

**Fiscal Year (FY) 2004/FY 2005 Biennial  
Budget Estimates  
Defense Security Cooperation Agency  
(DSCA)**



February 2003

**DEFENSE SECURITY COOPERATION AGENCY**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates**  
**Operation and Maintenance, Defense-wide**  
**Appropriation Highlights**  
**(Dollars in Millions)**

	<u>FY 2002</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</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>
<b><u>Appropriation Summary:</u></b>	412.346	4.638	-264.258	152.726	2.324	129.717	284.767	4.585	-203.027	86.325

Operation & Maintenance, Defense-wide  
Budget Activity 4: Administration and Service-wide Activities

**Description of Operations Financed:**

These funds will be used to finance the DSCA Headquarters administrative support, Partnership for Peace - promote partner interoperability with NATO, build candidates for NATO membership, and build U.S. bilateral support to supplement partner participation in the Partnership for Peace Program; Canadian Environmental Cleanup - for sites at Argentia, Dew Line, Goose Bay and Haines-Fairbanks; the International Programs Security Requirements Course - a course of instruction in security requirements for international programs for Department of Defense and defense contractor personnel having direct responsibility for such programs; and the Counterterrorism Fellowship Program - non-lethal counterterrorism training and education of foreign military officers. In FY 2004, funds were programmed for the Counter-terrorism (CT) Train and Equip Program, which allows the U.S. Military to train, equip, and sustain foreign military forces in CT operations.

**Narrative Explanation of Changes:**

The funding changes between FY 2003 and FY 2004 are for the CT Train and Equip Program.

**DEFENSE SECURITY COOPERATION AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates**  
**Summary of Increases and Decreases**

<b><u>Appropriation:</u> Operation and Maintenance, Defense-Wide</b>	<b>(\$000)</b>
<b>1. FY 2003 President's Budget</b>	<b>67,927</b>
2. Congressional Adjustments (Distributed)	-2,000
3. Congressional Adjustments (Undistributed)	-1,461
4. Congressional Adjustments (General Provisions)	-1,324
5. Congressional Earmarks	-66
<b>6. FY 2003 Appropriated Amount</b>	<b>63,076</b>
7. Functional Transfers-In	
8. Other Transfers-In (Non-Functional)	
9. Functional Transfers-Out	
10. Other Transfers-Out (Non-Functional)	
11. Price Growth	-202
12. Program Increases	
a. Counter-Terrorism Fellowship Program Carryover	16,852
b. Logistical Military Support Carryover	73,000
<b>13. Revised FY 2003 Current Estimate</b>	<b>152,726</b>
14. Functional Transfers-In	
15. Other Transfers-In (Non-Functional)	
16. Functional Transfers-Out	
17. Other Transfers-Out (Non-Functional)	
18. Price Growth	2,324
19. Program Increases	
a. Counterterrorism Training and Equipment Program	200,000
b. WI/PfP planning conferences and exercises	1,241
c. Counterterrorism Fellowship Program	1,476
<b>20. Total Increases</b>	<b>202,717</b>

**DEFENSE SECURITY COOPERATION AGENCY**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates**  
**Summary of Increases and Decreases**

<b><u>Appropriation: Operation and Maintenance, Defense-Wide</u></b>	<b>(\$000)</b>
21. Program Decreases:	
a. Logistical Military Support carryover received in FY 2002	
22. Total Decreases	-73,000
<b>23. Revised FY 2004 Request</b>	<b>284,767</b>
24. Price Growth	4,585
25. Program Increases	
26. Program Decreases	-203,027
<b>27. Revised FY 2005 Request</b>	<b>86,325</b>

**DEFENSE SECURITY COOPERATION AGENCY**  
**Operations and Maintenance, Defense-Wide**  
**FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET ESTIMATES**  
**MANPOWER CHANGES IN FULL-TIME EQUIVALENT**  
**FY 2002 through FY 2005**

	<u>Us Direct Hire</u>	<u>Foreign National</u>		<u>Total</u>
		<u>Direct Hire</u>	<u>Indirect Hire</u>	
1. FY 2002 FTEs				
--	29			29
(changes)				
--	29			29
2. FY 2003 FTEs				
--	29			29
(changes)	1			1
--	30			30
3. FY 2004 FTEs				
--	30			30
(changes)				
--	30			30
4. FY 2005 FTEs	30			30
--	30			30
(changes)				
--	30			30
FY 2002				
O&M Total	30			30
Direct Funded	21			21
Reimbursable Funded	9			9
Other appropriations				
Direct Funded				
Reimbursement Funded				
Total Component	30			30
Direct Funded	21			21
Reimbursable Funded	9			9

