



Office of the Secretary of Defense Operation and Maintenance Overview February 2007



Fiscal Year (FY) 2008 Budget Estimates

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OPERATION AND MAINTENANCE TITLE SUMMARY

O&M TOA BY SERVICE BY APPROPRIATION

<u>Funding Summary</u>	(\$ in millions)						
	<u>FY 2006 Actual **</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate **</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Army	<u>70,811.3</u>	<u>2,110.1</u>	<u>-41,609.4</u>	<u>31,311.9</u>	<u>964.1</u>	<u>4,997.2</u>	<u>37,273.2</u>
Active	63,487.2	1,897.3	-40,947.1	24,437.5	714.9	3,772.6	28,925.0
National Guard	5,191.3	148.4	-631.1	4,708.6	172.3	959.3	5,840.2
Reserve	2,132.7	64.4	-31.2	2,165.9	76.8	265.4	2,508.1
Navy	<u>44,312.4</u>	<u>644.6</u>	<u>-8,886.7</u>	<u>36,070.3</u>	<u>1,063.2</u>	<u>2,558.1</u>	<u>39,691.6</u>
Navy Active	35,444.8	556.4	-5,195.7	30,805.5	931.9	1,597.3	33,334.7
Marine Corps Active	7,061.0	74.7	-3,349.1	3,786.6	86.0	1,088.8	4,961.4
Navy Reserve	1,484.3	9.3	-223.1	1,270.5	40.9	-124.5	1,186.9
Marine Corps Reserve	322.3	4.1	-118.7	207.7	4.4	-3.5	208.6
Air Force	<u>46,568.5</u>	<u>2,626.0</u>	<u>-11,259.5</u>	<u>37,935.0</u>	<u>1,459.9</u>	<u>1,994.8</u>	<u>41,389.7</u>
Active	39,107.2	2,092.7	-10,944.9	30,255.0	1,130.4	2,270.3	33,655.6
Air Guard	4,895.2	348.1	-176.4	5,066.8	176.9	-201.8	5,042.0
Reserve	2,566.1	185.2	-138.2	2,613.2	152.6	-73.7	2,692.1
Defense-Wide and Other	<u>49,894.7</u>	<u>1,978.0</u>	<u>-7,899.8</u>	<u>43,972.9</u>	<u>1,946.7</u>	<u>411.6</u>	<u>46,331.2</u>
Defense-Wide	22,941.0	771.0	-3,707.0	20,005.0	604.0	1,965.0	22,574.0
Defense Health Program	21,219.6	1,186.5	-1,630.0	20,776.1	1,266.4	-1,363.4	20,679.1
Emergency Response Fund, Defense	6.0	-	-6.0	-	-	-	-
Former Soviet Union Threat Reduction	454.9	10.9	-95.2	370.6	8.5	-31.1	348.0
Office of the Inspector General	207.3	6.2	3.0	216.5	5.2	-5.6	216.0
Overseas Humanitarian, Disaster and Civic Aid	120.8	2.7	-60.6	62.9	4.4	36.0	103.3

OPERATION AND MAINTENANCE TITLE SUMMARY

O&M TOA BY SERVICE BY APPROPRIATION

<u>Funding Summary</u>	(\$ in millions)						
	<u>FY 2006 Actual *</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate **</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Payment to Kaho'olawe Island	3.0	-	-3.0	-	-	-	-
U.S. Court of Appeals for the Armed Forces	10.9	0.2	0.6	11.7	0.3	0.0	12.0
Support for International Sporting Competitions	16.1	0.5	-16.6	-	-	-	-
Environmental Restoration, Army**	-	-	402.8	402.8	9.3	22.8	434.9
Environmental Restoration, Navy**	-	-	304.4	304.4	6.6	-10.4	300.6
Environmental Restoration, Air Force**	-	-	424.1	424.1	9.8	24.6	458.4
Environmental Restoration, Defense- Wide**	-	-	18.4	18.4	0.4	-6.1	12.8
Environmental Restoration, Formerly Used Defense Sites (FUDS)**	-	-	242.8	242.8	5.3	2.1	250.2
Afghanistan Security Forces Fund	1,908.1	-	-1,908.1	-	-	-	-
Drug Interdiction And Counter-Drug Activities, Defense**	-	-	1,137.5	1,137.5	26.6	-227.3	936.8
Overseas Contingency Operations Transfer Fund (OCOTF)**	-	-	-	-	-	5.0	5.0
Iraqi Security Forces	3,007.0	-	-3,007.0	-	-	-	-
Total Obligation Authority ***	211,586.9	7,358.7	-69,655.4	149,290.1	5,433.9	9,961.6	164,685.7

* The FY 2006 actual column includes Supplemental funding.

** Transfer Accounts. The FY 2006 data is non-additive. The Department transfer 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.

*** Total may not add due to rounding

OPERATION AND MAINTENANCE TITLE SUMMARY

(\$ in millions)						
FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
211,586.9	7,358.7	-69,655.4	149,290.1	5,433.9	9,961.6	164,685.7

Note: - Unless otherwise stated, the FY 2006 actual column includes Supplemental funding. The FY 2007 columns do not include Supplemental funding.

- The FY 2007 column reflects FSRM at the FY 2007 President’s Budget Request level vice the Continuing Resolution Authority level.

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 to:

- defend and 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.

To enable the Department of Defense, with the concurrence of the Department of State to expedite the training and equipping of our global partners, this budget requests authority to use up to \$500 million. This will be used to conduct programs that build the capacity of national military forces to conduct counterterrorist operations.

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 summary table at the top of this page identifies the TOA for the appropriations included in the O&M Title.

OPERATION AND MAINTENANCE TITLE SUMMARY

The FY 2008 TOA request for the O&M Title increases \$15.4 billion above the FY 2007 baseline funding and consists of net increases of \$5.4 billion in price growth and \$10.0 billion in program decreases. The following narrative displays the price changes from the FY 2007 baseline TOA. Subsequent exhibits in the O&M Overview Book reflect major programmatic changes.

PRICE CHANGES

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, medical supply purchases, general non-personnel purchases, etc.). The FY 2008 price growth is \$5.4 billion.

For civilian pay, the FY 2008 price growth is based on annualization of the FY 2006 pay raises for General Schedule and wage board employees to include locality increases, which were effective January 1, 2006, and the FY 2007 portion of the pay increases that became effective January 1, 2007. It also provides for foreign national employee pay raises at the rates the host countries provided to public sector personnel. For FY 2008, the budgeted pay raise increase is 3.0 percent for General Schedule and wage board employees and is projected to be effective January 1, 2008.

Consistent with Office of Management and Budget (OMB) direction, the general non-personnel purchase rate is 2.2 percent for FY 2008.

Working Capital Fund rates change by business activity group and vary from year to year. The following list of FY 2008 rate changes are composite rates that will vary based on the specific purchase categories. This list represents those business areas that account for the vast majority of orders from O&M customers.

OPERATION AND MAINTENANCE TITLE SUMMARY

<u>Working Capital Fund Activity Group</u>	<u>Rate Change (Percent)</u>
Army Managed Supplies, Materials, and Equipment	+1.4
Navy Managed Supplies, Materials, and Equipment	+2.0
Air Force Managed Supplies, Materials, and Equipment	+4.01
Defense Logistics Agency (DLA) Managed Supplies, Materials, and Equipment	+1.91
Army Depot Systems Command – Maintenance	+9.1
Army Ordnance Depot Maintenance	+9.1
Naval Aviation Depots	+2.31
Marine Corps Depot Maintenance	+13.17
Air Force Depot Maintenance (Organic)	+4.65
Navy Civil Engineering Services	+2.56
Military Sealift Chartered Cargo	-7.3
Air Mobility Command Channel Cargo	+2.1
Air Mobility Command Passenger	+2.1
Air Mobility Command Training	+2.8
DLA Distribution Depots	-2.0
DLA Fuel (stabilized composite rate)	+0.5
Document Automation and Production Services	+3.92
Defense Finance and Accounting Service	-5.3
Defense Information Systems Agency (DISA) – Defense Computing Centers	+4.87
DISA – Defense Communication Services – GIG-BE/DISN	+1.23
DISA – Reimbursable Services	+3.5

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(\$ in Millions)

FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
\$63,487.2	\$1,897.3	(\$40,947.1)	\$24,437.5	\$714.9	\$3,772.6	\$28,925.0

FY 2006 Includes Supplemental funding.

FY 2007 excludes war and disaster related funds.

Totals may not add due to rounding.

Active Army O&M only.

The Operation and Maintenance (O&M), Army appropriation provides for the day-to-day costs of operating the Army. The appropriation finances the Army's capability to develop realistic training; provide maintenance of equipment and facilities; and provide the highest quality-of-life for Soldiers and their families and maintain the All-Volunteer Force (AVF).

Overall Assessment

The FY 2008 O&M budget supports balanced priorities for Army forces that are simultaneously at war and transforming. The FY 2008 budget does not include any funding associated with active operations related to the Global War on Terror (e.g., additional end-strength, resetting the force, and contingency operations) or other potential future operations. This budget supports the needs of soldiers as they prepare to fight and win our nation's wars.

FY 2008 Budget Request:

The FY 2008 O&M Army budget request of \$28,925.0 million increases by \$4,487.5 million above the FY 2007 program. The increase includes a net price increase of \$714.9 million (e.g., inflation, fuel increase, and pay raises) and a net program increase of \$3,772.6 million. One of the major programs driving the growth from FY 2007 to FY 2008 is the Ground Forces Augmentation that will increase Active Army end strength from 482,400 to 547,400 through the FutureYear Defense Program (FYDP). The additional Army end strength will increase dwell time to 1:2 for the active force by 2013. The FY 2008 Army budget provides growth to achieve six additional Brigade Combat Teams (BCTs) over the FYDP, in line with the transformation from a division-centric force comprised of 18 divisions (10 Active Component and 8 Army National Guard), with 33 Active Component (AC) brigades and 15 Army National Guard (ARNG) Enhanced Separate Brigades, to a brigade-centric modular force comprised of 18 division headquarters (10 AC and 8 ARNG) with 48 AC and 28 ARNG Brigade Combat Teams. Additional programmatic increases support programmatic changes designed to ensure the base resource program is consistent with the National Military Strategy. The Army remains committed to modularizing the force by restructuring positions, creating smaller, more easily deployable brigade units, and stabilizing training

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missions, deployments, and home-unit missions to increase stability and predictability within the Army. This strategy minimizes family turbulence while maximizing unit cohesiveness and readiness.

- Funds the Army OPTEMPO (base program) strategy for those units not committed to OEF and OIF at:

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 08 as a % of FY 06 Actual</u>
Ground Optempo—Tank Miles	615	428	582	95%
Flying Hours Optempo—Flying hours per crew per month	11.6	11.1	11.6	100%

FY 2008 Budget Request:

- Funds Ground and Air Optempo. (FY 2008, \$4.5 billion)
- Funds Training enablers and mission-oriented readiness requirements. (FY 2008, \$2.6 billion)
- Funds Depot Maintenance to enable the Army to sustain current operational needs. (FY 2008, \$0.8 billion)
- Funds Base Operations Support (BOS) at a level commensurate with FY 2006 execution experience. (FY 2008, \$6.8 billion)
- Funds Other Readiness Support (excludes BOS) to sustain current operational needs. (FY 2008, \$2.7 billion)
- Funds Mobilization activities to sustain current operational needs. (FY 2008, \$0.4 billion)
- Funds accession training activities (FY 2008, \$0.6 billion)
- Funds basic skill and advanced training, recruiting and advertising activities (FY 2008, \$2.1 billion)
- Funds other training and education activities. (FY 2008, \$1.3 billion)
- Funds Security program activities. (FY 2008, \$0.8 billion)
- Funds Service-wide Transportation and Logistics Support activities. (FY 2008, \$2.3 billion)
- Funds Service-wide administration and support activities. (FY 2008, \$3.6 billion)
- Funds Support of Other Nation activities. (FY 2008, \$0.4 billion)

Major FY 2008 program highlights include:

- Optempo increases by \$1.3 billion, other readiness support increases by \$0.3 billion.
- Mobility and Prepositioning increase by \$0.2 billion.
- Training increases by \$0.7 billion.
- Service-wide Administration and Support increases by \$1.3 billion.
- Total program increase is \$3.8 billion and price related increase is \$0.7 billion.

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Budget Activity 1: Operating Forces

(\$ in Millions)

FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
\$50,773.4	\$1,771.0	(\$37,202.7)	\$15,341.7	\$430.2	\$1,641.6	\$17,413.5

Budget Activity 1 – Operating Forces consists of three activity groups: Land Forces, Land Forces Readiness, and Land Forces Readiness Support. Funding in these activity groups provide support as follows:

- Land Forces activities:
 - Supports day-to-day operations and readiness training activity levels for the operating forces such as brigade combat teams (BCTs), modular support brigades, echelons above brigades, theater level assets and special force-related training activities.
 - Supports a ground OPTEMPO strategy to reflect Major Command (MACOM) unique missions and geographical peculiarities (e.g., availability of maneuver areas and combat training centers) and availability of simulators (i.e., Close Combat Tactical Trainer (CCTT) and Unit Conduct of Fire Trainer (UCOFT)).
 - Funds the Army’s participation in the Joint National Training Capability (JNTC) events.
 - Funds the Army’s air operations
- Land Forces Readiness activities: Supports key activities essential to operational readiness, such as depot maintenance, training enablers, participation in joint exercises, communications infrastructure, intelligence support for combatant commands and combat development.
- Land Forces Readiness Support activities: Provides for infrastructure maintenance and support, management headquarters, unified command support, and additional activities of the operating forces to include contingency operations that are now included in the budget such as the Balkans, Operation Noble Eagle, and Guantanamo Bay Detainee Operations.

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Major program highlights include:

OPTEMPO: The overall program increases by 45.3 percent (\$1.3 billion program growth only) from FY 2007 to FY 2008.

The overall program growth including price growth increases from \$3.1 billion in FY 2007 to \$4.5 billion in FY 2008.

This level of growth is a result of several factors.

- Increased costs to train personnel in a more real world contemporary operating environment and a broader spectrum of training to be better prepared for today's and tomorrow's challenges.
- A smaller peacetime offset for units deployed for OIF/OEF theater operations in recognition of increased training needs.
- Continuation of the Army's transformation into a modular, more expeditionary Force.
- Increased sustainment costs for modular brigade combat team equipment, including Stryker vehicles, and rapid fielding items provided to support OIF/OEF theater operations.

The Army uses a Command unique training strategy focusing on readiness, recognizing that each Command has distinct missions and training resources. The Army continues to redefine its training strategy considering the current threat, the changing Army force structure and doctrine.

The ground training strategy is designed with a combination of actual miles driven for home station training (HST) and Combat Training Centers (CTC) rotations 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). The mileage metrics based on the Army's Combined Arms Training Strategy (CATS) for the active component are: Live (HST and CTC) - 761, Virtual (CCTT and UCOFT) - 85, totaling 846 miles. FY 2008 funds 69% of the Army's Optempo goal.

The Flying Hour Program (FHP) metric for the active component is an average of 11.6 hours per crew per month. The Army remains committed to executing its OPTEMPO strategy for those units not deployed for Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF).

Depot Maintenance: The program increases from FY 2007 to FY 2008 by \$402.2 million. The higher levels of Optempo and Training have a direct impact on Depot Maintenance costs. The increased funding supports overhauls of 14 UH-60A and 3 CH-47D helicopters, 11,850 rifles, 3,140 machine guns, 865 grenade launchers and 2,293 pistols. This funding increase is also driven by increased weapons systems complexity and interoperability requirements. Additionally, the increase funds software maintenance and integration of multiple systems to include the M1A2 System Enhancement Program (SEP) and the Paladin along with fire control systems such as the Army Battle Command System (ABCS). The increased funding supports Patriot Missile Recapitalization

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Program, watercraft overhauls required to meet regulatory requirements, various Post Production Software Support (PPSS) programs and maintenance demands resulting from an increase in rotations at the National Training Center (NTC).

Base Operations Support (BOS): BOS and Facilities Sustainment, Restoration, and Modernization (FSRM) are critical components to operate and sustain our installation infrastructure and the environment. Each installation has unique requirements to support and sustain the Army's new modular force structure. The Army is using existing facilities when available and making renovations and modifications, where feasible. BOS resources go toward the day-to-day operation of Army installations, while SRM resources pay for the sustainment, restoration, and modernization of Army facilities. Both BOS and FSRM are comprised of a network of integrated support services that directly impact Soldier readiness and quality of life.

The Army is reorganizing its structure for managing installations into an integrated command with the FY 2007 activation of the Installation Management Command (IMCOM). The Army is establishing IMCOM to improve its ability to provide critical support programs to Soldiers and their families while ensuring its installations are “flagships of readiness.” IMCOM will transform the Army’s current installation management structure into an integrated command structure. This initiative is part of the Army’s efforts to reorganize its commands and specified headquarters to obtain the most effective, efficient command and control structure for supporting the Modular Force. The new Modular Force structure identifies three types of headquarters; Army Commands, Army Service Component Commands and Direct Reporting Units. As a Direct Reporting Unit, IMCOM is accountable to the Chief of Staff of the Army for effective garrison support of mission activities, and serves as the Army’s single authority and primary provider of base support services.

The Army’s installations are an essential factor in maintaining the premier Army in the world. Army installations are the platforms from which forces rapidly mobilize and deploy military power and sustain military families. Installation commanders are finding innovative solutions to support additional Soldiers training and living on base.

The Installation Management Command (IMCOM) is focusing on four essential tasks:

- (1) Posturing crucial installations as power projection platforms with robust reach-back capabilities;
- (2) Adjusting installation support to meet the needs of an Army at War;
- (3) Providing the required infrastructure to support training and mobilization of Active Duty and Reserve Component Soldiers;
- and
- (4) Supporting the well-being of Soldiers and their families to maintain an All Volunteer Force (AVF).

The Army's goal is to make its installations quality information hubs; combat preparation and sustainment support centers; deployment platforms; and secured holistic communities.

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Budget Activity 2: Mobilization

(\$ in Millions)

FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
\$343.2	\$*	(\$115.9)	\$227.3	\$28.5	\$188.6	\$444.4

* Change is less than \$1 million

Budget Activity 2 – Mobilization consists of two activity groups: Strategic Mobilization and Army Prepositioned Stocks (APS). Strategic Mobilization provides the capability to immediately deploy combat units and associated support force structure to any emergency crisis worldwide. Funding in this budget activity provides:

- Strategic Mobilization includes the activation and upload of Large, Medium Speed Roll-On/Roll-Off (LMSR) ships for the preposition afloat set and container procurements. This provides the capability to immediately deploy a combat capable brigade along with a warfighting division and associated force structure to any emergency crisis worldwide.
- Strategic Mobilization includes funding for the Oman Access and the Bahrain Lease for critical storage space.
- The Army APS program provides power projection capability for brigade and unit sets, Operational Projects (OPROJs), and sustainment supplies from CONUS, Europe, Southwest Asia, South Korea, Japan, Hawaii, to trouble spots anywhere in the world.

Major program highlights include:

- The Strategic Mobility program increases by \$104.5 million in FY 2008. This program supports the reset of APS-3 (Afloat) to a modular structure, cargo maintenance, port operations (ship upload/download) and equipment transportation. This program also supports the Brigade Inspection Readiness Exercise Programs (BIREPs), and cyclic maintenance for the Army Prepositioned Stocks (APS) watercraft program required to meet U.S. Coast Guard requirements and support various Post Production Software Support (PPSS) programs.
- The Army Prepositioned Stock program increase of \$88.8 million will support the storage and maintenance of the interim APS-5 (Southwest Asia) equipment sets, required Operational Projects and Care of Supplies in Storage (COSIS), cyclic maintenance and maintenance of an ammo capability and non-ammo sustainment. It also supports the readiness of the APS-4 Heavy Brigade Combat Team (HBCT) set which constitutes half of the land combat power on the Korean peninsula and is essential to Operations Plan (OPLAN) execution.

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- Funding responsibility for Industrial Preparedness Operations was transferred from O&M, Army to Revolving and Management Funds, Defense Working Capital Funds, in FY 2008 and out, resulting in a program decrease of \$4.7 million.

Budget Activity 3: Training and Recruiting

(\$ in Millions)

FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
\$3,232.7	\$93.1	(\$74.5)	\$3,251.3	\$90.8	\$669.7	\$4,011.8

Budget Activity 3 – Training and Recruiting consists of three activity groups: Accession Training, Basic Skills and Advanced Training, and Recruiting and Other Training and Education. Funding in this budget activity provides:

- Accession training operations to produce the enlisted and officer personnel needed to meet total force requirements.
- Officer accessions receive indoctrination training through the United States Military Academy, U.S. Military Academy Preparatory School, and the Officer Candidate School.
- Specialized skill, flight training, professional development education, and training support.
- Recruiting and advertising programs needed to fulfill the Army personnel requirements.
- Civilian education and training, tuition assistance for active duty personnel, and the Junior Reserve Officer Training Corps.

Major program highlights include:

- The FY 2008 budget reflects a program increase for Accession Training (\$116.8 million).
- To meet Army accession requirements for the Active, National Guard, and Reserve officers, the Senior Reserve Officer Training Corps program will increase and provide an additional 4,587 Senior Reserve Officers' Training Corps (SROTC) scholarships and additional incentives such as completion bonuses and stipends.
- The FY 2008 budget reflects program increases for Basic Skills and Advanced Training (\$355.8 million).
- Funding for training support provides administrative and logistics infrastructure to operate the Army's training centers and schools which provide training to incoming recruits.
- Increased funding for Flight Training will provide for additional seats for the underwater egress training and new aircraft qualification courses as the Army transitions to the CH-47F and UH-60M model aircraft.

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- Increased funding will also support the redesigned Basic Officer Leader Course (BOLC) Phases I, II, and III, which trains officers for the Asymmetric Battle Field and the additional instructors required to maintain a 1:1 student to instructor ratio for the resident Enhanced Analysis and Interrogator Training (EAIT). This training prepares units and individual Soldiers for rotational assignments to Guantanamo Bay, Cuba, Iraq, Afghanistan, and other crisis areas.
- The FY 2008 budget reflects a program increase for Recruiting, Advertising, Other Training and Education Initiatives (\$197.1 million). These funds will support an increased number of recruiters from 4,949 to 5,633 in the Active Component and will add 300 contract recruiters. This increase will enable the Army to attract and retain quality Soldiers.
- The Army's assertive Army Strong advertising campaign, along with an increase in the number of Active Duty and contract recruiters, will target the eligible population in the overall Army effort to recruit to a 489.4 thousand base force in FY 2008.

Budget Activity 4: Administration and Servicewide

(\$ in Millions)

FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
\$9,137.9	\$33.2	(\$3,554.0)	\$5,617.1	\$165.5	\$1,272.7	\$7,055.3

Budget Activity 4 – Administration and Servicewide: This Budget Activity finances the administration, logistics, communications, and other servicewide support functions required to secure, equip, deploy, transport, sustain and support Army forces. This Budget Activity consists of four activity groups:

Security Programs
Logistic Operations

Servicewide Support
Support of Other Nations

These Activity Groups finance the logistics, communications, and other support functions required to secure, equip, deploy, transport, and sustain the Army to protect our homeland and defeat terrorism around the world. Specific activities financed include:

- Intelligence and security efforts through the National Intelligence Program, Military Intelligence Program, Security and Intelligence Activities, Personnel Security Investigations, and Arms Control Treaty Implementation.
- Movement of Army materiel worldwide and management of end items, ammunition and logistics support activities.
- Management Headquarters Activities, the Claims program, and servicewide telecom, information systems and personnel programs.

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- North Atlantic Treaty Organization (NATO) treaty support and Combatant Commander's security cooperation strategies support.

The Security Programs budget consists of eight sub-programs:

Consolidated Cryptologic Program (CCP)	Security and Intelligence Activities Program (S&IAP)
General Defense Intelligence Program (GDIP)	Personnel Security Investigations (PSI)
Foreign Counterintelligence Program (FCIP)	Defense Joint Counterintelligence Program (DJCIP)
National Geospatial-Intelligence Program (NGP)	Arms Control Treaties implementation and compliance.

The Logistics Operations activity group supports the movement of the Army worldwide, manages end items, ammunition, and logistics support activities.

The Servicewide Support activity group supports Army Management Headquarters Activities, the Army Claims program, the Defense Finance & Accounting System (DFAS), telecommunications, information systems, personnel programs, and the Commissary.

The Support of Other Nations activity group fulfills our national commitment to the North Atlantic Treaty Organization (NATO) and supports Combatants Commander's security cooperation strategies:

Major budget highlights include:

Security programs: The FY 2008 request reflects a program decrease of \$149.9 million as compared to FY 2007.

Logistics Operations activities: The FY 2008 budget reflects a program increase of \$747.4 million. Previously the Department of the Army accepted risks in its Logistics Operations by deferring logistic activities with lower priorities. Starting in FY 2008, the Army intends to bring base programs into alignment with their true costs. The logistics program increases are not related to new requirements, but to the need to reduce the Army's risk in its logistic activities and provide adequate readiness support to the transforming Army. In addition to supporting mail distribution and the Army and Air Force Exchange System (AAFES), the Second Destination Transportation (SDT) program supports increased retrograde of equipment from the European and Asian theaters.

Servicewide Support activities: The FY 2008 budget reflects a program increase of \$621.8 million and involves a wide range of programs. Among the most significant increases are those for communications and automation/connectivity. Additionally, there is a need for enhanced interoperability and maneuverability. Maneuverability, essential to the success of the Army Modular Forces, is based on communication and connectivity. Satellite communications, Long Haul Communications, the expansion of the Grid-Bandwidth, Connect the Logistician, Army Knowledge On-line, Computer Security and consolidation initiatives such as the Defense

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Information System Network (DISN) billing process, are key readiness enablers to the knowledge-based future force. The FY 2008 budget supports these requirements.

The Army continues to fund its share of the Defense Finance and Accounting Service (DFAS), Defense Commissary Agency (DeCA), and the North Atlantic Treaty Organization (NATO) requirements. The Army's share of the DFAS and DeCA requirements are fully funded in this request.

Support of Other Nations: The FY 2008 budget reflects a program increase of \$53.4 million to fully fund the Department's North Atlantic Treaty Organization (NATO) requirements. This increase is attributable to the cumulative effects of a weaker dollar and the budget cycle differences between NATO and the U.S.

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(\$ in Millions)

FY 2006 1/ <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 2/ <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2008 <u>Estimate</u>
35,444.8	+556.4	-5,223.2	30,778.1	+897.3	+1,659.3	33,334.7

Note: 1/ FY 2006 values displayed include Supplemental funding (\$5,498.6M).

2/ FY 2007 values displayed exclude Supplemental funding (\$1,645.2M).

The Operation and Maintenance, Navy (O&M,N) appropriation finances the day-to-day costs of operating naval forces, including fuel, supplies, and maintenance of ships, Navy and Marine Corps aircraft, related weapon systems, and the support establishment ashore. The primary focus of the Department's FY 2008 budget is to continue to ensure the readiness of deployed forces.

The FY 2008 estimate of \$33,334.7 million includes a price increase of +\$897.3 million. This price increase primarily results from increases in general inflation changes (+\$357.2 million), civilian pay (+\$137.9 million), Working Capital Fund rate costs (+\$241.2 million), fuel costs (+\$154.9 million), and Transportation Rates (+\$6.2 million). This budget reflects overall program increases of +\$1,659.3 million.

Budget Activity 1: Operating Forces

(\$ in Millions)

FY 2006 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2008 <u>Estimate</u>
27,250.7	+396.4	-3,478.6	24,168.6	+772.7	+1,499.7	26,440.9

The Operating Forces budget activity funds the Navy's air operations, ship operations, combat operations/support, and weapons support programs. Included in this budget activity are the costs associated with operating Navy shore bases to support these missions. Also included are the funds required to maintain combat ready forces necessary to respond to national objectives in joint, naval and combined operations. It supports the forward presence and crisis response capabilities of the National Military Strategy.

The FY 2008 budget estimate of \$26,440.9 million increases by \$2,272.4 million which includes a price increase of +\$772.7 million and program increases totaling +\$1,499.7 million (+6.2 percent). Major program changes include:

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- **Air Operations** increases by +\$459.1 million, including price growth of +\$196.0 million. Major program changes include:
 - Additional funding of \$76.2 million reflects an increase of 14,733 tactical flight hours which will achieve an average T-Rating of T-2.5 supporting a “6+1” surge readiness level.
 - Additional funding of \$38.0 million for eight additional CH-53E Super Stallion Aircraft and 3,162 flight hours.
 - Additional funding of \$14.8 million provides for an increase of 13,177 flight hours resulting from a net change in aircraft inventory, reflecting an addition of eight MH-60S and ten MH-60R aircraft, and a reduction of four SH-60B and four FH-60F aircraft.
 - Additional funding of \$8.9 million reflects fifteen additional MV-22B Osprey tactical aircraft and 4,067 flight hours.
 - Additional funding of \$61.3 million for Navy Converged Enterprise Resource Planning (ERP) program costs which includes deployment to more than 16,000 users and is partially offset by a decrease of \$21.1 million in Enterprise Resources Planning (ERP) (SIGMA) operations and support costs which will be replaced by the Navy Converged ERP program.
 - Additional funding of \$21.3 million associated with an increase of 4,303 flight hours for tactical and support aircraft in the Feet Air Training Program.
 - Additional funding of \$15.4 million reflects an increase in projected contract maintenance costs for the F/A-18A/C/D Hornet and the E-2C Hawkeye tactical training aircraft.
 - Additional funding of \$13.9 million reflects an increase of approximately 2,700 training flight hours associated with the Marine Corps Grow the Force initiative.
 - Additional funding of \$13.7 million in the Fleet Air Training program for an additional three MH-60R and seven MH-S aircraft, and a corresponding additional 7,426 flight hours, supporting the phase-out of the SH-60B and SH-60F aircraft.
 - Additional funding of \$9.4 million to support Non-Program Related Engineering efforts to enhance flight safety.
 - Additional funding of \$66.8 million related to increases in Depot Maintenance airframe rework requirements including 46 Phased Depot Maintenance/Integrated Maintenance Concept events, and increased costs for aircraft support and emergency repairs.
 - Additional funding of \$35.4 million associated with increases in various aircraft engine rework overhaul requirements.
 - Additional funding of \$15.3 million for increases in various aircraft component rework requirements.
 - Reduction of \$59.6 million reflects savings associated with the consolidation of maintenance for Aviation Depot Level Repairables (AVDLRs) into Fleet Readiness Centers (implementation of BRAC recommendation IND-0103R).
 - Reduction of \$12.1 million associated with the retirement of the S-3B Viking and associated reduction of ten aircraft and 2,938 flight hours.
 - Reduction of \$6.8 million reflects a decrease in civilian personnel supporting the aircraft Intermediate Maintenance Departments.

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- Reduction of \$18.1 million reflects decrease in Program Related Logistics requirements related to engineering and logistics support for all Navy and Marine Corps aviation platforms, including F/A-18 A-D, EA-6B, AV-8, KC-130, H-46, T-45, P-3, H-60, and E-2.
- Reduction of \$11.9 million associated with three Standard Depot Level Maintenance (SDLM), ten Age Explorations, and one mid-term Inspection.
- **Ship Operations** increases by +\$1,141.5 million, including price growth of +\$340.2 million. Major program changes include:
 - Additional funding of \$21.0 million for one-time pre-delivery conversion costs for the USNS EMORY S LAND.
 - Additional funding of \$131.7 million for additional per diem days for Dry Cargo Ammunition ships (T-AKE) and Rescue Salvage Ships T-ARS), which are chartered to the Military Sealift Command (MSC).
 - Additional funding of \$30.8 million to provide funding for 243 days per diem for the USNS EMORY S LAND conversion to MSC.
 - Funding increase of \$29.7 million supports an increase in the overall OPTEMPO of Navy ship operations from 36/24 deployed/non-deployed steaming days per quarter in FY 2007 to 45/22 deployed/non-deployed steaming days per quarter in FY 2008.
 - Funding increase of \$25.4 million supporting VIRGINIA Class submarines entering the Fleet to fund acoustic trials, Integrated Logistics Support (ILS) product maintenance, ILS COTS software, and various technological upgrades.
 - Additional funding of \$422.8 million in support of an increase in the number and scope of ship Selected Restricted Availabilities (SRAs). This includes a 15 month Extended Docking Selected Restricted Availability (EDSRA) on the USS ENTERPRISE (CVN 65) and the EDSRA planned on the USS SAN FRANCISCO (SSN 71).
 - Additional funding of \$251.1 million in support of an increase in the number and scope of ship overhauls.
 - Additional funding of \$144.2 million to support an increase in the Non-Depot/Intermediate Maintenance requirements.
 - Additional funding of \$57.1 million reflects an increase for the surface combatant Fleet Modernization Program to include improvements to DDGs, FFGs, and CGs.
 - Additional funding of \$43.9 million reflects an increase for the Amphibious/Command/Auxiliary Ship Life Cycle Support program. The increase reflects the start-up of mid-life availability periods for the LHD-1, LHA-1, LSD-41/49 and LPD-17 classes.
 - Additional funding of \$41.7 million reflects an increase in the Fleet Modernization Program to support aircraft carrier ship alterations to CVN-69, 72, 74, 75 and 77; modifications to amphibious combatants; and ship record drawing revisions for SSN-688/21 class submarines.
 - Reduction of \$123.4 million reflects decrease for a one-time FY 2007 Congressional increase to Ship Operations for OPTEMPO.

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- Reduction of \$100.0 million reflects decrease for a one-time FY 2007 Congressional increase to Ship Maintenance.
- Decrease of \$25.3 million associated with a reduction of 304 days per diem for USNS SPICA operations in FY 2008.
- Decrease of \$136.7 million to reflect a reduction in Miscellaneous RA/TA requirements.
- Reduction of \$19.0 million reflects the completion of the Reduction of Total Ownership Costs (R-TOC) program, Alteration Management Program, and Financial Document Reconciliation programs.
- **Facility Sustainment, Restoration and Modernization (FSRM)** increases by +\$45.2 million, including price growth of +\$33.0 million. Major program changes include:
 - Additional funding of \$15.6 million reflects an increase to the Restoration and Modernization to accelerate the demolition of 3 million square feet of building demolition.
 - Funding decrease of \$3.4 million reflects a decrease in SRM costs resulting from BRAC V initiatives.
- **Base Support** increases by +\$452.7 million, including price growth of +\$104.9 million. Major program changes include:
 - Funding increase of \$77.3 million to restore Navy shore installations Information Technology (IT) support services to FY 2005 levels, and to fund the cost of reducing legacy applications usage by 95%.
 - Additional funding of \$43.8 million in support of initiatives to improve basic baseline facility services functions for Navy shore installations. These services include sanitation, janitorial, building and grounds maintenance, pest control, road maintenance, and galley operations.
 - Additional funding of \$31.5 for public safety contract services Navy-wide providing for enhanced crime prevention planning, vehicle patrols, vehicle inspections, interpreters, electronic security maintenance technicians, and pass and ID administration.
 - Additional funding of \$28.8 million for additional firefighting equipment maintenance and services contracts to improve fire protection and prevention.
 - Additional funding of \$26.8 million to substantially meet mission requirements for utility services at Naval installations worldwide.
 - Funding of \$25.6 million support costs for contract trainers to backfill deployed units of USMC and Navy military personnel to train Navy Security Force personnel, DoD police officers/guards, and Auxiliary Security Force members.
 - Additional funding of \$23.2 million to improve Child Care services at Navy Installations.
 - Increase in funding of \$20.5 million supports Force Protection Level Bravo efforts at Naval Installations worldwide by providing for additional contract security guard manning levels.
 - Additional funding of \$19.3 million in support of various programs to provide support to Navy members and families. Programs include financial counseling, spousal employment assistance, clinical counseling for spouses and children, and programs that are geared to prevent spousal abuse, child abuse, and substance abuse.

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- Additional funding of \$15.0 million will provide for contract trainers and guards to replace USMC Cadre and guards at the U.S. Naval Academy.
- **Enterprise Information Technology** decreases by \$146.0 million, including price growth of \$3.0 million. Major program changes include:
 - Reflects a decrease in funding levels of \$82.0 million for the Navy Marine Corps Intranet (NMCI) due to a fifteen percent planned contract discount on seat services built into the contract and scheduled for FY 2008.
 - Decrease of \$56.0 million represents FY 2007 realignment consolidating costs to support Cyber Asset Security/Legacy Networks.
 - Decrease of \$4.5 million for reduced Oracle Ashore Enterprise Software License Maintenance services including help desk support and software upgrades.
- **Combat Operations and Support** increases by +\$175.9 million, including price growth of +\$54.0 million. Major program changes include:
 - Increase of \$42.6 million supports U.S. Pacific Command (PACOM) expansion of activities in PACOM Area of Responsibility against the war on terror.
 - Increase of \$30.5 million supports functional operations of the Navy Expeditionary Combat Command (NECC) Headquarters, Riverine Command, Expeditionary Combat Readiness Center, Maritime Civil Affairs Group, Expeditionary Training Team, and the Expeditionary Security Force under Navy Expeditionary Combat Command.
 - Increase of \$18.4 million to support the procurement and sustainment of Chemical, Biological and Radiological Defense (CBRD) Individual Protective Equipment.
 - Increase of \$16.0 million reflects the resumption of Unified Command Plan 04 (UCP04) responsibilities at U.S. Joint Forces Command (JFCOM).
 - Increase of \$16.3 million supports Operation IRAQI FREEDOM Lessons Learned at U.S. Joint Forces Command (JFCOM).
 - Increase of \$15.7 million reflects realignment of funds supporting Ship Self Defense Systems from Combat/Weapons Systems.
 - Increase of \$11.7 million for U.S. Pacific Command (PACOM) supports the establishment of a coalition Command and Control (C2) center in Singapore.
 - Increase of \$11.6 million reflects an increase in Defense Information Services Agency (DISA) service support.
 - Increase of \$10.7 million supports the start of the Commercial Satellite Broadband Program (CSBP).
 - Increase of \$10 million reflects an initial investment for the establishment of Maritime Headquarters (MHQ) with Maritime Operations Center (MOC) at the Fleets.
 - Increase of \$8.6 million reflects realignment of support costs for pre-deployment classroom training from Fleet Air Training.

