

RESERVE COMPONENTS

	(\$ in Millions)									
	FY 2002	Price	Program	FY 2003	Price	Program	FY 2004	Price	Program	FY 2005
	<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>
Army Reserve	1,766.5	+43.8	+133.2	1,943.5	+44.8	-36.3	1,952.0	+39.9	+27.4	2,019.3
Navy Reserve	1,012.6	+12.6	+183.1	1,208.3	+28.1	-64.5	1,171.9	+25.8	-16.6	1,181.1
MC Reserve	139.8	+4.0	+34.9	178.7	+2.9	-7.7	173.9	+2.8	+11.9	188.6
AF Reserve	1,999.0	+38.5	+112.5	2,150.0	+132.5	-103.3	2,179.2	+84.6	-29.4	2,234.4
Army Nat Guard	3,746.8	+86.0	+406.7	4,239.5	+97.2	-125.4	4,211.3	+82.4	+266.8	4,560.5
Air Nat Guard	<u>3,935.1</u>	<u>+113.1</u>	<u>+43.7</u>	<u>4,091.9</u>	<u>+302.7</u>	<u>+8.0</u>	<u>4,402.6</u>	<u>+209.9</u>	<u>-212.0</u>	<u>4,400.5</u>
	12,599.8	+298.0	+914.1	13,811.9	+608.2	-329.2	14,090.9	+445.4	+48.1	14,584.4

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 2004 budget request of \$14.1 billion for the Reserve Forces includes price growth of \$608.2 million and net program decrease of \$329.2 million (-2.4 percent) below the FY 2003 funding level. Summary program data for the Reserve Components is displayed below.

Reserve Forces Program Data

	FY 2002		FY 2003		FY 2004		FY 2005	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	
Selected Reserve End Strength	874,330	-9,628	864,702	-1,402	863,300	-400	862,900	
Civilian Personnel Full Time Equivalents (FTEs)	72,940	+3,954	76,894	+328	77,222	+958	78,180	
Military Technicians (Memo)	(60,908)	(+3,930)	(64,838)	(+1,151)	(65,989)	(+838)	(66,827)	
Ship Inventory (End FY)	24	-1	23	+1	24	-	24	
Steaming Hours (000)	48	-5	43	+1	44	-	44	
Total Aircraft Inventory (TAI)	3,645	-216	3,429	-67	3,362	-24	3,338	
Primary Authorized Aircraft (PAA)	3,825	-160	3,665	-86	3,579	-43	3,536	
Flying Hours (000)	845	+27	872	-10	862	+13	875	

RESERVE COMPONENTS

ARMY RESERVE

Program/Price Growth. The FY 2004 budget request for the Army Reserve increases by \$8.5 million from the FY 2003 level. This increase includes \$44.8 million for price growth and a net program decrease of \$36.3 million (-1.9 percent).

Program Discussion. The Army Reserve Selected Reserve end strength remains at 205,000 in FY 2004. Program increases include \$46.3 million for OPTEMPO due to increased requirements for supplies and flying hours that support Army Reserve units as they train to meet current deployment timelines; \$11.4 million for advertising activities to cover the Army's decision to increase media and internet advertising recruiting efforts; \$10.5 million for depot maintenance other end items to reduce depot maintenance backlogs; \$4.1 million for staff management headquarters to support increased projects and requirements; \$2.9 million for medical and dental readiness programs; and miscellaneous program changes which result in a net increase of \$1.5 million.

Program decreases occur in base operations (\$54.1 million) of which \$16.9 million is due to supplemental funding received in FY 2003 for Anti-Terrorism and Force Protection; long haul communications due to a one-time add in FY 2003 (\$35.7 million); Real Property Services (\$17.3 million); and telecommunications services (\$5.9 million). The additional 17 Army Reserve centers in FY 2003 are the result of scheduled leased and newly constructed buildings. The aircraft increase reflects the additional fielding of 8 Black Hawks and 3 Apache helicopters during FY 2004.

Army Reserve Program Data

	FY 2002		FY 2003		FY 2004		FY 2005	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	
Selected Reserve End Strength	206,682	-1,682	205,000	-	205,000	-	205,000	
Civilian Personnel Full Time Equivalents (FTEs)	11,149	-16	11,133	-1	11,132	+111	11,243	
Military Technicians (Memo)	(7,222)	(+222)	(7,444)	(+1)	(7,445)	(+122)	(7,567)	
Total Aircraft Inventory (TAI)	141	-5	136	+11	147	-	147	
Primary Authorized Aircraft (PAA)	141	-5	136	+11	147	-	147	
Flying Hours (000)	34	+10	44	-	44	+1	45	
Major Installations	6	-	6	-	6	-	6	
Reserve Centers	786	+17	803	-	803	-	803	

RESERVE COMPONENTS

NAVY RESERVE

Program/Price Growth. The FY 2004 budget request for the Navy Reserve decreases by \$36.4 million from the FY 2003 level, and includes \$28.1 million for price growth and a net program decrease of \$64.5 million (-5.3 percent).