**DEFENSE SECURITY COOPERATION AGENCY**  
**Operations and Maintenance, Defense-Wide**  
**FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET ESTIMATES**  
**MANPOWER CHANGES IN FULL-TIME EQUIVALENT**  
**FY 2002 through FY 2005**

	<u>Us Direct Hire</u>	<u>Foreign National</u>		<u>Total</u>
		<u>Direct Hire</u>	<u>Indirect Hire</u>	
5. SUMMARY				
FY 2003				
O&M Total	30			30
Direct Funded	21			21
Reimbursable Funded	9			9
Other appropriations				
Direct Funded				
Reimbursement Funded				
Total Component	30			30
Direct Funded	21			21
Reimbursable Funded	9			9
6. SUMMARY				
FY 2004				
O&M Total	30			30
Direct Funded	21			21
Reimbursable Funded	9			9
Other appropriations				
Direct Funded				
Reimbursement Funded				
Total Component	30			30
Direct Funded	21			21
Reimbursable Funded	9			9
7. SUMMARY				
FY 2005				
O&M Total	30			30
Direct Funded	21			21
Reimbursable Funded	9			9
Other appropriations				
Direct Funded				
Reimbursement Funded				
Total Component	30			30
Direct Funded	21			21
Reimbursable Funded	9			9

Narrative: The FTEs are consistent with the FYDP.

DEFENSE SECURITY COOPERATION AGENCY  
Operations and Maintenance, Defense-Wide  
Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates  
PERSONNEL SUMMARY

	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY 2005</u>	<u>Change FY2003/FY2004</u>
<u>Active Military End Strength (E/S) (Total)</u>					
Officer					
Enlisted					
<u>Reserve Drill Strength (E/S) (Total)</u>					
Officer					
Enlisted					
<u>Reservists on Full Time Active Duty (E/S) (Total)</u>					
Officer					
Enlisted					
<u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	29	30	30	30	0
Foreign National Direct Hire					
Total Direct Hire	29	30	30	30	0
Foreign National Indirect Hire (Military Technician Included Above (Memo)) (Reimbursable Civilians Included Above (Memo))	9	9	9	9	0
Additional Military Technicians Assigned to USSOCOM					
<u>Active Military Average Strength (A/S) (Total)</u>					
Officer					
Enlisted					
<u>Reserve Drill Strength (A/S) (Total)</u>					
Officer					
Enlisted					
<u>Reservists on Full Time Active Duty (A/S) (Total)</u>					
Officer					
Enlisted					
<u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	19	20	20	20	0
Foreign National Direct Hire					
Total Direct Hire	19	20	20	20	0
Foreign National Indirect Hire					

**Defense Security Cooperation Agency**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates**  
**Budget Activity #4: Administration and Servicewide Activities**

**I. Narrative Description:**

The Defense Security Cooperation Agency (DSCA) provides program management and program implementation support to Humanitarian Assistance and Mine Action, the Warsaw Initiative/Partnership for Peace programs in accordance with DoD's policy to provide emergency and on-emergency humanitarian assistance; and directs, administers, and supervises the Humanitarian Mine Action Program.

In 1996, the United States Government negotiated a settlement with the Government of Canada for reimbursement of costs for environmental cleanup at four United States military installations in Canada. The United States and Canadian Government developed this requirement through extensive negotiations resulting in a formal Exchanges of Notes wherein it was agreed that the United States would pay a settlement of \$100 million. At the beginning of FY 1999, Canadian support of these environmental cleanup activities totaled \$37.638 million in current year dollars.

In Warsaw in July 1994, President Clinton announced a major foreign policy initiative, saying he would seek \$100 million in FY 1996 to "help America's new democratic partners work with the United States to advance the Partnership for Peace's goals." The effort became known as the Warsaw Initiative. Congress approved the funds, thereby establishing a single, comprehensive United States bilateral program to advance closer relations and interoperability between NATO and Partnership for Peace (PfP) countries. The State Department and the Department of Defense (DoD) cooperatively administer the program; State's portion is provided as Foreign Military Financing; the remainder administered by DoD.



