in USACIC from a Table of Distribution of Allowance (TDA) organization to the Table of Organization and Equipment (TOE) organization.
- A transfer out of \$74.4 million to Other Procurement, Army appropriation for overseas communication infrastructure in support of Commander in Chief's Command, Control, Communication, and Computers (C4) sustainment and modernization.
- A transfer out of \$33.5 million for Transformation Installation Management. This transfer represents the proper realignment of manpower and the associated support costs from Base Support to mission programs.

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- A transfer out of \$21.6 million to the Other Procurement, Army appropriation in order to realign funds to the appropriate account, where modification of various combat service support systems (i.e., Kitchen, Company Level Field Feeding (KCLFF), Mobile Kitchen Trialer (MKT), and Modular Field Kitchen (MFK)) will be implemented.
- A transfer out of \$5.0 million to the Aircraft Procurement, Army appropriation to purchase four additional Longbow Crew Trainers for the four new Longbow Battalions in support of the Longbow Apache Modernization program. This transfer is necessary to realign the funds to the correct account.
- An increase of \$12.6 million for modernization/force structure changes in order to finance the increased cost of maintaining and operating M2A2/M2A3 Bradley Fighting Vehicles fielded to the divisions.
- An increase of \$29.9 million for the Direct Support Plus Phaseout due to a change in repair policy to eliminate costly local repair of the Abrams Gas Turbine 1500 (AGT 1500) Engine. This investment is necessary to improve engine reliability and system readiness.
- An increase of \$10.3 million for the Tactical Unmanned Aerial Vehicles (TUAV) to operate, sustain and maintain the TUAVs that are planned to be fielded to Army units.
- An increase of \$70.2 million for new and increased contractor logistics support for Training Aids Devices Simulators and Simulations (TADSS), Javelin, Sentinel, AH-64D Recapitalization Program, and ITAS Systems.
- An increase of \$12.9 million for Special Operations Forces Support in order to enable U.S. Special Operations Command (USSOCOM) to assume a more active role as an operational or supported combatant command, while continuing their role as a supporting command.
- An increase of \$18.6 million for demolition of excess facilities in order to eliminate excess infrastructure.
- An increase of \$5.9 million to fund one additional compensable workday in FY 2004.
- An increase of \$33.4 million for Military Training Specific Allotment program. This program growth is driven by the Army's change in its training policy, which increased the cost of temporary duty (TDY) entitlements for MTSA participants.
- An increase of \$159.5 million for Depot Maintenance in order to enable the Army to get closer to its optimal funding level.
- An increase of \$117.4 million to support critical anti-terrorism/force protection for Army installations.
- An increase of \$91.6 million to fund Guantanamo Bay detainee operations.
- A decrease of \$51.0 million in demand for consumable repair parts.
- A decrease of \$6.6 million for the Recapitalization Program. This adjustment reflects the savings associated with the increased Mean Time Between Failures (MTBF).
- A decrease of \$60.0 million for SBCT Deployment Exercise due to the Army's decision not to extend the US Forces Command (USFORSCOM) exercise into FY 2004.
- A decrease of \$13.1 million for Combat Training Centers due to rotational schedule changes.

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- A decrease of \$13.3 million in reduce Airborne Reconnaissance Low (ARL) contract support costs.
- A decrease of \$5.4 million for the Hunter Unmanned Aerial Vehicle due to a one-time congressional increase in FY 2003 and reduced Contractor Logistics Support (CLS).
- A decrease of \$14.1 million for Combat Medical Support due to a one-time increase in FY 2003.
- A decrease of \$9.7 million to reflect the completion of the Army Models and Simulation Command, Control, Communications, Computers, and Intelligence (C4I) project at the end of FY 2003.
- A decrease of \$26.8 million for base communications, information operations, and Army-wide information services. This decrease is due to a one-time Congressional Defense Emergency Relief Fund (DERF) augmentation in FY 2003 providing resources for on-base support for force protection.
- A decrease of \$7.8 million for antiterrorism. This decrease is due to a one-time congressional Defense Emergency Relief Fund (DERF) augmentation in FY 2003 providing resources for on-base support for force protection.
- A decrease of \$19.2 million for anticipated reduction in real estate lease costs.
- A decrease of \$104.1 million associated with cross leveling of base support resources resulting from Transformation Installation management (TIM).
- A decrease of \$17.8 million for various minor program changes, such as reduced support for fixed wing aircraft and contingency operations.