Program Discussion. The Navy Reserve Selected Reserve end strength decreases by 2,044 in FY 2004 to 85,900 and civilian personnel full-time equivalents decrease slightly to 1,510. The selected reserve end strength reductions are due to the decommissioning and restructuring of 8 Seabee Augment Units, one SeaBee Support unit, and VFA-203 (a Reserve F-18 squadron based out of Atlanta, GA). There is 1 major program increase of \$28.6 million for the continued fielding and transformation to the Navy Marine Corps Intranet (NMCI) system, with particular emphasis on connecting the drilling Selected Reservists. Program decreases include a decrease associated with the removal of one-time Anti-Terrorist Force Protection physical site security improvement projects in FY 2003 (\$64.9 million), savings generated in base support from Navy-wide workload validation efficiencies and installation consolidation efforts (\$19.3 million), a reduction in ship depot maintenance (\$9.4 million), and the elimination of eight Naval Mobile Construction Battalion (SeaBee) augment units and one Naval Construction Force support unit (\$1.7 million). Other changes result in a net increase of \$2.2 million.

The decrease of 24 Primary Aircraft Authorized (PAA) reflects the decommissioning of 2 F-18 squadrons. The increase of 1 ship in FY 2004 represents the transfer of the USS CROMMELIN (FFG-37), a Type III Frigate from the Active Force. The Reserve Center that is being disestablished in FY 2004 is Readiness Command (REDCOM) Mid-South located in Millington, Tennessee. All of its subordinate commands will now report to REDCOM Southeast in Jacksonville, Florida.

Navy Reserve Program Data

	FY 2002		FY 2003		FY 2004		FY 2005	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	
Total Selected Reserve End Strength	87,958	-14	87,944	-2,044	85,900	+100	86,000	
Civilian Personnel Full Time Equivalents (FTEs)	1,524	+64	1,588	-78	1,510	-1	1,509	
Total Aircraft Inventory (TAI)*	-	-	-	-	-	-	-	
Primary Authorized Aircraft (PAA)	409	-	409	-24	385	-8	377	
Flying Hours (000)	112	+12	124	+1	125	-	125	
Ship Inventory	24	-1	23	+1	24	-	24	
Steaming Hours (000)	48	-5	43	+1	44	-	44	
Reserve Centers	168	-1	167	-1	166	-	166	
Major Installations	6	-	6	-	6	-	6	

- Total Aircraft Inventory is included under active Navy.

RESERVE COMPONENTS

MARINE CORPS RESERVE

Program/Price Growth. The budget request decreases by \$4.8 million from the FY 2003 level, and includes \$2.9 million for price growth and a net program decrease of \$7.7 million (-4.3 percent).

Program Discussion. The FY 2004 request supports manpower levels of 39,600 Selected Reserve end strength and 155 civilian full-time equivalents. Program increases include a net increase of \$14.7 million for the Navy Marine Corps Intranet (NMCI) to which the Marine Corps Reserve began transitioning in FY 2002 and an increase of \$4.4 million for base support to fully fund all Compliance 1 environmental projects. Program decreases include facilities sustainment, restoration, and modernization program requirements (\$15.2 million); one-time costs for operating forces (\$6.9 million); a net decrease for depot maintenance requirements (\$3.6 million); and a reduction in Marine Corps training exercises (\$0.7 million). Other miscellaneous program changes result in a net decrease of \$0.4 million.

Marine Corps Reserve Program Data

	<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>		<u>FY 2005</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	39,905	-347	39,558	+42	39,600	-	39,600
Civilian Personnel Full Time Equivalents (FTEs)	152	+4	156	-1	155	-	155
Total Aircraft Inventory (TAI)*	-	-	-	-	-	-	-
Primary Authorized Aircraft (PAA)**	(186)	(-)	(186)	(-12)	(174)	(-)	(174)
Flying Hours (000)**	(45)	(+2)	(47)	(-2)	(45)	(-1)	(44)
Divisions	1	-	1	-	1	-	1
Training Centers	183	-	183	-	183	-	183

* Total Aircraft Inventory is included under active Navy.