**Defense Security Cooperation Agency  
 Operation and Maintenance, Defense-Wide  
 Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates  
 Budget Activity #4: Administration and Servicewide Activities**

**II. Description of Operations Financed:**

The FY 2004 funds in the amount of \$3.068 million will be used for expenses to operate the government activity, including salaries and benefits, travel, training, rental of office space, rental of equipment, communications, and cost of supplies and equipment. Funds in the amount of \$11.5 million will be used for the Canadian Environment Cleanup program, \$48.944 million for the Warsaw Initiative/Partnership for Peace program (WI/PfP) and \$1.255 million for the International Programs Security Requirements Course. In FY 2004, \$200 million were programmed for the Counter-terrorism (CT) Train and Equip Program, which will allow the U.S. Military to train, equip, and sustain foreign military forces in CT operations. Finally, \$20 million is for the Counterterrorism Fellowship Program to provide non-lethal counterterrorism training and education of foreign military officers.

	(\$ in Thousands)			
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Administrative Cost	2,607	2,674	3,068	3,678
Canadian Environmental Cleanup	11,100	11,300	11,500	11,800
WI/PfP	41,359	47,703	48,944	49,586
Intern'l Programs Sec Req Course	1,193	1,197	1,255	1,261
Counter-Terrorism Training & Equip			200,000	
Drug Interdiction	25,087			
International Trust Fund for Demining & Mine Victims	14,000			
Pakistan	317,000			
Logistical Military Support		73,000		
Counter Terrorism Fellowship Program		16,852*	20,000	20,000
* No-Year Funds				
<b>Total</b>	<b>412,346</b>	<b>152,726</b>	<b>284,767</b>	<b>86,325</b>

**Defense Security Cooperation Agency**  
**Operation and Maintenance, Defense-Wide**  
**Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates**  
**Budget Activity #4: Administration and Servicewide Activities**

**III. Financial Summary (O&M: Dollars in Thousands):**

<b>A. <u>Subactivity Group</u></b>	<b>FY 2002 <u>Actuals</u></b>	<b>FY 2003</b>		<b>Current <u>Estimate</u></b>	<b>FY 2004 <u>Estimate</u></b>	<b>FY 2005 <u>Estimate</u></b>
		<b><u>Budget Request</u></b>	<b><u>Appropriation</u></b>			
DSCA	56,259	67,927	63,076	152,726	284,767	86,325
Drug Interdiction	25,087					
International Trust Fund For Demining & Mine Victims	14,000					
Pakistan	317,000					
<b>TOTAL O&amp;M</b>	<b>412,346</b>					
<b>B. <u>Reconciliation Summary:</u></b>		<b><u>Change FY 2003/FY 2003</u></b>		<b><u>Change FY 2003/FY 2004</u></b>		<b><u>Change FY 2004/2005</u></b>
<b>Baseline Funding</b>		67,927		152,726		284,767
Congressional Adjustments (Distributed)		-2,000				
Congressional Adjustments (Undistributed)		-1,461				
Congressional Adjustments (General Provisions)		-1,324				
Congressional Earmark Bill Payer		-66				
<b>Appropriated Amount</b>						
Price Change				2,324		4,585
Program Change		89,650		129,717		-203,027
<b>Current Estimate</b>		<b>152,726</b>		<b>284,767</b>		<b>86,325</b>

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 Budget Activity #4: Administration and Servicewide Activities**

**C. Reconciliation of Increases and Decreases:**

<b>1. FY 2003 President's Budget Request</b>		<b>67,927</b>
2. Congressional Adjustments (Distributed)	-2,000	
Total Congressional Adjustments (Distributed)		-2,000
3. Congressional Adjustments (Undistributed)		
FECA Surcharge Reduction	-4	
Unobligated Balance	-110	
CSR/FEHB Accruals	-1,347	
Total Congressional Adjustments (Undistributed)		-1,461
4. Congressional Adjustments (General Provisions)		
Section 8100 - Management Efficiencies	-868	
Section 8103 - Government Purchase Card	-5	
Section 8109 - Reduce Cost Growth of Information Technology	-85	
Section 8133 - Reduce Growth of Travel Cost	-4	
Section 8135 - Inflation - Revised Economic Assumptions	-362	
Total Congressional Adjustments (General Provisions)		-1,324
5. Congressional Earmarks:		
Section 8044 - Indian Lands Environmental Impact	-66	
Total Congressional Earmarks		-66
<b>6. FY 2003 Appropriated Amount</b>		<b>63,076</b>
7. Price Growth		-202
8. Program Increases		
a. Counter-Terrorism Fellowship Program Carryover (no-year)	16,852	
b. Logistical Military Support received in the FY 2002	73,000	
Supplemental carried over into FY 2003 (no-year)		
Total Program Increases		89,852
<b>9. Revised FY 2003 Current Estimate</b>		<b>152,726</b>