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- Decrease of \$15.1 million reflects the transfer of the Multinational Information Sharing (MNIS) program to Defense Information Services Agency (DISA).
- Decrease of \$170 million reflects the realignment of funding that supports training programs at U.S. Joint Forces Command (JFCOM) and U.S. Pacific Command (PACOM) to Operation and Maintenance, Defense-Wide.
- **Weapons Support** increases by +\$144.1 million, including price growth of +\$41.5 million. Major program changes include:
 - Increase of \$11.8 million for support, analysis, and engineering for all diminishing manufacturing source issues in the fleet, as well as engineering and logistics support for AEGIS Destroyer and Cruiser Combat System upgrades and modernization.
 - Increase of \$11.8 million for overhauls and repairs for the close-in weapons system (CIWS) to support fleet requirements. The CIWS is a fast reaction, rapid fire, computer controlled radar, 20mm gun system that is designed to engage anti-ship missiles.
 - Increase of \$6.3 million for core maintenance and logistics support for air launched missile and ordnance rework programs.
 - Increase of \$8.8 million for the SSBN Transit/Escort program for operations and support of small escort vessels.
 - Increase of \$9.9 million for TRIDENT II (D-5) Surveillance and Reliability Maintenance required to support mid-life assessment necessary to ensure the long-term safety, reliability, and viability of the TRIDENT II (D-5) weapon system as part of a two-year increase to return Surveillance and Reliability Maintenance to levels necessary to begin system life extension efforts.
 - Increase of \$18.3 million for the Mine Countermeasures program, which provides maintenance of systems and components associated with all mine hunting sonar and combat systems aboard active MCM and Mine Hunting Coastal class ships. Also reflected is additional support for the Mine Warfare Readiness/Effectiveness (MIREM) program to improve collection and analysis of data for assessing force mine warfare readiness and effectiveness, which is accomplished through the conducting of realistic at-sea Mine Countermeasure (MCM) exercises.
 - Increase of \$28 million for the Unmanned Aerial Vehicle (UAV) program to support Marine Corps Ground Forces Augmentation.
 - Increase of \$7 million for support and operations maintenance for the 117 NATO SEASPARROW/ESSM surface missile systems and the 58 Target Acquisition Systems (TAS) that are deployed on a combined total of 52 combat and support ships.
 - Increase of \$6.3 million for core maintenance and logistics support for air launched missile and ordnance rework programs.
 - Decrease of \$8.8 million reflects completion of Nuclear Weapons Security projects at Missile Processing Facilities SWFPAC in Bangor, WA and SWFLANT in King's Bay, GA.
 - Decrease of \$11.3 million reflects a reduction in MK45 Mod 5 inch Gun Depot Overhauls due to one-time Congressional add in FY 2007.
 - Decrease of \$9 million reflects reduction in number of submarine combat systems waterfront technical assists, support visits, and fleet operational training courses conducted.

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Budget Activity 2: Mobilization

<u>(\$ in Millions)</u>						
FY 2006 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2008 <u>Estimate</u>
881.7	+6.0	-97.6	790.1	+3.2	+1.4	794.7

The Mobilization budget activity maintains assets that will support forces that rapidly respond to contingencies throughout the world. Also funded are the maintenance, overhaul, and calibration requirements of Navy-Type Navy-owned equipment installed on Coast Guard ships and aircraft. Additionally, this program funds the inactivation of ships, submarines, and aircraft and includes the maintenance of selected inactive ships and aircraft as well as material disposal costs.

The FY 2008 estimate of \$794.7 million increases by \$4.6 million which includes price increases of +\$3.2 million and program increases totaling +\$1.4 million (+0.2 percent). Major program changes include:

- Increase of \$35.0 million supports the Reactor Compartment Disposal and Hull Recycling of the USS TRITON (\$28 million) and advanced planning for the inactivation of the USS ENTERPRISE (\$7 million).
- Increase of \$4.0 million supports the implementation of the Deepwater Program, including overhaul of legacy cutters, increased level of maintenance support of aging equipment and systems installed on legacy cutters, and system support funding for the newly delivered Deepwater National Security Center.
- Decrease of \$41.0 million reflects a decrease in Advanced Funding in the Submarine Inactivations/Disposals program; and fewer planned inactivations and advance planning of Conventional Surface Ships in Ship Activations/Inactivations programs.
- Increase of \$3.3 million for medical supplies, equipment purchases and other costs associated with the Naval Medical Logistics Command and Naval Support Element/Commander Naval Beach Group One.

Budget Activity 3: Training and Recruiting

<u>(\$ in Millions)</u>						
FY 2006 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2008 <u>Estimate</u>
2,063.9	+37.9	-124.0	1,977.8	+53.0	+44.3	2,075.2

The Training and Recruiting budget activity funds all centrally managed or directed individual training required to meet Navy training standards. This includes accession training, basic skills training, and professional military education provided at the Naval War College, the Naval Postgraduate School, and the Armed Forces Command and Staff College. It also includes Navy recruiting and

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advertising, centralized civilian training programs, and the Junior Navy Reserve Officer Training Corps (ROTC). Team training for ships of battle groups is funded in the BA 1 Operating Forces budget activity, as is all advanced and refresher flight training and aircraft carrier qualifications.

The FY 2008 budget estimate of \$2,075.2 million increases by \$97.3 million which includes price increases of \$53.0 million and program increases of \$44.3 million (+2.2 percent). Major program changes include:

- Increase of \$35.9 million reflects the conversion of non-essential military billets to civil service for functions that are inherently governmental as well as the annualization of workyears for those converted in FY 2007.
- Increase of \$37.0 million in funding for fuel, aviation depot level repairables, and other consumable costs associated with a net increase of 208 in Pilot and Naval Flight Officer training (PTR/NFOTR) based on Integrated Production Plan (IPP) requirements.
- Increase of \$14.8 million includes initial start-up costs for curriculum development, facilities renovation, and equipment purchases for Military Headquarters with Maritime Operations Center (MHQ/MOC) integrated warfare education and training. This training and education is required to prepare assigned personnel for duties on operational maritime staffs including joint maritime operations. Funding is also provided for the establishment and curriculum development of Maritime Headquarters with Maritime Operations Center; a network of selected Navy headquarters that are manned, trained, and equipped to execute joint maritime operations.
- Decrease of \$11.3 million due to a reduction in the number of students in initial skills, skill progression, and functional skills training.
- Reduction in funding of \$30.0 million is based on the re-phasing of content re-engineering. FY 2008 funding will focus on training for the engineering plant operator continuum (EPOC) as well as initiating the combat systems continuum. These requirements are part of the second phase of the Revolution in Training (RIT) content re-engineering in which approximately 200,000 skill progression ("C" School) curriculum hours will be reviewed for re-engineering.

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Budget Activity 4: Administrative and Servicewide Support

<u>(\$ in Millions)</u>						
FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
5,248.4	+116.1	-1,523.0	3,841.5	+68.4	+113.9	4,023.8

The Administration and Servicewide Support budget activity funds shore based activities required for the effective operation of the Department of the Navy. The general services provided include administration and personnel support costs, engineering and acquisition support, security and investigative support, humanitarian and civic support, management of space and electronic warfare systems programs, and centralized transportation and communications costs.

The FY 2008 budget estimate of \$4,023.8 million increases by \$182.3 million which includes price increases of \$68.4 million and program increases of \$113.9 million (+3.0 percent). Major program changes include:

- Increase of \$33.6 million reflects additional Defense Finance and Accounting (DFAS) costs for services provided to Navy activities.
- Increase of \$19.6 million supports DON Financial Improvement Program (FIP) efforts critical to achieving clean financial statements as the program moves from discovery of deficiencies to corrective action
- Increase of \$13.5 million supports initiatives in support of Sea Power 21 and Maritime strategies.
- Increase of \$12.4 million reflects continued program support for the Navy Marine Corps Intranet (NMCI) contract ensuring government oversight of the contract
- Increase of \$13.6 million in the L-1 Management Fee for new uniforms associated with Task Force Uniform (TFU). This funding reimburses the Navy Exchanges (NEXCOM), as required by law, for the increased costs to handle uniform replacement and distribution.
- Increase of \$16 million to pay higher over ocean transportation costs.
- Increase of \$11 million in the Physical Security Equipment (PSE) Life Cycle Support program to sustain an increased amount of PSE projects. Funding provides integrated logistics, spare parts, routine maintenance, and support for equipment on bases.
- Increase of \$7.6 million to the Chemical, Biological, Nuclear and high-yield Explosive (CBRNE) program to sustain equipment (detection, protection, and medical) procured by the Joint Project Manager Guardian Installation Protection Program. Funding also provides Emergency Management hazard capabilities at all Navy bases.
- Increase of \$5.5 million supports the Strategic Sourcing Program to complete Competitive Sourcing Studies using a combination of A-76 initiatives and alternative competitive sourcing mechanisms.

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- Increase of \$5.0 million reflects support for Defense Policy Review Initiatives (DPRI) Japanese Self Defense Force in Guam.
- Realignment of \$15.6 million for the Ship System Tactical Software Maintenance Program to Electronic Warfare (1C2C).
- Decrease of \$18.9 million reflects reduction to the Legacy Manpower Systems support and connectivity in anticipation of the Defense Integrated Military Human Resources System (DIMHRS) implementation.
- Decrease of \$8.0 million reflects current Pentagon Reservation Maintenance Revolving Fund (PRMRF) cost for space occupied by the Department of the Navy personnel on the Pentagon Reservation, including renovation.
- Decrease of \$8.5 million for Teleport Communications Government Owned Contracted Out (GOCO) contract support for spares and communication maintenance on Command, Control, Computers and Intelligence.

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FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
7,061.0	74.7	-3,349.1	3,786.6	86.0	1,088.8	4,961.4

Note: FY 2006 Includes Supplemental Funding

The Operation and Maintenance, Marine Corps appropriation provides the funding for Marine Corps missions, functions, activities, and facilities except for those requirements related to: procurement of major items of equipment and ammunition, military personnel, military family housing, operation and maintenance of the Marine Corps Reserve, and those functions supported by Navy-sponsored appropriations.

The funds contained in this appropriation are intended primarily for the support of the total active Marine Corps Forces. The primary Marine Corps objective is to train and maintain the Operating Forces at a high level of combat readiness for service with the fleet, ashore, or for such other duties as the President may direct.

The Operating Forces supported by this appropriation are composed of Marine Expeditionary Forces (Division/Wing/Force Service Support Group Task Organizations), including a combination of combat and combat service support organizations and a variety of supporting units. Funds are also provided to support two landing force training commands, Marine detachments afloat, the security forces assigned to Naval and other government activities ashore, maritime prepositioning ships, and Norway prepositioning.

Shore facilities receiving funding support from this appropriation are: three major bases; two recruit depots; eleven air installations; one Marine Corps Combat Development Command; one Marine Corps Systems Command; one Marine Corps Air-Ground Combat Center; and two Expeditionary Warfare Training Groups. These facilities are being maintained at standards that will permit effective utilization, avoid major replacement costs, and allow operation and maintenance on an economical and effective basis.

The individual training of enlisted personnel and officers from basic training to the highest technical training and advanced training at schools of the other Services and civilian institutions are funded in this appropriation. Such schooling is designed to produce highly trained and disciplined officers and enlisted personnel for duty with the Operating Forces, capable of leadership growth as well as effective performance.

This appropriation also supports other activities such as special training, second destination transportation of things, recruiting, equipment overhaul and repair, and miscellaneous expenses. This appropriation utilizes the Marine Corps supply system that provides Marine activities/units with the proper materiel and equipment in the quantity, condition, time, and place required.

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Also within this appropriation are base support activities including Quality-of-Life (QOL) programs such as Childcare, Youth Development and Family Service Centers, the procurement of collateral equipment (below the investment thresholds) required to initially outfit new military construction projects at Marine Corps bases, and injury compensation payments.

The FY 2008 O&M budget request of \$4,961.4 million reflects a net increase of \$1,174.8 million from the FY 2007 funding level. The change includes \$86.0 million in price growth and \$1,088.8 million in program changes. One of the major programs driving the growth from FY 2007 to FY 2008 is the Ground Forces Augmentation (\$+754.3 million) that will increase Active Marine Corps end strength from 175,000 to 202,000 through the Future Year Defense Program (FYDP). This will allow the Corps to achieve a 1:2 deployment-to-dwell ratio and add three infantry battalions and other support forces, which will result in three balanced Marine Expeditionary Forces (MEFs). Detailed explanations of major program changes are below:

Budget Activity 1: Operating Forces

FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
5,722.0	54.5	-2,898.9	2,877.6	74.4	829.6	3,781.6

Note: FY 2006 Includes Supplemental Funding

The Operating Forces budget activity is comprised of two activity groups, Expeditionary Forces and USMC Prepositioning.

The Expeditionary Forces activity group provides funding for the operating forces that constitute the Marine Corps Air-Ground Team and Marine security forces at naval installations and aboard naval vessels. The field logistics and depot maintenance programs in support of the operating forces are also funded in this activity group. In addition, base support functions for Marine Corps bases, camps, air stations and logistics bases supporting the Operating Forces are financed in this activity group.

The USMC Prepositioning activity group finances the Maritime Prepositioning Forces (MPF) program, the Geographic Prepositioned Force and the Aviation Logistics Support Ships (TAVB) program.

The FY 2008 budget request of \$3,781.6 million for Operating Forces reflects \$+829.6 million in program growth, primarily to support the increased end strength as the USMC grows to 202,000 Marines over the Future Years Defense Program. Major program changes include: increase of \$+573.3 million for Marine Corps Ground Forces Augmentation operational and base support needs; increase of \$+126.5 million for maintenance of Table of Equipment (T/E) items acquired through supplemental funding, Secondary Repairables, maintenance and support for Command and Control systems, Counter Radio Controlled Improvised Explosive Device (RCIED) and Electronic Warfare, and new High Mobility Artillery Rocket Systems (HIMARS) and Lightweight 155mm Howitzers;

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increase of \$+24.0 million for support of Marine Corps, Joint, and international exercises, to continue building worldwide expertise in military operations; increase of \$+83.3 million to fund Facility Sustainment, Restoration and Modernization requirements deferred from FY 2007 in support of the Marine Corps barracks initiative to provide one room for every two Marines (2.0) by FY 2012. The major decrease is a reduction of \$-23.0 million in Depot Maintenance funding since approximately 30% of Marine Corps ground systems are deployed in support of Operations Iraqi and Enduring Freedom (OIF/OEF).

Budget Activity 3: Training and Recruiting

FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
727.2	16.0	-160.8	582.4	14.2	191.3	787.9

Note: FY 2006 Includes Supplemental Funding

The resources in this budget activity support recruiting and advertising, training, and education of Marines. Recruit training encompasses the transition from civilian life to duties as a Marine, and includes an intense period of training designed to prepare the new Marine for assignment to units of the Operating Forces, major bases and stations, and duty at sea aboard vessels of the U.S. Navy. Officer Acquisition encompasses training candidates for appointment as commissioned officers prior to actual commissioning in the Marine Corps or Marine Corps Reserve. Nominees undergo intense courses of instruction prior to actual commissioning.

Upon completion of Officer Acquisition Training or Recruit Training, a Marine is assigned to courses of instruction to acquire the requisite skills necessary to meet the minimum requirements of a Military Occupational Specialty (MOS). For officers, this involves completion of The Basic School at the Marine Corps Combat Development Command (MCCDC), in Quantico, Virginia and the assignment to an MOS qualifying course such as the Infantry Officers Course or the Communication Officers School. The enlisted Marine undergoes Specialized Skill Training at Marine Corps installations or at schools run by the other Services, depending on the designated MOS.

This budget activity also funds training support for costs associated with travel and per diem for those Marines attending Service and civilian schools away from their permanent duty stations; expenses incurred in developing a proficient recruiting force; costs for advertising media and market analysis; costs for training support equipment, audio-visual aids, computer-assisted training programs, direct administrative support to the training management functions and the Marine Corps Institute. In addition, this activity provides base support and Facilities Sustainment, Restoration, and Modernization (FSRM) support to Marine Corps Recruit Depots, Marine Corps Barracks, and the Marine Corps Recruiting Command.

The FY 2008 budget request of \$787.9 million for Training and Recruiting reflects \$+191.3 million in program growth. Major program changes in FY 2008 include an increase of \$+113.2 million to support Marine Corps Ground Forces Augmentation; increase

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of \$+68.2 million for Mojave Viper pre-deployment training exercises, the Center for Marine Corps Lessons Learned, the Center for Advanced Operational Culture Learning Center (CAOCL) pre-deployment operational culture and language familiarization training, Security Cooperation Education and Training Center (SCETC) for Marines deploying as advisors in support of security cooperation missions, Enlisted Professional Military Education-Training (EPME/T), and Marine Corps Distance Learning (MCDLP). Additional increases include \$+2.7 million to support previous military to civilian position conversions, \$+2.9 million for maintenance of the ranges at Marine Corps Base Quantico, and an increase of \$+4.5 million to fund Facility Sustainment, Restoration and Modernization requirements deferred from FY 2007.

Budget Activity 4: Administration and Servicewide Support

FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
611.8	4.3	-289.4	326.6	-2.6	67.9	391.9

Note: FY 2006 Includes Supplemental Funding

The resources in this budget activity support the Marine Corps-wide efforts of special support, transportation, personnel management, headquarters base support, and the department and staff management of Headquarters, Marine Corps.

Special Support provides funding for the support of Marine Corps prisoners confined at the Army Disciplinary Command, Fort Leavenworth, Kansas; the Marine Band located at the Marine Barracks, 8th and I Streets, Washington, DC; and base support. Special Support also finances the administration of missions, functions and worldwide operations of the Marine Corps and Marine Security Guards.

All costs related to Second Destination Transportation (SDT) of cargo to the operating forces are also funded in this activity group. Categories of transportation are: (a) Ocean cargo using the Military Sealift Command; (b) Inland Transportation by commercial carriers for movement between CONUS installations and ports; (c) Airlift of priority cargo via Military Airlift Command; and (d) Military Traffic Management Command and commercial sources for port handling of ocean cargo.

Base operations support for Headquarters Battalion, Headquarters, Marine Corps and Headquarters, U.S. Marine Corps is funded within this activity group.

The FY 2008 budget request of \$391.9 million for Administration and Servicewide Activities reflects \$+67.9 million in program growth. The major program change in FY 2008 is an increase of \$+67.9 million in support of Ground Forces Augmentation for increased transportation costs.

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(\$ in millions)						
FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u> *	<u>Change</u>	<u>Change</u>	<u>Estimate</u> **	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
39,107.2	2,092.7	-10,944.9	30,255.0	1,130.4	2,270.4	33,655.7

* FY 2006 values displayed include supplemental funding (\$9,085.3 million)

** FY 2007 values displayed exclude Title IX GWOT funding

Fighting and winning the Global War on Terror continues to be the Air Force's #1 priority. Developing Joint and Coalition Airman while modernizing and recapitalizing warfighting systems is necessary to provide the best air and space capability for the nation. We are at a critical juncture that will shape the Nation's security for a generation or more. Tomorrow's Air Force must be and will be more agile, more compact and more lethal than ever--ensuring continued global air, space and cyberspace dominance for the United States into the future. The Air Force is working hard to put the right people, plans and programs in place to transform and re-shape the Air Force from an "industrial" to an "information" age force; all while heavily engaged in a global, long war on terrorism. We are committed to supporting the Combatant Commanders as they execute their full range of strategic commitments now and in the future.

To invest in our future, the Air Force initiated a substantial transformational effort to become leaner and more efficient. Our resource strategy reflects those priorities. We are taking action in the Operation and Maintenance (O&M) appropriation to balance our resources and risk in support of a force that meets current/future joint warfighting requirements. This budget reflects our transformational priorities to reduce funding for O&M while translating these savings directly into increased funding for recapitalization and modernization. We operate the oldest air and space inventories in the history of the United States Air Force. Therefore, it's imperative we modernize and replace these older aircraft and spacecraft to ensure our dominance across those warfighting domains into the future.

In this Fiscal Year 2008 budget, we have reflected Total Force Initiatives that synergize the strengths of our three components: Active, Air National Guard and Air Force Reserve. One example of these is the Centralized Asset Management (CAM) Program, which centralizes the management and execution of flying operations funding. Centralized funding will allow the Air Force to manage its assets from an enterprise perspective to support home station and forward deployed units, Major Commands, commanders and airmen at all echelons. This first phase transfers total force contract logistics support, sustaining engineering and support equipment funding to the active Operation and Maintenance appropriation.

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Overall Assessment:

The Fiscal Year 2008 Operation and Maintenance Appropriation submission is delicately balanced. The submit supports Air Force priorities: Global War on Terrorism; Weapons System Modernization; and Developing Joint and Coalition Airman. This budget represents a concerted effort to constrain Air Force O&M programs while continuing down the road of transformation. This includes a reduction in the Flying Hour Program by increasing the use of high definition simulators and more efficient training activities. In addition, we are managing risk in Depot Purchase Equipment Maintenance, Contract Logistics Support and Facility Sustainment, Restoration and Modernization. The increase in world energy market prices along with increased costs of personnel and contracts continues to erode our purchasing power. These pressures continue to strain the Operation and Maintenance account. Any further reductions will affect our ability to adequately sustain and maintain our force.

Budget Activity 1: Operating Forces

(\$ in millions)						
FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
21,416.0	1,188.5	-6,004.2	16,600.3	567.4	1,956.5	19,124.2

Operating Forces (Budget Activity 1) consists of Air Operations, Combat Related Operations, and Space Operations. These funds support fighter, bomber, and missile forces assigned to Air Force operational commands. Under this overarching mission, the Air Force accomplishes Dissimilar Aerial Combat Training, sustains combat training and ranges, and provides for base support activities. This budget activity also includes global command, control, and communications; the capability to launch payloads into various orbits; sustainment of a worldwide network of sites and terminals that transmit data gathered by satellites; and unique missions such as combat search and rescue; combat test and training of fighter aircraft; electronic warfare; and maintaining tactical air control systems to include the Airborne Warning and Control System (AWACS) aircraft.

Budget Activity 01: Operating Forces - Major Program Changes: The Fiscal Year 2008 Operating Forces budget request of \$19,124.2 million represents a growth of \$2,523.9 million of which \$567.4 million is pricing adjustments and \$1,956.5 million is program change. These increase are critical to support new aircraft in the fleet and meet DoD standards to support our all-volunteer Airmen in their communities.

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Specific program highlights include increases to: (1) Restoral of congressional mark for “Peacetime Flying Hour Adjustment” \$422.5 million, (2) Bomber and Fighter Contract Logistics Support of \$165.1 million, (3) Facilities Sustainment and Restoration/Modernization program growth of \$115.9 million, (4) Combatant Command Missions of \$174.7 million, (5) Centralized Asset Management \$326.0 million, (6) Command, Control, Communications, Computers and Intelligence (C4I) \$250.9 million, (7) Depot Maintenance \$293.7 million, (8) Space Based Contractor Logistic Support \$25.5 million, (9) Base Support \$198.1 million, and (10) Civilian Pay \$37.2 million. Specific program decreases include: (1) Flying Hour Program transformation \$450.6 million.

Budget Activity 2: Mobilization

(\$ in millions)						
FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
6,426.4	530.5	-2,799.5	4,157.4	298.2	225.3	4,680.9

Mobilization (Budget Activity 2) includes Airlift Operations, Command, Control, Communications and Intelligence (C3I), Mobilization Preparedness, and related Base Operating Support and Facilities Sustainment. Global mobility is achieved through strategic and theater airlift in support of peacetime, contingency, and wartime operations in pursuit of national objectives. Rapid movement, establishment, and sustainment of combat forces anywhere in the world to deter and defeat aggression or to provide humanitarian/peacekeeping assistance are major instruments of US national security policy. The President, the Secretary of Defense, the Joint Chiefs of Staff, the military services and DoD agencies depend heavily on Air Force mobility operations for essential cargo and troop movement in support of missions worldwide. Successes in Southwest Asia along with numerous humanitarian assistance efforts have shown the pivotal role of mobility force projection.

Budget Activity 02: Mobilization - Major Program Changes: The Fiscal Year 2008 Mobilization budget request of \$4,680.9 million represents a growth of \$523.5 million of which \$298.2 million is price adjustments and \$225.3 million is program change.

Specific program highlights include increases to: (1) Centralized Asset Management \$224.8 million, (2) C-130J Contract Logistics Support of \$36.9 million, (3) Air Lift Readiness Account \$300.0 million to sustain TRANSCOM rates at the commercial standard, (4) Facilities Sustainment and Restoration/Modernization of \$32.6 million and (5) Aircrew Training System Enhancements of \$18.9 million. Specific program decreases include: (1) C-17 Contractor Logistics Support \$379.8 million transfer to Working Capital Fund customer rates, and (2) Modernization Preparedness \$24.6 million.

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Budget Activity 3: Training and Recruiting

(\$ in millions)						
FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
3,239.9	152.3	-434.5	2,957.7	82.2	232.9	3,272.8

Training and Recruiting (Budget Activity 3) supports three broad mission areas: Accession Training, Basic Skills and Advanced Training, and Other Training and Education. Accession training produces the enlisted and officer personnel needed to meet total force requirements. Officer accessions receive formal introductory officer training through the United States Air Force Academy, Air Force Reserve Officer Training Corps, Officer Training School, and the Airmen Education and Commissioning Program. Basic Skills and Advanced Training includes specialized skill training, flight training, professional development education and training support. Specialized skill training provides training and education essential to operate, maintain, and manage complex Air Force weapon systems and the associated support structure. Flight training programs include flight screening, undergraduate pilot training, specialized undergraduate pilot training, specialized undergraduate and advanced navigator training, and pilot instructor training. Professional development education includes professional military education programs to enhance and develop critical leadership skills of commissioned officers, civilians, and noncommissioned officers. Other Training and Education covers civilian education and training, tuition assistance for active duty personnel, and the Junior Reserve Officer Training Corps. In addition, recruiting operations provide for the accession of officer and enlisted personnel in the required quantity, quality and skills to fulfill the Air Force manpower requirements.

Budget Activity 03: Training and Recruiting - Major Program Changes: The Fiscal Year 2008 Training and Recruiting program of \$3,272.8 million includes a growth of \$315.1 million of which \$82.2 million is price adjustments and \$232.9 million is program change.

Specific program highlights include increases to: (1) Facilities Sustainment and Restoration/Modernization of \$73.0 million, (2) Undergraduate Flight Training Contract Logistics Support of \$54.5 million, (3) Total Force Integration Training of \$23.6 million, (4) Junior Reserve Officer Training Corp \$12.0, (5) Civilian Pay \$16.4 million, (6) Support Equipment \$18.6 million, and (7) Purchased Utilities of \$19.2 million. Specific program decreases include: (1) Advertising of \$12.6 million and (2) Flying Hour Program transformation \$9.1 million.

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Budget Activity 4: Administration and Servicewide Activities

(\$ in millions)						
FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
8,025.0	221.4	-1,706.8	6,539.6	182.4	-144.3	6,577.7

Administration and Servicewide (Budget Activity 4) funds four broad mission areas, all integral to Air Force readiness: Logistics Operations, Servicewide Support, Security Programs, and Support to Other Nations. Logistics Operations includes cradle-to-grave acquisition and logistics support, including Readiness Spares Kits and pipeline supply requirements. It also includes inter-and intra-theater transport and handling of equipment and munitions. Servicewide Activities cut across the entire Air Force to ensure combat capabilities through communications, personnel and policy direction, and the Civil Air Patrol. Security Programs include the Air Force Office of Special Investigations and a range of classified activities. Finally, Support to Other Nations includes USAF participation in the North Atlantic Treaty Organization, Supreme Headquarters Allied Powers Europe, and the US Central Command's role in the Cooperative Defense Initiatives.

Budget Activity 04: Administration and Servicewide Activities - Major Program Changes: The Fiscal Year 2008 Administration and Servicewide Program of \$6,577.7 million includes \$182.4 million in price adjustments and \$-144.3 million program change.

Specific program highlights include increases to: (1) C-17 Contractor Logistic Support \$111.0 million, (2) Civilian Pay \$66.7 million, (3) Facilities Sustainment and Restoration/Modernization \$33.8 million, (4) Real Property Transformation \$23.3 million, (5) Financial Management Transformation \$20.0 million, (6) International Support \$16.8 million, (7) Base Support \$50.9 million, (8) Information Technology license \$17.4 million and (9) Communications \$36.3 million. Specific program decreases include: (1) Classified Programs of \$444.1 million and (2) Iridium - Global Positioning System of \$80.0 million.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(\$ in Millions)

<u>FY 2006¹</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007²</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
22,941	+771	-3,707	20,005	+604	+1,965	22,574

¹ FY 2006 includes \$4,304 million Title IX and Global War on Terrorism Supplemental funds and prior year carryover.

² FY 2007 excludes \$2,775 million Title IX funds (P.L. 109-289), \$863 million FY 2006/FY 2007 funds for Border Security (P.L. 109-234), and \$879 million carryover for Coalition Support (P.L. 109-148 and P.L. 109-234).

This funding supports critical Department-wide functions and transformational efforts for the Secretary, Military Departments, and warfighters. It includes funding for the Special Operations Command, several Combat Support Agencies, four Intelligence Agencies, and other agencies that provide common information services, contract administration, contract audit, logistics and administrative functions to the Military Departments.

BUDGET/PROGRAM HIGHLIGHTS

Overview A summary of the changes between FY 2007 and FY 2008 includes the following (dollars in millions):

20,005	Normalized FY 2007 Current Estimate (FY 2007 column of the FY 2008 President's Budget)
-176	One-time Congressional adds in FY 2007
-10	Program decrease for prior year balances carried forward
+ 1,207	Net program changes in Defense Agencies (unclassified)
+ 370	Pricing changes in Defense Agencies (unclassified)
<u>+ 1,178</u>	Total growth in Classified programs
22,574	FY 2008 President's Budget Request

Prior Year Carryover of Unobligated Balances from FY 2006 to FY 2007

- \$1.8 million for Department of Defense Dependents Education Activity for repairs, maintenance, and/or purchase of information technology, text books, etc., for public schools that have unusually high concentrations of special needs military dependents enrolled
- \$3.1 million for Civil Military Programs

OPERATION AND MAINTENANCE, DEFENSE-WIDE

- \$5.4 million for Classified programs

Classified Programs Major Changes

Significant growth in Classified programs, totaling \$1,178 million, is primarily in the National Intelligence Programs (\$234 million for pricing changes and \$944 million for program changes.) The multi-year implementation of the “Strengthening Intelligence” initiative, which began in FY 2005, provides funding and full-time equivalent increases in the Intelligence Agencies.

Other Defense Agencies Programs FY 2008 Highlights

Highlights of Other Defense Agencies FY 2008 funding include:

- \$+500.0 million (DSCA): Increase to fund the **Global Train and Equip** initiative to help recipient nations gain security capabilities to stabilize and restore legitimate authority to ungoverned areas, thus depriving terrorist organizations of potential safe havens in the long war on terror.
- \$+400.0 million (SOCOM): Expansion of the **United States Special Operations Command’s (USSOCOM)** capabilities to lead, plan, and coordinate global operations against international terrorist networks while improving established capabilities to respond to a wide range of national threats. The additional funding supports the increased force structure needed to train, equip, and sustain the forces, including personnel; flight, ship/boat, and other operations; intel and communications; management; depot maintenance; base support; and, training and development.
- \$+231.4 million (OSD); \$-12.5 million (TJS): Realignment and consolidation of funds for joint exercises in the **COCOM Exercise Engagement and Training Transformation** program to enable the COCOMs to prioritize new and emerging missions and exploit virtual and constructive technologies. Offsets from Army, Navy, Air Force, and The Joint Staff.
- \$+73.2 million (DSS): Increase to fully fund **Personnel Security Investigations for Industry**.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Agency	FY 2006 Actuals	Price Growth	Program Growth	FY 2007 Estimate	Price Growth	Program Growth	FY 2008 Estimate
AFIS	160,287	3,966	(15,592)	148,661	3,362	(2,392)	149,631
BTA	19,585	433	129,390	149,408	3,637	(5,017)	148,028
CMP	104,727	2,514	25,625	132,866	3,056	(28,575)	107,347
DAU	109,421	2,777	(8,541)	103,657	2,732	(1,793)	104,596
DCAA	390,296	8,847	(11,083)	388,060	7,074	1,444	396,578
DCMA	1,038,314	24,259	(32,565)	1,030,008	27,952	(13,821)	1,044,139
DFAS	1,232	27	(811)	448	10	(26)	432
DHRA	414,273	9,969	(56,434)	367,808	8,951	(467)	376,292
DISA	1,160,139	29,478	(208,724)	980,893	23,256	(58,555)	945,594
DLA	371,439	8,778	(59,726)	320,491	7,622	(28,335)	299,778
DLSA	39,415	907	(5,137)	35,185	957	208	36,350
DoDDE	1,968,470	48,741	(236,914)	1,780,297	51,495	1,639	1,833,431
DPMO	15,801	148	82	16,031	273	96	16,400
DSCA	1,323,164	31,617	(1,209,700)	145,081	3,545	524,774	673,400
DSS	345,139	20,384	(73,392)	292,131	7,079	73,247	372,457
DTRA	315,342	7,278	(11,183)	311,437	8,365	13,746	333,548
DTSA	20,975	443	264	21,682	593	1,396	23,671
NDU	76,779	1,650	4,769	83,198	2,014	5,887	91,099
OEA	101,204	2,417	36,397	140,018	3,186	(86,028)	57,176
OSD	854,249	20,615	(78,126)	796,738	18,420	278,584	1,093,742
SOCOM	3,675,666	145,693	(1,056,332)	2,765,027	119,621	392,992	3,277,640
TJS	588,595	40,915	(55,624)	573,886	65,538	(42,115)	597,309
WHS	469,285	35,410	(61,155)	443,540	1,460	(5,723)	439,277
Other	9,377,590	323,989	(722,953)	8,978,626	233,733	944,004	10,156,363
Grand Total	22,941,387	771,255	(3,707,465)	20,005,177	603,931	1,965,170	22,574,278

FY 2006 includes \$4,304 million Title IX and Global War on Terrorism Supplemental funds and prior year carryover.

FY 2007 excludes \$2,775 million Title IX funds (P.L. 109-289), \$863 million FY 2006/FY 2007 funds for Border Security (P.L. 109-234), and \$879 million carryover for Coalition Support (P.L. 109-148 and P.L. 109-234).

RESERVE FORCES

TOTAL	(\$ in Millions)						
	FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
	Actual	Change	Change	Estimate	Change	Change	Estimate
Army Reserve	2,132.7	64.4	-31.2	2,165.9	76.8	265.4	2,508.1
Navy Reserve	1,484.3	9.3	-223.1	1,270.5	40.6	-124.2	1,186.9
Marine Corps Reserve	322.3	4.1	-118.7	207.7	4.4	-3.5	208.6
Air Force Reserve	2,566.1	185.2	-138.1	2,613.2	152.5	-73.7	2,692.0
Army National Guard	5,191.3	148.4	-631.1	4,708.6	172.3	959.3	5,840.2
Air National Guard	4,895.1	348.1	-176.4	5,066.8	176.9	-201.8	5,041.9
Total	16,591.8	759.5	-1,318.6	16,032.7	623.5	821.5	17,477.7

NOTE: FY 2006 actuals include Supplemental funding.

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 2008 budget request of \$17,477.8 million for the Reserve Forces includes price growth of \$623.9 million and program increases of \$821.7 million. Summary program data for the Reserve Components is displayed below.

Reserve Forces Program Data

	FY 2006	Program	FY 2007	Program	FY 2008
	Actual	Change	Estimate	Change	Estimate
Total Selected Reserve End Strength	825,984	16,816	842,800	-4,900	837,900
Civilian Personnel Full-Time Equivalents (FTEs)	71,000	5,808	76,808	2,455	79,263
Technicians (MEMO--Included in FTEs)	60,203	5,446	65,649	2,642	68,291
Ship Inventory (End FY)	20	-3	17	-6	11
Steaming Hours (in 000s of hours per year)	24	4	28	-10	18
Total Aircraft Inventory (TAI)	3,729	-56	3,673	-182	3,491
Primary Authorized Aircraft (PAA)	3,429	33	3,462	-109	3,353
Flying Hours (in 000s of hours)	735	51	787	-26	761 ¹

¹ Numbers might not add due to rounding.

RESERVE FORCES

ARMY RESERVE

Program/Price Growth. The FY 2008 budget request for the Army Reserve increases by \$342.2 million from the FY 2007 level. This increase includes a net \$76.8 million for price growth and a net program increase of \$265.4 million.

Program Discussion. One of the major programs driving the growth from FY 2007 to FY 2008 is the Ground Forces Augmentation that will increase Army Selected Reserve End Strength from 200,000 to 205,000 through the Fiscal Year Defense Plan. Additional program increases are for OPTEMPO, Equipment Modernization, Facility Strategy Investment Program, Facility Sustainment, Flying Hour Program, Full-time Support, Long Haul Communications, Medical and Dental Readiness, Second Destination Transportation, and Tuition Assistance. Management Headquarters is also increasing in the following areas: Information Management, Personnel Administration, and Personnel Automation Support.

Program decreases include Aircraft Life Cycle Support, Base Operations Support, Demolition/Disposal of Excess Facilities, Depot Maintenance, Education and Training Support, Logistics Automation, Military Construction, Reserve Component Automation System, Surface/Ground OPTEMPO, and USAR Medical Regional Training Sites.

Army Reserve Program Data

	FY 2006 Actual	Program Change	FY 2007 Estimate	Program Change	FY 2008 Estimate
Selected Reserve End Strength	189,975	10,025	200,000	5,000	205,000
Civilian Personnel (FTEs)	9,905	1,532	11,437	311	11,748
Technicians (MEMO--Included in FTEs)	6,641	1,574	8,215	332	8,547
Total Aircraft Inventory (TAI)	152	6	158	2	160
Primary Aircraft Authorized (PAA)	152	6	158	2	160
Flying Hours (in 000s of hours)	36	3	39	-	39
Major Installations	7	-3	4	-	4
Reserve Centers	912	-17	895	-	895

RESERVE FORCES

NAVY RESERVE

Program/Price Growth. The FY 2008 budget request for the Navy Reserve decreases by \$83.6 million. This decrease includes a net \$40.6 million for price growth and a net program decrease of \$124.2 million.

Program Discussion. The Navy Selected Reserve end strength decreases by 3,500 in FY 2008 to 67,800 and civilian personnel full-time equivalents increased to 1,071. The selected reserve end strength reductions are attributable to various force structure reductions including the decommissioning of four mine countermeasure class ships (also decreases Administration and Service-wide Support). The decrease in Primary Aircraft Authorized (PAA) reflects the reductions from the TACAIR Integration (TAI) and Active Reserve Integration (ARI) initiatives.

Additional program decreases include a reduction in Ship Operations and Ship Depot Maintenance requirements resulting from the decreasing Navy Reserve ship inventory (includes two ships transferred to Active Duty). Costs associated with the Navy/Marine Corps Internet (NMCI) contract also decrease accordingly. Finally, Facilities Operations and Maintenance funding to meet DoD planning goals and to achieve Base Realignment and Closure savings are reflected in the FY 2008 estimate.