Budget Activity 2: Mobilization

<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>Actuals</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>
599.0	+24.5	-123.0	500.5	+30.9	+7.4	538.8	+13.6	+79.5	631.9

The FY 2004 budget request of \$538.8 million supports funding requirements for Strategic Mobility; Army Prepositioned Stocks; Industrial Preparedness; and Facilities Sustainment, Restoration and Modernization (SRM) programs. Strategic Mobility program funds a fleet of 12 ships leased to store Army Prepositioned Stocks (two brigade sets), Combat Support/Combat Service Support (CS/CSS) unit sets, an aggressive Sea Emergency Deployment Readiness Exercise (SEDREs) program, and force projection modeling/studies of strategic mobility issues. The Army Prepositioned Stocks (APS) program represents the Army's capability to deploy soldiers from the Continental United States (CONUS), Europe, Southwest Asia, Korea, Japan, and Hawaii to conflicts anywhere in the world. Industrial Preparedness includes the

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transfer of the Industrial Mobilization Capacity (IMC) program to Army Working Capital Fund (AWCF). It also includes industrial analysis to help the Army obtain end item and repair part support. SRM is the Army's deployment-outload infrastructure improvement program. These improvements facilitate movement of personnel and equipment from CONUS bases to/through air and seaports of embarkation for rapid deployment to meet Army/Defense timelines.

Army Mobility Operations remains the cornerstone of the Army's deployment capability. The FY 2004 Budget submission continues our efforts to maintain and improve the Army's immediate response capability to enemy threats. Specifically, this budget improves Combatant Commanders mission capabilities, maintains the readiness of initial deployed forces to conflicts, and maintains the capability of Army Working Capital Fund (AWCF) facilities to support soldiers during potential conflicts. The Army also continues to invest in war reserve secondary items to sustain First-to-Fight units. Purchases include weapon system sustainment parts, medical materiel, chemical, and biological defense materiel. This funding will be transferred to the AWCF during execution.

The FY 2004 increases by \$38.3 million above the FY 2003 funding level. This includes a price increase of \$30.9 million and a net program growth of \$7.4 million (1.5 percent). Major program changes between FY 2003 and FY 2004 include the following:

- An increase of \$35.6 million for the care of supplies in storage of watercraft assets. The Army changed the composition of its fleet of leased ships by initiating the Army Watercraft Restructuring Plan (AWRP). It places watercraft assets under the control of the Central Command (CENTCOM) and Pacific Command (PACOM). This initiative enhances the Combatant Commanders mobility within their respective areas of operation to achieve their missions effectively.
- A decrease of \$17.0 million in ship lease costs due to the change in the composition of the ships fleet from 13 to 12 in FY 2004. The ships in FY 2004 consist of 8 Large Medium Speed Roll-on/Roll-off and 4 Container ships.
- A decrease of \$11.2 million in prepositioned stocks on land requirements. The Army is in the completion phase of reconfiguring prepositioned stocks in Europe. This initiative started in FY 2002. Excess equipment and supporting supplies were redistributed to fill shortages in critical APS sets in the Pacific, Southwest Asia, and afloat

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Budget Activity 3: Training and Recruiting

<u>FY 2002</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Estimate</u>	<u>(\$ in Millions)</u>		<u>FY 2004</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2005</u> <u>Estimate</u>
				<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>				
4,235.7	+79.1	-158.2	4,156.6	+40.4	+187.6	4,384.6	+87.0	+278.6	4,750.2

The FY 2004 budget request of \$4,384.6 million for the Training and Recruiting budget activity supports the requirements for three activity groups: Accession Training; Basic Skill and Advanced Training; and Recruiting, Other Training and Education. Accession Training, produces trained soldiers and officers to meet force structure requirements. The second activity group, Basic Skill and Advanced Training, produces technically competent leaders. The third activity group, Recruiting, Other Training and Education ensures we can recruit quality soldiers and provide continuing education for soldiers and civilians.

The FY 2004 budget request supports our ability to recruit and train the force, enhances the Army's transformation through the Training and Doctrine Command's aviation training program, and provides educational opportunities for soldiers and civilians. The institutional training base directly supports the Army's readiness and the war on terrorism by providing technically competent leaders that will be able to respond as required to defend the American people, our national interests and our homeland.

The FY 2004 increases by \$228 million above the FY 2003 funding level. This includes a price increase of \$40.4 million and a net program growth of \$187.6 million (+4.5 percent). Major program changes between FY 2003 and FY 2004 include the following:

- A transfer in of \$68.0 million for Transformation of Installation Management (TIM). This transfer represents the proper realignment of Mission and Base Support personnel and support costs.
- An increase of \$6.2 million allows for replacement of 2,686 recruiter laptops, enabling the recruiters to track the status of leads, review availability of MOSs and assignments, and initiate paperwork in the recruit's home.
- An increase of \$7.4 million to provide the Army's cadre with quality training in recruiting, salesmanship, retention and scholarship allocation; and ensures cadets receive core skills needed to enter an Army geared towards transformation.
- An increase of \$31.0 million to Junior ROTC, which allows Army to correct instructor pay and offer this valuable program at 45 more high schools.
- An increase of \$18.4 million to support an increase in the number of soldiers assigned to One Station Unit Training (OSUT), the initial issue of new and improved clothing and equipment items to soldiers, and the increase in equipment maintenance cost.

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- An increase of \$97.9 million to support the implementation of Flight School XXI (FSXXI), a strategic element of aviation transformation. FSXXI produce better-trained graduates with significantly more hours of training in their go-to-war modernized aircraft.
- A decrease of \$41.7 million for FY 2003 one-time increases to support TRADOC's institutional training transformation.