** Marine Corps Reserve PAA and Flying Hours are a memo entry and are included under Navy Reserve. Marine Corps Reserve flying hours are funded by the O&M, Navy Reserve appropriation.

RESERVE COMPONENTS

AIR FORCE RESERVE

Program/Price Growth. The FY 2004 budget request for the Air Force Reserve increases by \$29.2 million from the FY 2003 level. This increase includes an increase of \$132.5 million for price growth and a net program decrease of \$103.3 million (-4.8 percent).

Program Discussion. The FY 2004 budget request supports 69 flying units and 429 mission support units with a manpower level of 75,800 military Selected Reserve end strength and 14,112 civilian full-time equivalents. The FY 2004 budget includes an increase of \$45.6 million in Air Operations to support the transition of a reserve flight to a squadron to meet increased mission demands and to conduct exercise/contingency support; \$11.9 million to sustain WC-130J Ground Base Station Hardware/Software for Life of Systems after expiration of warranty; \$12.9 million to increase funding at 5 bases and 7 stations for Facilities, Sustainment, Restoration and Modernization to eliminate facilities backlog; \$10.1 million for Base Support to sustain information technology license renewals (\$3.6 million), personnel protection (\$5.3 million) and to establish a regional supply squadron(\$1.2 million); and \$2.7 million for mission support operations to convert a Reserve Medical Red Flag Course for Air Transportable Hospitals to a new generation Expeditionary Medical Support (EMEDS) equipment. Program decreases include a decrease of \$65.5 million in depot maintenance for deferred depot maintenance and excess carry over for engine contracts; a decrease of \$64.3 million for flying hours which is influenced by a change in the Air Force Reserve flying profile from a peacetime to a steady-state contingency operations and combat operations support profile; a reduction of \$33.5 million in base support due to civilian manpower efficiencies and reengineering efforts; a decrease of \$9.0 million in the cost of C-5 flying hours due to the retirement of the poorest performing aircraft; a decrease of \$6.4 million resulting from retiring 8 KC135E aircraft; and a decrease of \$4.7 million in Recruiting and Advertising due to a one-time promotional item purchase in FY 2003. Other miscellaneous changes result in a net decrease of \$3.1 million.

Depot maintenance has been funded at 81.2 percent of requirements and the flying hour program is funded at 89 percent of the requirement. The civilian end strength decline in FY 2003 is due to A-76 conversions. The net reduction of the 48 TAI and 45 PAA is the result of C-141 unit conversions and the retirement of C-141 and KC-135 aircraft.

RESERVE COMPONENTS

Air Force Reserve Program Data

	FY 2002		FY 2003		FY 2004		FY 2005	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	
Total Selected Reserve End Strength	76,632	-1,032	75,600	+200	75,800	-200	75,600	
Civilian Personnel Full Time Equivalents (FTEs)	12,995	+1,165	14,160	-48	14,112	+90	14,202	
Military Technicians (Memo)	(8,288)	(+1,099)	(9,387)	(+581)	(9,968)	(+110)	(10,078)	
Total Aircraft Inventory (TAI)	446	+14	460	-48	412	-18	394	
Primary Authorized Aircraft (PAA)	403	+8	411	-45	366	-11	355	
Flying Hours (000's)	155	-13	142	-10	132	-	132	
Major Installations	13	-	13	-	13	-	13	

ARMY NATIONAL GUARD

Program/Price Growth. The FY 2004 budget request for the Army National Guard decreases by \$28.2 million from the FY 2003 level. The total decrease includes an increase of \$97.2 million for price growth and a net program decrease of \$125.4 million (-3.0 percent).

Program Discussion. The FY 2004 budget provides for the training and operations for a Selected Reserve end strength of 350,000. Major program changes include a \$84.2 million increase for Air OPTEMPO to support 9.0 hours per aircrew per month; \$78.2 million increase for ground OPTEMPO to support 92 percent of the platoon level training strategy for FY 2004 which includes 174 tank miles, 251 brigades and 143 divisions; \$15.3 million for 240 additional civilian full-time equivalents; \$10.0 million for Sustainment Restoration and Modernization; \$7.6 million for Recruiting and Advertising; and \$2.7 million for depot maintenance to support increased M88 overhaul and tactical wheeled vehicle requirements.