Navy Reserve Program Data

	FY 2006 Actual	Program Change	FY 2007 Estimate	Program Change	FY 2008 Estimate
Total Selected Reserve End Strength	70,500	800	71,300	-3,500	67,800
Civilian Personnel (FTEs)	1,127	-116	1,011	60	1,071
Total Aircraft Inventory (TAI)¹	374	-26	348	-41	307
Primary Aircraft Authorized (PAA)²	200	-14	186	-13	173
Flying Hours (in 000s of hours)	92	3	95	-2	93
Ship Inventory	20	-3	17	-6	11
Steaming Hours (in 000s of hours)	36	4	28	-10	18
Reserve Centers	181	-9	172	-15	157
Major Installations	6	-	6	-	6

¹ Includes TAI flown by the Marine Corps Reserve.

² Does not include PAA for the Marine Corps Reserve.

RESERVE FORCES

MARINE CORPS RESERVE

Program/Price Growth. The FY 2008 budget request for the Marine Corps Reserve increases by \$0.9 million from the FY 2007 level. This increase includes a net \$4.4 million for price growth and a net program decrease of \$3.5 million.

Program Discussion. The FY 2008 request supports manpower levels of 39,600 military end strength and 210 civilian full-time equivalents. After price growth, the majority of program decrease is due to a delay by one year for the replenishment and replacement of Initial Issue items to include items such as improved load-bearing equipment and special purpose shelters.

The FY 2008 budget request includes an increase associated with a raise in estimated Defense Financial Accounting Service billings and an increase in management support costs for Marine Corps Total Force Structure (MCTFS).

Marine Corps Reserve Program Data

	FY 2006 Actual	Program Change	FY 2007 Estimate	Program Change	FY 2008 Estimate
Total Selected Reserve End Strength	39,486	114	39,600	-	39,600
Civilian Personnel (FTEs)	184	21	205	5	210
Primary Aircraft Authorized (PAA)¹	174	-12	162	-28	134
Flying Hours (in 000s of hours)	33	-	33	-2	31
Divisions	1	-	1	-	1
Training Centers	185	-	185	-	185

¹ Flying hour funding is budgeted in Navy Reserve appropriation.

RESERVE FORCES

AIR FORCE RESERVE

Program/Price Growth. The FY 2008 budget request for the Air Force Reserve increases by \$78.8 million from the FY 2007 level. This increase includes an increase of \$152.5 million for price growth and a net program decrease of \$73.7 million.

Program Discussion. The FY 2008 request provides for the operation and training of 72 flying units with 121K O&M funded flying hours, 421 mission support units, and the flying and mission training of 67,500 Selected Reserve personnel. Activities include aircraft operations, Training Test and Ferry (TTF), base and depot-level aircraft maintenance, mission support, facilities sustainment, restoration and modernization, and supply and maintenance for Air Force Reserve units.

The FY 2008 budget request for Operating Forces decreased by \$81.8 million between FYs 2007 – 2008. Major program decreases include the transfer of funds to Air Force Materiel Command for the Centralized Asset Management Program, reduced flying hour funding, Base Realignment and Closure manpower realignments, and lower aircraft/engine maintenance requirements. Other significant program reductions include decreased civilian full-time equivalents, standardization of the C-5 crew ratio from 3:2 to the Active Duty (Air Mobility Command) 2:0 ratio, and the transfer of the C-17 associate mission to the Air National Guard.

Major program increases in FY 2008 are attributed to weapon system and simulator contractor logistics support, aircraft/engine maintenance at the depots, resources for the 932nd Airlift Wing, and C-5 Formal Training Unit requirements. Other FY 2008 increases support Air Force Total Force Integration initiatives that created F-22, F-16, and A/OA-10 associate units; facilities sustainment, restoration, and modernization requirements; and the Global Hawk mission.

Air Force Reserve Program Data

	FY 2006 Actual	Program Change	FY 2007 Estimate	Program Change	FY 2008 Estimate
Total Selected Reserve End Strength	74,075	825	74,900	-7,400	67,500
Civilian Personnel (FTEs)	13,848	447	14,295	-378	13,917
Technicians (MEMO--Included in FTEs)	9,427	652	10,079	-142	9,937
Total Aircraft Inventory (TAI)	407	-18	389	-15	374
Primary Aircraft Authorized (PAA)	362	-1	361	-16	345
Flying Hours (in 000s of hours)	105	28	133	-13	120
Major Installations	13	-	13	-3	10

RESERVE FORCES

ARMY NATIONAL GUARD

Program/Price Growth. The FY 2008 budget request for the Army National Guard increases by \$1,131.6 million from the FY 2007 level. This increase includes a net \$172.3 million for price growth and a net program increase of \$959.3 million.

Program Discussion. One of the major programs driving the growth from FY 2007 to FY 2008 is the Ground Forces Augmentation that will increase Army National Guard End Strength from 350,000 to 351,300 through the Fiscal Year Defense Plan. The civilian end-strength is projected to increase from 25,314 to 27,824 in FY 2008, which includes 27,306 Military Technicians and 518 Department of the Army Civilians (DACs). In addition to the direct support of ARNG forces, this appropriation provides for ARNG administration, communications, supply activities, transportation, base support, real property maintenance, depot maintenance, weapons of mass destruction, and the counter-drug program. The program increase of \$959.3 million addresses the support of the additional National Guard and civilian end-strength increases in these areas.

Army National Guard Program Data

	FY 2006 Actual	Program Change	FY 2007 Estimate	Program Change	FY 2008 Estimate
Total Selected Reserve End Strength	346,288	3,712	350,000	1,300	351,300
Civilian Personnel (FTEs)	22,629	2,685	25,314	2,510	27,824
Technicians (MEMO--Included in FTEs)	22,138	2,648	24,786	2,520	27,306
Total Aircraft Inventory (TAI)	1,527	-6	1,521	-32	1,489
Primary Aircraft Authorized (PAA)	1,462	59	1,521	-32	1,489
Flying Hours	210	-33	177	38	215
Total Installations	283	-	283	-	283
Brigade Combat Teams	16	9	25	3	28
Brigades	40	8	48	19	67

RESERVE FORCES

AIR NATIONAL GUARD

Program/Price Growth. The FY 2008 budget request for the Air National Guard (ANG) decreases by \$24.9 million. This decrease includes a net \$176.9 million increase for price growth and a net program decrease of \$201.8 million.

Program Discussion. The FY 2008 budget request supports 87 flying units, 261,000 flying hours, and 24,493 civilian full-time equivalents. Major program increases include fully funding the flying hour program, increasing to a 21 Primary Aircraft Authorization at Kingsley Field, OR, and converting the C-5 crew ratio (Martinsburg, WV) from 3:2 to the Active Duty (Air Mobility Command) standard of 2:0.

Major program decreases include transferring Guard funding to Active AF for Contractor Logistics Support, sustaining engineering, and support equipment managed by the Centralized Asset Management Program (CAMP). Additional decreases relate to F-15 and F-16 crew rotations, and converting the Foreign Military School (FMS) training funding from direct to reimbursable (Springfield, OH).

Additionally, ANG's FY 2008 Total Force Integration (TFI) initiatives include increasing the Guard's role in the Predator program, the F-22 Associates at Elmendorf AFB, AK and Langley AFB, VA, the Contingency Response Group (CRG), a C-17 at Elmendorf, the Distributed Common Ground System (DCGS), War-fighting Headquarters (WFHQ) funding, Civil Engineering's RED HORSE, and Intelligence, Surveillance, and Reconnaissance (ISR).

RESERVE FORCES

Air National Guard Program Data

	FY 2006 Actual	Program Change	FY 2007 Estimate	Program Change	FY 2008 Estimate
Total Selected Reserve End Strength	105,660	1,340	107,000	-300	106,700
Civilian Personnel (FTEs)	23,307	1,239	24,546	-53	24,493
Technicians (MEMO--Included in FTEs)	21,997	572	22,569	-68	22,501
Total Aircraft Inventory (TAI)	1,321	-64	1,257	-99	1,158
Primary Aircraft Authorized (PAA)	1,079	-5	1,074	-22	1,052
Flying Hours (in 000s of hours)	256	52	308	-47	261
Major Bases	2	-	2	-	2
Number of Installations	177	-4	173	-2	171

DEFENSE HEALTH PROGRAM

			(\$ in Millions)						
<u>Appropriation</u>			<u>FY 2006 Actual</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2007 Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2008 Estimate</u>
Operation & Maintenance			20,266.1	1,157.0	-1,173.9	20,249.2	1,246.6	-1,313.4	20,182.4
Procurement			387.2	12.1	-2.9	396.4	11.8	-45.9	362.3
Research, Development, Test, & Evaluation			566.3	13.5	-449.2	130.6	3.0	0.9	134.5
Total, Defense Health Program^{1/}			21,219.6	1,182.6	-1,626.0	20,776.1	1,261.4	-1,358.4	20,679.1

DoD Medicare Eligible Retiree Health Care Fund
(MERHCF) receipts ^{2/}

6,666.3	7,256.9	7,851.2
Total Health Care Costs	27,885.9	28,033.0

^{1/} Totals may not add due to rounding

^{2/} Departmental projections of O&M receipts from the MERHCF for FY 2007 and FY 2008

The medical mission of the Department of Defense (DoD) is to enhance DoD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care. 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 Department's managed care program, called "TRICARE," is designed to provide military families with access to cost-effective quality care. The TRICARE program provides medical care to about 9.1 million eligible beneficiaries through a network of 63 military inpatient facilities, 414 military medical clinics, 414 dental clinics, 259 veterinary clinics, and three regional Managed Care Support (MCS) contracts valued at about \$10.5 billion in FY 2008. The TRICARE program offers a triple option benefit: (1) TRICARE Prime, a Health Maintenance Organization (HMO) style benefit requiring beneficiary enrollment; (2) TRICARE Extra, a Preferred Provider Organization (PPO) style benefit; and (3) TRICARE Standard, a fee-for-service option.

The DoD Medicare Eligible Retiree Health Care Fund is an accrual fund to pay for DoD's share of health care costs for Medicare-eligible retirees, retiree family members and survivors. Receipts from the fund go into the Defense Health Program and the Military Personnel accounts to pay for the current year cost of care provided to Medicare-eligible retirees, retiree family members and survivors.

DEFENSE HEALTH PROGRAM

The FY 2008 Defense Health Program budget request of \$20,679.1 million includes realistic cost growth for pharmacy, managed care support contracts, and other health care services purchased from the private sector. This budget includes funding to support Military Health System costs associated with the Army and Marine Corps permanent strength increases recently announced by the President to strengthen our military for the long war against terrorism. In FY 2008, this budget includes \$1,862 million in proposed savings which assumes enactment of a \$719 million legislative proposal and additional regulatory modifications requiring further study and a recommendation to be made by the Department of Defense Task Force on the Future of Military Health Care established by Public Law 109-452 on benefit reform.

Since the enactment of the TRICARE for Life benefit, an increasing number of retirees have selected TRICARE as their primary source of health insurance. The Department has budgeted to cover the increased private sector care requirements due to the increase in both users and utilization experienced over the last three years. The budget request does not include resources to support Global War on Terror requirements.

Operation & Maintenance Program (\$ in Millions)

	<u>FY 2006</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2008</u> <u>Estimate</u>
O&M Total	20,266.1	1,157.0	-1,173.9	20,249.2	1,246.6	-1,313.4	20,182.4
(MERHCF) receipts ^{1/}	<u>6,666.3</u>			<u>7,256.9</u>			<u>7,851.2</u>
Total Health Care Costs	26,932.4			27,506.1			28,033.6

^{1/}Departmental projections of O&M receipts from the MERHCF for FY 2007 and FY 2008

Program/Price Growth

The Defense Health Program Operation and Maintenance overall program decreases \$66.7 million between FY 2007 and FY 2008, reflecting \$1,246.7 million in price growth offset by a negative program growth of \$1,313.4 million.

O&M Program increases include:

- \$156.9 million for conversions of military positions to civilians

DEFENSE HEALTH PROGRAM

- \$100.0 million for the Pandemic Influenza surveillance and vaccine purchase
- \$81.1 million for the expansion of benefits for TRICARE Reserve Select
- \$43.0 million Army and Marine Corps permanent strength increases recently announced by the President

O&M Program decreases include:

- \$1,127.0 million for estimated savings resulting from recommendations on benefit reform to be provided by the DoD Task Force on the Future of Military Health Care
- \$248.0 million for Medical Treatment Facilities efficiencies
- \$276.4 million for revised assumptions for pharmacy growth
- \$43.0 million for reduced requirements due to Service Line end strength reductions

Procurement Program **(\$ in Millions)**

		FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
		<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
Procurement Total		387.2	12.1	-2.9	396.4	11.8	-45.9	362.3

The DHP Procurement Program funds capital equipment purchases in support of the DoD health care program in military medical treatment facilities and other health activities worldwide. It includes equipment for initial outfitting of new, expanded, or altered health care facilities. Also funded is modernization and replacement of equipment past its useful life and automation equipment (IM/IT) in support of the entire Defense Health Program.

Program/Price Growth

The FY 2008 Procurement budget request of \$362.3 million is a \$34.1 million decrease from the FY 2007 funding level. This reduction consists of \$11.8 million in price growth offset by a negative program growth of \$45.9 million.

Procurement Program increases include:

- \$3.7 million for additional Adenovirus Food and Drug Administration testing

DEFENSE HEALTH PROGRAM

Procurement Program decreases include:

- \$15.8 million for revised Armed Forces Health Longitudinal Technology Application (AHLTA) inpatient/ancillary requirements
- \$23.3 million for Enterprise Wide Scheduling-Registration(EWS-R)cache license purchases
- \$.3 million for the deferment of audiometer upgrades.
- \$10.2 million for lower digital imaging requirements

Research, Development, Test, and Evaluation (RDT&E) Program (\$ in Millions)

		<u>FY 2006</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2008</u> <u>Estimate</u>
RDT&E Total		566.3	13.5	-449.2	130.6	3.0	0.9	134.5

The DHP RDT&E program funds health care related Information Management/Information Technology development, Small Business Innovative Research (SBIR), medical laboratory research and the Armed Forces Radiobiological Research Institute.

Program/Price Growth

The Defense Health Program RDT&E program reflects a net increase of \$3.9 million between FY 2007 and FY 2008. This includes price growth of \$3.0 million and a net program increase of \$.9 million.

RDT&E Program increases include:

- \$17.1 million for increased software testing and integration funding for Theater Medical Information Program (TMIP)
- \$4.5 million for the Enterprise Wide Referral and Authorization Module (EWRAM) Commercial Off The Shelf (COTS)
- \$4.2 million for increased Defense Blood System Standard requirements for patient safety hazards
- \$3.6 million for DoD/VA Sharing Initiatives
- \$3.0 million from O&M for the Institute of Aerospace Medicine requirement

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RDT&E Program decreases include:

- \$9.2 million for reduced AHLTA inpatient/ancillary capabilities requirements
- \$7.2 million for reduced cache license requirements for EWS-R
- \$5.9 million for Defense Medical Human Resources System (internet) for Version 1
- \$3.8 million for decreased TRICARE On-line funding
- \$3.1 million for the completion of Patient Accounting System (COTS) integration
- \$2.3 million for miscellaneous Central IM/IT requirements

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

(\$ in Millions)

FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
1,022.9	+22.2	+92.3	1,137.5	+26.6	-227.3	936.8

Counternarcotics (CN) authorities and resources provide useful and flexible ways to achieve national security goals. The threat to US national security posed by illicit drugs extends beyond traditional challenges to public health and safety. The drug trade is a powerful corrosive that weakens the rule of law in affected countries, preventing governments from effectively reducing or containing other transnational hazards, such as terrorism, insurgency, organized crime, weapons trafficking, money laundering, human trafficking, and piracy. Funding for USCENTCOM in the amount of \$27.7M will be used for training, equipment, intelligence, infrastructure, and information operations related to the campaign against narcotics trafficking and narcotics-related terrorist activities in Afghanistan and the Central Asia area.

For the Department of Defense (DoD), the clear linkages between international narcotics trafficking and international terrorism constitute a threat to the national security interests of the United States. The global and regional terrorists who threaten United States interests can finance their activities with the proceeds from narcotics trafficking. Department counternarcotics funded resources and operations can detect, monitor and support the interdiction, disruption or curtailment of emerging narcotics-related threats to our national security. CN resources and authorities, such as the CN/CT authority contained in Section 1022 of the FY2006 National Defense Authorization Act, are an effective combination that supports war on terrorism efforts.

In accordance with its statutory authorities, DoD uses its counternarcotics resources and authorities as effectively and efficiently as possible to achieve national and Departmental counternarcotics priorities, as well supporting efforts in the war on terrorism, to implement the Department's Security Cooperation Guidance. Accordingly, DoD focuses on counternarcotics activities that contribute to:

- The war on terrorism;
- the Department's Security Cooperation Guidance;
- Military readiness; and
- National Security.

To meet these goals, DoD performs:

- mandatory counternarcotics detection and monitoring missions;
- DoD drug demand reduction activities;

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

- permissive counternarcotics support (including train and equip support) to domestic and host nation law enforcement and/or military forces; and
- other counternarcotics missions that support the war on terrorism, readiness, national security, and security cooperation goals.

DoD provides, through Combatant Commands, the Military Departments, and the Defense Agencies, unique military personnel, systems, and capabilities that support domestic law enforcement agencies and foreign security forces involved in counternarcotics activities, including efforts to counter activities that aid, benefit from, or are related to narcotics trafficking. This broad-scope support is provided primarily under the authorities contained in 10 U.S. Code §§ 124, 371-374, 379-381, 2576, 2576a, Title 32 U.S. Code, § 112, Section 1004, National Defense Authorization Act for 1991, as amended; Section 1033 of the National Defense Authorization Act for 1998, as amended, and Section 1022 for the National Defense Authorization Act for 2006.

DoD will implement the President's National Drug Control Strategy by appropriately supporting the three national priorities. The Office of Counternarcotics, Counterproliferation and Global Threats, with oversight from the Under Secretary of Defense for Policy, is the single focal point for DoD's counterdrug activities, and it ensures that DoD develops and implements a focused counternarcotics program with clear priorities and measured results. Consistent with applicable laws, authorities, regulations, and funding/resource availability, DoD will ensure that sufficient forces and resources are allocated to the counternarcotics mission to achieve high-impact results. When providing this counternarcotics support to domestic and foreign law enforcement agencies, the Department will not directly participate in a search, seizure, arrest, or other similar activity. Department personnel do not accompany participating nation counternarcotics forces on field operations, unless these operations are part of a U.S. military operation. However, this does not preclude the Department from interdicting drug trafficking when it is discovered incident to military operations.

With finite funds and resources, multiple missions to address, and numerous requests for assistance, DoD must establish priorities for its support mission. The areas that receive resources must be where DoD's capabilities will provide the highest impact on the drug threat while at the same time contributing to the war on terrorism and enhancing national security. DoD's efforts will be continually evaluated based on the changing drug threat and participating nations' needs.

In order to best characterize and describe the support DoD provides, the Department defined four mission areas to encompass the scope of the Department's program. These mission areas are:

- **Demand Reduction**: The Department's approach emphasizes prevention of drug use through pre-accession and random drug testing, anti-drug education and treatment. Emphasis is placed on deterring drug use through cost effective drug testing with punitive consequences for members who are identified as drug users.

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

- **Domestic Support:** DoD limits its domestic contributions to the ‘war on drugs’ to those functions that are militarily unique and benefit the Department’s primary missions. Therefore, primary responsibility for military support to domestic law enforcement has been placed on the National Guard; thus freeing active duty and Reserve units for operations in support of the global war on terrorism. Domestic support includes translation, intelligence, communications, aerial and ground reconnaissance, transportation, border fence and road construction, eradication (excluding contraband destruction), and training. DoD will work to build data fusion and intelligence sharing networks with domestic law enforcement agencies to provide situational awareness, as well as to increase cooperation with and support to the Mexican military and law enforcement forces.
- **Intelligence and Technology Support:** DoD will continue to provide critical intelligence support to national policies designed to dismantle narcotics trafficking and international terrorist organizations benefiting from drug trafficking. Most of the collection and analysis is unique, and is essential to the national and international efforts. The use of new technology continues to be instrumental in combating narcoterrorist activities. DoD will continue to test, evaluate, develop and deploy technologies that are used to collect and survey suspect narcoterrorist smuggling operations in air, land, or sea.
- **International Support:** DoD has expanded its CNT mission to include targeting those terrorists groups worldwide that use narcotics trafficking to support terrorist activities. In order to support the war on terrorism, DoD will use its resources in regions where terrorists benefit from illicit drug revenue or use drug smuggling systems. DoD CN efforts enable the United States to:
 - Defeat Terrorist networks: CN efforts deny terrorists their sources of financing
 - Defend the homeland in depth: CN efforts provide detection, monitoring and interdiction of threats moving toward CONUS
 - Shape the choices of countries at the strategic crossroads: CN efforts strengthen alliances with partner nations by reducing transnational hazards including terrorism and crime
 - Conduct irregular warfare and stabilization, security, transition and reconstruction operations: CN efforts place US forces in partner nations, providing training, equipment and infrastructure required to build their capacity
 - Conduct “military diplomacy”: CN efforts provide mil-to-mil and mil-to-civ relations where other DoD efforts are refused
 - Enable host countries to provide good governance: CN efforts allow partner nations to gain control of their borders and ungoverned spaces
 - Enable the success of integrated foreign assistance: CN efforts are a vital part of the security assistance offered to partner nations

In short, the Department’s CN efforts contribute to Homeland Defense, fosters cooperation with U.S. agencies & strengthens alliances with partner nations, and forms relationships with new international partners otherwise reluctant to cooperate with

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

DoD in counter-terrorism and other military activity. Continuing CN efforts are critical to meet both the Department's responsibilities to the National Drug Control Strategy, and to assist in prosecuting the War on Terror.

Narrative Explanation of Changes:

The Department's Central Transfer Account (CTA) program request of \$936.8 million for FY 2008 for the CTA reflects price growth of \$26.6 million and a program decrease of \$227.3 million over the FY 2007 level of \$1,137.5 million. The decrease primarily reflects Congressional adjustments to the CTA in FY 2007. The Department's FY 2008 counternarcotics budget will continue to fund, within fiscal constraints, an array of unique and effective programs that support the National Drug Control Strategy and Department goals.

- **DEMAND REDUCTION (\$136.2M)**: A total of \$43.8 million is for the Military Services, National Guard, and the Young Marines outreach, prevention and treatment programs, \$39.8 million is for drug test collections, and \$52.6 million is for drug testing laboratories and associated costs. These funds support 100% drug testing for active duty military, National Guard and Reserve personnel, and DoD civilian employees; drug abuse prevention/education activities for military and civilian personnel and their dependents; and drug treatment for military personnel.
- **DOMESTIC SUPPORT (\$206.2M)**: This funding supports federal, state and local drug law enforcement agencies (DLEAs) requests for domestic operational and logistical support, and will assist the DLEAs in their efforts to reduce drug-related crime. Of this amount, \$158.6 million is for a portion of the total National Guard State Plans that supports domestic law enforcement efforts and the counter-narcoterrorism schools; \$13.9 million is for Domestic Operational Support, such as US Northern Command (NORTHCOM) counter-narcoterrorism support to DLEAs and Title 10 National Guard translation efforts; and \$33.7 million is for domestic detection and monitoring efforts (Tethered Aerostats).
- **INTELLIGENCE, TECHNOLOGY AND OTHER (\$162.6M)**: Intelligence programs collect, process, analyze, and disseminate information required for counter-narcoterrorism operations. Technology programs increase the Department's abilities to target narco-terrorist activity. A total of \$94.8 million is for counter-narcoterrorism intelligence support and analysis; \$30.8 million is for signal intelligence (SIGINT) collection and processing; \$13.5 million is for Service and SOCOM command and control programs; and \$23.5 million is for CN Technology efforts.
- **INTERNATIONAL SUPPORT (\$431.8M)**: Counter-narcoterrorism programs support efforts in the U.S. Central Command, U.S. Southern Command, U.S. Pacific Command, and U.S. European Command Area of Responsibilities (AORs) to detect, interdict, disrupt or curtail activities related to substances, material, weapons or resources used to finance, support, secure, cultivate, process or transport illegal drugs. \$211.5 million supports operations in these AORs, including Section 1033 support; \$173.4 million is for detection and monitoring platforms and assets; and \$46.9 million is for AOR Command and Control support, including operations of Joint-Interagency Task Forces West and South.

ENVIRONMENTAL RESTORATION TRANSFER APPROPRIATIONS

	(\$ in Millions)						
	FY 2006 <u>Actual*</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2007 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2008 <u>Estimate</u>
ER, Army	395.3	+9.5	+9.0	413.8	+9.5	+11.6	434.9
ER, Navy	295.9	+7.1	+1.4	304.4	+7.0	-10.8	300.6
ER, Air Force	401.1	+9.6	+13.2	423.9	+9.7	+24.8	458.4
ER, Formerly Used Def. Sites	262.8	+6.3	-26.3	242.8	+5.6	+1.8	250.2
ER, Defense-Wide	<u>21.7</u>	<u>+0.5</u>	<u>-3.8</u>	<u>18.4</u>	<u>+0.4</u>	<u>-6.0</u>	<u>12.8</u>
Total	1,376.8	+33.0	-6.5	1,403.3	+32.2	+21.4	1,456.9

* Provided for comparison purposes only.

The Department of Defense Environmental Program addresses five overriding and interconnected goals: (1) to support the readiness of U. S. Forces by ensuring access to air, land, and water for training and operations; (2) to improve the quality of life by protecting military personnel and families from environmental, safety, and health hazards; (3) to ensure that weapons systems, logistics, installations, et. al., have greater performance, lower total ownership costs, and minimal health and environmental effects; (4) to serve customers, clients, and stakeholders through public participation and advocacy; and (5) to enhance international security through military-to-military cooperation. To help achieve these goals, the Department established its environmental program around five pillars -- cleanup, compliance, conservation, pollution prevention, and environmental technology. Much of this program is addressed in the Defense Environmental Annual Report to Congress. The FY 2008 budget request of \$4,178.2 million increases by \$76.5 million, which includes price growth of \$94.4 million and a net program reduction of \$17.9 million (-0.4 percent). The reduction primarily reflects a large increase in Defense-Wide compliance requirements due to one-time projects, and significant progress in closing installations and completing Legacy BRAC cleanup investigations. The Department notes that the FY 2008 budget request for BRAC environmental programs is only \$311.2 million vice the \$469.9 million total requirement identified above. This is due to the fact that the Department plans to fund the difference with proceeds from land sales and available prior year unobligated balances. Each of the Department's environmental pillars is discussed below.

The Department's Environmental Restoration program focuses on reducing the risks to human health and the environment at active installations and Formerly Used Defense Sites (FUDS), while ensuring that DoD environmental cleanup policy conforms to existing laws and regulations. The DoD Environmental Restoration appropriations provide for: the identification, investigation, and cleanup of past contamination prior to 1986 from hazardous substances and wastes, and contamination prior to FY 2003 from unexploded ordnance (UXO), discarded military munitions, and munitions constituents at other than operational ranges; correction of other environmental damage; and the demolition and removal of unsafe buildings, structures, and debris. Until 1994, the Department spent the majority of the resources documenting the magnitude of the cleanup problem on DoD lands, a significant but necessary investment. In 1994, DoD turned the corner, by devoting more resources to actual cleanup than to studies. As a result, the pace of restoration has increased while more sites continue to be cleaned up and closed out. In FY 1996, DoD began a relative risk approach

ENVIRONMENTAL RESTORATION TRANSFER APPROPRIATIONS

to environmental cleanup. This process enables the Department to prioritize cleanup activities that pose the greatest danger to the health and safety of the environment and public in the context of regulatory agreements. The relative risk process is the key tool used by the Department in the planning, programming, and budgeting of the cleanup program as well as its execution.

Also in FY 1996, the Department developed specific clean-up goals that have been briefed to the Congress, the regulator community, and the public. Accordingly, the Department funds its environmental restoration program to ensure the Military Departments and Defense Agencies meet all legal agreements and ensure compliance with DoD cleanup goals. The current budget exhibits and justification make explicit links between the cleanup goals and the funded DoD program. The budget exhibits also clearly identify funding requirements for response actions to address UXO, discarded military munitions, and munitions constituents at other than operational ranges. As shown in the various Component DERA budget exhibits for FY 2008, Army, Navy, and Air Force cleanup programs are essentially on schedule to meet the Department's cleanup goals; DLA is ahead of schedule which is necessary in some cases to meet legal requirements and agreements with states and regulatory agencies; and FUDS is falling behind. The FUDS program is unique in that there are no physical boundaries such as a military installation fence line to establish a finite limit of potential contaminated sites and the number of potential new FUDS sites is boundless. While investigations and analyses have been completed for most potential cleanup sites at our military installations, FUDS is still adding new sites. The FUDS baseline number of high relative risk sites for measuring against the DoD cleanup goals initially contained 224 sites in FY 1997. Since that time, an additional 194 high relative risk sites have been identified for a total of 418 sites. Of the 418 FUDS sites categorized as high relative risk, 201 sites have been removed from the list as of September 2006. Had the number of sites not increased, FUDS would have met the Department's FY 2002 cleanup goal of 50 percent of relative high risk sites. In response to increased FUDS sites, and cleanup costs, the Department realigned available resources to the FUDS program in FY 2006 with congressional approval, and continues to give favorable consideration to the FUDS program during regular program reviews.

Between FY 2007 and FY 2008, the Department's Defense Environmental Restoration Program increases by \$53.6 million, reflecting price growth of \$32.3 million and programmatic growth of \$21.3 million (+1.5 percent). The program increase of \$21.3 million primarily consists of the need to complete a few one-time projects in the Army and Air Force.

FORMER SOVIET UNION THREAT REDUCTION

(\$ in Millions)						
FY 2006 Actual	Price Change	Program Change	FY 2007 Estimate	Price Change	Program Change	FY 2008 Estimate
454.9	+10.9	-95.2	370.6	+8.5	-31.1	348.0

The FY 2008 budget contains \$348.0 million to dismantle delivery systems and prevent the proliferation of weapons of mass destruction in Former Soviet Union (FSU) countries. The budget request decreased by \$-22.6 million from the FY 2007 funding level. This includes \$8.5 million for price growth and a net program decrease of \$-31.1 million. Programs with decreased funding include Strategic Nuclear Arms Elimination (\$-1.0 million), Weapons Storage Security (\$-65.9 million), Chemical Weapons Destruction (\$-42.7 million), and Weapons of Mass Destruction (WMD) Proliferation Prevention (\$-.1 million). Programs with increased funding include Strategic Offensive Arms Elimination (\$.4 million), Weapons Transportation Security (\$4.2 million), Biological Threat Reduction (\$73.5 million), Defense and Military Contacts (\$.2 million) and Other Programs (\$.3 million). The following table shows price and program changes from FY 2006 to FY 2009 for the major programs:

	(\$ in Millions)						
	<u>FY 2006</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Current</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
Strategic Offensive Arms Elimination - Russia	49.7	1.2	24.8	75.7	1.8	.4	77.9
Weapons Storage Security – Russia	128.6	3.2	-44.9	86.9	2.0	-65.9	23.0
Weapons Transportation Security – Russia	30.0	.7	2.1	32.8	.7	4.2	37.7
Chemical Weapons Destruction – Russia	108.5	2.6	-68.4	42.7	-	-42.7	-
Biological Threat Reduction – FSU	69.8	1.6	-3.1	68.3	2.6	73.5	144.4
WMD Proliferation Prevention – FSU	40.6	1.0	-4.4	37.2	.9	-.1	38.0
Defense and Military Contacts	8.0	.2	-.5	7.7	.1	.2	8.0
Other Program Support	14.6	.4	3.3	18.3	.4	.3	19.0
Chemical Weapons Elimination - Albania	4.0	-	-4.0	-	-	-	-
Strategic Nuclear Arms Elimination - Ukraine	<u>1.1</u>	<u>—</u>	<u>-.1</u>	<u>1.0</u>	<u>—</u>	<u>-1.0</u>	<u>—</u>
Total	454.9	10.9	-95.2	370.6	8.5	-31.1	348.0

* Amounts include \$44.5 million appropriated in the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror and Hurricane Recovery, 2006 (Public Law 109-234).

FORMER SOVIET UNION THREAT REDUCTION

The activities for the FSU Threat Reduction program for FY 2008 are as follows:

Strategic Offensive Arms Elimination - Russia:

- Decommission 3 road mobile intercontinental ballistic missiles (ICBM) regiments;
- Eliminate 24 ICBM and 20 submarine launched ballistic missiles (SLBM) missile launchers;
- Eliminate 75 liquid and/or solid fueled ICBMs and SLBMs.
- Dismantle one Typhoon SSBN launcher compartment

Nuclear Weapons Storage and Transportation Security - Russia:

- Provides sustainment at 24 nuclear weapons storage sites;
- Supports movement and consolidation of nuclear weapons from Russian Ministry of Defense (MOD) operational sites to weapons dismantlement or secure storage facilities (funds 48 trainloads of deactivated nuclear warheads);
- Continue to procure up to 100 cargo rail cars that support the transportation of nuclear weapons to dismantlement or secure storage facilities.

Biological Threat Reduction - FSU:

- Consolidates and secures or eliminates dangerous pathogen collections at six institutes;
- Targets collaborative research to encourage higher standards of openness, ethics, and conduct at the scientist level, and preempt potential "brain drain" of scientists to rogue states;
- Provides funding for central reference laboratories in Georgia and Kazakhstan.

Weapons of Mass Destruction Proliferation Prevention - FSU:

- Enhances the capability of non-Russian FSU military, internal security forces, border guards and customs in Ukraine, Kazakhstan, Azerbaijan, and Uzbekistan to deter, detect, interdict illicit trafficking in WMD and related materials across borders;
- FY 2008 funds will provide equipment, training, infrastructure and logistical support to these forces.

Defense and Military Contacts – FSU:

- Supports interaction between U.S. and FSU military forces to promote military reform and WMD nonproliferation (funds approximately 253 defense and military exchanges).

Other Program Support - FSU:

- Supports program to ensure CTR assistance is fully accounted for, used for the intended purpose effectively and efficiently;
- Maintains in-country support for the CTR program at six U.S. embassies;
- Provides non-government advisory assistance and administrative support to DoD.

OFFICE OF THE INSPECTOR GENERAL

(\$ in Millions)

FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
207.3	+6.2	+3.0	216.5	+5.2	-5.6	216.1

The Office of Inspector General (OIG) audits, investigates, inspects, and evaluates the programs and operations of the Department of Defense (DoD) and, as a result, recommends policies and process improvements that promote economy, efficiency, and effectiveness in DoD programs and operations. For the last three years, the OIG has achieved \$27.5 billion in savings and \$1.7 billion in recovery for the nation. The Inspector General (IG) is the only DoD official qualified to issue opinions on the financial statements of the DoD. The OIG also informs DoD management and Congress about the problems and deficiencies in programs and operations and the progress of corrective actions.

FY 2007 to FY 2008: Budgeted civilian full-time equivalents (FTEs) decreased by 12 to stay within Total Obligation Authority (TOA). The aging workforce will increase the number of retirements in the near term which will commensurately increase lump sum leave payouts in the next few years. The OIG will try to mitigate hire lag with more aggressive recruiting and retention efforts. Additional program growth in civilian pay and compensation is a result of increased employer contribution to benefits as the workforce's primary retirement plan shifts from the Civil Service Retirement System (CSRS) to the Federal Employee Retirement System (FERS). The OIG expects to realize continued growth in this area as the CSRS workforce retires and is wholly replaced with FERS employees.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

<u>(\$ in Millions)</u>						
FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
0	-	-	0	-	-	5.0

The Overseas Contingency Operations Transfer Fund (OCOTF) was established by the FY 1997 Department of Defense Appropriations Act to meet operational requirements in support of emerging contingency operations without disrupting approved program execution or force readiness. The OCOTF was established as a “no year” transfer account in order to provide additional flexibility to meet operational requirements by transferring the funding to the Military Components based on actual execution experience as events unfold during the year of execution. Between the fiscal years 1997 and 2001, the Department had been appropriated funds into the OCOTF to finance contingency operations that are so variable in their scope, duration, intensity they cannot be financed via DoD Component appropriations without causing a readiness impact.

Beginning in FY 2002, funds to finance the incremental cost of contingency operations in Bosnia, Kosovo, and Southwest Asia were included in the Services accounts vice the OCOTF because these operations had become stable enough to budget in the Component’s baseline appropriations. Therefore, in FY 2002, \$2,665.8 million was transferred from the OCOTF to the Components’ budgets.

The Department is requesting \$5.0 million in additional funds for FY 2008. The OCOTF is a permanent appropriation to be used only to finance contingency operations. New contingency requirements continually surface due to the dynamic international situation. The Military Departments, because of their relatively large Operation and Maintenance (O&M) accounts, are generally able to accommodate these new costs for a short time until other funding is available. However, the Defense Agencies, most notably the U.S. Special Operations Command (USSOCOM), and the combat support Defense Agencies, are less able to absorb the diversion of funds for these unforeseen contingency operations, making a small contingency fund vitally important.

OVERSEAS HUMANITARIAN DISASTER AND CIVIC AID (OHDACA)

<u>(\$ in millions)</u>						
FY 2006 <u>Actual</u>*	Price <u>Growth</u>	Program <u>Growth</u>	FY 2007 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2008 <u>Estimate</u>
120.8	+2.7	-60.6	62.9	+4.3	+35.9	103.3

The Overseas Humanitarian, Disaster and Civic Aid (OHDACA) program includes three segments: the Humanitarian Mine Action Program, the Humanitarian Assistance Program, and Foreign Disaster Relief Assistance. In broad terms, OHDACA programs support U.S. military forces in meeting two key requirements. The first is to maintain a robust overseas presence aimed at shaping the international security environment in a manner that deters would-be aggressors, strengthens friends and allies, and promotes peace and stability in regions of tension. The second requirement is for U.S. forces to respond effectively when called upon to assist the victims of storms, earthquakes, and other natural or manmade disasters.

The OHDACA programs meet these needs by providing the regional Combatant Commanders (CoCom) with an unobtrusive, low cost, but highly effective vehicle to carry out their peacetime engagement missions, while providing a valuable training benefit for U.S. troops. Furthermore, OHDACA augments the CoCom capabilities to respond rapidly and effectively to humanitarian crises. In providing relief to areas of need, the U.S. military gains substantial training benefits and obtains access to regions important to U.S. interests. The OHDACA programs enhance readiness across a number of operational areas including: command, control, communication and intelligence (C3I); civil affairs; and logistical support.