Budget Activity 4: Administration and Servicewide Activities

<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>Actuals</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>
7,615.3	+30.4	-695.8	6,949.9	+114.0	+360.9	7,424.8	+225.2	-277.3	7,372.7

The FY 2004 budget request of \$7,424.8 million for the Administration and Servicewide Activities Budget Activity supports the requirements for four activity groups: Security Programs, Logistics Operations, Servicewide Support, and Support of Other Nations. These resources finance the administration, logistics, communications, and other servicewide support functions required to secure, equip, deploy, transport, sustain and support Army forces.

The Security Programs budget supports intelligence and security efforts through the National Foreign Intelligence Program, Joint Military Intelligence Program, Security and Intelligence Activities Program, Personnel Security Investigations, and Arms Control Treaty Implementation. Logistics Operations activity group resources movement of Army materiel worldwide, and manages end items, ammunition, and logistics support activities. The Servicewide Support activity group supports Army Management Headquarters Activities, the Army Claims program, telecommunications, information systems, personnel programs, and base support. Lastly, the Support of Other Nations activity group fulfills our commitment to the North Atlantic Treaty Organization and supports Combatant Commander's security cooperation strategies.

The FY 2004 budget request supports the Army's ability to fight and win the war on terrorism, defend the American people and the homeland, maintain high morale and readiness, create the Objective Force (Army of the future), and streamline and revitalize the way we operate. Due to the events of September 11, 2001, there has been a shift in funding priorities to enhance our force protection and anti-terrorism capability. The Army is continuing its efforts regarding the Transformation of the Army to the Objective Force, while maintaining its investment in People and Readiness. Three major transfers are reflected in Budget Activity 4 in both FY 2003 and FY 2004:

Effective October 1, 2002, Army initiated a major realignment to the Servicewide Support Activities to create the Network Enterprise and Technology Command (NETCOM) under the Chief, Information Officer, G6. In FY 2003 and increasing in FY 2004, missions, resources,

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and personnel assets were transferred into Budget Activity 4, making NETCOM the Army's single authority assigned to operate, manage, and defend the Army's information infrastructure (infostructure). Consolidating the infostructure will improve the capacity, performance, and security of all Army networks including those of the Army National Guard and Army Reserve. This realignment reflects the Army strategy to achieve a network-centric, knowledge-based force in support of Army transformation.

Additionally, effective October 1, 2002, the Army Contracting Agency (ACA) was formed to centralize all contracting processes into one organization in Budget Activity 4. ACA will act as the single coordinating element to deploy contracting operational support to the warfighting commands. Two regional service-contracting centers and one Electronic-Commerce Center for non-tactical/strategic information technology and commercial items will be established. This realignment divides the CONUS contracting structure along geographical lines and is complimentary to the Transformation of Installation Management.

Also beginning in FY 2003 and increasing in FY 2004, the Program Executive Officer and Program Manager reorganization was the third major transfer into Budget Activity 4. Consolidating all acquisition programs under one chain of authority within the Army eliminated the duplication of efforts in two major Army Commands.

To achieve these and other Army initiatives associated with the Transformation of the Army and to meet the intent of OSD planning guidance, the Army developed a balanced program across all three components of its Vision. In support of the overall Army plan, FY 2004 program increases have been applied to several functional programs.

- Transfer of \$33.9 million into Base Support for Pentagon Reservation Maintenance Revolving Fund Communication Survivability Program.
- An increase of \$366.0 million for Spares to support OPTEMPO requirements.
- An increase of \$31.5 million in Second Destination Transportation for ocean movement of secondary items. Over ocean transportation is currently paid in world wide prices. This change in pricing methodology provides more accurate price comparability for consumption in the U.S.
- An increase of \$15.9 million for Personnel Transformation initiative to support the newly established Personnel Transformation Task Force.
- An increase of \$16.0 million for Ammunition Management to support the annual call forward and retrograde program for the European and Pacific theaters, maintenance of conventional ammunition Priority one stocks, and readiness inspections to evaluate the serviceability of stocks.
- An increase of \$31.0 million for Reserve Component Equipment Modernization to purchase the required sets, kits, and outfits to field the AH-64 Apache, OH-58 Kiowa, CH-47 Chinook, and UH-60 Black Hawk helicopters.

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- An increase of \$19.0 million for Facilities Sustainment in order to fund 93% of requirements and Demolition of Excess Facilities increased \$6.8 million to eliminate undesirable or excess infrastructure.
- A decrease of \$111.0 million in Base Support. This program decrease is primarily associated with cross leveling of base support across the Army installations. However, this program reduction is partially offset by a program increase for the new Pentagon Physical fitness and readiness facility, enhanced security, heating and air conditioning, and Pentagon renovations.
- A decrease of \$41.3 million in Personnel Security Investigations due to anticipated efficiencies.
- A decrease of \$5.5 million in classified programs. Details will be provided upon request.