Program decreases include reductions in Base Operations and Base Operations Support (\$181.4 million); Information Systems (\$129.1 million); Mission Support (\$4.6 million); Education Programs (\$2.7 million); and Second Destination Transportation (\$1.2 million). A one-time congressional add in FY 2003 for Weapons of Mass Destruction results in a decrease of \$4.4 million. The decrease of 18 aircraft in FY 2004 reflects the continuing Army Transformation and retirement legacy of UH-1 and OH-58 aircraft.

RESERVE COMPONENTS

Army National Guard Program Data

	FY 2002		FY 2003		FY 2004		FY 2005	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	
Total Selected Reserve End Strength	351,078	-1,078	350,000	-	350,000	-	350,000	
Civilian Personnel Full Time Equivalents (FTEs)	25,580	+118	25,698	+240	25,938	+467	26,405	
Military Technicians (Memo)	(25,079)	(+118)	(25,197)	(+240)	(25,437)	(+467)	(25,904)	
Total Aircraft Inventory (TAI)	1,708	-154	1,554	-18	1,536	-	1,536	
Primary Authorized Aircraft (PAA)	1,708	-154	1,554	-18	1,536	-	1,536	
Flying Hours (000)	279	-33	246	-1	245	+12	257	
Training Locations	283	-	283	-	283	-	283	
Divisions	8	-	8	-	8	-	8	
Brigades	15	-	15	-	15	-	15	

AIR NATIONAL GUARD

Program/Price Growth. The FY 2004 budget request for the Air National Guard (ANG) increases by \$310.7 million from the FY 2003 level. This change includes a price increase of \$302.7 million and a net program increase of \$8.0 million (+0.2 percent).

Program Discussion. The FY 2004 budget request supports 88 flying units, 316,294 flying hours, and 24,375 civilian full-time equivalents. The net program increase in the FY 2004 request includes a one-time FY 2003 Congressional adjustment (\$-52.9 million). Program increases include \$201.4 million for a functional transfer from the active Air Force to support the Joint Surveillance Target Attack Radar System (JSTARS) and KC-135 air refueling missions that the Air National Guard will begin operating at two units that previously flew B-1 bomber aircraft; \$91.1 million for higher consumption of reparable and consumable parts primarily caused by aging weapon systems; \$55.4 million for aircraft/engine maintenance funding primarily for the engine pylon strut replacement for the KC-135E aircraft and the Falcon STAR program for the F-16C/D aircraft; \$27.0 million for additional manpower and flying hours associated with the conversion to C-17 aircraft; \$17.5 million for the annualization of the unit conversion to 8 KC-135E air refueling aircraft from F-16C/D tactical fighters; and \$5.0 million to continue the ANG Family program.

Major program reductions are related to an OPTEMPO change that reflects a new dynamic in the ANG flying profile which influences maintenance patterns and results in a reduced rate of funding in the FY 2004 flying hour program (\$-200.6 million); decreased depot

RESERVE COMPONENTS

maintenance funding because of the retirement or replacement of 36 KC-135E aircraft and the reduction in the amount of contract carryover workload to be accomplished in FY 2004 (\$-101.6 million); the full year impact of the F-16 to KC-135 unit conversion (\$-12.2 million); a reduction in C-141 strategic airlift aircraft converting to C-17s (\$-11.1 million); and a decrease in C-130 resources as the Air National Guard begins implementation of the Air Force's corporate mobility plan (\$-5.5 million). Other miscellaneous program changes result in a net program decrease of \$5.5 million.

The increase of 400 Selected Reserve end strength affects is for increased Aerospace Expeditionary Force participation and Civil Support Teams. The change in TAI/PAA is the net effect of C-141 retirements, a reduction from 10 to 8 aircraft in some KC-135E units, and the transfer of E-8 aircraft to assume the JSTARS mission.

Air National Guard Program Data

	FY 2002		FY 2003		FY 2004		FY 2005
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Total Selected Reserve End Strength	112,075	-5,475	106,600	+400	107,000	-300	106,700
Civilian Personnel Full Time Equivalents (FTEs)	21,540	+2,619	24,159	+216	24,375	+291	24,666
Military Technicians (Memo)	(20,319)	(+2,491)	(22,810)	(+329)	(23,139)	(+139)	(23,278)
Total Aircraft Inventory (TAI)	1,350	-71	1,279	-12	1,267	-6	1,261
Primary Authorized Aircraft (PAA)	1,164	-9	1,155	-10	1,145	-24	1,121
Flying Hours (000)	265	+51	316	-	316	-	316
Major Installations	2	-	2	-	2	-	2
Other Operating Locations	173	-	173	-	173	-	173