The programs conducted under OHDACA are coordinated with the Department of State and approved by the Office of the Secretary of Defense to ensure U.S. Government (USG) unity of effort and compliance with national security and foreign policy interests. In the process of carrying out these activities, a small amount of funding efficiently fosters multiple USG goals.

The FY 2008 OHDACA budget request is \$103.3 million. The FY 2008 level represents an increase of \$40.4 million from the FY 2007 planned program (\$62.9 million). The details, by major category, are described below:

OVERSEAS HUMANITARIAN DISASTER AND CIVIC AID (OHDACA)

Humanitarian Mine Action Program and Funding

	(\$ in millions)		
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Total Program	6.5	5.0	5.1

The **Humanitarian Mine Action Program** requirement of \$5.1 million will support the geographical CoCom planned humanitarian demining activities. These CoCom plans include: assessments of newly designated countries; ongoing worldwide training operations; incremental funding of high-priority, emerging operations; and evaluations of current programs to determine if projected “end states” have been met.

Humanitarian Assistance Program and Funding

	(\$ in millions)		
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Total Program	38.6	40.0	41.0

The **Humanitarian Assistance Program** FY 2008 requirements of \$41.0 million include: transportation; provision of excess property; and other targeted assistance for disaster preparedness and mitigation. Funding also provides for acquisition, provision, and distribution of relief supplies; acquisition and shipment of transportation assets to assist in distribution; refurbishment and restoration of excess Defense equipment; and inspection, packaging and intermediary warehouse storage until excess items can be delivered.

Foreign Disaster Relief Assistance/Emergency Response Funding

	(\$ in millions)		
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Total Program	75.7	17.9	17.2

The **Foreign Disaster Relief Assistance/Emergency Response** estimate for FY 2008 is \$17.2 million. This funding supports the capacity of the Department, through the CoComs, to respond to natural and manmade disasters and to the humanitarian aspects of security crises. Among the activities covered by this item are transportation of emergency assistance during foreign disasters and programs to prepare for such activities. The emergency response program includes transportation, logistical support, search and rescue, medical evacuation, and refugee assistance, in the form of both supplies and services. Projects also include those that assist

OVERSEAS HUMANITARIAN DISASTER AND CIVIC AID (OHDACA)

Non-Government Organizations (NGO) and recipient countries in building capabilities to respond to emergencies building this capability reduces the potential need for United States military involvement in future crisis response.

Building Partnership Capacity Funding

	(\$ in millions)		
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Total Program	0	0	40.0

The **Building Partnership Capacity Initiatives** FY 2008 requirement is \$40.0 million. The U.S. military will continue to be called upon to provide aid and assistance during major overseas disasters because of the unique assets and capabilities we can provide. The OHDACA is the appropriation used to finance the DoD's effort during such disasters. However, at the present time, when a disaster occurs, the baseline OHDACA appropriation is often depleted in order to fund the major disaster halting the progress on humanitarian projects until the OHDACA appropriation can be replenished. This often damages the credibility between the CoCOMs and countries within the AOR as projects are often the result of long-term negotiations. An increase of \$40.0 million is being requested to fund the purchase of necessary supplies (i.e., water, HDRs, tents, blankets, etc.) and the transportation of personnel and supplies to the affected location. This advance planning will alleviate the need to halt or place baseline projects on hold because this funding will be available during the first year of the appropriation to fund major disasters allowing the humanitarian assistance projects to continue with the baseline funding. If the funding is not used during the first year of availability, it will be used during the second year to finance additional humanitarian activities within each CoCOM as the requests for humanitarian projects always exceeds the funding available. Such projects may include but are not limited to: construction or renovation of schools and hospitals, shipment of excess property, medical training, construction of wells, and road construction.

SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS (SISC)

FY 2006	Price	Program	(\$ in millions)	Price	Program	FY 2008
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>FY 2007</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate*</u>
16.1	+483	-16,579	-	-	-	-

The Support for International Sporting Competitions (SISC), Defense appropriation is a no-year appropriation that provides for continuing Department of Defense (DoD) support to international and special events that are certified by the Attorney General. Funds are still available from the FY 2003 DoD Appropriations Act (P.L. 107-248).

The Department is not requesting funds for FY 2007. The amount represented in the above table is total projected obligation, not Budget Authority. The current account balance in the SISC account is \$16.1 million, which is available until expended.

These funds are available to fund safety, security and logistical requirements for special events. Under the authority of 10 U.S.C., section 2564, the Department has the authority to assist Federal, State or local agencies in support of civilian sporting events, if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs. The DoD provides this support through the SISC appropriation only as a supplier of last resort while ensuring that no degradation to readiness results from this effort. Such support is essential to the national responsibility of ensuring the safety of competitors participating and visitors attending these events.

The Department plans to use SISC funds in FY 2008 for support for international sporting competitions to include physical security, aviation, communications, explosive ordnance disposal, temporary facilities, related equipment, and the manpower costs associated with these requirements. In accordance with 10 U.S.C., section 2564, the Department will notify the congressional oversight committees 45 days prior to obligation of SISC funds of the programs and activities to be financed.

AIR OPERATIONS

<u>Funding Summary</u>	(\$ in millions)						
	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>	<u>Price</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	1,008.3	32.7	-222.6	818.4	18.0	344.9	1,181.3
Army Reserve	37.1	2.0	7.6	46.7	1.0	4.6	52.3
Army National Guard	294.6	6.5	8.9	310.0	6.8	77.6	394.4
Navy	7,612.8	48.8	-1,301.3	6,360.3	211.0	303.2	6,874.5
Navy Reserve	735.2	-2.9	-3.8	728.5	28.1	-53.3	703.3
Air Force	21,496.6	1,601.5	-6,474.3	16,623.8	730.0	876.9	18,230.7
Air Force Reserve	1,971.4	170.4	24.2	2,166.0	140.9	-98.0	2,208.9
Air National Guard	4,158.3	329.2	-204.0	4,283.5	157.8	-263.8	4,177.5
USSOCOM	844.7	20.3	-115.3	749.7	30.4	28.3	808.4
TOTAL	38,159.0	2,208.5	-8,280.6	32,086.9	1,324.0	1,220.4	34,631.3

NOTE: FY 2006 actuals include Supplemental funding.

To operate, to maintain, and to deploy aviation forces that support the national military strategy, the Air Operations activity funds the following activities: (1) day-to-day operational activities or air operations; (2) organizational, intermediate, and depot level maintenance; (3) institutional training; unit training and operational training; and (4) engineering and logistical support.

The FY 2008 budget request of \$34,631.3 million reflects a net increase of \$2,544.4 million above the FY 2007 estimate. This includes price growth of \$1,324.0 million and a net program increase of \$1,220.4 million.

AIR OPERATIONS

ACTIVE ARMY

The Army's Land Forces Air Operations funds the combat major commands (MACOMs), as well as several other agencies and commands. The FY 2008 Flying Hour Program funds rotary wing aircraft at the average operating tempo (OPTEMPO) of 11.6 hours per crew per month. The program includes fuel, consumable parts, and depot level repair parts to maintain the fleet.

The Land Forces Air Operations includes flying hours for the following programs:

- Drug Interdiction and Counter-Drug activities,
- Combat Aviation Training Brigade at Fort Hood (the Army's collective trainer for the AH-64D Apache Longbow program),
- Combat Training Center support (National Training Center, Joint Readiness Training Center, and the Joint Maneuver Readiness in Germany),
- The Military District of Washington, and
- Several other smaller units.

The Land Forces Air Operations program also funds flying hours for fixed wing aircraft in intelligence, command, and theater aviation units as well as the hours for the training of pilots associated with Training Support XXI (Training Support Brigades), Reserve Officers Training Corps (ROTC) program, Multi-Force Operations, and European Command (EUCOM) Headquarters.

The Army's Flight Training program supports the Army's flight training program at Fort Rucker (Initial Entry Rotary Wing courses through Advanced Pilot Training) which includes Flight School XXI (FSXXI). Also funded is the flight training programs at the Intelligence School at Fort Huachuca, the Infantry School at Fort Benning, and the Transportation Training Center at Ft. Eustis. It also funds flying hours for the non-training fleet in the Training and Doctrine Command and flying hours at the United States Military Academy.

The Servicewide Support program funds flying hours to support a small contingent of Army aircraft at the Army Materiel Command's (AMC) Corpus Christi Army Depot and at the Aviation and the Army Missile Command (AMCOM).

<u>Funding Summary</u>	(\$ in millions)						
	<u>FY 2006 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Land Forces Air Operations	311.0	14.0	211.0	536.0	12.0	142.0	690.0
Depot Maintenance	533.3	3.1	(495.0)	41.4	2.6	135.3	179.3
Flight Training	162.0	7.0	70.0	239.0	5.0	66.0	310.0
Servicewide Support	2.0	-	-	2.0	-	-	2.0
Total	1,008.3	24.1	-214.0	818.4	19.6	343.3	1,181.3

AIR OPERATIONS

<u>Program Data</u>	<u>FY 2006</u> <u>Actual</u>	<u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
Primary Authorized Aircraft	2,124	71	2,195	-18	2,177
Total Aircraft Inventory	3,969	38	4,007	52	4,059
Flying Hours (000)	440	1	441	91	532
Percent Executed	99.5%		N/A		N/A
OPTEMPO (Hrs/Crew/Month)*					
Rotary Wing	12.6		11.1		11.6

The FY 2008 budget request reflects a net increase of \$362.9 million above the FY 2007 level. This includes a price increase of \$18.0 million and a program increase of \$344.9 million.

Land Forces Air Operations: The FY 2008 flying hour program supports an average OPTEMPO of 11.6 hours per crew per month. The FY 2008 budget request increases \$154.0 million from the FY 2007 level, with a price increase of \$12.0 million and a program increase of \$142.0 million. The FY 2008 program increase includes: increased repair costs and changing the mix of helicopters as the Army replaces low cost Vietnam era aircraft with higher cost modernized aircraft that have increased capability. The increase in the flying hour program for FY 2008 is a direct result of the increased number of crews at the Division level, providing increased capability in support of the current and future Full-Spectrum Force.

Depot Maintenance: The FY 2008 budget request reflects a net increase of \$137.9 million from the FY 2007 level. The net increase consists of a price increase of \$2.6 million and a program increase of \$135.3 million. The program increase supports the recapitalization of 14-UH60A, 3-CH47D and software maintenance.

Flight Training: The FY 2008 budget request increases \$71.0 million above the FY 2007 level and reflects a price increase of \$5.0 million and a program increase of \$66.0 million. The major contributing factor for the increase is a corresponding increase in the flying hours to train additional pilots.

Servicewide Support: The FY 2008 budget request reflects a relatively steady program.

AIR OPERATIONS

ARMY RESERVE

The Army Reserve's Training Operations fund aviation training and operational requirements. The program includes fuel, consumable repair parts, and depot level repair parts to maintain the fleet. The program supports both unit training and operations. The Army Reserve's fixed wing and rotary wing units support the requirements of the warfighting Combatant Commanders. The Reserve fixed wing aircraft are an integral part of the military operational mission support airlift system.

<u>Funding Summary</u>	(\$ in millions)						
	<u>FY 2006 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Training Operations	37.1	2.0	7.6	46.7	1.0	4.6	52.3
 <u>Program Data</u>	 <u>FY 2006 Actual</u>	 <u>Change</u>	 <u>FY 2007 Estimate</u>	 <u>Change</u>	 <u>FY 2008 Estimate</u>		
Primary Authorized Aircraft							
Rotary Wing	112	6	118	2	120		
Fixed	40	0	40	0	40		
Total Aircraft Inventory							
Rotary Wing	112	6	118	2	120		
Fixed	40	0	40	0	40		
Flying Hours (000)*							
Rotary	10	2	12	1	13		
Fixed	26	1	27	-1	26		
Primary Mission Readiness							
Rotary Wing	100.0%		100.0%		100.0%		
Fixed	100.0%		100.0%		100.0%		
OPTEMPO (Hrs/Crew/Month)*							
Rotary Wing	8.7	-3.3	5.4	1.4	6.8		
Fixed	55.0	1.9	56.9	-1.9	55.0		

AIR OPERATIONS

The FY 2008 budget request reflects a net increase of \$5.6 million. This includes a price increase of \$1.0 million and a program increase of \$4.6 million. Specific program highlights include increased requirements associated with the Army Aviation Transformation and Modernization Plan.

ARMY NATIONAL GUARD

The Army National Guard's Training Operations program provides for training aircrew members, aviation units, and supported combined arms teams to achieve and sustain designated combat readiness. Resources support the utilization, maintenance, and overhaul of aviation assets and related support equipment to sustain unit capabilities. These funds are required to maintain and train units for immediate mobilization and to provide administrative support.

<u>Funding Summary</u>	(\$ in millions)						
	<u>FY 2006 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Flying Hour Program	294.6	6.5	8.9	310.0	6.8	77.6	394.4
<u>Program Data</u>	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>		
Primary Authorized Aircraft							
Rotary Wing	1,348	59	1,407	-34	1,373		
Fixed	114	0	114	2	116		
Total Aircraft Inventory							
Rotary Wing	1,413	-6	1,407	-34	1,373		
Fixed	114	0	114	2	116		
Flying Hours (000)*							
Rotary	162	-7	155	40	195		
Fixed	48	-26	22	-2	20		
Primary Mission Readiness							
Rotary Wing	75.0%		75.0%		75.0%		
Fixed	80.0%		80.0%		80.0%		
OPTEMPO (Hrs/Crew/Month)*							
Rotary Wing	6.5	-1.2	5.3	1.5	6.8		
Fixed	8.5	1.2	9.7	0.6	10.3		

AIR OPERATIONS

The FY 2008 budget request reflects a net increase of \$84.4 million. This includes a price change of \$6.8 million and a net program increase of \$77.6 million. Increased funding will support the modernization of the Army National Guard Aviation Systems.

ACTIVE NAVY

The Navy's Air Operations program funds the active Navy and Marine Corps flying hour operating tempo, intermediate, organizational and depot level maintenance, fleet training, engineering support, and logistical support to operate, maintain, and deploy aviation forces in support of the national military strategy. Navy Air Operations is subdivided into the following categories.

<u>Funding Summary</u>	(\$ in millions)						
	<u>FY 2006 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Missions/Flight Operations	4,446.3	-39.4	-1,009.8	3,397.1	125.4	84.8	3,607.3
Fleet Training	890.4	-10.3	-44.6	835.5	32.4	69.8	937.7
Intermediate Maintenance	60.3	1.4	-6.7	55.0	1.5	-5.6	50.9
Air Operations and Safety Support	134.2	4.2	-20.2	118.2	2.3	7.1	127.6
Air System Support	456.2	17.7	2.8	476.7	9.8	-6.5	480.0
Depot Maintenance	1,069.1	69.8	-244.5	894.4	21.6	101.4	1,017.4
Depot Operations Support	117.5	3.8	16.0	137.3	3.0	12.1	152.4
Flight Training	411.7	1.2	10.1	423.0	13.9	38.8	475.7
Blue Angels	27.1	0.4	-4.4	23.1	1.1	1.3	25.5
Total	7,612.8	48.8	-1,301.3	6,360.3	211.0	303.2	6,874.5

<u>Program Data</u>	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
Primary Authorized Aircraft	3,028	-40	2,988	49	3,037
Total Aircraft Inventory	3,698	86	3,784	41	3,825
Total Flying Hours (000)	857	-155	702	47	749
Tactical Fighter Wings	10	-	10	-	10
Average Crew Ratio	1.5	-	1.5	-	1.5
Hours Per Crew Per Month	22.6	-5.1	17.5	1.2	18.7
Average T-Rating	T-2.3		T-2.7		T-2.5

AIR OPERATIONS

The FY 2008 budget request increases by \$514.2 million above the FY 2007 level, reflecting price increases of \$211.0 million and program increases of \$303.2 million above the FY 2007 level. The Primary Authorized Aircraft (PAA) increases from FY 2007 to FY 2008 due to various force structure changes, including the addition of MV-22B Osprey, CH-53H Super Stallion, MH-60R/S Seahawk, and F/A-18EF Super Hornets. In FY 2008, the flying hour budget is sufficient to achieve readiness and safety goals at or above those budgeted in FY 2007.

Mission/Flight Operations: The budget request reflects price growth of \$125.4 million and programmatic growth of \$84.8 million in FY 2008. This is primarily to fund the additional hours required to achieve a T-2.5 readiness level. In addition, changes in type/model/series flown, such as the additional MV-22B Osprey and CH-53H Super Stallion aircraft contribute to the programmatic changes.

Fleet Air Training: Fleet Air Training funding reflects pricing growth of \$32.4 million and programmatic increases of \$69.8 million in FY 2008. The programmatic changes reflect increased maintenance contracts costs, additional flight hours for the Marine Corps-Grow the Force initiative, and integration of new aircraft into the program.

Navy Intermediate Maintenance: Funding reflects price growth of \$1.5 million and programmatic decreases of \$5.6 million in FY 2008. The decrease is associated with a reduction in civilian personnel supporting Aircraft Intermediate Maintenance Departments (AIMDS).

Air Operations and Safety Support: Air Operations and Safety Support funding reflects a price increase of \$2.3 million and a program increase of \$7.3 million in FY 2008. The programmatic increase is the result of in-service efforts due to life-cycle extensions on ship Air Traffic Control (ATC) systems, and for engineering and logistics support enhancements required for newly fielded Aircraft Launch and Recovery Equipment (ALRE).

Air System Support: Air System Support reflects a price increase of \$9.8 million and a program decrease of \$6.5 million in FY 2008. The programmatic decrease is associated with Program Related Logistics Support and Program Related Engineering Support for the following aircraft; F/A-18E/F, AV-8B, EA-6B and the T-45.

Aircraft Depot Maintenance: Aircraft Depot Maintenance funding reflects a price increase of \$21.6 million and a program increase of \$101.4 million in FY 2008. The programmatic increase is associated with an additional 46 Phased Depot Maintenance/Integrated Maintenance Concept (PDM/IMC) events and 12 Age Explorations, and increased costs for Aircraft Support and Emergency Repair. Increased engine rework projections include an additional 77 engine overhauls and 55 gearbox/torque meter overhauls.

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Aircraft Depot Operations Support: Aircraft Depot Operations reflects a price increase of \$3.0 million and a program increase of \$12.1 million in FY 2008. The programmatic increase is the result of the Navy Converged Enterprise Resource Planning (ERP) effort to provide for program management, operations and support, and deployment to over 16,000 users.

Flight Training: Flight Training reflects price growth in FY 2008 of \$13.9 million and a program increase of \$38.8 million. The program increase is attributable to an increase in the production goals of 208 Pilots and Naval Flight Officers. In addition, the increase reflects the latest Integrated Production Plan (IPP), avoiding interruption to pilot training process and subsequent impacts to fleet squadrons.

Blue Angels: Recruiting and Advertising, which provides funding for the Blue Angels, remains relatively stable and continues to support 68 Blue Angels shows in FY 2008.

NAVY RESERVE

The Naval Air Reserve Force consists of one Air Logistics Wing with fifteen squadrons, one Carrier air wing with a total of five squadrons, one Maritime Patrol Wing with three squadrons, four Helicopter Combat Support squadrons, and one Helicopter Anti-Submarine Squadron. The Fourth Marine Corps Air Wing (4th MAW) consists of fourteen flying squadrons and supporting units, which are budgeted for and maintained by the Commander of the Navy Reserve Force. The Air Operations activity group provides funding for all aspects of Navy and Marine Corps Reserve air operations from flying hours to specialized training, maintenance, and associated support. The following table reflects the funding for the programs supporting Reserve Air Operations.

<u>Funding Summary</u>	(\$ in millions)						
	<u>FY 2006 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Missions/Flight Operations	564.6	-10.6	24.1	578.1	24.7	-41.3	561.5
Intermediate Maintenance	16	0.4	0.4	16.8	0.4	-0.1	17.1
Air Operations and Safety Support	1.9	0	0.1	2	0	1.1	3.1
Depot Maintenance	151.0	7.2	-27	131.2	3	-13.0	121.2
Depot Operations Support	1.7	0.1	-1.4	0.4	0	0	0.4
Total	735.2	-2.9	-3.8	728.5	28.1	-53.3	703.3

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<u>Program Data</u>	<u>FY 2006</u>	<u>Change</u>	<u>FY 2007</u>	<u>Change</u>	<u>FY 2008</u>
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
Primary Authorized Aircraft	374	-26	348	-41	307
Total Aircraft Inventory	374	-26	348	-41	307
Total Flying Hours (000)	125	2	127	-3	124
Tactical Fighter Wings	1		1		1
Hours Per Crew Per Month	13.2	-1.0	12.2	1.0	13.2
Average T-Rating	T-2.4		T-2.8		T-2.6

The FY 2008 request reflects a net decrease of \$25.2 million below the FY 2007 funding level. This includes a price increase of \$28.1 million and program decrease of \$53.3 million below the FY 2007 funding level. Programmatic decreases is a result of the removal of flying hours associated with aircraft inventory net reduction and a reduction in depot maintenance associated with a reduced aircraft inventory.

ACTIVE AIR FORCE

The Air Force Air Operations funding provides the resources that support combat forces. These activities provide for the operational flying requirements of bomber, fighter, mobility, and training forces stationed in the United States as well as overseas. Also included are resources supporting: land based intercontinental ballistic missiles; air launched strategic and tactical missiles; electronic warfare and defense suppression missions; combat command, control, and communications; combat aircrew training; and associated combat related base support.

Financing provides for the operating tempo, organizational and depot level maintenance, training, engineering support, logistical support, and base support to operate, maintain, and deploy aviation forces in support of the national military strategy. The Air Operations activity is subdivided into the following categories:

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(\$ in millions)

<u>Funding Summary</u>	<u>FY 2006</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
Primary Combat Forces	4,937.4	618.0	-1,882.5	3,672.9	186.6	401.3	4,260.8
Primary Combat Weapons	321.9	11.0	-63.9	269.0	7.4	3.4	279.8
Combat Enhancement Forces	673.9	29.4	-123.2	580.1	17.5	75.8	673.4
Air Operations Training	1,353.7	139.1	-26.6	1,466.2	73.8	-37.5	1,502.5
Combat Communications	2,067.7	114.0	-642.1	1,539.6	50.4	249.0	1,839.0
Global C3I & Early Warning	1,264.3	40.4	-202.3	1,102.4	32.4	183.4	1,318.2
Other Combat Ops Spt Programs	978.2	39.9	-413.6	604.5	18.3	154.1	776.9
Airlift Operations	4,901.3	503.4	-2,594.2	2,810.5	250.3	-128.7	2,932.1
Flight Training	787.9	91.5	-60.9	818.5	31.7	61.5	911.7
Arms Control	45.3	2.5	-9.4	38.4	1.3	-0.4	39.3
Security Program	1,552.8	46.8	-203.1	1,396.5	36.6	-431.9	1,001.2
Depot Maintenance	2,612.2	225.7	-512.7	2,325.2	23.7	346.9	2,695.8
Total	21,496.6	1,861.7	-6,734.5	16,623.8	730.0	876.9	18,230.7

The FY 2008 budget request reflects a net increase of \$1,606.9 million above the FY 2007 funding level. This includes a price increase of \$730.4 million and program increases totaling \$876.5 million. The Air Force plans to transform the flying hour program, increasing the use of simulators and implementing cost-efficiency measures to enable reduced flying hour costs while maintaining readiness.

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<u>Program Data</u>	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
Primary Aircraft Authorized (PAA)					
Bomber	123	0	123	-16	107
Fighter/Attack	1,362	-78	1,284	-21	1,263
Trainer	928	35	963	63	1,026
Airlift	336	-3	333	-3	330
Tanker	228	0	228	-10	218
Other	456	-33	423	34	457
Total	3,433	-79	3,354	47	3,401
Total Aircraft Inventory (TAI)					
Bomber	168	-21	147	-20	127
Fighter/Attack	1,567	-52	1,515	-53	1,462
Trainer	1,295	-30	1,265	-4	1,261
Airlift	387	-37	350	2	352
Tanker	256	-5	251	-7	244
Other	416	105	521	22	543
Total	4,089	-40	4,049	-60	3,989
Flying Hours (000)	1,203	-21	1,182	-98	1,084
Air Expeditionary Forces (AEF)	10	0	10	0	10
Crew Ratio (Average per Aircraft)					
Bombers	1.35	-0.01	1.34	0.00	1.34
Fighters	1.28	0.01	1.29	0.00	1.29
OPTEMPO (Hrs/Crew/Month)					
Bombers	20.8	-4.3	16.5	-1.0	15.5
Fighters	16.0	0.7	16.7	-2.3	14.4
ICBM Inventory					
Minuteman III	500	0	500	0	500

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Primary Combat Forces: The FY 2008 budget request includes a price increase of \$186.6 million and a program increase of \$401.3 million. The program change is primarily driven by: the transfers in for Centralized Asset Management (CAM) Program (\$118.9 million); restore operations to FY 2006 baseline level (\$422.5 million); Bomber and Fighter CLS (\$165.1 million); procurement of vehicles (\$57.1 million); Bomber and Fighter sustaining engineering (\$37.1 million); the Ready Elmendorf plan to operate PACAF F-22As from Langley AFB (\$5.5 million); the F-16 swap for Red Flag Alaska between Kunsan AFB and Eielson AFB (\$4.5 million); Military-to-Civilian conversions (\$1.5 million) offset by reductions associated with the Flying Hour Program transformation initiative (\$450.6 million).

Primary Combat Weapons: The FY 2008 budget request includes a price increase of \$7.4 million and a program increase of \$3.4 million. The program increase is primarily driven by: Military-to-Civilian conversion (\$0.2 million); relocation costs associated with the move from Cheyenne Mountain Air Force Station and Offutt Air Force Base to Vandenberg Air Force Base for the Joint Forces Command Center-Space (\$2.9 million); and a decrease for the Advanced Cruise Missile program (\$1.6 million).

Combat Enhancement Forces: The FY 2008 budget request includes a price increase of \$17.5 million and a program increase of \$75.8 million. The program increase is primarily driven by: a transfer in from the Air Guard and Reserves to the CAM Program (\$47.8 million); increase to Joint Information Operation within STRATCOM (\$9.9 million); Intelligence Support to Information Operations for the Joint Functional Component Commander to support cyber operations (\$8.1 million); and an increase in CLS due to delivery of 24 MQ-1 aircraft in FY 2008 (\$6.2 million).

Air Operations Training: The FY 2008 budget request includes a price increase of \$73.8 million and a program decrease of \$37.5 million. The program change is primarily driven by a decrease for one-time FY 2007 congressional adds (\$60.6 million).

Combat Communications: The FY 2008 budget request includes a price increase of \$50.4 million and a program increase of \$249.0 million. The program change is primarily driven by: a transfer in from the Air Guard and Reserves to the CAM Program (\$148.9 million); Military-to-Civilian conversions (\$32.4 million); HQ CENTCOM Communications support increased to support deployed forces (\$29.4 million); Air and Space Operations Center increase in new mission and three new Air Operation Centers (AOC) (\$23.0 million); and an increase associated with the stand-up of the Global Hawk (\$12.0 million).

Global C3I & Early Warning: The FY 2008 budget request includes a price increase of \$32.4 million and a program increase of \$183.4 million. The program change is primarily driven by: increase to the Defense Support Program (DSP) for sustainment and support of DSP launch (\$33.8 million); a transfer in from Navy for Global Broadcast Service (\$19.6 million); a transfer in for the realignment between Navy, National Space Agency, Office of the Secretary of Defense for STRATCOM's Distributive Nuclear/National Command and Control (\$19.3 million); program growth at Thule Air Base Operations Support (\$33.2 million); an increase to Space Based Infrared System CLS (\$25.4 million); increase in Wideband Global Satellite Communications CLS

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(\$16.2 million); increase to E-4B National Airborne Operations Center CLS (\$10.0 million); increase for STRATCOM Headquarters requirements and NIGHT FIST program (\$12.7 million); and to Global Broadcast Service (\$8.7 million).

Other Combat Operations Support Programs: The FY 2008 budget request includes a price increase of \$18.3 million and a program increase of \$154.1 million. The program change is primarily driven by: program increase to Global Combat Support System Data Housing and Global Force Management for software licenses, support and help desk operations (\$47.9 million); increase for service support to NORTHCOM (\$47.2 million); Integrated Base Support increase (\$26.0 million); an increase to Network Infrastructure Engineering and Installation for modernization of Command and Control Support Systems (\$14.7 million); an increase in supplies for the Chemical Biological Defense Program (\$8.7 million); a transfer in from Air Guard and Reserve for CAM Program (\$3.6 million); Military-to-Civilian conversions (\$1.1 million).

Airlift Operations: The FY 2008 budget request includes a price increase of \$250.3 million and a program decrease of \$128.7 million. The program change is primarily driven by: a transfer in from Air Guard and Reserve for CAM Program (\$224.8 million); increase to Aircrew Training System Enhancements on the C-5, KC-135 and Operations Support Aircraft (\$18.8 million); program increase to C-130J CLS with additional delivery of 19 aircraft (\$36.8 million); transfer out from C-17 CLS to the Transcom Working Capital Fund customer accounts (\$379.8 million); and a decrease associated with the Flying Hour Program transformation initiative (\$21.6 million).

Flight Training: The FY 2008 budget request includes a price increase of \$31.7 million and a program increase of \$61.5 million. The program change is primarily driven by: an increase to Undergraduate Flight Training CLS (\$54.5 million); increase to Combat System Officer Training which replaced navigator training (\$11.9 million); and a decrease with the Flying Hour Program transformation initiative (\$9.1 million).

Arms Control: The FY 2008 budget request includes a price increase of \$1.3 million and a program decrease of \$0.4 million. The program change is primarily driven by a decrease in contractor support as part of the Air Transformation Flight Plan (\$0.6 million).

Security Programs: The FY 2008 budget request includes a price increase of \$36.6 million and a program decrease of \$431.9 million. The program change is primarily driven by: a decrease to Classified Programs, details provided under separate cover (\$444.1 million).

Depot Maintenance (Air Force-wide): The FY 2008 budget request funds Depot Purchase Equipment Maintenance (DPEM) at 73% of the active force requirement. The program includes a price increase of \$23.7 million and program growth of \$346.9 million. The program growth funds: Programmed Depot Maintenance for the B-1, B-2, B-52, F-15, F-16, and C-130 airframes (\$191.9 million); F-118, F-101, F-110, and T-56 engine overhauls (\$53.1 million); critical software maintenance supporting various

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space systems and aircraft platforms (\$73.0 million); and depot maintenance exchangeables and other depot maintenance (\$53.0 million).

AIR FORCE RESERVE

The Air Force Reserve Air Operations budget provides the resources to maintain and train units for immediate mobilization and to provide administrative support for the Air Reserve Personnel Center. The FY 2008 request provides for the operation and training of 72 flying units, 421 mission support units, 10 Air Force Reserve flying installations, and the flying and mission training of 67,500 Selected Reserve personnel. Activities supported include aircraft operations, base and depot level aircraft maintenance, medical treatment, civilian pay, travel, transportation, and maintenance of other equipment.

(\$ in millions)

<u>Funding Summary</u>	<u>FY 2006 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Primary Combat Forces	1,536.0	180.9	20.5	1,737.4	136.3	(163.7)	1,710.0
Mission/Flight Operations	100.8	2.6	(16.3)	87.1	2.4	9.8	99.3
Depot Maintenance	334.6	(13.1)	20.0	341.5	2.2	55.9	399.6
Total	1,971.4	170.4	24.2	2,166.0	140.9	(98.0)	2,208.9

The FY 2008 budget request increases \$42.9 million above the FY 2007 level. The price change is an increase of \$140.9 million and the program change is a decrease of \$98.0 million.

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<u>Program Data</u>	<u>FY 2006</u> <u>Actual</u>	<u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
Primary Aircraft Authorized (PAA)					
Bomber	8	0	8	0	8
Fighter	105	-12	93	0	93
Tanker	72	0	72	-8	64
Airlift	137	11	148	-8	140
Rescue	18	0	18	0	18
Weather Reconnaissance	10	0	10	0	10
Special Operations Forces	12	0	12	0	12
Total	362	-1	361	-16	345
Total Aircraft Inventory (TAI)					
Bomber	9	0	9	0	9
Fighter	120	-18	102	2	104
Tanker	84	-12	72	-8	64
Airlift	143	12	155	-9	146
Rescue	20	-1	19	0	19
Weather Reconnaissance	17	1	18	0	18
Special Operations Forces	14	0	14	0	14
Total	407	-18	389	-15	374
Flying Hours (000)	105	28	133	-13	120
Crew Ratio (Average per Aircraft)					
Bombers	1.31	0.00	1.31	0.00	1.31
Fighters	1.25	0.00	1.25	0.00	1.25
OPTEMPO (Hrs/Crew/Month)					
Bombers	19.6	0.0	19.6	0.0	19.6
Fighters	17.5	2.1	19.6	2.2	21.8

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Primary Combat Forces (Air Operations): The FY 2008 budget request reflects a net decrease of \$27.4 million. This includes a price increase of \$136.3 million and a program decrease of \$163.7 million. The major program changes include: additional CLS for Weapon System and Simulator (\$41.1 million); establish baseline funding associated with 932nd Airlift Wing previously funded by congressional adds (\$35.9 million); C-5 Formal Training Unit increased training requirements to meet student throughput (\$21.9 million); a transfer out to the Air Force (Active) for the CAM Program (\$119.3 million); a decrease with the Flying Hour Program transformation initiative (\$70.3 million); reduction in manpower associated with BRAC decisions (\$42.9 million); and a decrease due to updated KC-135 crew per month ratio (\$17.7 million).

Mission Support Operations: The FY 2008 budget request reflects a net increase of \$12.2 million. This includes a price increase of \$2.4 million and a program increase of \$9.8 million. The program increase is primarily attributed to providing the medical training platform with medical training equipment.

Depot Maintenance: The FY 2008 budget request includes a net increase of \$58.1 million. This includes a price increase of \$2.2 million and a program increase of \$55.9 million. The increase is mainly attributable to: aircraft maintenance of the KC-135 scheduled for extensive work; Service Life Extension Program (SLEP) on the A-10, Falcon Star; paint for the F-16; HH-60G repair; and engine repair in support of C-5, C-130 and KC-135.

AIR NATIONAL GUARD

The Air National Guard Air Operations program provides for the flying and maintenance of Air National Guard mission related aircraft. These funds also provide for the equipment and manpower required to train, equip, and support the Air National Guard force structure at a combat readiness level that enables it to immediately assimilate into the active Air Force and to be capable of conducting independent operations to meet unit taskings.

	(\$ in millions)						
<u>Funding Summary</u>	<u>FY 2006 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Aircraft Operations	2,936.0	333.7	(85.3)	3,184.4	141.1	(276.1)	3,049.4
Mission Support Operations	645.8	16.6	(158.5)	503.9	13.6	23.1	540.6
Depot Maintenance	576.5	(21.1)	39.8	595.2	3.1	(10.8)	587.5
Total	4,158.3	329.2	(204.0)	4,283.5	157.8	(263.8)	4,177.5

The Air National Guard (ANG) FY 2008 budget decreases \$106.0 million from FY 2007 reflecting price growth of \$157.8 million and program decreases of \$263.8 million.

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<u>Program Data</u>	<u>FY 2006</u> <u>Actual</u>	<u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
Primary Authorized Aircraft					
JSTARS	12	2	14	0	14
Fighter	459	6	465	-42	423
Training	103	-4	99	16	115
Tactical Airlift	193	-13	180	1	181
Strategic Airlift	24	11	35	3	38
Tanker	189	-17	172	-4	168
Air Defense	69	-6	63	2	65
Other	30	16	46	2	48
Total	1,079	-5	1,074	-22	1,052
Total Aircraft Inventory (TAI)					
JSTARS	18	0	18	0	18
Fighter	548	-10	538	-53	485
Training	132	-7	125	2	127
Tactical Airlift	208	-24	184	2	186
Strategic Airlift	25	12	37	4	41
Tanker	251	-22	229	-61	168
Air Defense	96	-24	72	1	73
Other	43	11	54	6	60
Total	1,321	-64	1,257	-99	1,158
Flying Hours (000)	256	52	308	-47	261
Crew Ratio (Average per Aircraft)					
JSTARS	2.0	0.0	2.0	0.0	2.0
Fighters	1.5	0.0	1.5	-0.2	1.3
OPTEMPO (Hrs/Crew/Month)					
JSTARS	25.8	0.0	25.8	0.0	25.8
Fighters	10.6	0.0	10.6	-1.6	9.0

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Primary Combat Forces Aircraft Operations: The FY 2008 budget request reflects a net decrease of \$135.0 million. This includes price growth of \$141.1 million and a program decrease of \$276.1 million. The major program highlights include: a transfer out to the Air Force (Active) for the CAM Program (\$353.6 million); decrease C-130 Tactical Airlift Squadrons (\$17.2 million); increase for Total Force Integration (TFI) Predator (\$37.6 million); TFI F-22 Associate (\$15.4 million); 173d Kingsley Field (\$24.9 million); and C-5 Strategic Airlift Squadrons (\$15.0 million);

Mission Support Operations: The FY 2008 budget reflects a net increase of \$39.7 million above the FY 2007 level. This includes price increases of \$13.6 million and program increases of \$23.1 million. The program highlights include: a transfer out to the Air Force (Active) for the CAM Program (\$59.9 million); increase for the Warfighting Headquarters (\$27.5 million); TFI: Distributed Common Ground System (\$10.8 million); LEAN equipment (\$10.4 million); Family Readiness program (\$8.1 million); and Mission Support Costs (\$6.4 million).

Depot Maintenance: The FY 2007 budget reflects a net decrease of \$7.7 million from the FY 2007 level which includes price increase of \$3.1 million and program decreases of \$10.8 million. The FY 2008 budget includes program decreases for airframe and engine maintenance.

US SPECIAL OPERATIONS COMMAND

The Air Operations funding for the U.S. Special Operations Command (USSOCOM) supports the manpower authorizations, Special Operations Forces (SOF) unique support equipment, flying hours, aircraft, necessary facilities, and the associated costs specifically identified and measurable to initial qualification and training of aircrews for SOF aviation operations and tactics. The funding supports operations of the Air Force Special Operations Command (AFSOC) and the U.S. Army Special Operations Command (USASOC).