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10.	Price Growth		2,324
11.	Program Increase		
	Increase is for the Counterterrorism Train and Equip Program	200,000	
	Increase is for the WI/PfP for planning conferences and Logistical support for exercises.	1,241	
	Increase for Counterterrorism Fellowship Program	1,476	
	Total Program Increases		202,717
12.	Program Decrease	-73,000	
	Decrease for Logistical Military Support received in the FY 2002 Supplemental carried over into FY 2003 (no-year)		
	Total Program Decreases		-73,000
<b>13.</b>	<b>FY 2004 Budget Request</b>		<b>284,767</b>
14.	Price Growth		4,585
15.	Program Increases		0
16.	Program Decreases		-203,027
<b>17.</b>	<b>FY 2005 Budget Estimate</b>		<b>86,325</b>

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**IV. Performance Criteria and Evaluation Summary:**

The Defense Security Cooperation Agency (DSCA) provides program management and program implementation support for Humanitarian Assistance and Demining (HA/D) programs, the African Center for Strategic Studies (ACSS), Warsaw Initiative/Partnership for Peace (WI/PfP) program and the Canadian Environmental Cleanup program. In accordance with DoD's policy to provide emergency and non-emergency humanitarian assistance, and directs, administers and supervises the humanitarian demining program. Tangible performance criteria for the WI/PfP program include the number of PfP events supported, number of studies conducted, number of personnel involved, study recommendations acted upon by Partners, number of events hosted and others. Tangible performance criteria for the ACSS program include the number of seminars hosted in African countries

<b>V. <u>Personnel Summary:</u></b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>	<b><u>FY 2005</u></b>	<b><u>Change FY 2003/FY 2004</u></b>
<u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	20	21	21	21	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	20	21	21	21	0
Foreign National Indirect Hire	0	0	0	0	0
Reimbursable U.S. Direct Hire	9	9	9	9	0
Total Reimbursable	9	9	9	9	0
 <u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	29	30	30	30	0
Total Direct Hire	29	30	30	30	0

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**VI. OP 32 Line Items (Dollars in Thousands):**

	FY 2002 Actuals	Change FY 2002 to FY 2003		FY 2003 Estimate	Change FY 2003 to FY 2004		FY 2004 Estimate	Change FY 2004 to FY 2005		FY 2005 Estimate
		Price Growth	Program Growth		Price Growth	Program Growth		Price Growth	Program Growth	
Exec, Gen.										
Spec Schedules	1,734	121	-25	1,830	61	0	1,891	60	0	1,951
Travel of Persons	1,040	11	0	1,051	16	0	1,067	17	0	1,084
SLUC (GSA Leases)	72	2	0	74	1	0	75	1	0	76
Purchased Utilities	36	0	0	36	1	0	37	1	0	38
Purchased										
Communications	56	1	0	57	1	0	58	1	0	59
Postal Services	1	0	0	1	0	0	1	0	0	1
Supplies & Materials	341,983	3,762	-345,677	78	1	0	79	1	0	80
Printing & Reproduction	1	0	0	1	0	0	1	0	0	1
Equipment Maintenance	19	0	0	19	0	0	19	0	0	19
Facility Maintenance										
By Contract	3	0	0	3	0	0	3	0	0	3
Equipment (Non-Fund)	87	1	0	88	1	0	89	1	0	90
Contract & Professional										
Support Services	1,346	15	0	1,361	20	0	1,381	22	0	1,430
Studies, Analysis										
Evaluations	2,522	28	0	2,550	38	0	2,588	41	0	2,629
Other Contracts	21,489	236	0	21,725	326	0	22,051	353	0	22,487
Other Cost	41,947	461	81,444	123,852	1,858	129,717	255,427	4,087	-203,027	56,487
Total	412,346	4,638	-264,258	152,726	2,324	129,717	284,767	4,585	-203,027	86,325