<u>Funding Summary</u>	(\$ in millions)						
	<u>FY 2006 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
USSOCOM-SOF Operations	844.7	20.3	(115.3)	749.7	30.4	28.3	808.4

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<u>Program Data</u>	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
Primary Authorized Aircraft					
Tactical/Mobility	214	15	229	-4	225
Training	57	-4	53	0	53
Total	271	11	282	-4	278
Total Aircraft Inventory					
Tactical/Mobility	246	9	255	-5	250
Training	57	-4	53	0	53
Total	303	5	308	-5	303
Flying Hours (000)	97	-2	95	2	97
Crew Ratio (Average)	1.6	0.0	1.6	0.0	1.6
OPTEMPO (Hrs/Crew/Month)	21.1	-8.0	13.1	0.6	13.7
Primary Mission Readiness	75%	0%	75%	0%	75%

The FY 2008 budget reflects a net increase of \$58.7 million above the FY 2007 level. This includes price increases of \$30.4 million and program increases of \$28.3 million. The program highlights include: increase supporting operations, training and maintenance of two additional CV-22B aircraft (\$10.7 million); increased costs associated with the sustainment of special psychological operation mission equipment (\$9.4); and an increase for life cycle contracts in support of rotary wing aircraft (\$6.3 million).

BASE OPERATIONS SUPPORT

BOS	(\$ in Millions)						
	FY 2006 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimates</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2008 <u>Estimates</u>
Army	6,498.3	231.8	127.8	6,857.9	180.9	-236.5	6,802.3
Navy	3,970.5	110.7	49.8	4,131.0	107.9	198.8	4,437.7
Marine Corps	1,601.2	24.2	-44.8	1,580.6	34.6	288.1	1,903.3
Air Force	6,972.0	248.5	-1,978.3	5,242.2	119.1	299.7	5,661.0
Army Reserve	506.5	11.1	-1.0	516.6	11.4	-25.3	502.7
Navy Reserve	155.4	3.5	46.2	205.1	3.4	-23.6	184.9
Marine Corps Reserve	69.6	0.6	6.8	77.0	1.3	-3.7	74.6
Air Force Reserve	313.9	8.0	-46.5	275.4	7.3	-5.8	276.9
Army National Guard	846.6	20.2	-205.8	661.0	15.3	152.1	828.4
Air National Guard	510.5	13.4	-34.9	489.0	12.2	23.9	525.1
Defense Health Program	<u>645.9</u>	<u>14.5</u>	<u>8.8</u>	<u>669.2</u>	<u>17.2</u>	<u>-28.6</u>	<u>657.8</u>
Total	22,090.4	686.5	-2,071.9	20,705.0	510.6	639.1	21,854.7

Base Operations Support (BOS) provides the resources to operate the bases, installations, camps, posts, and stations of the Military Departments and the Defense Health Program (DHP). These resources provide personnel and infrastructure support to sustain mission capability, ensure quality-of-life, and enhance work force productivity.

Personnel support includes: food and housing services for unaccompanied and deployed forces; religious services and programs; payroll support; personnel management; morale, welfare, and recreation services to military members and their families.

Infrastructure support includes utility system operations; installation equipment maintenance; engineering services including fire protection, crash rescue, custodial, refuse collection, snow removal, and lease of real property; security protection and law enforcement; and motor pool transportation operations.

The FY 2008 budget request of \$21,854.7 million reflects a program increase of \$639.1 million. The following sections address BOS for each Component and Defense Health Program.

BASE OPERATIONS SUPPORT

ACTIVE FORCES PROGRAM DATA

	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
Number of Active Major Installations					
CONUS	215	-	215	-	215
Overseas	64	-	64	-	64
Active Forces Personnel					
Military (End-Strength)	62,239	-7,541	54,698	-3,628	51,070
Civilian (Full-Time Equivalents)	94,389	-1,201	93,188	-491	92,697

Installations: Active installations in the United States remained constant at 215 bases and facilities, with overseas bases also remaining constant at 64.

Personnel: The military end strength decreases in FY 2007 and FY 2008 are due primarily to continued efforts to convert military positions to civilian or contractor positions. These conversions will alleviate the stress on the operating forces. The military and civilian personnel assigned to base support activities decrease in FY 2007 and FY 2008 primarily resulting from reductions in military staffing requirements, reduced personnel footprint overseas, and through increased efficiencies.

ARMY

	(\$ in Millions)				
	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
Army Active					
Funding	6,498.3	+359.6	6,857.9	-55.6	6,802.3
Installations					
CONUS	60	-	60	-	60
Overseas	30	-	30	-	30
Personnel					
Military (End-Strength)	1,964	-315	1,649	+500	2,419
Civilian (Full-Time Equivalents)	29,503	+2,492	31,995	-148	31,847

BASE OPERATIONS SUPPORT

The Army's FY 2008 Base Operations Support (BOS) request of \$6,802.3 million reflects a net decrease of \$55.6 million from the FY 2007 funding level. This net decrease includes price growth of \$180.9 million and a program decrease of \$236.5 million. The major changes in FY 2008 include:

- The program decrease reflects a reduction in requirements for force protection equipment, barriers, and site improvements as facilities and installations security projects near completion (\$-55.6 million).

NAVY

	(\$ in Millions)				
	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
Navy Active					
Funding	3,970.5	60.5	4,131.0	306.7	4,437.7
Installations					
CONUS	60	-	60	-	60
Overseas	18	-	18	-	18
Personnel					
Military (End-Strength)	21,075	-1,228	19,847	-3,077	16,770
Civilian (Full-Time Equivalent)	19,640	-3,759	15,881	-359	15,522

The Navy's FY 2008 Base Operations Support (BOS) request of \$4,437.7 million reflects a net increase of \$306.7 million from the FY 2007 funding level. This net increase includes price growth of \$107.9 million and a net program increase of \$198.8 million. The major changes in FY 2008 include:

- Program increases include funding to restore Navy shore installations Information Technology (IT) support services to FY 2005 levels and to fund the cost of reducing legacy applications by 95% (+\$77.3 million).
- Increased funding supports increased baseline facility services, including utility services, sanitation, janitorial, building and grounds maintenance, pest control, road maintenance, and galley operations (+\$99.6 million); and additional firefighting equipment maintenance (+\$28.8 million).
- Increased funding supports family and community services, including child care (+\$23.2 million) for Navy members, and family programs, including financial counseling, spouse employment assistance, clinical counseling for spouses and children, and spousal, child and substance abuse prevention programs (\$19.3 million).

BASE OPERATIONS SUPPORT

- Increased funds support contract trainers to replace deployed units of USMC and Navy military personnel to train Navy Security Force personnel, DoD police officers/guards, and Auxiliary Security Force members, as well as to provide DoD civilian guards to backfill deployed USMC personnel at the U.S. Naval Academy (+\$40.6 million); and for additional contract security guard manning levels to meet higher security threat levels (+\$20.5 million), as well as increased public safety contract services, crime prevention planners, electronic security maintenance technicians, additional vehicle patrols (+\$31.5 million); and Naval Installations Emergency Managers (+\$6.5 million).
- Decrease in IT program due to 15% planned discount on Navy Marine Corps Intranet (NMCI) seat services, and realignment of Cyber Asset Security/Legacy Network costs (-\$148.9 million).
- Increase for planning of Marine Corps relocation from Okinawa to Guam (+\$3.7 million).
- Decrease in Base Operating Support costs resulting from consolidations as part of BRAC V initiatives (-\$1million).

MARINE CORPS

	(\$ in Millions)				
	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
Active					
Funding	1,601.2	-20.6	1,580.6	+322.7	1,903.3
Installations					
CONUS	21	-	21	-	21
Overseas	3	-	3	-	3
Personnel					
Military (End-Strength)	10,478	-	10,478	-	10,478
Civilian (Full-Time Equivalents)	7,277	+124	7,401	+128	7,529

The FY 2008 budget request for the active Marine Corps BOS reflects a net increase of \$322.7 million above the FY 2007 funding level. This net increase includes price growth of \$34.6 million, and a net program increase of \$288.1 million. Specific program changes follow:

- Increased funding supports additional Marines as a result of decisions to increase manning over the Future Years Defense Program (FYDP) to 202,000 personnel to support the Long War, including training ranges (+\$286.5 million).

BASE OPERATIONS SUPPORT

- Increase resulting from military to civilian conversions (+\$4.3 million) and establishment of the Marine Corps National Capital Region Command (+\$0.6 million).
- Decrease in supply and support operations based on changes in requirements (-\$3.3 million).

AIR FORCE

	(\$ in Millions)				
	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
Active					
Funding	6,972.0	-1,729.8	5,242.2	+418.8	5,661.0
Installations					
CONUS	65	-	65	-	65
Overseas	12	-	12	-	12
Personnel					
Military (End-Strength)	26,195	-5,984	20,211	-1,012	19,199
Civilian (Full-Time Equivalents)	35,967	-356	35,611	-123	35,488

The Air Force's FY 2008 Base Operations Support (BOS) request of \$5,661.0 million reflects a net increase of \$418.8 million from the FY 2007 funding level. This net increase includes price growth of \$119.1 million and a net program increase of \$299.7 million. The major changes in FY 2008 include:

- Increased funding to mitigate mission readiness shortfalls and wage-grade determinations (+\$57.7 million); purchased utilities costs (+\$65.2 million); additional base support for training operations (+\$12.9 million); maintain base communications at minimal levels (+\$41.8 million); realign Management Headquarters Air Force Pentagon Communications (+\$46.0 million); stand up the Air Force Special Operations Command at Cannon Air Force Base (+\$19.9 million); standup the Air Force District Washington Emergency Response Organization (+\$14.1 million).
- Increased funding also supports child care and family care efforts (+\$9.7 million) and Environmental Compliance/Conservation and Pollution Preventions programs to match execution trends and environmental compliance (+\$33.1 million).
- Increased funding also supports the Microsoft Enterprise Agreement software deployment on Air Force systems (+\$17.4 million).

BASE OPERATIONS SUPPORT

DEFENSE HEALTH PROGRAM

	(\$ in Millions)				
	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
Active					
Funding	645.9	+23.3	669.2	-11.4	657.8
Installations					
CONUS	9	-	9	-	9
Overseas	1	-	1	-	1
Personnel					
Military (End-Strength)	2,527	-14	2,513	-39	2,474
Civilian (Full-Time Equivalents)	2,002	+298	2,300	+11	2,311

The Defense Health Program's (DHP) FY 2008 Base Operations Support (BOS) request of \$657.8 million reflects a net decrease of \$11.4 million from the FY 2007 funding level. This net increase includes price growth of \$17.2 million and a net program decrease of \$28.6 million. The major changes in FY 2008 are decreased facility and base operations, and visual information costs.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

C3I	(\$ in Millions)						
	FY 2006 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimates</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2008 <u>Estimates</u>
Army	584.0	14.1	-8.8	589.3	15.3	88.2	692.8
Navy	500.5	11.0	170.2	681.7	15.1	24.6	721.4
Marine Corps	43.3	0.9	1.6	45.8	1.0	-6.3	40.5
Air Force	2,600.8	57.2	-503.6	2,154.4	47.4	435.2	2,637.0
Defense-Wide	939.3	22.4	-194.5	767.2	18.1	44.6	829.9
Army Reserve	56.0	1.2	22.9	80.1	1.8	-4.1	77.8
Navy Reserve	8.6	0.2	2.1	10.9	0.2	4.6	15.7
Marine Corps Reserve	2.0	0.0	3.1	5.1	0.1	0.1	5.3
Air Force Reserve	80.1	1.9	-31.4	50.6	1.4	6.4	58.4
Army National Guard	125.5	2.8	1.6	129.9	2.9	6.8	139.6
Air National Guard	27.4	0.7	-3.3	24.8	1.2	10.5	36.5
Defense Health Program	40.9	0.9	7.6	49.4	1.1	0.3	50.8

Command, control, and communications (C³) resources provide seamless base level and worldwide communication networks for voice, data, and imagery traffic of sufficient quality, reliability, and flexibility to ensure responsive support to U.S. forces. This information infrastructure contains communications networks, computers, software, databases, applications, data, security services, and other capabilities that meet the information processing and transport needs of DoD users. The C³ program specifically funds telecommunications systems, leased circuits, and other services necessary for information transfer, messaging operations, and equipment associated with sending and receiving communications transmissions. Additionally, this program funds efforts to integrate command and control systems with communications to support the information needs of field commanders. The FY 2008 budget request of \$5,305.7 million includes price increases of \$105.6 million and a net program increase of \$610.9 million (13.3 percent) above the FY 2007 funding level.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

Program Data	(\$ in Millions)				
	FY 2006	FY 2007		FY 2008	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Communications</u>	<u>2,613.1</u>	<u>-262.6</u>	<u>2,350.5</u>	<u>391.4</u>	<u>2,741.9</u>
Sustaining Base Communications	1,400.0	-173.3	1,226.7	207.7	1,434.4
Long Haul Communications	681.9	45.3	727.2	113.1	840.3
Deployable and Mobile Communications	531.2	-134.6	396.6	70.6	467.2
<u>Command and Control (C2)</u>	<u>1,724.9</u>	<u>-205.9</u>	<u>1,519.0</u>	<u>253.8</u>	<u>1,772.8</u>
National	688.8	-170.4	518.4	125.2	643.6
Operational	722.7	0.3	723.0	87.7	810.7
Tactical	313.4	-35.8	277.6	40.9	318.5
<u>C3-Related</u>	<u>670.4</u>	<u>49.3</u>	<u>719.7</u>	<u>71.3</u>	<u>791.0</u>
Navigation	107.7	1.1	108.8	14.4	123.2
Meteorology	127.8	4.8	132.6	13.4	146.0
Combat Identification	1.7	0.3	2.0	0.9	2.9
Information Assurance Activities	433.2	43.1	476.3	42.6	518.9
Total	5,008.4	-419.2	4,589.2	716.5	5,305.7

Communications: Communications are an integral element of C³ and include sustaining base, long haul, and deployable and mobile forms of communications assets. Resources for sustaining base communications are almost exclusively fixed plant and installation support and provide the “backbone” and other communications infrastructure for CONUS and overseas locations. Funding for long-haul communications, largely comprised of the Defense Information Systems Network (DISN) costs, includes primarily voice and data services for all off-post connectivity, worldwide web, and other connectivity. The DISN is a combination of DoD-owned and leased telecommunications networks and subsystems comprised of equipment, services, personnel, and facilities under the management control and operational direction of the Defense Information Systems Agency (DISA). Resources for deployable and mobile communications include funding for systems and capabilities to extend communications into areas of operations, which are

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

primarily provided through satellite systems and other wireless transmission means and constitute moveable or transportable communications. The FY 2008 budget request of \$2,741.9 million reflects a net pricing and program increase of \$391.4 million (16.6 percent) over the FY 2007 funding level. The following are the most significant changes:

- The Army's budget request of \$730.7 million includes a net pricing and program increase of \$73.0 million primarily to fund long haul communications at required service levels.
- The Navy's budget request of \$583.8 million includes a net pricing and program increase of \$50.6 million resulting from increased base communications preventative maintenance, and the funding transfer from the Army to the Navy for the Joint Tactical Radio System (JTRS) Program Office.
- The Marine Corps' budget request of \$45.8 million includes a net pricing and program decrease of \$5.1 million resulting mainly from cost efficiencies in the Navy Marine Corps Intranet (NMCI) contract.
- The Air Force budget request of \$1,096.6 million includes a net pricing and program increase of \$250.6 million resulting from increased funding for sustained base communications; standing up Air Force District of Washington for emergency response in the National Capital Region; standing up the Air Force Special Operations Command at Cannon Air Force Base, New Mexico; improving network operations administration and security; improvements in the unity of effort at NORAD, U.S. Northern Command (NORTHCOM); and service support for the U.S. Central Command (CENTCOM), for which Air Force is executive agent.
- The Defense-Wide budget request of \$285.0 million includes a net pricing and program increase of \$22.3 million, mainly reflecting the continued implementation of DoD Enterprise Level Communication subscription pricing and governance process for DISN long haul communications and Global Information Grid (GIG) expansion operations.

Command and Control (C2): This category represents the facilities, systems, and manpower essential to a commander for planning, directing, coordinating, and controlling operations of assigned forces. These command and control capabilities cover the National Command Authority, through the joint operational and theater level echelon, and down to the front-line tactical elements. Additionally, this category includes funding for the Defense portion of the National Airspace System and other air traffic control activities. The FY 2008 budget request of \$1,772.8 million reflects a net pricing and program increase of \$253.8 million (16.7 percent) over the FY 2007 funding level. Major changes include:

- The Army's budget request of \$51.9 million includes a net pricing and program increase of \$15.9 million primarily to restore the Army GCCS support to FY 2006 service levels.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

- The Navy's budget request of \$95.1 million reflects a \$10.2 million net decrease resulting from the realignment of the Multinational Information Sharing from the Navy to the Defense Information Systems Agency (DISA).
- The Air Force's budget request of \$1,275.5 million reflects a net pricing and program increase of \$215.2 million to provide increased support across national, operational and tactical levels. National level increases of \$86.0 million support mission critical needs of the U.S. Strategic Command (STRATCOM). Operational level increases of \$85.0 million support Global Broadcast Service (GBS) connectivity; Space Based Infrared (SBIR) support; Distributive Nuclear/National Command and Control, a new mission; and provide support for the Wideband Global Satellite Communications system, scheduled to become operational in FY 2008. Tactical level increases of \$44.2 million provide additional support for early missile warning systems.
- The Defense-Wide budget request of \$350.3 million includes a net pricing and program increase of \$32.9 million. An increase of \$20.4 million to the White House Communications Agency (WHCA) will sustain and refresh communications support to the White House. WHCA will sustain the fixed and travel missions at the high OPTEMPO levels expected in FY 2008, modernize Presidential secure communications systems to correct shortfalls in reliability and voice quality; upgrade video distribution to digital in advance of the FCC-mandated analog TV phaseout at Presidential facilities; provide communications at the next Presidential and Vice-Presidential second residences, and complete the relocation of critical communications nodes to a location outside the Washington area. A decrease of \$12.8 million for Global Command and Control System – Joint (GCCS-J) results from DISA executing functional transfers to the Joint Staff Support Center (JSSC) local mission funding from the GCCS-J to the National Military Command System (NMCS) program. Additionally, an increase of \$54.8 million funds commercial leases and long-haul wideband communications and other C4I upgrades and support for the Special Operations Command (SOCOM), partially offset by \$30.6 million decrease in long haul costs for DISA.

C3-Related: This category includes various programs and functions related to, and supportive of, communications, command, and control requirements and includes both communications security and computer security. Included are communication resources to support navigation, meteorological reporting, combat identification that provides positive identification of friendly forces to prevent fratricide, and information assurance to protect information systems against denial of service and unauthorized (accidental or intentional) disclosure, modification, or destruction of the information system or data. The FY 2008 budget request of \$791.0 million reflects a net pricing and program increase of \$71.3 million (9.9 percent) above the FY 2007 funding level. The significant changes include:

- The Army's budget of \$127.6 million reflects a net pricing and program increase of \$22.0 million and supports expanded mission critical Information Assurance programs (including Common Access Card (CAC) and Public Key Infrastructure (PKI)) to prevent unauthorized access to Army information systems and data.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

- The Navy's budget request of \$58.2 million includes a net pricing and program increase of \$4.1 million primarily from the substitution of military personnel with contractor support at Naval Air Stations for meteorology support.
- The Air Force's budget request of \$359.8 million includes a net pricing and program increase of \$36.3 million, primarily for increased contractor support of air traffic control and landing systems, mobile microwave landing systems, and meteorology programs.
- The Defense-Wide budget request of \$245.4 million includes a net pricing and program increase of \$8.9 million, primarily reflecting inflation.

DEPOT MAINTENANCE

	<u>(Dollars in Millions)</u>						
	<u>FY 2006*</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>	<u>Price</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Active Forces							
Army	3,330.9	19.4	-2,974.8	375.5	23.6	405.7	804.9
Navy	6,017.2	179.1	-834.7	5,361.6	127.4	783.0	6,272.0
Marine Corps	372.1	-0.9	-283.3	87.9	3.9	-20.6	71.2
Air Force	2,612.2	225.7	-512.7	2,325.2	23.7	346.9	2,695.8
USSOCOM	356.0	8.6	27.8	392.4	9.0	2.2	403.6
Subtotal	12,688.4	431.9	-4,577.7	8,542.6	187.6	1,517.2	10,247.5
Reserve and National Guard Forces							
Army Reserve	92.1	4.9	32.2	129.2	15.9	-14.3	130.7
Navy Reserve	227.5	9.1	-35.0	201.6	4.6	-41.8	164.4
Marine Corps Reserve	13.7	-0.1	0.0	13.6	0.7	-3.1	11.2
Air Force Reserve	334.7	-13.1	19.9	341.5	2.2	55.9	399.6
Army National Guard	248.3	7.9	95.6	351.8	44.0	70.7	466.5
Air National Guard	576.5	-21.0	39.7	595.2	3.1	-10.8	587.5
Subtotal	1,492.8	-12.3	152.4	1,632.9	70.5	56.6	1,759.9
Grand Total	14,181.2	419.6	-4,425.3	10,175.5	258.1	1,573.8	12,007.4

*The FY 2006 Actual column includes Supplemental Funding. The FY 2007/2008 columns do not include Supplemental funding.

Note: Rounding may result in apparent differences of +/- \$0.1 million

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 reserve components.

Major Program Highlights: The FY 2008 DoD Depot Maintenance budget request reflects a net increase of \$1,831.9 million for depot level maintenance. Major programmatic changes are discussed below.

DEPOT MAINTENANCE

Department of Army:

	<u>(Dollars in Millions)</u>						
	FY 2006*	Price	Program	FY 2007	Price	Program	FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	3,330.9	19.4	-2,974.8	375.5	23.6	405.7	804.9
Army Reserve	92.1	4.9	32.2	129.2	15.9	-14.3	130.7
Army National Guard	248.3	7.9	95.6	351.8	44.0	70.7	466.5
Total	3,671.3	32.2	-2,847.0	856.5	83.5	462.1	1,402.1

*The FY 2006 Actual column includes Supplemental Funding. The FY 2007/2008 columns do not include Supplemental funding.

The Department of Army depot maintenance program reflects program growth of \$+462.1 million from FY 2007 funding levels.

- The Active Army program reflects a net increase of \$+429.3 million from FY 2007. This increase is the result of program increases in aircraft, combat vehicles, missiles, ordnance, communication and electronics, and the associated software maintenance offset by decreases for lower priority weapon systems. Major program changes from FY 2007 to FY 2008 include \$+117.2 million to fund the overhaul and repair of 14 UH-60A and 3 CH-47D helicopters; \$+58.1 million for the overhaul and repair of Patriot ground support equipment; \$+141.7 million in communications and electronics equipment and software maintenance for systems like Army Battle Command System (ABCS), Joint Network Node (JNN), global positioning systems, and thermal sights; \$+23.4 million for combat vehicles to include 38 Opposing Forces Vehicles in support of increased National Training Center rotations; and \$+20.8 million for small arms and weapons such as an additional 10,000 M16A2 rifles, 1,500 M249 squad automatic weapons and 2,293 M9 pistols.
- The Army Reserve program reflects a net increase of \$+1.5 million from FY 2007. The increase is the result of program changes that fund decreased quantities of construction equipment (\$-9.7 million) in support of additional tactical vehicles (\$+10.5 million) and increases for aircraft maintenance (\$+0.7 million).
- The Army National Guard program reflects a net increase \$+114.7 million from FY 2007. The increase is the result of program changes to support combat vehicles sustainment maintenance for the M88 Recovery Vehicle, M60AVLB, and the M2/M3 Infantry Fighting Vehicles/Cavalry Fighting Vehicles (\$+143.5 million), and other end items such as calibration of bio-medical equipment, general weapon systems, and calibration of Civil Support Teams (CSTs) Chemical, Biological, Radiological, and Nuclear (CBRN) equipment such as radiation survey instruments (\$+2.8 million), offset by decreasing needs for rotary wing aircraft \$-31.6 million.

DEPOT MAINTENANCE

Department of Navy:

	<u>(Dollars in Millions)</u>						
	FY 2006*	Price	Program	FY 2007	Price	Program	FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Navy	6,017.2	179.1	-834.7	5,361.6	127.4	783.0	6,272.0
Marine Corps	372.1	-0.9	-283.3	87.9	3.9	-20.6	71.2
Navy Reserve	227.5	9.1	-35.0	201.6	4.6	-41.8	164.4
Marine Corps Reserve	13.7	-0.1	0.0	13.6	0.7	-3.1	11.2
Total	6,630.5	187.2	-1,153.0	5,664.7	136.6	717.5	6,518.8

*The FY 2006 Actual column includes Supplemental Funding. The FY 2007/2008 columns do not include Supplemental funding.

The Department of Navy depot maintenance program reflects program growth of \$+717.5 million from FY 2007 funding levels.

- The Active Navy depot maintenance program increases by \$+910.4 million from FY 2007. The major program changes from FY 2007 to FY 2008 include \$+607.6 million for ship maintenance primarily related to extended docking repairs and maintenance on the USS ENTERPRISE and the USS SAN FRANCISCO; \$+101.9 million increase for maintenance and repair of airframes, aircraft support, engines and emergency repair; and \$+73.4 million for close-in weapons systems (CIWS) maintenance, reflecting increases in weapon systems inventories, Trident D-5 missile surveillance and reliability assessments, and additional Trident submarine force escort protection maintenance.
- The Active Marine Corps depot maintenance program decreases by \$-16.7 million. The major program changes from FY 2007 to FY 2008 include an increase of \$+8.5 million for 2 additional M1A1 Tanks and 61 additional Amphibious Assault Vehicles (AAV) and an increase of \$+1.5 million for 424 additional machine guns and rifles offset by decreasing needs of \$-2.6 million for electrical and communication systems, and \$-24.1 million for 178 fewer automotive systems.
- The Navy Reserve Depot Maintenance program decreases by \$-37.2 million from FY 2007. This decrease is attributable to two fewer ship maintenance availabilities, decreased support for availabilities on four Mine Countermeasures (MCM) ships, 6 fewer Standard Depot Level Maintenance (SDLM) aircraft events and decreased costs for Aircraft Support and Aircraft Service Period Adjustment (ASPA) inspections.
- The Marine Corps Reserve Depot Maintenance program decreases by \$-2.4 million from FY 2007. Major program changes from FY 2007 to FY 2008 include completion of an Engineering Tractor program in FY 2007 and a reduction in maintenance requirements for automotive equipment

DEPOT MAINTENANCE

Department of Air Force:

	<u>(Dollars in Millions)</u>						
	FY 2006*	Price	Program	FY 2007	Price	Program	FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Air Force	2,612.2	225.7	-512.7	2,325.2	23.7	346.9	2,695.8
Air Force Reserve	334.7	-13.1	19.9	341.5	2.2	55.9	399.6
Air National Guard	576.5	-21.0	39.7	595.2	3.1	-10.8	587.5
Total	3,523.4	191.6	-453.1	3,261.9	29.0	392.0	3,682.9

*The FY 2006 Actual column includes Supplemental Funding. The FY 2007/2008 columns do not include Supplemental funding.

The Department of Air Force depot maintenance program reflects program growth of \$+392.0 million from FY 2007 funding levels.

- The Active Air Force depot maintenance program increases by \$+370.6 million from FY 2007. The program changes from FY 2007 to FY 2008 include increased aircraft Programmed Depot Maintenance (PDM) for the B-2 (\$+54.8 million), B-52 (\$+26.4 million), C-130 (\$+42.9 million), and F-15 (\$+12.0 million); increases in maintenance cost for the B-1 based on the new structural inspection (\$+30.8 million); maintenance for 13 additional F-16 aircraft (\$+25.0 million); engine overhauls (+53.6 million); software maintenance (+73.0 million); and increased support for Other Major End Items (OMEI) (\$+52.1 million).
- The Air Force Reserve depot maintenance program increases by \$+58.1 million from FY 2007. The major program changes from FY 2007 to FY 2008 include extensive maintenance for 1 KC-135 (\$+6.2 million); A-10 Service Life Extension Program (SLEP) (\$+13.1 million); Falcon Star and F-16 painting (\$+3.9 million); HH-60G repairs (\$+2.5 million); and 13 engines in support of scheduled repairs (\$+21.9 million).
- The Air National Guard depot maintenance program decreases by \$-7.7 million from FY 2007. The major program changes from FY 2007 to FY 2008 are attributed to fewer aircraft engine/other maintenance actions (\$-8.3 million) and fewer aircraft airframe maintenance actions (\$-2.5 million), offset by increases for repair of OMEI.

DEPOT MAINTENANCE

US Special Operations Command:

USSOCOM	<u>(Dollars in Millions)</u>						
	FY 2006*	Price	Program	FY 2007	Price	Program	FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
	356.0	8.6	27.8	392.4	9.0	2.2	403.6

*The FY 2006 Actual column includes Supplemental Funding. The FY 2007/2008 columns do not include Supplemental funding.

The US Special Operations Command (USSOCOM) depot maintenance program reflects program growth of \$11.2 million from the FY 2007 funding level. The major program changes from FY 2007 to FY 2008 include a \$+6.1 million increase to Psychological Operations Equipment; \$+9.2 million increase for Special Operations Forces (SOF) Intelligence, Automation, and Communications Equipment; \$+1.6 million increase for the Mark V Special Operations Craft; \$+1.3 million increase for the Unmanned Vehicle (UV) program, offset by \$-8.2 million decrease to the Advanced Seal Delivery System (ASDS) for Naval Special Warfare Command program.

Maintenance Backlog

Between FY 2007 and FY 2008, depot maintenance funding increases by \$1,831.9 million (+18.0 percent). The percentage of funded executable requirements decreases slightly from 78.6 percent to 75.8 percent. Executable requirements are those maintenance requirements that can be accommodated within current physical depot maintenance capacity. The table below displays funded and unfunded (maintenance backlog) for the depot maintenance program.

DEPOT MAINTENANCE

	FY 2006 (Actual)		FY 2007		FY 2008		FY 2007 % Funded	FY 2008 % Funded
	Funded Executable Requirement	Unfunded Deferred Requirement	Funded Executable Requirement	Unfunded Deferred Requirement	Funded Executable Requirement	Unfunded Deferred Requirement		
<u>Department of Army</u> ¹	<u>3,671.3</u>	<u>635.9</u>	<u>856.5</u>	<u>1,300.5</u>	<u>1,402.1</u>	<u>1,279.8</u>	<u>39.7%</u>	<u>52.3%</u>
Aircraft	627.1	104.8	171.5	395.9	278.4	362.0	30.2%	43.5%
Combat Vehicle	1,159.6	222.7	289.9	165.9	481.5	248.7	63.6%	65.9%
Other	1,884.6	308.4	395.1	738.7	642.1	669.0	34.8%	49.0%
<u>Department of Navy</u> ^{1,2}	<u>6,630.5</u>	<u>414.1</u>	<u>5,664.7</u>	<u>903.0</u>	<u>6,518.8</u>	<u>1,289.8</u>	<u>86.3%</u>	<u>83.5%</u>
Ship	4,424.2	26.0	3,947.0	136.1	4,620.6	193.7	96.7%	96.0%
Aircraft	1,297.7	71.6	1,117.4	350.3	1,233.1	518.4	76.1%	70.4%
Combat Vehicles	243.7	84.1	57.3	192.4	65.1	254.7	22.9%	20.4%
Other	664.9	232.4	543.0	224.2	600.0	323.0	70.8%	65.0%
<u>Department of Air Force</u> ¹	<u>3,523.4</u>	<u>183.0</u>	<u>3,261.9</u>	<u>563.5</u>	<u>3,682.9</u>	<u>1,259.1</u>	<u>85.3%</u>	<u>74.5%</u>
Aircraft	3,256.1	173.6	3,009.7	478.4	3,374.6	1,164.4	86.3%	74.3%
Other	267.3	9.5	252.3	85.1	308.3	94.8	74.8%	76.5%
<u>US Special Operations Command</u>	<u>356.0</u>	<u>0.0</u>	<u>392.4</u>	<u>0.0</u>	<u>403.6</u>	<u>0.0</u>	<u>100.0%</u>	<u>100.0%</u>
Aircraft	183.0	0.0	191.0	0.0	191.7	0.0	100.0%	100.0%
Other	173.0	0.0	201.4	0.0	211.9	0.0	100.0%	100.0%
<u>Total</u>	<u>14,181.2</u>	<u>1,233.0</u>	<u>10,175.5</u>	<u>2,767.0</u>	<u>12,007.4</u>	<u>3,828.7</u>	<u>78.6%</u>	<u>75.8%</u>
Ship	4,424.2	26.0	3,947.0	136.1	4,620.6	193.7	96.7%	96.0%
Aircraft	5,363.9	350.0	4,489.6	1,224.6	5,077.9	2,044.8	78.6%	71.3%
Combat Vehicles	1,403.3	306.8	347.2	358.3	546.6	503.4	49.2%	52.1%
Other	2,989.8	550.3	1,391.8	1,048.0	1,762.3	1,086.8	57.0%	61.9%
¹ Includes Active, Reserve and Guard Component Programs ² Marine Corps numbers are included in Navy numbers above								

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	(TOA \$ in millions)						FY 2008 <u>Estimate</u>
	FY 2006 <u>Actual</u>	Price Growth	Program <u>Growth</u>	FY 2007 <u>Estimate</u>	Price Growth	Program <u>Growth</u>	
Environmental Restoration	1,376.8	+33.0	- 6.5	1,403.3	+32.3	+21.3	1,456.9
Environmental Compliance	1,542.5	+37.0	-27.3	1,552.2	+35.7	+117.7	1,705.6
Environmental Conservation	204.0	+4.9	-1.7	207.2	+4.8	-10.4	201.6
Pollution Prevention	125.2	+3.0	+2.8	131.0	+3.0	-4.4	129.6
Environmental Technology	261.3	+6.3	-34.4	233.2	+5.4	-24.0	214.6
Base Realignment & Closure (BRAC)	<u>568.2</u>	<u>+13.6</u>	<u>-7.0</u>	<u>574.8</u>	<u>+13.2</u>	<u>-118.1</u>	<u>469.9</u>
<u>Total Environmental Program*</u>	4,078.0	+97.8	-74.1	4,101.7	+94.4	-17.9	4,178.2

* Includes environmental funding for all DoD appropriations/funds, not just those funded in the operation and maintenance (O&M) title.

The Department of Defense Environmental Program addresses five overriding and interconnected goals: (1) to support the readiness of U. S. Forces by ensuring access to air, land, and water for training and operations; (2) to improve the quality of life by protecting military personnel and families from environmental, safety, and health hazards; (3) to ensure that weapons systems, logistics, installations, et. al., have greater performance, lower total ownership costs, and minimal health and environmental effects; (4) to serve customers, clients, and stakeholders through public participation and advocacy; and (5) to enhance international security through military-to-military cooperation. To help achieve these goals, the Department established its environmental program around five pillars -- cleanup, compliance, conservation, pollution prevention, and environmental technology. Much of this program is addressed in the Defense Environmental Annual Report to Congress. The FY 2008 budget request of \$4,178.2 million increases by \$76.5 million, which includes price growth of \$94.4 million and a net program reduction of \$17.9 million (-0.4 percent). This reduction in costs is largely offset by an increase in Defense-Wide compliance requirements due to one-time projects. In FY 2008, \$158.7 million of BRAC environmental programs will be financed with proceeds from land sales and available prior year unobligated balances, rather than new budget authority. Each of the Department's environmental pillars is discussed below.

The Department's Environmental Restoration program focuses on reducing the risks to human health and the environment at active installations and Formerly Used Defense Sites (FUDS), while ensuring that DoD environmental cleanup policy conforms to existing laws and regulations. The DoD Environmental Restoration appropriations provide for: the identification, investigation, and cleanup of past contamination prior to 1986 from hazardous substances and wastes, and contamination prior to FY 2003 from unexploded ordnance (UXO), discarded military munitions, and munitions constituents at other than operational ranges; correction of other environmental damage; and the demolition and removal of unsafe buildings, structures, and debris. Until 1994, the Department spent the majority of the resources documenting the magnitude of the cleanup problem on DoD lands, a significant but necessary investment. In 1994, DoD turned the corner, by devoting more resources to actual cleanup than to studies. As a result, the pace of restoration has increased while more sites continue to be cleaned up and closed out. In FY 1996, DoD began a relative risk approach to environmental cleanup. This process enables the Department to prioritize cleanup activities that pose the greatest danger to the

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health and safety of the environment and public in the context of regulatory agreements. The relative risk process is the key tool used by the Department in the planning, programming, and budgeting of the cleanup program as well as its execution.

Also in FY 1996, the Department developed specific clean-up goals that have been briefed to the Congress, the regulator community, and the public. Accordingly, the Department funds its environmental restoration program to ensure the Military Departments and Defense Agencies meet all legal agreements and ensure compliance with DoD cleanup goals. The current budget exhibits and justification make explicit links between the cleanup goals and the funded DoD program. The budget exhibits also clearly identify funding requirements for response actions to address UXO, discarded military munitions, and munitions constituents at other than operational ranges. As shown in the various Component DERA budget exhibits for FY 2008, Army, Navy, and Air Force cleanup programs are essentially on schedule to meet the Department's cleanup goals; DLA is ahead of schedule which is necessary in some cases to meet legal requirements and agreements with states and regulatory agencies; and FUDS is falling behind. The FUDS program is unique in that there are no physical boundaries such as a military installation fence line to establish a finite limit of potential contaminated sites and the number of potential new FUDS sites is boundless. While investigations and analyses have been completed for most potential cleanup sites at our military installations, FUDS is still adding new sites. The FUDS baseline number of high relative risk sites for measuring against the DoD cleanup goals initially contained 224 sites in FY 1997. Since that time, an additional 194 high relative risk sites have been identified for a total of 418 sites. Of the 418 FUDS sites categorized as high relative risk, 201 sites have been removed from the list as of September 2006. Had the number of sites not increased, FUDS would have met the Department's FY 2002 cleanup goal of 50 percent of relative high risk sites. In response to increased FUDS sites, and cleanup costs, the Department realigned available resources to the FUDS program in FY 2006 with congressional approval, and continues to give favorable consideration to the FUDS program during regular program reviews.

Between FY 2007 and FY 2008, the Department's Defense Environmental Restoration Program increases by \$53.6 million, reflecting price growth of \$32.3 million and programmatic growth of \$21.3 million (+1.5 percent). The program increase of \$21.3 million primarily consists of the need to complete several one-time cleanup investigations at Army medium level relative risk sites, and an increase in remedial action operations for actual cleanup at Air Force sites.

Environmental Compliance

The FY 2008 compliance program includes sufficient resources to enable the Department's day-to-day operations to comply with state and local government enforcement of current environmental laws and regulations. Environmental Compliance projects include the replacement and upgrade of waste water treatment plants to comply with Clean Water Act standards, hazardous waste management, testing and remediation of underground storage tanks, and monitoring waste water treatment systems. In FY 2008, the environmental compliance program increases by \$153.4 million. This increase reflects a price growth of \$35.7 million and a programmatic increase of \$117.7 million (+7.6 percent) as DoD identifies some additional compliance requirements. The program increase of \$117.7 million primarily consists of: a decrease in Army and Army National Guard both recurring and nonrecurring costs (-\$11.4 million); an increase due to one time projects in the Navy (+\$6.0 million) to address National Environmental Policy Act requirements; a decrease in the Marine Corps nonrecurring Clean Water Act projects (-\$8.0 million); Air Force increases in both recurring and non recurring projects (+\$17.5 million); and a large increase in Defense-Wide requirements due to some one-time military construction projects (+113.6 million) to replace above ground POL (petroleum, oils, and lubricants) tanks throughout the Defense Logistics Agency to meet Clean Water Act standards.

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Environmental Conservation

The Department of Defense is the steward of nearly 30 million acres of public lands. The DoD has a responsibility to protect, maintain, and enhance the natural and cultural resources found on these lands. Through the conservation program, biological and cultural resources are managed to help support the military mission. Additionally, conservation activities are required by law (e.g., Endangered Species Act, Sikes Act, and National Historic Preservation Act) and must be funded. In FY 2008, the Environmental Conservation funding decreases by \$5.6 million, reflecting a price growth of \$4.8 million and a program decrease of \$10.4 million (-4.9 percent). The program decrease of \$10.4 million primarily consists of a decrease in the Defense-wide program in the Range Environmental Protection Initiative (-\$7.5 million); a decrease in Army (-\$8.3 million); Marine Corps (-\$0.3 million), and Air Force non recurring projects (-\$3.4 million); offset by an increase in Navy (+\$9.1 million) to address both Natural and Cultural Resource Management Plans.

Pollution Prevention

The Pollution Prevention program targets the reduction of hazardous material, solid waste, toxic releases, air emissions, and water pollution at the source. The funding requested for FY 2008 will support these efforts, as well as implementation of Executive Order 13148, “Greening the Government through Leadership in Environmental Management,” and Executive Order 13101, “Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition.” In FY 2008, the Pollution Prevention program decreases by \$1.4 million. This reflects a price increase of \$3.0 million and a program decrease of \$4.4 million (-3.3 percent). The program decrease of \$4.4 million primarily results from decreases in the Navy’s (\$-7.7 million) and Air Force’s (-\$1.2 million) non-recurring projects; decreases in the Defense-wide (-\$5.4 million); offset by increases in the Army’s (\$2.5 million) and the Defense Wide program (\$2.0 million). The Defense-wide increase reflects the new initiative to identify emerging contaminants in FY 2008.

Environmental Technology

Technology development is important to meet DoD-unique environmental needs with programs that yield quick results and have high payoffs, including accelerating the development and deployment of technologies that address issues such as shipboard discharges and remediation of soil, surface, and ground water contamination from explosives. The FY 2008 request allows DoD to continue environmental research, development, test, demonstration, and validation activities to provide technologies that result in direct operational savings, mitigate future liabilities, and permit the Department to meet its environmental obligations more cost-effectively. In FY 2008, the Environmental Technology program decreases by \$18.6 million. This reflects a price increase of \$5.4 million and a program decrease of \$24.0 million (-10.3 percent). The program decrease of \$24.0 million is primarily the result of the discontinuance of several perennial congressional increases to the Department’s Research, Development, Test & Evaluation (RDT&E) appropriation.

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Base Realignment and Closure (BRAC)

The DoD is striving to complete scheduled base closures as rapidly as possible to realize potential savings to the government and to make property available to local communities for redevelopment. To do this, the DoD must complete environmental restoration and compliance work at these bases. In FY 2008, the BRAC environmental program decreases by \$104.9 million. This reflects a price increase of \$13.2 million and a program decrease of \$118.1 million (-20.6 percent). The program decrease primarily reflects significant progress in closing installations and completing Legacy BRAC cleanup investigations.

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(\$ in Millions)

<u>ENVIRONMENTAL RESTORATION</u> */	FY 2006		FY 2007		FY 2008
<u>Cleanup</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	294.0	-21.3	272.7	+ 9.5	282.2
Navy	174.2	+36.3	210.5	-13.0	197.5
Air Force	254.3	+40.1	294.4	+ 41.1	335.5
Formerly Used Defense Sites	118.4	-8.4	110.0	+ 25.0	135.0
Defense-Wide	<u>9.8</u>	<u>+ 1.0</u>	<u>10.8</u>	<u>-3.4</u>	<u>7.4</u>
Subtotal	850.7	+47.7	898.4	+ 59.2	957.6
<u>Investigations and Analysis</u>					
Army	47.5	+16.4	63.9	+31.5	95.4
Navy	72.7	-21.4	51.3	+7.1	58.4
Air Force	104.9	-32.0	72.9	-7.7	65.2
Formerly Used Defense Sites	109.5	-12.5	97.0	-16.8	80.2
Defense-Wide	<u>5.0</u>	<u>-3.8</u>	<u>1.2</u>	<u>-1.2</u>	<u>0.0</u>
Subtotal	339.6	-53.3	286.3	+12.9	299.2
<u>Program Oversight</u>					
Army	53.8	+23.4	77.2	-19.9	57.3
Navy	49.0	-6.4	42.6	+2.1	44.7
Air Force	41.9	+ 14.7	56.6	+1.1	57.7
Formerly Used Defense Sites	34.9	+ 0.9	35.8	-0.8	35.0
Defense-Wide	<u>6.9</u>	<u>-0.5</u>	<u>6.4</u>	<u>-1.0</u>	<u>5.4</u>
Subtotal	186.5	+ 32.1	218.6	-18.5	200.1
<u>Total</u>					
Army	395.3	+ 18.5	413.8	+ 21.1	434.9
Navy	295.9	+ 8.5	304.4	-3.8	300.6
Air Force	401.1	+ 22.8	423.9	+34.5	458.4
Formerly Used Defense Sites	262.8	-20.0	242.8	+7.4	250.2
Defense-Wide	<u>21.7</u>	<u>-3.3</u>	<u>18.4</u>	<u>-5.6</u>	<u>12.8</u>
Total Environmental Restoration	1,376.8	+ 26.5	1,403.3	+53.6	1,456.9

*/ This display shows the amounts budgeted by functional area for each of the five Environmental Restoration transfer appropriations – one for each Department, one for Formerly Used Defense Sites, and one for Defense-wide. The FY 2006 amounts (executed in various Component appropriations) are included for comparability purposes.

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(\$ in Millions)

<u>ENVIRONMENTAL COMPLIANCE</u>	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	540.8	-7.3	533.4	+0.8	534.2
Navy	361.5	-14.7	346.8	+14.0	360.8
Marine Corps	133.9	+6.8	140.7	-4.7	136.0
Air Force	356.8	-4.9	351.9	+25.7	377.6
Defense-Wide	<u>149.5</u>	<u>+29.9</u>	<u>179.4</u>	<u>+117.6</u>	<u>297.0</u>
Total Environmental Compliance	1,542.5	+9.8	1,552.2	+153.4	1,705.6

(\$ in Millions)

<u>ENVIRONMENTAL CONSERVATION</u>	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	91.7	+7.5	99.2	-6.0	93.2
Navy	14.7	-1.2	13.5	+9.4	22.9
Marine Corps	14.4	-1.5	12.9	-.01	12.8
Air Force	37.3	-1.8	35.5	-2.6	32.9
Defense-Wide	<u>45.9</u>	<u>+0.2</u>	<u>46.1</u>	<u>-6.3</u>	<u>39.8</u>
Total Environmental Conservation	204.0	+3.2	207.2	-5.6	201.6

(\$ in Millions)

<u>POLLUTION PREVENTION</u>	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	17.7	+4.0	21.7	+3.0	24.7
Navy	30.2	-5.9	24.3	-7.2	17.1
Marine Corps	13.0	+0.7	13.7	+0.4	14.1
Air Force	57.7	+8.0	65.7	+0.3	66.0
Defense-Wide	<u>6.6</u>	<u>-1.0</u>	<u>5.6</u>	<u>+2.1</u>	<u>7.7</u>
Total Pollution Prevention	125.2	+5.8	131.0	-1.4	129.6

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(\$ in Millions)

<u>ENVIRONMENTAL TECHNOLOGY</u>	FY 2006		FY 2007		FY 2008
<u>Army</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>RDT&E, Army</u>	76.2	-4.9	71.3	-16.2	55.1
<u>Navy</u>					
<u>RDT&E, Navy</u>	53.3	-8.2	45.1	-11.9	33.2
<u>Air Force</u>					
RDT&E, Air Force	10.2	-3.2	7.0	-4.2	2.8
Aircraft Procurement, Air Force	2.3	-0.1	2.2	+0.3	2.5
Missile Procurement, Air Force	0.9	-	0.9	+0.1	1.0
Operation and Maintenance, Air Force	<u>3.2</u>	<u>+2.5</u>	<u>5.7</u>	<u>+7.2</u>	<u>12.9</u>
Total Air Force	16.6	-0.8	15.8	+3.4	19.2
<u>Defense-Wide</u>					
Strategic Environmental R&D Program (SERDP)	65.5	-1.8	63.7	+5.2	68.9
Env Security Technology Certification Program	44.7	-12.4	32.3	+0.9	33.2
Defense Warfighter Protection	<u>5.0</u>	=	<u>5.0</u>	=	<u>5.0</u>
Total Defense-Wide	115.2	-14.2	101.0	+6.1	107.1
<u>Total</u>					
Army	76.2	-4.9	71.3	-16.2	55.1
Navy	53.3	-8.2	45.1	-11.9	33.2
Air Force	16.6	-0.8	15.8	+3.4	19.2
Defense-Wide	<u>115.2</u>	<u>-14.2</u>	<u>101.0</u>	<u>+6.1</u>	<u>107.1</u>
Total Environmental Technology	261.3	-28.1	233.2	-18.6	214.6

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(\$ in Millions)

<u>BASE REALIGNMENT&CLOSURE (BRAC)</u>	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>BRAC 95</u>					
Army	107.1	-53.7	53.4	+16.9	70.3
Navy	256.0	+45.8	301.8	-143.1	158.7
Air Force	121.9	-6.3	115.6	+9.1	124.7
Defense-Wide	<u>5.0</u>	<u>+1.0</u>	<u>6.0</u>	<u>-2.3</u>	<u>3.7</u>
Total BRAC 95	490.0	-13.2	476.8	-119.4	357.4
<u>BRAC 2005</u>					
Army	39.1	+34.4	73.5	+13.3	86.8
Navy	23.5	-11.6	11.9	+5.1	17.0
Air Force	15.0	-3.1	11.9	-3.2	8.7
Defense-Wide	<u>0.6</u>	<u>+0.1</u>	<u>0.7</u>	<u>-0.7</u>	<u>0.0</u>
Total BRAC 2005	78.2	+19.8	98.0	+14.5	112.5
<u>BRAC Grand Total</u>					
Army	146.2	-19.3	126.9	+30.2	157.1
Navy	279.5	+34.2	313.7	-138.0	175.7
Air Force	136.9	-9.4	127.5	+5.9	133.4
Defense-Wide	<u>5.6</u>	<u>+1.1</u>	<u>6.7</u>	<u>-3.0</u>	<u>3.7</u>
BRAC Grand Total	568.2	+6.6	574.8	-104.9	469.9

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (FSRM)

	(\$ in millions)						
	FY 2006 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u> ^{1/}	Price <u>Change</u>	Program <u>Change</u>	FY 2008 <u>Estimate</u>
Army	2,204	52	-445	1,811	43	177	2,031
Navy ^{2/}	1,579	43	-418	1,204	33	9	1,246
Marine Corps	730	21	-278	473	11	93	577
Air Force	2,343	70	-729	1,684	41	288	2,013
Defense-Wide	102	2	-18	86	2	1	89
Army Reserve	151	4	61	216	5	2	223
Navy Reserve ^{2/}	153	6	-94	65	2	-15	52
Marine Corps Reserve	20	1	-11	10	-	5	15
Air Force Reserve	161	4	-105	60	1	22	83
Army National Guard	407	11	-30	388	9	89	486
Air National Guard	190	5	60	255	6	24	285
Subtotal	8,040	219	-2,007	6,252	153	695	7,100
Defense Health Program	932	22	-428	526	12	-12	526
Total	8,972	241	-2,435	6,778	165	683	7,626

^{1/} FY 2007 President's Budget Request.

^{2/} FY 2007 includes FY 2006 disaster-related supplemental funding that expires in FY 2007.

The Facilities Sustainment, Restoration and Modernization (FSRM) program provides funds to keep the Department's inventory of facilities in good working order, (i.e., day to day maintenance requirements). In addition, the program provides resources to restore facilities whose age is excessive or have been damaged. FSRM includes alterations of facilities to implement new or higher standards or to accommodate new functions or missions. The demolition program provides funds to demolish and dispose of obsolete and excess structures, some of which date back to World War II.

The FY 2008 budget request of \$7,626 million includes price growth of \$165 million and a net program increase of \$683 million (10 percent) above the FY 2007 funding level. The funding increase is to prevent facilities deterioration. In aggregate, the FY 2008 request funds 88 percent of the facilities sustainment requirement.

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION

(FSRM)

Army

- The Army is requesting \$2,031 million in FY 2008 for FSRM in its Operation and Maintenance (O&M), Army appropriation. These funds reflect a net increase of \$220 million from the FY 2007 funding level: \$+43 million in price growth and \$+177 million in program growth. SRM funding for FY 2008 will fund critical facility requirements and upgrade deteriorating facilities at Army installations worldwide. The FY 2008 program funds facilities sustainment at 89 percent of requirement.

Navy

- The Navy is requesting \$1,246 million in FY 2008 for FSRM in its O&M, Navy appropriation. These funds reflect a net increase of \$42 million from the FY 2007 funding level: \$+33 million in price growth and \$+9 million in program growth. The FY 2008 program funds facilities sustainment at 83 percent of requirement.

Marine Corps

- The Marine Corps is requesting \$577 million in FY 2008 for FSRM in its O&M, Marine Corps appropriation. These funds reflect a net increase of \$104 million from the FY 2007 funding level: \$+11 million in price growth and \$+93 million in program growth. The FY 2008 program achieves an 89 percent sustainment level.

Air Force

- The Air Force is requesting \$2,013 million in FY 2008 for FSRM in its O&M, Air Force appropriation. These funds reflect a net increase of \$329 million from the FY 2007 funding level: \$+41.0 million in price growth and \$+288 million in program growth. The FY 2008 program achieves a 90 percent sustainment level and funds critical annual maintenance and repair activities.

Defense-Wide

- The Defense-Wide activities are requesting \$89 million in FY 2008 for FSRM in the O&M, Defense-Wide appropriation. These funds reflect a net increase of \$3 million from the FY 2007 funding level: \$+2 million in price growth and \$+1 million in program growth.

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION

(FSRM)

Defense Health Program (DHP)

- The DHP is requesting \$526 million in FY 2008 for FSRM in its O&M budget activity. These funds reflect a constant level of funding from the FY 2007 funding level: \$+12 million for price growth and \$-12 million for program reduction. The program funds the maintenance of military medical facilities, such as heating and air conditioning units, and plumbing and electrical systems, that are required to support active duty, military dependents, eligible retirees, and family members.

Guard and Reserve Forces

- The Guard and Reserve Forces are requesting \$1,144 million in FY 2008, which reflects an increase of \$150 million from the FY 2007 funding level: \$+23 million in price growth and \$+127 million in program growth. The program supports the maintenance and restoration of real property facilities including, buildings, roads, grounds, and airfields of the Guard and Reserve. These facilities support the combat readiness for the Guard and Reserve that enables them to augment the active forces.

LAND FORCES

(\$ in millions)

	FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	3,515.3	122.6	(516.0)	3,121.9	87.5	1,326.9	4,536.4
Marine Corps	2,536.8	55.8	(2,144.9)	447.7	17.1	402.9	867.7
Total	6,052.1	178.4	(2,660.8)	3,569.7	104.6	1,729.8	5,404.1

FY 2006 includes Supplemental funding. For the Army most of the GWOt Supplemental for Land Forces is included within the Land Forces Readiness Activity Group which is not included in the above amounts.

FY 2007 excludes war related and disaster funds

The Land Forces program describes those resources committed to the training and sustainment of the Department's land forces. Land Forces encompass the Land Forces Activity Group (AG-11) for the Army and the Expeditionary Forces Sub-Activity Group (SAG 1A1A) for the Marine Corps. The Marine Corps' land forces include Marine 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 2008 budget request increases \$1,834.4 million from the FY 2007 baseline; \$104.6 million in price change and \$1,729.8 million in program change. One of the major programs driving the growth from FY 2007 to FY 2008 is the Ground Forces increase to Active Army end strength from 482,400 to 547,400 (+7,000 in FY 2008) and Marine Corps end strength from 175,000 to 202,000 (+5,000 in FY 2008) through the Future Year Defense Program (FYDP). The additional Army end strength will increase dwell time to 1:2 for the active force by 2013. The FY 2008 Army budget provides growth to achieve six additional Brigade Combat Teams (BCTs) over the FYDP, in line with the transformation from a division-centric force comprised of 18 divisions (10 Active Component and 8 Army National Guard), with 33 Active Component (AC) brigades and 15 Army National Guard (ARNG) Enhanced Separate Brigades, to a brigade-centric modular force comprised of 18 division headquarters (10 AC and 8 ARNG) with 48 AC and 28 ARNG Brigade Combat Teams. For the Marine Corps, this end strength growth will also allow the Corps to achieve a 1:2 deployment-to-dwell ratio and add three infantry battalions and other support forces, which will result in three balanced Marine Expeditionary Forces (MEFs) over the FYDP.

LAND FORCES

ARMY

The Army Land Forces program provides Operating Tempo (OPTEMPO) resources to train and sustain the active component combat forces execution of approved training strategies that support readiness levels consistent with mission requirements. The budget supports the Active Component ground OPTEMPO training strategy, encompassing actual miles driven in home station training (HST) and Combat Training Center (CTC) rotations 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).

To support Army transformation into a Modular and more expeditionary force, the request increases FY 2008 OPTEMPO funding (ground and air) for all units with an estimated total of 582 tank miles, more than 40% higher than was provided in FY 2007, 428 tank miles. In addition to tank miles, the Army's transformation to a modular force results in higher operating costs for all units to provide more robust training to meet today's and tomorrow's threats.

Land Forces supports a training strategy that provides soldiers, from the infantryman to the transportation specialist to the corps commander, a full range of realistic training exercises. Funding in FY 2008 will permit the Army to train 10 brigades at the National Training Center (NTC), 4 brigades at the Joint Readiness Training Center (JRTC), and 4 brigades at the Joint Multi-National Readiness Center. Additionally, three corps and seven division staffs are trained through the Battle Command Training Program (BCTP). The Army Land Forces Budget supports a FY 2008 force that has increased capability through the conversion of brigade combat teams (BCTs) into modular brigades and the addition of two modular brigades.

The FY 2008 Army Land Forces program reflects an increase of \$1,414.4 million from the FY 2007 funding level, the net of price growth of \$87.5 million and program increase of \$+1,326.9 million. The FY 2008 program increase is primarily associated with the conversion of brigade combat teams (BCTs) into modular brigades and the addition of two modular brigades. In addition, this level of growth is also the result of several factors.

- Increased costs to train personnel in a more real world contemporary operating environment and a broader spectrum of training to be better prepared for today's and tomorrow's challenges.
- A smaller peacetime offset for units deployed for OIF/OEF theater operations in recognition of increased training needs.
- Continuation of the Army's transformation into a modular, more expeditionary Force.
- Increased sustainment costs for modular brigade combat team equipment, including Stryker vehicles, and rapid fielding items provided to support OIF/OEF theater operations.

LAND FORCES

MARINE CORPS

The Operating Forces are the heart of the Marine Corps. They constitute the forward presence, crisis response and fighting power available to the Combatant Commanders. The funding provides for training and routine operations; maintenance and repair of organic ground equipment; routine supplies, travel, per diem and emergency leave; automated data processing and initial purchase; and replenishment and replacement of both unit and individual equipment. Funding is also provided for the movement of troops to participate in exercises. About 65 percent of all active duty Marines are assigned to the Operating Forces.

The FY 2008 program reflects an increase of \$420.0 million from the FY 2007 funding level. This increase is the sum of the price change of \$+17.1 million and a program change of \$+402.9 million.

Major program changes from FY 2007 to FY 2008: Increases to support an additional 5,000 Marines for the Ground Forces (\$+287.0 million); Increase to Intermediate and Organizational Maintenance for permanent equipment acquired from prior year supplemental funding (\$+50.0 million); Exercise funding (\$+24.0 million); Secondary Repairables (5th Ech) (\$+27.8 million); Increase to Marine Corps Combat Development Command for development of warfighting capabilities related to irregular warfare and doctrinal updates (\$+7.2 million) and formal training (\$+6.9 million).

LAND FORCES

	Program Data Army OPTEMPO		
	<u>FY 2006 Actual</u>	<u>FY 2007 Budget</u>	<u>FY 2008 Budget</u>
<u>ARMY OPTEMPO Miles</u>			
Live Training (Home Station & National Training Center)			
Requirement (Base Program/No Contingency Ops included) *	809	809	761
Actual/Program	576	338	497
Virtual Training (CCTT and UCFT Simulators)			
Requirement	90	90	85
Actual/Program	90	90	85
Other Live Training (Actual Only)	0	(Not Projected)	(Not Projected)
Total Requirement	899	899	846
Total Actual/Program	666	428	582
Actual as a % of Requirement	74%	48%	69%

Marine Corps Combat Equipment Ready Days (CERDs) **	<u>FY 2006 Actual</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Estimate</u>
Funds Allocated to Equipment & Training Maintenance (\$M)	566.2	579.9	784
Total Possible Combat REady Days-Equipment & Training (CRED-ETs)	113,047	113,047	113,047
Combat REady Days-Equipment & Training (CRED-ET)	84,112	91,000	99,000
% CRED-ETs Achieved	74%	85%	88%
Cost per CRED-ET (\$000)	6.73	6.37	7.92

* The budget reflects a reduced requirement that is 95% (761/809) of previous years' levels.

** CERDs measures the percentage of Marine Corps forces that are R1/R2 and T1/T2, meaning they are trained and ready to deploy.

LAND FORCES

Body Armor

Body Armor funding is increasing due to more personnel deployed, replacement of older equipment with the latest technology in body protection, and additional protective items. The funding is provided to purchase a “suite” of body armor to protect Service members from hostile enemy attacks. Each suite includes Outer Tactical Vest (OTV), Enhanced Small Arms Protective Inserts (ESAPI), Deltoid Auxiliary Protectors (DAP), and ESAPI Side Plates. The total (unit) cost for each suite is approximately \$3,500. The unit cost is dependent on the specific suite configuration.

LAND FORCES

Body Armor						
SAPI / E-SAPI Equivalent Sets, Quantities						
	Army	USMC	Navy	USAF	SOCOM	DoD Totals
FY 2004 through FY 2006 Baseline, Title IX and Supplemental	825,677	63,306	5,750	137,404	28,108	1,060,245
FY 2007 Baseline		14,000	725		7,562	360,715
FY 2007 Title IX	202,846	25,000		3,300	6,062	
FY 2007 Supplemental	61,220	0	10,000	30,000		
FY 2008 Baseline					9,875	320,028
FY 2008 GWOT Request	303,857	0		6,296		
Totals FY 2004 - 2008	1,393,600	102,306	16,475	177,000	51,607	1,740,988
Requirement, Whole Sets	966,000	75,000	7,200	177,000	4,900	1,230,100
Above (+) / Below (-) Goal	427,600	27,306	9,275	0	46,707	510,888

Notes:

Quantities: Body armor is purchased in both individual sets and replacement parts and components. Body armor requirements have evolved from an initial basic vest with chest and back protection in FY 2004, to include side, leg, and neck protection. In a

Above (+) / Below (-) Goal: Whole sets requirements consist of both SAPI and E-SAPI body armor, or Individual Body Armor (IBA) sets. Quantities above the goal indicate that replacements units are being procured. Quantities below the goal indicate that

LAND FORCES

Funding Summary:

	Body Armor												Fiscal Year Funding	Fiscal Year Quantities
	Army *		Marine Corps		Navy		Air Force		SOCOM		DoD Totals			
(Dollars in Millions)	Funding	Quantities	Funding	Quantities	Funding	Quantities	Funding	Quantities	Funding	Quantities	Funding	Quantities		
FY 2004 Baseline	33.2		4.5	4,706	2.6	1,000	0.0		3.4	4,319	43.7	296,825	729.8	379,099
FY 2004 Supplemental	506.0	286,800	53.1	9,000	17.9		103.0	66,734	6.1	6,540	686.1	82,274		
FY 2005 Baseline	32.7		0.0		2.6	1,000	0.0		4.0		39.3	318,492	768.9	370,113
FY 2005 Title IX	247.9	317,492	26.5	19,000	9.0		144.0	26,521	19.0		446.4	45,521		
FY 2005 Supplemental	218.0		39.3	6,100	3.4		0.0		22.5		283.2	6,100		
FY 2006 Baseline	40.0		7.0	1,500	1.7	750	0.0		22.2	11,187	70.9	234,822	1,151.2	311,033
FY 2006 Title IX	739.9	221,385	22.8	6,000	5.5		54.9	30,463	9.7	6,062	832.8	42,525		
FY 2006 Supplemental	37.0		160.0	17,000	30.5	3,000	15.7	13,686	4.3		247.5	33,686		
FY 2007 Baseline	0.0		51.5	14,000	1.5	725	0.0		12.1	7,562	65.1	22,287	1,575.0	360,715
FY 2007 Title IX	1,000.0	202,846	124.1	25,000	3.0		9.0	3,300	9.7	6,062	1,145.8	237,208		
FY 2007 Supplemental	247.8	61,220	0.0	0	34.9	10,000	81.0	30,000	6.4		364.1	101,220		
FY 2008 Baseline	0.0		0.0		0.0		0.0		19.1	9,875	19.1	9,875	1,117.1	320,028
FY 2008 GWOT Request	1,015.0	303,857	0.0	0	0.0		75.0	6,296	8.0		1,098.0	310,153		
Totals FY 2004 - 2008	4,117.5	1,393,600	488.8	102,306	112.5	16,475	482.6	177,000	146.5	51,607				
DOD Grand Total											5,341.9	1,740,988		
Requirement, Whole Sets		966,000		75,000		7,200		177,000		4,900		1,230,100		

Notes:

Quantities: Body armor is purchased in both individual sets and replacement parts and components. Body armor requirements have evolved from an initial basic vest with chest and back protection in FY 2004, to include side, leg, and neck protection. In a

* = Army quantities include Army, Army Reserve and Army National Guard.

MOBILIZATION

	<u>(\$ in Millions)</u>						
	FY 2006	Price	Program	FY 2007	Price	Program	FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	343.2	-	-115.9	227.3	28.5	188.6	444.4
Navy	881.8	5.9	-97.5	790.1	16.5	-11.9	794.7
Marine Corps	99.8	0.9	-22.9	77.8	1.9	-0.2	79.5
Air Force	<u>6,426.4</u>	<u>530.6</u>	<u>-2,799.8</u>	<u>4,157.2</u>	<u>298.1</u>	<u>225.6</u>	<u>4,680.9</u>
Total	<u>7,751.2</u>	<u>537.4</u>	<u>-3,036.1</u>	<u>5,252.4</u>	<u>345.0</u>	<u>402.1</u>	<u>5,999.5</u>

Mobilization provides for strategic and tactical airlift and sealift capability to deploy combat forces and materiel in contingencies. The Mobilization program funds an adequate inventory of immediately available supplies and equipment, stationed both afloat and on land, to sustain the operating forces for lengths of time and levels of conflict outlined in the National Military Strategy. In addition, it funds the activation and inactivation of Air Force and Navy aircraft. It also funds the activation and inactivation of Navy ships and submarines, which accounts for approximately 25% of the Navy's Mobilization program. The funding profile shown above includes all Budget Activity 2 (Mobilization) resources, plus the Marine Corps Prepositioning activity group included in Budget Activity 1 (Operating Forces), Operation and Maintenance, Marine Corps.

The Mobilization program increases by \$747.1 million from FY 2007 to FY 2008. This includes price growth of \$345.0 million and a net program increase of \$402.1 million. The price growth is primarily associated with the impact of higher fuel rates and normal inflation. The majority of the program increase is associated with the Air Force's Airlift Operations and Army prepositioning stocks and organizational changes.

MOBILIZATION

Afloat Prepositioned Fleet (APF)

<u>Afloat Prepositioned Fleet (APF)</u>	(\$ in Millions)				
	FY 2006	FY 2007		FY 2008	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army APF	224.3	-91.0	133.3	13.9	147.2
Navy Maritime Prepo Ships (MPS)	401.1	9.2	410.3	-41.6	368.7
Navy Maritime Prepo Ships (Enhanced)	59.3	5.7	65.0	24.1	89.1
CENTCOM Ammo Prepo Ship	12.8	-1.3	11.5	13.5	25.0
Air Force APF	<u>60.5</u>	<u>3.7</u>	<u>64.2</u>	<u>-13.6</u>	<u>50.6</u>
Total	758.0	-73.7	684.3	-3.7	680.6

The Afloat Prepositioned Fleet (APF) program funds prepositioned ships, which carry equipment, supplies and ammunition, and are available for immediate and rapid response to unforeseen contingencies throughout the world.

- Strategic Mobilization consists of the Army Power Projection Program (AP3), which supports Combatant Commanders' Operations Plans, and the Army Vision deployment objectives. The components of AP3 make up the bridge that links current and future force projection capability. AP3 seeks a balanced, synchronized, rapid fort to foxhole capability projected into areas of operations, without relying on conventional Sea and Aerial Ports of Debarkation, where an adversary's anti-access efforts can be focused. AP3 enables the Army to rapidly deploy a versatile, lethal, expandable, and sustainable CONUS-based military force capable of achieving decisive victory anywhere in the world. The Army forces consist of 10/6/6 APF ships in FY 2006/FY 2007/FY 2008, respectively. The \$13.9 million increase in FY 2008 is primarily for the lease of an additional Large, Medium Speed, Roll-On/Roll-Off Ship (LMRS); increased maintenance for watercraft units forward deployed; and resetting prepositioned stocks to modular configuration.
- The Navy's Sealift Program provides the worldwide capability to deploy combat forces and/or supporting material that may be required to meet national contingency objectives. The program is divided into two functional areas: (1) Prepositioned assets and (2) Surge assets. Funding for all sealift surge ships is in the National Defense Sealift Fund appropriation. Operation and Maintenance, Navy account funds the daily operation of the prepositioned assets, as well as the biennial exercise costs associated with the Hospital Ships and Aviation Logistics Support Ships. This program also provides support for various sea lift programs, including Sealift Enhancement Feature upgrades, Naval Control of Shipping Command Post exercises, Merchant Cargo Delivery System training and exercises, force protection for delivery ships against chemical, biological, and radiological threats, Cargo Afloat Rig Team training, alternating coast exercises, and the Offshore Petroleum Discharge System. The net decrease of

MOBILIZATION

\$4 million reflects specific load out schedule requirements for FY 2008.

- The Air Force funds four prepositioned ships to support mobility operations with the capabilities to sustain contingency operations and wartime requirements through prepositioning of War Reserve Material (WRM). The WRM provides provisioning of nuclear weapons storage and sustainment of contingency hospitals and clinics. The \$13.6 million net decrease in FY 2008 reflects a transfer of contractor logistics support to the U.S. Transportation Command customer base.

MOBILIZATION

<u>Other Mobilization Programs</u>	(\$ in Millions)				
	FY 2006	FY 2007		FY 2008	
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	118.9	-24.8	94.1	203.1	297.2
Prepositioned Stocks	100.0	-34.7	65.3	91.0	156.3
Industrial Preparedness	18.9	-14.2	4.7	-4.7	0.0
Other Prepositioned Exercises	0.0	23.1	23.1	115.9	139.0
<u>Navy</u>	408.6	-105.2	303.4	8.5	311.9
Activations/Inactivations	117.2	81.5	198.7	0.9	199.6
Fleet Hospital Program	29.6	0.6	30.2	-0.3	29.9
Industrial Readiness	1.7	-0.1	1.6	0.4	2.0
Coast Guard Support	17.0	-0.7	16.3	5.2	21.5
Other Sealift/Surge Exercises	233.7	-187.0	46.7	2.2	48.9
Exercises	9.4	0.5	9.9	0.1	10.0
<u>Marine Corps</u>	99.8	-22.0	77.8	1.8	79.6
Prepositioned Equipment	99.8	-22.0	77.8	1.8	79.6
<u>Air Force</u>	6,365.9	-2,272.9	4,093.0	537.3	4,630.3
Airlift Payments to Transportation	-	-	-	300.0	300.0
<u>Business Area</u>					
Airlift Operations	4,901.3	-2,090.8	2,810.5	121.6	2,932.1
Airlift Operations C3I	59.5	-16.4	43.1	6.1	49.2
Mobilization Preparedness	169.2	-33.5	135.7	4.1	139.8
Depot Maintenance	422.0	-96.6	325.4	12.3	337.7
Facilities Sustainment, Res & Mod	189.4	-11.4	178.0	36.7	214.7
Base Support	624.5	-24.2	600.3	56.5	656.8
Total Other Mobilization	6,993.2	-2,424.9	4,568.3	750.7	5,319.0

MOBILIZATION

The Army's Other Mobilization programs fund manpower, material handling and other supply support equipment, facilities, etc., that are required to store and handle prepositioned stock materials. Army Prepositioned Stocks (APS) Program supports the Army's capability to project combat ready forces from the CONUS, Europe, Southwest Asia, Korea, Japan, and Hawaii to conduct operations anywhere in the world. The Industrial Preparedness Program funds the evaluation of industrial base capability and development of recommendations to address capability concerns. Army has decided to terminate this program in FY 2008.

- In FY 2008, a net increase of \$203.1 million reflects both an organizational realignment and increased maintenance requirements due to equipment density changes resulting from Army modular force changes, as well as a result of a multiple appropriation transfer between OMA, OMNG, OPA, RDTE, and WTCV. The transfer completes the realignment to the US Army Garrison Rock Island Arsenal and separation of the Rock Island Arsenal into the Joint Manufacturing and Technology Center—Rock Island (JMTC) under the Ground Systems Industrial Enterprise (GSIF) of the Tank-automotive and Armaments Command (TACOM).

The Navy's Other Mobilization programs include aircraft and ship activation/inactivation programs which place aircraft and ships (both nuclear and conventional powered) out of active service, and prepares and maintains them for mobilization purposes or disposal through scrapping and sales. The Other Mobilization programs also fund the Fleet Hospital Program, which provides comprehensive medical support to U.S. and allied forces in the event of contingency operations; maintenance, overhaul, and support of Navy equipment aboard Coast Guard vessels; and an industrial readiness program.

- Activation/Inactivation: Within the total program increases of \$0.9 million are the inactivation of a reactor compartment disposal/hull recycling in the Submarine Inactivations/Disposals program (+\$27.8 million), increase for inactivations and advance planning requirements in the Nuclear Surface Ship Inactivations/Disposals program (+\$7.0 million), and scheduled requirements for Aircraft Represervations (+\$1.1 million). Program decreases include advance funding efforts in the Nuclear Surface Inactivations/Disposal and Submarine decontamination programs (-\$8.3 million), and advance funding efforts in the Activation/Inactivation of Conventional Surface Ships program (-\$32.6 million).
- Fleet Hospital, Industrial Readiness, Other Sealift/Surge, and Exercises: Total program increases of \$2.4 million in this activity group reflect an increase in funding due to TAH COMFORT and TAVB WRIGHT biennial exercises (+\$2.9 million); additional funds provided for medical supplies and equipment purchases for the Naval Medical Logistics Command (NMLC); and increased funding for supplies and other costs associated with the Naval Support Element/Commander Naval Beach Group One (+\$1.2 million). Program decreases include a reduction in the number of Fleet Hospital bed configurations receiving Service Life Extensions, offset by additional equipment for Forward Deployed Preventative Medical Units (-\$1.0 million); a reduction in contractor support of equipment contracts in the areas of Maritime Prepositioning Force maintenance equipment, Offshore Petroleum Discharge System maintenance, and in-service engineering support for life-cycle management (-\$4.8 million).

MOBILIZATION

- Coast Guard: The increase reflects overhaul funding for the implementation of the Deepwater Program, including overhaul of legacy cutters, increased level of maintenance to support aging equipment and systems installed on legacy cutters, and system support funding for the newly delivered Deepwater National Security Cutter (+\$4.0 million).

The Marine Corps Mobilization program funds the Maritime Prepositioning Force (MPF) program and Aviation Logistics Support Ships. This funding supports training and exercise costs as well as the cost of maintaining the equipment and supplies in a ready-to-operate status aboard the 16 MPF ships. Funding is also requested for the movement of the aviation Intermediate Maintenance Activity to support the rapid deployment of the Marine Corps fixed wing and rotary wing aircraft units, and to provide for storage of equipment, supplies and ammunition in man-made caves and shelters throughout central Norway for the Marine Corps Prepositioning Program – Norway.

- The major change affecting this program in FY 2008 is largely due to price changes (+\$0.9 million).

The Air Force's Other Mobilization program includes resources for Airlift Operations, Mobilization Preparedness, Depot Maintenance, Facilities Sustainment, Restoration, and Modernization, and Base support. The Airlift Operations program supports the day-to-day mission activities for strategic and tactical aircraft; aircrew training activities; headquarters operations at Air Mobility Command, its detachments and numbered Air Force headquarters; funds airlift/air refueling operations supporting day-to-day mission activities for strategic and tactical airlift/air refueling; aircrew training activities directly related to formal training unit (FTU) and proficiency training for mobility aircrews; and Operational Support Airlift and VIP Special Airlift Missions supporting the President/Vice President of the United States, Cabinet Members and other high ranking dignitaries. Also funds Airlift Operations Command, Control, Communications, and Intelligence activities facilitating worldwide deployment of airlift assets and aircrew forces (Special Tactics Forces of the Air Force Special Operations Command); resources also support engineering and installation support activities to expand classified network connectivity and upgrade communications voice or network equipment as well as mobility preparedness, supporting mobility operations with the capability to sustain contingency operations and wartime requirements through prepositioning of War Reserve Material, and provisioning of nuclear weapons storage and sustainment of contingency hospitals and clinics.

- FY 2008 net increase by +\$537.3 million mainly results from a transfer of Guard and Reserve Centralized Asset Management Program to Active forces (+\$224.9 million); increased costs for military-to-civilian personnel changes (+\$12.9 million); transition of C-17 Contractor Logistics Support (CLS) maintenance into U.S. Transportation Command stabilized rate structure (-\$373.6 million); increased fuel costs and readiness under capacity (+\$300.0 million); and various other Facilities Sustainment and Restoration/Modernization, maintenance support, utilities and base operating support.

PRISONER OF WAR/MISSING PERSONNEL AFFAIRS (POW/MPA) PROGRAMS

Requirements	(\$ in Millions)							
	FY 2006 <u>Actual</u>	FY 2007 <u>Estimates</u>	FY 2008 <u>Estimates</u>	FY 2009 <u>Estimates</u>	FY 2010 <u>Estimates</u>	FY 2011 <u>Estimates</u>	FY 2012 <u>Estimates</u>	FY 2013 <u>Estimates</u>
Defense POW/MPA Personnel Office (DPMO)	16.1	16.4	16.6	17.0	17.2	17.6	17.5	17.7
Joint POW/MIA Accounting Command (JPAC)	58.7	60.8	61.2	63.2	65.4	67.7	69.9	72.2
Armed Forces DNA Identification Laboratory (AFDIL)	7.4	8.2	8.2	8.2	8.2	8.2	8.2	8.2
Air Force Life Sciences Equipment Laboratory (LSEL)	0.4	0.3	0.7	0.7	0.8	0.8	0.8	0.8
Total	82.6	85.7	86.7	89.1	91.6	94.3	96.4	98.9
Budgets								
Defense POW/MPA Personnel Office (DPMO)	15.8	16.0	16.4	16.7	17.0	16.6	16.9	17.2
Joint POW/MIA Accounting Command (JPAC)	48.2	49.7	53.7	54.9	55.8	57.1	59.3	61.6
Armed Forces DNA Identification Laboratory (AFDIL)	7.4	8.2	8.2	8.2	8.2	8.2	8.2	8.2
Air Force Life Sciences Equipment Laboratory (LSEL)	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.5
Total	71.8	74.2	78.7	80.2	81.4	82.3	84.8	87.5
Percentage of Budget to Requirements								
Defense POW/MPA Personnel Office (DPMO)	98.1%	97.6%	98.8%	98.2%	98.8%	94.3%	96.6%	97.2%
Joint POW/MIA Accounting Command (JPAC)	82.1%	81.7%	87.7%	86.9%	85.3%	84.3%	84.8%	85.3%
Armed Forces DNA Identification Laboratory (AFDIL)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Air Force Life Sciences Equipment Laboratory (LSEL)	100.0%	100.0%	57.1%	57.1%	50.0%	50.0%	50.0%	62.5%
Total	86.9%	86.6%	90.8%	90.0%	88.9%	87.3%	88.0%	88.5%

POW/MPA program requirements are estimates of all current projected investigations. The FY 2006 through FY 2013 budget is lower than those estimates, but represents 100 percent of what is executable. The funding and percentage differences represent estimates for investigations and associated activities in North Korea, to which access is currently restricted. When access is restored, additional funding will be requested.

PRISONER OF WAR/MISSING PERSONNEL AFFAIRS (POW/MPA)

PROGRAMS

This Department of Defense supports a multifaceted effort to recover and account for missing personnel from previous and current military operations. Policy control and oversight is provided by the Defense Prisoner of War/Missing Personnel Office (DPMO) within the Secretary of Defense's office. Research, field investigations, and recovery efforts are directed by the Joint POW/MIA Accounting Command (JPAC), under the Commander, Pacific Command, and funded through the Navy. Assistance in providing identification of remains is provided by the Armed Force DNA Identification Laboratory (AFDIL), managed by the Army, and the Air Force Life Sciences Equipment Laboratory (LSEL), funded by the Air Force.

This exhibit is a summary of POW/MPA programs contained in the following component budgets:

- Operation and Maintenance, Defense-Wide (OMDW), Budget Activity 4, Defense Prisoner of War Missing Personnel Office (DPMO).
- Operation and Maintenance, Navy (OMN), Budget Activity 1, SAG 1C6C, Combat Support Forces (includes Joint POW/MIA Accounting Command (JPAC)).
- Operation and Maintenance, Army (OMA), Budget Activity 1, SAG 434, Other Personnel Support (includes Armed Forces DNA Identification Laboratory (AFDIL)).
- Operation and Maintenance, Air Force (OMAF), Budget Activity 1, SAG 042A, Logistics Operations (includes USAF Life Sciences Equipment Laboratory (LSEL)).

This exhibit complies with Section 563 of the John Warner National Defense Authorization Act for Fiscal Year 2007, *Annual Budget Display of Funds for POW/MIA Activities of the Department of Defense*, as codified in Section 234 of Chapter 9 of Title 10 of the United States Code.

RECRUITING, ADVERTISING, AND EXAMINING

Overall funding in recruiting, advertising, and examining provides support for recruiting commands and stations throughout the United States for local, regional, and national advertising to access and retain quality enlisted and officer personnel. It supports the U.S. Military Entrance Processing Command (MEPCOM), which includes the Military Entrance Processing Stations (MEPS) that process all enlisted personnel entering on active duty. Total FY 2008 funding increases by \$260.0 million. Of this amount, there is a \$37.2 million increase for price growth and a \$222.8 million increase for program changes.

RECRUITING, ADVERTISING, AND EXAMINING

	<u>(\$ in Millions)</u>						
	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>	<u>Price</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual*</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	716.9	+18.0	-138.0	596.9	+17.4	+142.0	756.3
Navy	306.0	+5.5	-68.4	243.1	+6.7	+14.5	264.3
Marine Corps	168.9	+4.0	-65.5	107.4	+2.5	+31.5	141.4
Air Force	158.4	+3.7	-31.2	130.9	+3.1	+9.7	143.7
Defense Health Program	38.0	+1.0	+1.1	40.1	+1.1	+1.6	42.8
Defense-Wide	27.9	+0.7	-13.6	15.0	+0.3	+17.2	32.5
Army Reserve	87.9	+2.1	-1.6	88.4	+2.4	-47.8	43.0
Navy Reserve	-	-	-	-	-	-	-
Marine Corps Reserve	7.9	+0.2	-0.1	8.0	+0.2	+0.5	8.7
Air Force Reserve	21.1	+0.5	-4.6	17.0	+0.5	+5.3	22.8
Army National Guard	358.0	+7.2	-238.5	126.7	+2.5	+46.2	175.4
Air National Guard	<u>19.8</u>	<u>+0.5</u>	<u>+0.5</u>	<u>20.8</u>	<u>+0.5</u>	<u>+2.1</u>	<u>23.4</u>
Total	1,910.8	+43.4	-559.9	1,394.3	+37.2	+222.8	1,654.3

*The FY 2006 Actual column includes Supplemental Funding. The FY 2007/2008 columns do not include Supplemental funding.
Note: Rounding may result in apparent differences of +/- \$0.1 million

RECRUITING, ADVERTISING, AND EXAMINING

The following tables provide the funding by Component for each category.

Recruiting

The recruiting mission is to maintain the highest quality force possible. The recruiting funds provide support for recruiting commands and stations throughout the United States. Recruiting costs are for those items essential to the accomplishment of the recruiting mission, including meals, lodging, and travel of applicants; recruiter expenses, travel and per diem; civilian pay; vehicle operation and maintenance; lease of office space; and other incidental expenses necessary to support the recruiting mission. The FY 2008 Recruiting program reflects an increase of \$124.0 million. Of this amount, \$17.1 million is for price growth and \$106.9 million is for program growth.

	<u>RECRUITING</u>						
	<u>(\$ in Millions)</u>						
	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>	<u>Price</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	377.2	+9.2	-104.1	282.3	+7.8	+26.9	317.0
Navy	186.8	+3.0	-26.4	163.4	+4.5	+11.8	179.7
Marine Corps	79.6	+1.2	-17.7	63.1	+1.0	+18.1	82.2
Air Force	58.4	+1.5	-5.3	54.6	+1.3	+3.8	59.7
Army Reserve	37.0	+0.9	-2.1	35.8	+1.0	+2.8	39.6
Navy Reserve	-	-	-	-	-	-	-
Marine Corps Reserve	3.2	+0.1	-0.1	3.1	+0.1	+0.2	3.4
Air Force Reserve	8.6	+0.1	-2.8	5.9	+0.2	+2.6	8.7
Army National Guard	223.9	+4.5	-179.0	49.4	+1.0	+40.6	91.0
Air National Guard	4.5	+0.1	-0.9	3.7	+0.2	+0.1	4.0
Total	979.2	+20.6	-338.4	661.3	+17.1	+106.9	785.3

RECRUITING, ADVERTISING, AND EXAMINING

Advertising

The advertising funds provide for local, regional, national and corporate advertising to access quality enlisted and officer personnel. All advertising is designed to increase public awareness and describe employment opportunities. The Services fund a media mix of advertising that includes television and radio; magazines and newspapers; internet websites and banner advertising; informational videos; direct mail campaigns; and recruiting booklets, pamphlets, and posters. The Operation and Maintenance (O&M), Defense-Wide appropriation funds a joint program managed by the Defense Human Resources Activity. This program consists of a corporate campaign for joint service recruiting and advertising, market research and studies, and survey requirements for the Active and Reserve Components. This joint funding is used for consolidated lead lists, direct mail campaigns, youth and adult influencer public opinion polls, and Selective Service System direct market mailings. The FY 2008 Advertising program reflects an increase of \$94.1 million. This amount is the result of a \$14.8 million increase for price growth and a \$79.3 million increase for program changes.

	<u>ADVERTISING</u>						
	(\$ in Millions)						
	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>	<u>Price</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
Army	205.4	+5.1	-10.6	199.9	+5.5	+81.1	286.5
Navy	119.2	+2.5	-42.0	79.7	+2.2	+2.7	84.6
Marine Corps	89.3	+2.8	-47.8	44.3	+1.5	+13.4	59.2
Air Force	96.1	+2.1	-25.6	72.6	+1.7	+4.9	79.2
Defense-Wide	27.9	+0.7	-13.6	15.0	+0.3	+17.2	32.5
Army Reserve	50.9	+1.2	+0.5	52.6	+1.4	-50.6	3.4
Navy Reserve	-	-	-	-	-	-	-
Marine Corps Reserve	4.7	+0.1	-	4.8	+0.1	+0.3	5.2
Air Force Reserve	12.5	+0.4	-1.8	11.1	+0.3	+2.7	14.1
Army National Guard	134.1	+2.7	-59.5	77.3	+1.5	+5.6	84.4
Air National Guard	<u>15.3</u>	<u>+0.4</u>	<u>+1.4</u>	<u>17.1</u>	<u>+0.3</u>	<u>+2.0</u>	<u>19.4</u>
Total	755.4	+18.0	-199.0	574.4	+14.8	+79.3	668.5

RECRUITING, ADVERTISING, AND EXAMINING

Examining

The examining funds provide support for the U.S. Military Entrance Processing Command (MEPCOM), which includes the Military Entrance Processing Stations (MEPS) that process all enlisted personnel entering on active duty. The MEPCOM is a joint-Service organization. Each Service contributes military personnel based on its share of total budgeted accessions. The Army is the DoD Executive Agent for the command and funds and manages the civilian staff. In addition, the Army provides funds for the MEPCOM to administer the Armed Service Vocational Aptitude Battery (ASVAB) test. This administration includes both the production and institutional (high school) testing programs and the Mobile Examining Teams (MET) operating under MEPS direction. Funds also provide for automated data processing (ADP) requirements of MEPCOM and the Selective Service System at their shared Joint Computer Center. The Air Force provides funding for an Air Force specific strength aptitude test program. This Air Force program provides a gender neutral test to ensure personnel are capable of performing their duties, therefore reducing accidents and injuries due to overexertion and alleviating attrition in strenuous jobs.

The Defense Health Program finances the medical activities in the MEPS, primarily the examination of applicants to determine their medical qualifications for enlistment in the Armed Forces. In addition, the Defense Health Program includes funds for the DoD Medical Evaluation Review Board, which schedules and reviews physical examinations for the Service Academies and for the Reserve Officers Training Corps (ROTC) scholarship program.

The FY 2008 Examining program reflects an increase of \$41.9 million. This amount is the result of a \$5.3 million increase for price growth and a \$36.6 million increase for program changes.

	<u>EXAMINING</u> <u>(\$ in Millions)</u>						
	<u>FY 2006</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
Army	134.3	+3.7	-23.3	114.7	+4.1	+34.0	152.8
Air Force	3.9	+0.1	-0.3	3.7	+0.1	+1.0	4.8
Defense Health Program	<u>38.0</u>	<u>+1.0</u>	<u>+1.1</u>	<u>40.1</u>	<u>+1.1</u>	<u>+1.6</u>	<u>42.8</u>
Total	176.2	+4.8	-22.5	158.5	+5.3	+36.6	200.4

SHIP OPERATIONS

<u>Appropriation Summary</u>	(\$ in Millions)						
	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>	<u>Price</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
<u>Active Forces</u>	<u>9,358</u>	<u>74</u>	<u>-941</u>	<u>8,492</u>	<u>340</u>	<u>801</u>	<u>9,633</u>
Mission and Other Ship Operations	3,611	-49	-379	3,183	214	67	3,464
Ship Operational Support and Training	621	17	-12	626	14	31	671
Ship Maintenance	4,276	87	-608	3,755	90	571	4,416
Ship Depot Operations Support	850	19	58	928	22	132	1,082
<u>Reserve Forces</u>	<u>149</u>	<u>1</u>	<u>-17</u>	<u>132</u>	<u>4</u>	<u>-43</u>	<u>93</u>
Mission and Other Ship Operations	73	-1	-9	63	2	-15	50
Ship Maintenance	0.5	0	0.1	0.6	0	0	0.6
Ship Depot Operations Support	75	2	-9	68	2	-28	42
	0	0	0.5	0.5	0	0.1	0.6
Grand Total	9,507	75	-958	8,624	344	758	9,726

Description of Operations Financed:

- The subactivity groups within ship operations and ship maintenance fund the active and reserve operating tempo (OPTEMPO), engineering and logistical support, maintenance, planning, and technical support to maintain and deploy combat-ready ships. From these activities, the Navy purchases ship fuel, repair parts, utilities, consumable supplies, repair parts, and maintenance from fleet intermediate maintenance facilities and public and private shipyards. Funding to charter logistics support and other ships from the Military Sealift Command (MSC), payments to the Department of Energy (DOE) for consumed nuclear fuel as well as storage and processing of expended nuclear cores are also financed within these subactivity groups.
- The FY 2008 active and reserve ship operation and maintenance budget increased by \$1,102 million from the FY 2007 level. The increase from FY 2007 to FY 2008 is composed of a price increase of \$344 million and a net program increase of \$758 million.

SHIP OPERATIONS

Program Data

The FY 2008 budget request provides \$9,633 million for active ship operations and maintenance, which includes price growth of \$340 million and a net program increase of \$801 million above the FY 2007 level.

The key components of the \$801 million program change for active forces from FY 2007 to FY 2008 are:

- Net increase in the number (1) and scope of scheduled ship availabilities. This includes a 15 month Extended Docking Selected Restricted Availability (EDSRA) on the USS ENTERPRISE (CVN 65) at a private shipyard and the EDSRA planned on the USS SAN FRANCISCO (SSN 71).
- Associated with a net increase to the Navy's overall operating tempo (OPTEMPO). Deployed steaming days increase from 37 to 45 days per quarter.
- Related to the additional days for Dry Cargo Ammunition ships (T-AKE) and Rescue Salvage Ships (T-ARS) chartered to the Military Sealift Command (MSC).

The FY 2008 Operation and Maintenance, Navy Reserve ship operations and maintenance request includes price growth of \$4 million and a net program decrease of \$43 million below the FY 2007 level. The main components of the program change are decreases in maintenance requirements for frigates and minesweeping ships. The decreases in the minesweeping programs are a result of the decommissioning of four MHC (Mine Hunter Coastal) class ships, as well as the transfer of two MCM (Mine Countermeasures) class ship to the active force.

<u>Ship Inventory (End of Year)</u>	<u>FY 2006</u>		<u>FY07</u>		<u>FY08</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Battle Force Ships (Active)</u>	<u>301</u>	<u>4</u>	<u>305</u>	<u>14</u>	<u>319</u>
Navy Active	260	2	262	13	275
MSC Charter/Support	41	2	43	1	44
<u>Naval Reserve Force</u>	<u>20</u>	<u>-3</u>	<u>17</u>	<u>-6</u>	<u>11</u>
Reserve Battle Force	14	-1	13	-2	11
Reserve Non-Battle Force	6	-2	4	-4	0
Grand Total	280	-1	279	7	286

SHIP OPERATIONS

Battle Force Ships Inventory	FY07 Ending			FY08 Ending
<u>Adjustments by Category</u>	<u>Inventory</u>	<u>Gains</u>	<u>Losses</u>	<u>Inventory</u>
Aircraft Carriers	11	0	0	11
Fleet Ballistic Missile Submarines	14	0	0	14
Guided Missile (SSGN) Submarines	4	0	0	4
Surface Combatants	105	6	0	111
Nuclear Attack Submarines	52	1	-1	52
Amphibious Warfare Ships	31	2	-1	32
Combat Logistics Ships	31	0	0	31
Mine Warfare Ships	14	0	0	14
Support Ships	17	2	-2	17
Total	279	11	-4	286

Ship Operations (Table on following page)

Shipyear data provides an indicator of the overall force level for a year. A shipyear measures that portion of a fiscal year that a ship serves in the fleet. For example, a ship decommissioning on June 30th would have 0.75 shipyears for that fiscal year (October through June) – whereas the end-of-year ship inventory would be zero. There is a net increase of 2 shipyears from FY 2007 to FY 2008 reflecting the increased ship inventory. Shipyear data is not affected by the OPTEMPO changes discussed below.

Operating TEMPO or OPTEMPO is the days during which the ship is underway on its own power for three or more hours. If a ship is pier-side or at anchor, it is not considered an OPTEMPO day. Operating months is an indication of availability to get underway and OPTEMPO is an indication of underway time. Operating months reflect the part of the fiscal year that a ship is fully available for missions. The complement of operating months is repair months. For example, a ship not available for missions while undergoing a 3-month repair period would have 9 operating months and 3 repair months (assuming it was not to be commissioned or decommissioned in that particular year).

The changes from FY 2007 to FY 2008 for the active conventional forces reflect a net increase to the Navy's overall operating tempo (OPTEMPO). Deployed steaming days increase from 37 to 45 days per quarter, while non-deployed steaming days decrease from 24 to 22 per quarter. Non-deployed days decrease as a result of implementing more efficient underway training procedures. The Navy will be able to accommodate this slight reduction to the non-deployed steaming days without adversely affecting readiness.

SHIP OPERATIONS

	<u>FY 2006</u>		<u>FY 2007</u>		<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Operating Tempo (Underway Days Per Quarter)</u>					
Deployed Fleet	55	-18	37	8	45
Non-Deployed Fleet	26	-2	24	-2	22
Reserve Fleet	18	-	18	-	18
<u>Shipyears (Less Charter Ships)</u>					
Conventional, O&M,N	175	-5	170	2	172
Nuclear, O&M,N	82	-1	81	-1	80
Conventional, O&M,NR	22	-3	19	-5	14
<u>Operating Months (Less Charter Ships)</u>					
Conventional, O&M,N	1,744	-121	1,623	8	1,631
Nuclear (Surface), O&M,N	788	-36	752	-1	751
Conventional, O&M,NR	250	-45	205	-81	124
<u>Deployed Operating Months</u>					
Conventional, O&M,N	495	-65	430	-2	428
Nuclear (surface), O&M,N	52	5	57	-1	56
Conventional, O&M,NR	0	-	0	-	0
<u>Ship Maintenance</u>					
<u>Active</u>					
Overhauls	3	0	3	1	4
Selected Restricted Availabilities	61	-11	50	3	53
Phased Maintenance Availabilities	19	-8	11	-2	9
Planned Incremental Availabilities	4	0	4	-1	3
<u>Reserve</u>					
Overhauls	n/a	n/a	n/a	n/a	n/a
Selected Restricted Availabilities	5	-1	4	-2	2
Phased Maintenance Availabilities	9	-5	4	-4	0

SHIP OPERATIONS

Ship Maintenance

Ship Depot Level Maintenance requires skills or facilities beyond the capacity or capability of organizational or intermediate level activities. Public and Private Shipyards, Naval Ship Repair Facilities, and Equipment Depot Maintenance Facilities perform Ship Depot Maintenance.

Ships are assigned maintenance availabilities in accordance with the class maintenance plan established for the ship class. Class maintenance plans vary but always include both shorter non-docking availabilities and longer docking availabilities. The primary categories of availabilities follow:

- Overhauls are docking availabilities, normally exceeding six months in duration, involving major repairs and alterations.
- Phased Maintenance Availabilities (PMA) and Selected Restricted Availabilities (SRA) are relatively short and highly intensive availabilities averaging two to three months in duration during which both alterations and repairs are typically performed. They may be docking or non-docking.
- Phased Incremental Availabilities (PIA) are availabilities specific to USS NIMITZ class Aircraft Carriers during which both alterations and repairs are typically performed. They may be docking or non-docking.

Three categories of depot level maintenance are performed outside of scheduled availabilities.

- Emergent Restricted Availabilities/Technical Availabilities (RA/TA) are used to repair discrepancies that must be corrected prior to the next scheduled availability.
- Other RA/TA is maintenance planned for execution between scheduled availabilities to ensure ships systems remain fully operational.
- Continuous Maintenance allows flexible execution of required Surface Ship depot level work during in port periods.

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

FY 2006*	Price	Program	FY 2007	Price	Program	FY 2008
<u>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
3,675.7	+145.7	-1,056.3	2,765.0	+119.3	+393.3	3,277.6

* FY 2006 Estimated Actuals include \$1,450.6 million of Supplemental Funding and \$3.3 million of Katrina Supplemental Funding

The United States Special Operations Command (USSOCOM) is a unified command with responsibilities to lead, plan, synchronize and, when directed, execute global operations to disrupt, defeat and destroy terrorist networks that threaten United States' citizens and interests worldwide. USSOCOM has been appointed by the Secretary of Defense as the lead planner for the Global War on Terror (GWOT) and to act as the supported command for selected GWOT missions. USSOCOM also organizes, trains, equips and deploys special operations forces (SOF) to support Geographic Combatant Commanders, American Ambassadors and their country teams.

SOF are comprised of specially selected, trained, and organized soldiers, sailors, airmen, and marines from the Armed Services. Their training, education, initiative, and experience set them apart from all others in the Department of Defense. The USSOCOM FY 2008/2009 Budget Estimates focus on increasing SOF capabilities, capacity, and readiness to support a coherent Global War on Terror Strategy to find and fix terrorist networks. To support this strategy, USSOCOM's FY 2008/2009 budget estimate emphasizes increased capabilities to find and fix terrorist networks, synchronize GWOT planning and execution efforts, and begins a transitional shift in the global posture of Special Operations Forces. Significant O&M resources are required to support growth of SOF personnel necessary to accomplish these initiatives and will enhance USSOCOM's ability to place its forces in exactly the right place on the global battlefield with the appropriate equipment, technology, and training. Fundamental to mission success is the readiness of our SOF warriors and their unique skill sets, including the Reserve and National Guard who fight along side our active duty forces.

USSOCOM faces a strategic environment characterized by rapid geo-political change, technological advancement, evolving threats, and emerging new roles. These factors require innovative thinking to provide the widest array of options to protect American interests. To meet this challenge, USSOCOM is pursuing transformation through training, organizational structure, and technology. We must establish command and control infrastructures which complement the Combatant Commanders and invest in programs and systems improving SOF speed, agility, precision, lethality, stealth, survivability, and sustainability.

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

Long term success in the Global War on Terror depends largely upon our ability to rapidly employ a sustainable mix of capabilities. Non-traditional approaches are required to counter and defeat the elusive, asymmetric, and disruptive threats pervasive in today's operational environment. To meet this demand, USSOCOM has invested in capabilities to improve SOF warrior systems, advance force operations, specialized training, institutional training, organizational structure, leap-ahead technology, and force structure and manpower to support the Command's most important asset – the SOF warrior.

The USSOCOM Fiscal Year 2008/2009 Budget Estimates request the resources necessary to continue providing full spectrum, multi-mission global SOF that will provide our nation with a comprehensive set of unique capabilities.

Operation and Maintenance

- The significant increases in personnel and force structure drive the overall O&M programmatic growth that started in FY 2007
- The SOCOM O&M funding grows \$0.5 billion (17.8 percent) from FY 2007 to FY 2008, reflecting Quadrennial Defense Review (QDR) decisions
- The Department increased the SOCOM O&M budget to train, equip, and sustain the increased force structure. The budget also includes funding for 740 additional civilian personnel in FY 2008 to support the Center for Special Operations, the Rangers, the Naval Special Warfare force, and the Marine Corps force

Procurement

- The Department added five CV-22 aircraft, the special operations variant of the joint V-22 program in FY 2008. The SOCOM procurement budget includes funding for installation of special operations specific features such as terrain following radar and electronic and infrared warfare suite, and the purchase of initial spare parts (FY 2008, \$+0.1 billion)
- C-130 Modifications funding will procure 2 30MM guns per aircraft for 8 AC-130U Gunship models. These guns replace the older 25MM and 40MM currently mounted on the fleet of 13 aircraft (\$+0.1 billion)

Military Construction

- The FY 2008 program funds 36 military construction projects directly attributable to the force structure increases and the standup of the Marine Corps Special Operations Forces Component (MARSOC). The FY 2008 projects are located primarily at Camp Pendleton, California, Camp Lejeune, North Carolina, Little Creek, Virginia, and Al Udeid Air Base, Qatar (FY 2008, \$+0.4 billion)

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

Research, Development, Testing and Evaluation

- The Advanced Tactical Laser development program ended with FY 2007 funding because it was not viable due to its size, weight, and current military utility. The goal of this program was to develop a laser weapon system for the C-130 aircraft that would be both precise and highly accurate (and thus reduce collateral damage) (FY 2008, \$-0.06 billion)
- The C-130 Common Avionics Architecture program was restructured to correspond to a delay in the Air Force Avionics Modernization Program (FY 2008, \$-0.04 billion)

TRAINING AND EDUCATION

The Training and Education program provides funds (including the costs of staff, curricula, equipment, and services) for the training and educational requirements primarily for military personnel. The principal effort is to acquire and maintain a trained force of personnel able to effectively man and support DoD's military units, ships, aircraft, and installed weapon systems. To accomplish this goal, resources finance the operation of a wide range of training centers, Service schools and colleges, DoD and joint-Service schools, Reserve Officer Training Corps (ROTC) units, Service academies, and the Uniformed Services University of Health Services (USUHS), and the Health Professional Scholarship Program (HPSP). Resources to finance base support activities are also included. The FY 2008 budget request reflects a total funding increase of \$930.1 million. Of this amount, \$208.1 million is for price growth and \$722.0 million is for programmatic increases.

	(\$ in millions)						
	FY 2006 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2007 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2008 <u>Estimate</u>
Army	2,317.7	+68.9	+41.6	2,428.2	+65.1	+324.5	2,817.8
Navy	1,447.3	+27.7	-2.1	1,472.9	+39.9	+30.8	1,543.6
Marine Corps	501.6	+10.6	-87.9	424.3	+10.4	+155.2	589.9
Air Force	2,691.9	+139.0	-392.6	2,438.3	+69.7	+213.3	2,721.3
American Forces Information Services(AFIS)	17.6	-	-0.1	17.5	-	+0.6	18.1
Defense Acquisition University (DAU)	109.4	+2.2	-7.9	103.7	+2.1	-1.2	104.6
Defense Contract Audit Agency (DCAA)	5.3	+0.1	-	5.4	+0.2	-	5.6
Defense Human Resources Agency (DHRA)	21.9	+0.3	+0.8	23.0	+0.4	-0.4	23.0
Defense Security Services (DSS)	0.2	-	-	0.2	-	-	0.2
Defense Threat Reduction Agency (DTRA)	4.1	+0.1	+0.6	4.8	+0.1	-	4.9
National Defense University (NDU)	76.8	+1.8	+4.6	83.2	+2.1	+5.8	91.1
US Special Operations Command (USSOCOM)	134.4	+3.2	-10.0	127.6	+2.1	+0.4	130.1
Defense Health Program (DHP)	529.0	+17.0	-86.0	460.0	+16.0	-7.0	469.0
Total	7,857.2	+270.9	-539.0	7,589.1	+208.1	+722.0	8,519.2

TRAINING AND EDUCATION

	(\$ in millions)						
	<u>FY 2006</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2008</u> <u>Estimate</u>
<u>Recruit Training</u>							
Army 1/	82.1	+2.6	-2.5	82.2	+2.5	+8.1	92.8
Navy	8.9	+0.2	+0.8	9.9	+0.2	+1.2	11.3
Marine Corps	13.5	+0.3	-2.3	11.5	+0.2	+1.5	13.2
Air Force	<u>8.0</u>	<u>+0.2</u>	<u>-2.2</u>	<u>6.0</u>	<u>+0.1</u>	<u>+5.6</u>	<u>11.7</u>
Total	112.5	+3.3	-6.2	109.6	+3.0	+16.4	129.0
<u>Specialized Skills Training</u>							
Army	606.5	+16.3	-49.0	573.8	+17.1	+32.1	623.0
Navy	477.8	+11.5	+11.5	500.8	+12.0	-26.7	486.1
Marine Corps	47.0	-	-6.0	41.0	+1.1	+12.1	54.2
Air Force	363.4	+9.7	-34.5	338.6	+8.9	+30.5	378.0
AFIS	17.6	-	-0.1	17.5	-	+0.6	18.1
DTRA	4.1	+0.1	+0.6	4.8	+0.1	-	4.9
Defense Health Program	196.0	+7.0	-42.0	161.0	+6.0	+2.0	169.0
US Special Operations Command	<u>126.3</u>	<u>+3.1</u>	<u>-8.6</u>	<u>120.8</u>	<u>+1.9</u>	<u>+0.3</u>	<u>123.0</u>
Total	1,838.7	+47.7	-128.1	1,758.3	+47.1	+50.9	1,856.3
<u>Officer Acquisition</u>							
Army	108.5	+2.7	+12.5	123.7	+3.6	-10.5	116.8
Navy	128.2	+3.0	+1.2	132.4	+3.5	-0.3	135.6
Marine Corps	0.4	-	-	0.4	-	+0.1	0.5
Air Force	85.1	+2.1	-6.8	80.4	+2.1	+3.0	85.5
Defense Health Program	<u>297.0</u>	<u>+5.0</u>	<u>-23.0</u>	<u>279.0</u>	<u>+5.0</u>	<u>-17.0</u>	<u>267.0</u>
Total	619.2	+12.8	-16.1	615.9	+14.2	-24.7	605.4

1/ Includes Army One Station Unit Training (OSUT).

TRAINING AND EDUCATION

	(\$ in Millions)						
	FY 2006 <u>Actual</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2007 <u>Estimate</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2008 <u>Estimate</u>
<u>Professional Development</u>							
Army	205.8	+4.5	-9.9	200.4	+5.1	-6.6	198.9
Navy	142.6	+3.5	-4.4	141.7	+3.8	+15.5	161.0
Marine Corps	13.6	+0.3	+2.4	16.3	+0.4	-	16.7
Air Force	184.7	+4.4	-17.0	172.1	+4.3	-3.3	173.1
AFIS	-	-	-	-	-	-	-
DAU	109.4	+2.2	-7.9	103.7	+2.1	-1.2	104.6
DCAA	5.3	+0.1	-	5.4	+0.2	-	5.6
DHRA	21.9	+0.3	+0.8	23.0	+0.4	-0.4	23.0
DSS	0.2	-	-	0.2	-	-	0.2
DTRA	-	-	-	-	-	-	-
NDU	76.8	+1.8	+4.6	83.2	+2.1	+5.8	91.1
US Special Operations Command	8.1	+0.2	-1.5	6.8	+0.2	+0.1	7.1
Defense Health Program	<u>36.0</u>	<u>+5.0</u>	<u>-21.0</u>	<u>20.0</u>	<u>+5.0</u>	<u>+8.0</u>	<u>33.0</u>
Total	804.4	+22.3	-53.9	772.8	+23.6	+17.9	814.3
<u>Senior ROTC</u>							
Army	230.0	+5.8	+9.1	244.9	+6.4	+109.6	360.9
Navy	56.2	+1.3	+45.4	102.9	+2.4	+6.9	112.2
Air Force	<u>87.8</u>	<u>+2.1</u>	<u>+1.0</u>	<u>90.9</u>	<u>+2.1</u>	<u>+5.6</u>	<u>98.6</u>
Total	374.0	+9.2	+55.5	438.7	+10.9	+122.1	571.7
<u>Flight Training</u>							
Army	506.0	+23.4	+15.9	545.3	+12.5	+137.5	695.3
Navy	390.1	+3.4	+29.5	423.0	+13.9	+38.8	475.7
Marine Corps	0.2	-	-	0.2	-	+0.1	0.3
Air Force	<u>789.9</u>	<u>+89.5</u>	<u>-60.9</u>	<u>818.5</u>	<u>+31.7</u>	<u>+61.5</u>	<u>911.7</u>
Total	1,686.2	+116.3	-15.5	1,787.0	+58.1	+237.9	2,083.0

TRAINING AND EDUCATION

TRAINING AND EDUCATION

<u>Training Support</u>	(\$ in millions)						
	<u>FY 2006</u> <u>Actual</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2008</u> <u>Estimate</u>
Army	582.7	+13.8	+61.4	657.9	+17.9	+54.3	730.1
Navy	243.5	+4.7	-86.1	162.1	+4.1	-4.6	161.6
Marine Corps	227.8	+5.4	-91.3	141.9	+3.4	+138.9	284.2
Air Force	<u>116.9</u>	<u>+2.8</u>	<u>-33.3</u>	<u>86.4</u>	<u>+2.3</u>	<u>+8.0</u>	<u>96.7</u>
Total	1,170.9	+26.7	-149.3	1,048.3	+27.7	+196.6	1,272.6
 <u>Base Support/Facilities Sustainment, Restoration and Modernization 2/</u>							
Army	-	-	-	-	-	-	-
Navy	-	-	-	-	-	-	-
Marine Corps	133.1	+3.0	+4.1	140.2	+3.6	+2.4	146.2
Air Force	1,058.1	+26.2	-238.9	845.4	+18.2	+102.4	966.0
US Special Operations Command	-	-	-	-	-	-	-
Total	1,191.2	+29.2	-234.8	985.6	+21.8	+104.8	1,112.2

2/ Includes Base Operations Support and Facilities Sustainment, Restoration and Maintenance in support of training.

PROGRAM DATA **(Hours in Thousands)**

<u>Flying Hours</u>	<u>FY 2006</u>		<u>FY 2007</u>		<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	210.2	-48.3	161.9	+56.0	217.9
Navy	275.6	-3.2	272.4	+61.2	333.6
Air Force	<u>321.9</u>	<u>-13.6</u>	<u>308.3</u>	<u>-42.2</u>	<u>266.1</u>
Total	807.7	-65.1	742.6	+75.0	817.6

TRAINING AND EDUCATION

WORKLOAD INDICATORS (Student/Trainee Workyears)

	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>65,993</u>	<u>+14,817</u>	<u>80,810</u>	<u>-2,352</u>	<u>78,458</u>
Recruit Training	13,324	+4,003	17,327	-723	16,604
One Station Unit Training	11,114	-743	10,371	-599	9,772
Specialized Skill 3/ Officer Acquisition	33,298	+10,591	43,889	-1,226	42,663
Flight Training	4,560	+211	4,771	-43	4,728
Professional Development	1,179	+178	1,357	-3	1,354
	2,518	+577	3,095	+242	3,337
<u>Navy</u>	<u>44,927</u>	<u>-3,086</u>	<u>41,841</u>	<u>-1,467</u>	<u>40,374</u>
Recruit Training	6,855	-700	6,155	+188	6,343
One Station Unit Training	-	-	-	-	-
Specialized Skill 3/ Officer Acquisition	21,128	-1,355	19,773	-1,895	17,878
Senior ROTC	5,837	-134	5,703	-177	5,526
Flight Training	5,426	+135	5,561	+107	5,668
Professional Development	2,963	-930	2,033	+307	2,340
	2,718	-102	2,616	+3	2,619
<u>Marine Corps</u>	<u>16,913</u>	<u>+2,469</u>	<u>19,382</u>	<u>-163</u>	<u>19,219</u>
Recruit Training	8,840	+45	8,885	-158	8,727
One Station Unit Training	-	-	-	-	-
Specialized Skill 3/ Officer Acquisition	6,874	+1,884	8,758	-7	8,751
Flight Training	210	+110	320	-	320
Professional Development	-	-	-	-	-
	989	+430	1,419	+2	1,421

3/ Specialized skill includes initial skill, skill progression, and functional training for both officer and enlisted.

TRAINING AND EDUCATION

(Student/Trainee Workyears)

	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Air Force</u>	<u>51,126</u>	<u>-1,738</u>	<u>49,388</u>	<u>-2,900</u>	<u>46,488</u>
Recruit Training	3,999	+119	4,118	-4	4,114
One Station Unit Training	13,002	-1,117	11,885	-1,454	10,431
Specialized Skill 3/ Officer Acquisition	4,454	-35	4,419	-60	4,359
Flight Training	1,585	-	1,585	-6	1,579
Professional Development	2,523	+164	2,687	+72	2,759
	25,563	-869	24,694	-1,448	23,246
<u>Defense Health Program</u>	<u>63,538</u>	<u>+849</u>	<u>64,387</u>	<u>-714</u>	<u>63,673</u>
Recruit Training	-	-	-	-	-
One Station Unit Training	-	-	-	-	-
Specialized Skill	54,879	+1,334	56,213	-1,074	55,139
Officer Acquisition	4,509	-217	4,292	+344	4,636
Flight Training	-	-	-	-	-
Professional Development	4,150	-268	3,882	+16	3,898
<u>US Special Operations Command</u>	<u>3,667</u>	<u>-729</u>	<u>2,938</u>	<u>-245</u>	<u>2,693</u>
Recruit Training	-	-	-	-	-
One Station Unit Training	-	-	-	-	-
Specialized Skill	3,499	-727	2,772	-259	2,513
Officer Acquisition	-	-	-	-	-
Flight Training	-	-	-	-	-
Professional Development	168	-2	166	+14	180

3/ Specialized skill includes initial skill, skill progression, and functional training for both officer and enlisted.

Note: Training workload and dollars includes Guard and Reserve Forces when training is the mission responsibility of the Activity Component.

TRANSPORTATION

Transportation	(\$ in Millions)						FY 2008 Estimates
	FY 2006 Actual*	Price Change	Program Change	FY 2007 Estimates	Price Change	Program Change	
Army	1,974.4	-12.0	-1,591.4	371.0	7.1	308.7	686.8
Navy	211.0	9.0	-2.0	218.0	3.0	16.0	237.0
Marine Corps	295.5	1.0	-272.5	24.0	0.3	57.2	81.5
Air Force	129.1	4.8	33.8	167.7	21.6	85.5	274.8
Army Reserve	3.7	0.1	3.2	7.0	0.1	2.8	9.9
Navy Reserve	3.3	0.1	4.1	7.5	0.1	0.5	8.1
Marine Corps Reserve	0.3	0.1	0.7	1.1	0.0	0.0	1.1
Air Force Reserve	3.2	0.1	-1.3	2.0	0.0	0.2	2.2
Army National Guard	9.8	1.2	-3.2	7.8	2.3	8.2	18.3
Air National Guard	20.9	0.7	-5.7	15.9	1.7	-2.4	15.2
DoD Dependents Education	15.3	0.4	0.1	15.8	0.4	-0.6	15.6
Defense Threat Reduction Agency	3.0	0.1	-0.3	2.8	1.2	0.7	4.7
Joint Staff	<u>192.8</u>	<u>19.1</u>	<u>-7.4</u>	<u>204.5</u>	<u>62.4</u>	<u>-8.2</u>	<u>258.7</u>
Total	2,862.3	24.7	-1,841.9	1,045.1	100.2	468.6	1,613.9

*The FY 2006 Actual column includes Supplemental Funding. The FY 2007/2008 columns do not include Supplemental funding.

Note: Rounding may result in apparent differences of +/- \$0.1 million

The Transportation budget funds the movement of materiel between contractors' plants, military logistics centers, and field activities throughout the world. The Components purchase transportation from DoD activities in the Defense Working Capital Funds (DWCF) and from commercial sources. Transportation consists of two types: First Destination and Second Destination (explained subsequently). In addition to DoD military supplies and equipment, other major commodities shipped include overseas mail, subsistence items, and Base Exchange stock. Supplies and equipment may be shipped overland, by sea or by air.

In FY 2008, total DoD transportation costs are \$1,613.9 million, a net increase of \$568.8 million from the FY 2007 estimate of \$1,045.1 million. This net increase includes price growth of \$100.2 million and a net program increase of \$468.6 million (44.8 percent). The price growth primarily results from fuel cost increases and transportation rate changes. The FY 2008 program increases result primarily from the Army's change to modular forces and its associated force realignments to provide a lighter, more agile fighting force, including costs related to Global Defense Posture realignments. The growth appears greater as a result of a one-time reduction in FY 2007 to support Base Operations. The Marine Corps program increase relates to the increase in the size of ground forces in FY 2008. These increases are partially offset by the decreases related to Base Closure efficiencies.

TRANSPORTATION

First Destination Transportation

First Destination Transportation (FDT) finances the transportation costs for delivery of items purchased using Operation and Maintenance resources directly from the manufacturer. Transportation costs for delivery of procurement-funded weapon systems and equipment or supplies and equipment purchased through the Defense Working Capital Fund are not included here. The following table summarizes FDT funding:

	<u>First Destination Transportation</u>						
	(\$ in Millions)						
	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>	<u>Price</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
<u>Major Commodity</u>	<u>28.7</u>	<u>0.5</u>	<u>3.5</u>	<u>32.7</u>	<u>0.5</u>	<u>-0.3</u>	<u>32.9</u>
Military Supplies and Equipment	28.7	0.5	3.5	32.7	0.5	-0.3	32.9
<u>Mode of Shipment</u>	<u>28.7</u>	<u>0.5</u>	<u>3.5</u>	<u>32.7</u>	<u>0.5</u>	<u>-0.3</u>	<u>32.9</u>
<u>Military Commands</u>	<u>8.7</u>	<u>0.0</u>	<u>2.3</u>	<u>11.0</u>	<u>0.1</u>	<u>0.2</u>	<u>11.3</u>
Sealift	2.0	0.0	0.0	2.0	0.0	0.0	2.0
Airlift	6.7	0.0	2.3	9.0	0.1	0.2	9.3
<u>Commercial</u>	<u>20.0</u>	<u>0.5</u>	<u>1.2</u>	<u>21.7</u>	<u>0.4</u>	<u>-0.5</u>	<u>21.6</u>
Surface	19.6	0.5	0.7	20.8	0.4	-0.5	20.7
Airlift	0.4	0.0	0.5	0.9	0.0	0.0	0.9

TRANSPORTATION

Second Destination Transportation

Funding for Second Destination Transportation (SDT) finances the movement of government owned equipment and materiel among and between depots, logistics centers, and field activities including: retrograde cargo; Post Office mail; ammunition; support of classified and special programs; and spare parts and other cargo. Equipment and materiel is shipped by either military airlift and sealift worldwide, commercial surface transportation, or commercial air carriers operating daily flights over regular routes within the Continental United States and Alaska. Costs include accessory transportation services such as vessel per diem and retention charges. The following table summarizes SDT funding—"other" includes storage costs, container leasing, shipping equipment (e.g., cranes), and cargo tracking systems:

	<u>Second Destination Transportation</u>						
	(\$ in Millions)						
	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>	<u>Price</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
<u>Major Commodity</u>	<u>2,833.6</u>	<u>24.2</u>	<u>-1,845.4</u>	<u>1,012.4</u>	<u>99.7</u>	<u>468.9</u>	<u>1,581.0</u>
Military Supplies and Equipment	2,529.7	21.3	-1,877.7	673.3	92.1	387.4	1,152.8
Mail Overseas	111.1	1.7	23.5	136.3	2.7	120.5	259.5
Subsistence	31.3	0.0	-2.4	28.9	1.4	3.0	33.3
Base Exchange	161.5	1.2	11.2	173.9	3.5	-42.0	135.4
<u>Mode of Shipment</u>	<u>2,833.6</u>	<u>24.2</u>	<u>-1,845.4</u>	<u>1,012.4</u>	<u>99.8</u>	<u>468.8</u>	<u>1,581.0</u>
<u>Military Commands</u>	<u>2,070.0</u>	<u>21.5</u>	<u>-1,329.8</u>	<u>761.7</u>	<u>96.0</u>	<u>309.8</u>	<u>1,167.5</u>
Surface	55.7	1.4	-10.2	46.9	3.6	28.7	79.2
Sealift	436.3	20.2	-170.5	286.0	29.0	97.0	412.0
Airlift	1,501.0	-2.1	-1,117.1	381.8	61.4	168.1	611.3
Other	77.0	2.0	-32.0	47.0	2.0	16.0	65.0
<u>Commercial</u>	<u>763.6</u>	<u>2.7</u>	<u>-515.6</u>	<u>250.7</u>	<u>3.8</u>	<u>159.0</u>	<u>413.5</u>
Surface	183.4	0.7	-151.1	33.0	2.1	29.8	64.9
Airlift	397.8	3.1	-271.1	129.8	0.1	42.0	171.9
Other	182.4	-1.1	-93.4	87.9	1.6	87.2	176.7

CIVILIAN PERSONNEL

	FY 2006		FY 2007		FY 2008
<u>By Department/Defense-Wide</u>	<u>Actuals</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Army	237,043	-523	236,520	+6,450	242,970
Navy	188,932	+1,108	190,040	-2,522	187,518
Air Force	166,732	+979	167,711	-99	167,612
Defense-Wide	<u>106,813</u>	<u>+3,684</u>	<u>110,497</u>	<u>+859</u>	<u>111,356</u>
DoD Total	699,520	+5,248	704,768	+4,688	709,456
<u>By Type of Hire</u>					
U.S. Direct Hire	647,629	+5,678	653,307	+5,333	658,640
Foreign National Direct Hire	14,160	-193	13,967	-319	13,648
Total – Direct Hire	661,789	+5,485	667,274	+5,014	672,288
Foreign National Indirect Hire	<u>37,731</u>	<u>-237</u>	<u>37,494</u>	<u>-326</u>	<u>37,168</u>
DoD Total	699,520	+5,248	704,768	+4,688	709,456
<u>By Appropriation</u>					
Operation and Maint, Active & Defense-Wide	394,180	+8,969	403,149	+1,799	404,948
Operation and Maintenance, Reserve	25,064	+1,884	26,948	-2	26,946
Operation and Maintenance, National Guard	45,936	+3,924	49,860	+2,457	52,317
Research, Development, Test, and Evaluation	29,253	-1,454	27,799	-241	27,558
Military Construction	8,544	-623	7,921	-89	7,832
Family Housing	2,002	-102	1,900	-102	1,798
Defense Working Capital Funds	191,245	-7,643	183,602	+93	183,695
Other Revolving Funds	1,377	+98	1,475	-42	1,433
Foreign Military Sales	83	+67	150	-	150
TRICARE Management Activity, Office of the Inspector General, Other	<u>1,836</u>	<u>+128</u>	<u>1,964</u>	<u>+815</u>	<u>2,779</u>
DoD Total	699,520	+5,248	704,768	+4,688	709,456

CIVILIAN PERSONNEL

ARMY

<u>Direct Hires by Appropriation</u>	FY 2006		FY 2007		FY 2008
<u>Operation and Maintenance, Army</u>	<u>Actuals</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
U. S. Direct Hire	128,192	-5,697	122,495	+1,828	124,323
Foreign National Direct Hire	<u>7,082</u>	<u>+182</u>	<u>7,264</u>	<u>-129</u>	<u>7,135</u>
Total Direct Hire	135,274	-5,515	129,759	+1,699	131,458
 <u>Operation and Maintenance, Army Reserve</u>					
U. S. Direct Hire	9,905	+1,532	11,437	+311	11,748
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	9,905	+1,532	11,437	+311	11,748
 <u>Operation and Maintenance, Army National Guard</u>					
U. S. Direct Hire	22,629	+2,685	25,314	+2,510	27,824
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	22,629	+2,685	25,314	+2,510	27,824
 <u>Research, Development, Test & Evaluation, Army</u>					
U. S. Direct Hire	18,892	-1,827	17,065	+234	17,299
Foreign National Direct Hire	<u>101</u>	<u>+38</u>	<u>139</u>	<u>-1</u>	<u>138</u>
Total Direct Hire	18,993	-1,789	17,204	+233	17,437

CIVILIAN PERSONNEL

ARMY

<u>Direct Hires by Appropriation</u>	<u>FY 2006</u>	<u>Change</u>	<u>FY 2007</u>	<u>Change</u>	<u>FY 2008</u>
<u>Military Construction, Army</u>	<u>Actuals</u>		<u>Estimate</u>		<u>Estimate</u>
U. S. Direct Hire	6,115	-808	5,307	-87	5,220
Foreign National Direct Hire	<u>240</u>	<u>+40</u>	<u>280</u>	<u>-7</u>	<u>273</u>
Total Direct Hire	6,355	-768	5,587	-94	5,493
 <u>Family Housing, Army</u>					
U. S. Direct Hire	525	-27	498	+20	518
Foreign National Direct Hire	<u>87</u>	<u>-40</u>	<u>47</u>	<u>-2</u>	<u>45</u>
Total Direct Hire	612	-67	545	+18	563
 <u>Working Capital Fund, Army</u>					
U. S. Direct Hire	26,090	+3,498	29,588	+2,158	31,746
Foreign National Direct Hire	<u>75</u>	<u>-8</u>	<u>67</u>	<u>-3</u>	<u>64</u>
Total Direct Hire	26,165	+3,490	29,655	+2,155	31,810
 <u>Foreign Financing Program, Army</u>					
U. S. Direct Hire	14	-2	12	-	12
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	14	-2	12	-	12
 <u>Army Total</u>					
U. S. Direct Hire	212,362	-646	211,716	+6,974	218,690
Foreign National Direct Hire	<u>7,585</u>	<u>+212</u>	<u>7,797</u>	<u>-142</u>	<u>7,655</u>
Total Direct Hire	219,947	-434	219,513	+6,832	226,345

CIVILIAN PERSONNEL

ARMY

	<u>FY 2006</u>	<u>Change</u>	<u>FY 2007</u>	<u>Change</u>	<u>FY 2008</u>
<u>Indirect Hires by Appropriation</u>	<u>Actuals</u>		<u>Estimate</u>		<u>Estimate</u>
Operation and Maintenance, Army	16,530	-339	16,191	-339	15,852
Military Construction, Army	-	+230	230	-2	228
Family Housing, Army	362	+37	399	-42	357
Working Capital Fund, Army	<u>204</u>	<u>-17</u>	<u>187</u>	<u>+1</u>	<u>188</u>
Total Indirect Hire	17,096	-89	17,007	-382	16,625
<u>Army Total</u>					
Total Direct Hire	219,947	-434	219,513	+6,832	226,345
Total Indirect Hire	<u>17,096</u>	<u>-89</u>	<u>17,007</u>	<u>-382</u>	<u>16,625</u>
Total Army Civilians	237,043	-523	236,520	+6,450	242,970

NAVY

<u>Direct Hires by Appropriation</u>					
<u>Operation and Maintenance, Navy</u>					
U. S. Direct Hire	75,823	+12,180	88,003	-1,645	86,358
Foreign National Direct Hire	<u>2,642</u>	<u>-708</u>	<u>1,934</u>	<u>-318</u>	<u>1,616</u>
Total Direct Hire	78,465	+11,472	89,937	-1,963	87,974
<u>Operation and Maintenance, Marine Corps</u>					
U. S. Direct Hire	12,243	+165	12,408	+214	12,622
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	12,243	+165	12,408	+214	12,622

CIVILIAN PERSONNEL

<u>Direct Hires by Appropriation</u>	<u>FY 2006</u> <u>Actuals</u>	<u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
<u>Operation and Maintenance, Navy Reserve</u>					
U. S. Direct Hire	1,127	-116	1,011	+60	1,071
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	1,127	-116	1,011	+60	1,071
 <u>Operation and Maintenance, Marine Corps Reserve</u>					
U. S. Direct Hire	184	+21	205	+5	210
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	184	+21	205	+5	210
 <u>Research, Development, Test and Evaluation, Navy</u>					
U. S. Direct Hire	1,146	+29	1,175	-223	952
Foreign National Direct Hire	253	+31	284	+1	285
Total Direct Hire	1,399	+60	1,459	-222	1,237
 <u>Military Construction, Navy</u>					
U. S. Direct Hire	2,043	-67	1,976	+7	1,983
Foreign National Direct Hire	64	-8	56	-	56
Total Direct Hire	2,107	-75	2,032	+7	2,039
 <u>Working Capital Fund, Navy</u>					
U. S. Direct Hire	81,103	-10,666	70,437	-798	69,639
Foreign National Direct Hire	128	+149	277	+291	568
Total Direct Hire	81,231	-10,517	70,714	-507	70,207
 <u>Family Housing, Navy</u>					
U. S. Direct Hire	763	-70	693	-78	615
Foreign National Direct Hire	144	+1	145	-	145
Total Direct Hire	907	-69	838	-78	760

CIVILIAN PERSONNEL

	FY 2006		FY 2007		FY 2008
	<u>Actuals</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Direct Hires</u>					
<u>Military Assistance, Navy</u>					
U. S. Direct Hire	6	+6	12	-	12
Foreign National Direct Hire	<u>56</u>	<u>+56</u>	<u>112</u>	<u>-</u>	<u>112</u>
Total Direct Hire	62	+62	124	-	124
<u>Total Navy</u>					
U. S. Direct Hire	162,011	+1,296	163,307	-2,677	160,630
Foreign National Direct Hire	<u>3,287</u>	<u>-479</u>	<u>2,808</u>	<u>-26</u>	<u>2,782</u>
Total Direct Hire	165,298	+817	166,115	-2,703	163,412
<u>Total – Marine Corps</u>					
U. S. Direct Hire	12,427	+186	12,613	+219	12,832
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	12,427	+186	12,613	+219	12,832
<u>Total Department of Navy (DON)</u>					
U. S. Direct Hire	174,438	+1,482	175,920	-2,458	173,462
Foreign National Direct Hire	<u>3,287</u>	<u>-479</u>	<u>2,808</u>	<u>-26</u>	<u>2,782</u>
Total Direct Hire	177,725	+1,003	178,728	-2,484	176,244

CIVILIAN PERSONNEL

	<u>FY 2006</u>		<u>FY 2007</u>		<u>FY 2008</u>
	<u>Actuals</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Foreign National Indirect Hire</u>					
Operation and Maintenance, Navy	5,895	+1	5,896	-383	5,513
Operation and Maintenance, Marine Corps	3,292	+62	3,354	-	3,354
Research, Development, Test, and Eval, Navy	3	-	3	-	3
Military Construction, Navy	82	-10	72	-	72
Working Capital Fund, Navy	1,807	+48	1,855	+345	2,200
Family Housing, Navy	121	-3	118	-	118
Military Assistance, Navy	<u>7</u>	<u>+7</u>	<u>14</u>	<u>-</u>	<u>14</u>
Total Indirect Hire	11,207	+105	11,312	-38	11,274
<u>Total Department of the Navy</u>					
Navy	173,213	+860	174,073	-2,741	171,332
Marine Corps	15,719	+248	15,967	+219	16,186
Total Civilians	188,932	+1,108	190,040	-2,522	187,518

AIR FORCE

<u>Direct Hires by Appropriation</u>					
<u>Operation and Maintenance, Air Force</u>					
U. S. Direct Hire	83,822	+1,280	85,102	+1,702	86,804
Foreign National Direct Hire	<u>1,911</u>	<u>+136</u>	<u>2,047</u>	<u>-149</u>	<u>1,898</u>
Total Direct Hire	85,733	+1,416	87,149	+1,553	88,702

CIVILIAN PERSONNEL

<u>Direct Hires by Appropriation</u>	<u>FY 2006</u> <u>Actuals</u>	<u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
<u>Operation and Maintenance, Air Force Reserve</u>					
U. S. Direct	13,848	+447	14,295	-378	13,917
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	<u>13,848</u>	<u>+447</u>	<u>14,295</u>	<u>-378</u>	<u>13,917</u>
<u>Operation and Maintenance, Air National Guard</u>					
U. S. Direct	23,307	+1,239	24,546	-53	24,493
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	<u>23,307</u>	<u>+1,239</u>	<u>24,546</u>	<u>-53</u>	<u>24,493</u>
<u>Research, Development, Test, and Evaluation, Air Force</u>					
U. S. Direct Hire	7,518	-208	7,310	-289	7,021
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	<u>7,518</u>	<u>-208</u>	<u>7,310</u>	<u>-289</u>	<u>7,021</u>
<u>Working Capital Fund, Air Force</u>					
U. S. Direct Hire	29,293	-1,562	27,731	-1,041	26,690
Foreign National Direct Hire	<u>200</u>	<u>-78</u>	<u>122</u>	<u>-</u>	<u>122</u>
Total Direct Hire	29,493	-1,640	27,853	-1,041	26,812
<u>Air Force Total</u>					
U. S. Direct Hire	157,788	+1,196	158,984	-59	158,925
Foreign National Direct Hire	<u>2,111</u>	<u>+58</u>	<u>2,169</u>	<u>-149</u>	<u>2,020</u>
Total Direct Hire	159,899	+1,254	161,153	-208	160,945

CIVILIAN PERSONNEL

	FY 2006		FY 2007		FY 2008
	<u>Actuals</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Indirect Hires by Appropriation</u>					
Operation and Maintenance, Air Force	6,411	-84	6,327	+109	6,436
Working Capital Fund, Air Force	<u>422</u>	<u>-191</u>	<u>231</u>	<u>-</u>	<u>231</u>
Total Indirect Hire	6,833	-275	6,558	+109	6,667
 <u>Air Force Total</u>					
Total Direct Hire	159,899	+1,254	161,153	-208	160,945
Total Indirect Hire	<u>6,833</u>	<u>-275</u>	<u>6,558</u>	<u>+109</u>	<u>6,667</u>
Total Air Force Civilians	166,732	+979	167,711	-99	167,612

DEFENSE-WIDE ACTIVITIES

<u>Direct Hires by Appropriation</u>					
<u>Operation and Maintenance, Defense-Wide</u>					
U. S. Direct Hire	49,600	+1,797	51,397	+917	52,314
Foreign National Direct Hire	<u>447</u>	<u>-3</u>	<u>444</u>	<u>-2</u>	<u>442</u>
Total Direct Hire	50,047	+1,794	51,841	+915	52,756
 <u>Research, Development, Test, & Evaluation, Defense-Wide</u>					
U. S. Direct Hire	1,340	+483	1,823	+37	1,860
Foreign National Direct Hire	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Hire	1,340	+483	1,823	+37	1,860
 <u>Working Capital Fund</u>					
U. S. Direct Hire	48,894	+1,140	50,034	-851	49,183
Foreign National Direct Hire	<u>730</u>	<u>+19</u>	<u>749</u>	<u>-</u>	<u>749</u>
Total Direct Hire	49,624	+1,159	50,783	-851	49,932

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

<u>Direct Hires by Appropriation</u>	<u>FY 2006</u> <u>Actuals</u>	<u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
<u>Pentagon Reservation Fund</u>					
U. S. Direct Hire	1,184	+100	1,284	+19	1,303
<u>National Defense Stockpile</u>					
U. S. Direct Hire	138	-5	133	-61	72
<u>Building Maintenance Fund</u>					
U. S. Direct Hire	55	+3	58	-	58
<u>Defense Health Program</u>					
U. S. Direct Hire	403	+90	493	+833	1,326
<u>U. S. Court of Appeals for the Armed Forces</u>					
U. S. Direct Hire	57	+2	59	-	59
<u>Office of the Inspector General</u>					
U. S. Direct Hire	1,370	+36	1,406	-18	1,388
<u>Total Defense-Wide Activities</u>					
U. S. Direct Hire	103,041	+3,646	106,687	+876	107,563
Foreign National Direct Hire	<u>1,177</u>	<u>+16</u>	<u>1,193</u>	<u>-2</u>	<u>1,191</u>
Total Direct Hire	104,218	+3,662	107,880	+874	108,754

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

	FY 2006	FY 2007	FY 2008
<u>Indirect Hires by Appropriation</u>	<u>Actuals</u>	<u>Change</u>	<u>Estimate</u>
Operation and Maintenance, Defense-Wide	290	-3	287
Office of the Inspector General	1	-	1
Defense Health Program	5	-	5
Working Capital Fund, Defense-Wide	<u>2,299</u>	<u>+25</u>	<u>2,324</u>
Total Indirect Hire	2,595	+22	2,617
Total Direct Hire	104,218	+3,662	107,880
Total Indirect Hire	<u>2,595</u>	<u>+22</u>	<u>2,617</u>
Total Defense-Wide Civilians	106,813	+3,684	110,497

CIVILIAN PERSONNEL (OP-8)

Department of Defense Summary Total CIVILIAN PERSONNEL COSTS FY 2008/2009 President's Budget (FY 2006)													Date: January 2007				
	(\$ in Thousands)											Rates					
	<u>a</u> Begin Strength	<u>b</u> End Strength	<u>c</u> FTEs	<u>d</u> Basic Comp	<u>e</u> Overtime Pay	<u>f</u> Holiday Pay	<u>g</u> Other O.C.11	<u>e + f + g</u> <u>h</u> Total Variables	<u>d + h</u> <u>i</u> Comp O.C.11	<u>i</u> Benefits O.C.12/13	<u>i + j</u> <u>k</u> Comp & Benefits	<u>d/c</u> <u>l</u> Basic Comp	<u>i/c</u> <u>m</u> Total Comp	<u>k/c</u> <u>n</u> Comp & Benefits	<u>h/d</u> <u>o</u> % BC Variables	<u>j/d</u> <u>p</u> % BC Benefits	
Direct Funded Personnel (includes OC 13)	417,877	415,668	406,515	23,839,120	442,424	31,685	936,081	1,410,190	25,249,310	7,225,118	32,474,428	\$58,643	\$62,112	\$79,885	5.9%	30.3%	
D1. US Direct Hire (USDH)	381,265	382,012	372,904	22,817,604	430,100	30,569	882,572	1,343,241	24,160,845	7,046,642	31,207,487	\$61,189	\$64,791	\$83,688	5.9%	30.9%	
D1a. Senior Executive Schedule	1,269	1,312	1,314	184,865	51	3	16,086	16,140	201,005	40,019	241,024	\$140,689	\$152,972	\$183,428	8.7%	21.6%	
D1b. General Schedule	295,127	299,307	292,107	18,634,162	322,246	23,044	713,192	1,058,482	19,692,644	5,652,793	25,345,437	\$63,792	\$67,416	\$86,768	5.7%	30.3%	
D1c. Special Schedule	3,889	3,641	3,196	214,550	333	9	5,580	5,922	220,472	62,067	282,539	\$67,131	\$68,984	\$88,404	2.8%	28.9%	
D1d. Wage System	73,295	66,138	67,497	3,226,384	106,498	7,004	132,702	246,204	3,472,588	975,048	4,447,636	\$47,800	\$51,448	\$65,894	7.6%	30.2%	
D1e. Highly Qualified Experts	3	11	9	769	5	0	20	25	794	210	1,004	\$85,444	\$88,222	\$111,556	3.3%	27.3%	
D1f. Other	7,682	11,603	8,781	556,874	967	509	14,992	16,468	573,342	316,505	889,847	\$63,418	\$65,293	\$101,338	3.0%	56.8%	
D2. Direct Hire Program Foreign Nationals (DHFN)	10,832	9,221	9,768	208,862	6,193	1,116	53,469	60,778	269,640	56,702	326,342	\$21,382	\$27,604	\$33,409	29.1%	27.1%	
D3. Total Direct Hire	392,097	391,233	382,672	23,026,466	436,293	31,685	936,041	1,404,019	24,430,485	7,103,344	31,533,829	\$60,173	\$63,842	\$82,404	6.1%	30.8%	
D4. Indirect Hire Foreign Nationals (IHFN)	25,780	24,435	23,843	812,654	6,131	0	40	6,171	818,825	5,007	823,832	\$34,084	\$34,342	\$34,552	0.8%	0.6%	
<i>Subtotal - Direct Funded (excludes OC 13)</i>	<i>417,877</i>	<i>415,668</i>	<i>406,515</i>	<i>23,839,120</i>	<i>442,424</i>	<i>31,685</i>	<i>936,081</i>	<i>1,410,190</i>	<i>25,249,310</i>	<i>7,108,351</i>	<i>32,357,661</i>	<i>\$58,643</i>	<i>\$62,112</i>	<i>\$79,598</i>	<i>5.9%</i>	<i>29.8%</i>	
D5. Other Object Class 13 Benefits										116,767	116,767						
D5a. USDH - Benefits for Former Employees										40,195	40,195						
D5b. DHFN - Benefits for Former Employees										6,280	6,280						
D5c. Voluntary Separation Incentive Pay (VSIP)										57,979	57,979						
D5d. Foreign National Separation Liability Accrual										12,313	12,313						

CIVILIAN PERSONNEL (OP-8)

Date: January 2007

Department of Defense Summary
Total CIVILIAN PERSONNEL COSTS
FY 2008/2009 President's Budget
(FY 2006)

	(\$ in Thousands)											Rates				
	<u>a</u>	<u>b</u>	<u>c</u>	<u>d</u>	<u>e</u>	<u>f</u>	<u>g</u>	<u>e + f + g</u>	<u>d + h</u>	<u>i + j</u>		<u>d/c</u>	<u>i/c</u>	<u>k/c</u>	<u>h/d</u>	<u>j/d</u>
	<u>Begin</u>	<u>End</u>		<u>Basic</u>	<u>Overtime</u>	<u>Holiday</u>	<u>Other</u>	<u>h</u>	<u>i</u>	<u>j</u>	<u>k</u>	<u>l</u>	<u>m</u>	<u>n</u>	<u>o</u>	<u>p</u>
	<u>Strength</u>	<u>Strength</u>	<u>FTEs</u>	<u>Comp</u>	<u>Pav</u>	<u>Pav</u>	<u>O.C.11</u>	<u>Variables</u>	<u>O.C.11</u>	<u>O.C.12/13</u>	<u>& Benefits</u>	<u>Comp</u>	<u>Comp</u>	<u>& Benefits</u>	<u>Variables</u>	<u>Benefits</u>
Reimbursable Funded Personnel (includes OC 13)	288,322	292,863	293,005	17,004,549	1,114,240	51,856	509,854	1,675,950	18,680,499	4,598,784	23,279,283	\$58,035	\$63,755	\$79,450	9.9%	27.0%
R1. US Direct Hire (USDH)	270,770	274,273	274,725	16,590,576	1,109,906	51,466	484,082	1,645,454	18,236,030	4,509,674	22,745,704	\$60,390	\$66,379	\$82,794	9.9%	27.2%
R1a. Senior Executive Schedule	170	171	165	23,887	94	4	2,940	3,038	26,925	4,112	31,037	\$144,770	\$163,182	\$188,103	12.7%	17.2%
R1b. General Schedule	197,924	202,336	202,157	13,403,784	468,533	28,134	368,701	865,368	14,269,152	3,528,212	17,797,364	\$66,304	\$70,585	\$88,037	6.5%	26.3%
R1c. Special Schedule	4,484	4,730	6,642	203,138	122,055	0	30,002	152,057	355,195	70,382	425,577	\$30,584	\$53,477	\$64,074	74.9%	34.6%
R1d. Wage System	68,092	66,540	65,520	2,935,861	519,174	23,327	82,239	624,740	3,560,601	901,758	4,462,359	\$44,809	\$54,344	\$68,107	21.3%	30.7%
R1e. Highly Qualified Experts	2	2	1	55	0	0	0	-	55	6	61	\$55,000	\$55,000	\$61,000	0.0%	10.9%
R1f. Other	98	494	240	23,851	50	1	200	251	24,102	5,204	29,306	\$99,379	\$100,425	\$122,108	1.1%	21.8%
R2. Direct Hire Program Foreign Nationals (DHFN)	3,722	4,310	4,392	93,536	2,370	335	25,625	28,330	121,866	20,164	142,030	\$21,297	\$27,747	\$32,338	30.3%	21.6%
R3. Total Direct Hire	274,492	278,583	279,117	16,684,112	1,112,276	51,801	509,707	1,673,784	18,357,896	4,529,838	22,887,734	\$59,775	\$65,771	\$82,001	10.0%	27.2%
R4. Indirect Hire Foreign Nationals (IHFN)	13,830	14,280	13,888	320,437	1,964	55	147	2,166	322,603	1,984	324,587	\$23,073	\$23,229	\$23,372	0.7%	0.6%
<i>Subtotal - Reimbursable Funded (excludes OC 13)</i>	<i>288,322</i>	<i>292,863</i>	<i>293,005</i>	<i>17,004,549</i>	<i>1,114,240</i>	<i>51,856</i>	<i>509,854</i>	<i>1,675,950</i>	<i>18,680,499</i>	<i>4,531,822</i>	<i>23,212,321</i>	<i>\$58,035</i>	<i>\$63,755</i>	<i>\$79,222</i>	<i>9.9%</i>	<i>26.7%</i>
R5. Other Object Class 13 Benefits										66,962	66,962					
R5a. USDH - Benefits for Former Employees										9,197	9,197					
R5b. DHFN - Benefits for Former Employees										878	878					
R5c. Voluntary Separation Incentive Pay (VSIP)										54,320	54,320					
R5d. Foreign National Separation Liability Accrual										2,567	2,567					
Total Personnel (includes OC 13)	706,199	708,531	699,520	40,843,669	1,556,664	83,541	1,445,935	3,086,140	43,929,809	11,823,902	55,753,711	\$58,388	\$62,800	\$79,703	7.6%	28.9%

CIVILIAN PERSONNEL (OP-8)

Date: January 2007

Department of Defense Summary
Total CIVILIAN PERSONNEL COSTS
FY 2008/2009 President's Budget
(FY 2006)

	(\$ in Thousands)											Rates				
	<u>a</u>	<u>b</u>	<u>c</u>	<u>d</u>	<u>e</u>	<u>f</u>	<u>g</u>	e + f + g	d + h	<u>i</u>	i + j	d/c	i/c	k/c	h/d	j/d
	Begin	End	FTEs	Basic	Overtime	Holiday	Other	Total	Comp	Benefits	Comp	Basic	Total	Comp	% BC	% BC
	<u>Strength</u>	<u>Strength</u>	<u>FTEs</u>	<u>Comp</u>	<u>Pay</u>	<u>Pay</u>	<u>O.C.11</u>	<u>Variables</u>	<u>O.C.11</u>	<u>O.C.12/13</u>	<u>& Benefits</u>	<u>Comp</u>	<u>Comp</u>	<u>& Benefits</u>	<u>Variables</u>	<u>Benefits</u>
T1. US Direct Hire (USDH)	652,035	656,285	647,629	39,408,180	1,540,006	82,035	1,366,654	2,988,695	42,396,875	11,556,316	53,953,191	\$60,850	\$65,465	\$83,309	7.6%	29.3%
T1a. Senior Executive Schedule	1,439	1,483	1,479	208,752	145	7	19,026	19,178	227,930	44,131	272,061	\$141,144	\$154,111	\$183,949	9.2%	21.1%
T1b. General Schedule	493,051	501,643	494,264	32,037,946	790,779	51,178	1,081,893	1,923,850	33,961,796	9,181,005	43,142,801	\$64,820	\$68,712	\$87,287	6.0%	28.7%
T1c. Special Schedule	8,373	8,371	9,838	417,688	122,388	9	35,582	157,979	575,667	132,449	708,116	\$42,457	\$58,515	\$71,978	37.8%	31.7%
T1d. Wage System	141,387	132,678	133,017	6,162,245	625,672	30,331	214,941	870,944	7,033,189	1,876,806	8,909,995	\$46,327	\$52,874	\$66,984	14.1%	30.5%
T1e. Highly Qualified Experts	5	13	10	824	5	0	20	25	849	216	1,065	\$82,400	\$84,900	\$106,500	3.0%	26.2%
T1f. Other	7,780	12,097	9,021	580,725	1,017	510	15,192	16,719	597,444	321,709	919,153	\$64,375	\$66,228	\$101,890	2.9%	55.4%
T2. Direct Hire Program Foreign Nationals (DHFN)	14,554	13,531	14,160	302,398	8,563	1,451	79,094	89,108	391,506	76,866	468,372	\$21,356	\$27,649	\$33,077	29.5%	25.4%
T3. Total Direct Hire	666,589	669,816	661,789	39,710,578	1,548,569	83,486	1,445,748	3,077,803	42,788,381	11,633,182	54,421,563	\$60,005	\$64,656	\$82,234	7.8%	29.3%
T4. Indirect Hire Foreign Nationals (IHFN)	39,610	38,715	37,731	1,133,091	8,095	55	187	8,337	1,141,428	6,991	1,148,419	\$30,031	\$30,252	\$30,437	0.7%	0.6%
<i>Subtotal - Total Funded (excludes OC 13)</i>	<i>706,199</i>	<i>708,531</i>	<i>699,520</i>	<i>40,843,669</i>	<i>1,556,664</i>	<i>83,541</i>	<i>1,445,935</i>	<i>3,086,140</i>	<i>43,929,809</i>	<i>11,640,173</i>	<i>55,569,982</i>	<i>\$58,388</i>	<i>\$62,800</i>	<i>\$79,440</i>	<i>7.6%</i>	<i>28.5%</i>
T5. Other Object Class 13 Benefits										183,729	183,729					
T5a. USDH - Benefits for Former Employees										49,392	49,392					
T5b. DHFN - Benefits for Former Employees										7,158	7,158					
T5c. Voluntary Separation Incentive Pay (VSIP)										112,299	112,299					
T5d. Foreign National Separation Liability Accrual										14,880	14,880					

CIVILIAN PERSONNEL (OP-8)

Department of Defense Summary
Total CIVILIAN PERSONNEL COSTS
FY 2008/2009 President's Budget
(FY 2007)

	(\$ in Thousands)											Rates				
	a	b	c	d	e	f	g	e + f + g	d + h	i	i + j	d/c	i/c	k/c	h/d	j/d
	<u>Begin</u> <u>Strength</u>	<u>End</u> <u>Strength</u>	<u>FTEs</u>	<u>Basic</u> <u>Comp</u>	<u>Overtime</u> <u>Pay</u>	<u>Holiday</u> <u>Pay</u>	<u>Other</u> <u>O.C.11</u>	<u>Total</u> <u>Variables</u>	<u>Comp</u> <u>O.C.11</u>	<u>Benefits</u> <u>O.C.12/13</u>	<u>Comp</u> <u>& Benefits</u>	<u>Basic</u> <u>Comp</u>	<u>Total</u> <u>Comp</u>	<u>k/c</u> <u>& Benefits</u>	<u>% BC</u> <u>Variables</u>	<u>% BC</u> <u>Benefits</u>
Direct Funded Personnel (includes OC 13)	415,827	427,260	413,607	24,589,309	284,192	34,002	993,530	1,311,724	25,901,033	7,558,125	33,459,158	\$59,451	\$62,622	\$80,896	5.3%	30.7%
D1. US Direct Hire (USDH)	382,170	396,317	383,153	23,695,900	282,886	32,771	944,726	1,260,383	24,956,283	7,400,578	32,356,861	\$61,844	\$65,134	\$84,449	5.3%	31.2%
D1a. Senior Executive Schedule	1,311	1,330	1,320	195,832	41	12	16,574	16,627	212,459	42,787	255,246	\$148,358	\$160,954	\$193,368	8.5%	21.8%
D1b. General Schedule	299,475	301,216	292,926	18,980,899	203,295	25,013	747,872	976,180	19,957,079	5,768,756	25,725,835	\$64,798	\$68,130	\$87,824	5.1%	30.4%
D1c. Special Schedule	3,644	3,772	3,286	238,093	272	10	5,653	5,935	244,028	68,904	312,932	\$72,457	\$74,263	\$95,232	2.5%	28.9%
D1d. Wage System	66,138	78,988	74,891	3,520,522	77,371	7,144	151,491	236,006	3,756,528	1,152,972	4,909,500	\$47,009	\$50,160	\$65,555	6.7%	32.8%
D1e. Highly Qualified Experts	19	25	20	2,791	102	34	0	136	2,927	632	3,559	\$139,550	\$146,350	\$177,950	4.9%	22.6%
D1f. Other	11,583	10,986	10,710	757,763	1,805	558	23,136	25,499	783,262	366,527	1,149,789	\$70,753	\$73,134	\$107,357	3.4%	48.4%
D2. Direct Hire Program Foreign Nationals (DHFN)	9,221	9,465	9,285	169,206	1,306	1,231	48,766	51,303	220,509	47,020	267,529	\$18,224	\$23,749	\$28,813	30.3%	27.8%
D3. Total Direct Hire	391,391	405,782	392,438	23,865,106	284,192	34,002	993,492	1,311,686	25,176,792	7,447,598	32,624,390	\$60,812	\$64,155	\$83,133	5.5%	31.2%
D4. Indirect Hire Foreign Nationals (IHFN)	24,436	21,478	21,169	724,203	0	0	38	38	724,241	506	724,747	\$34,211	\$34,212	\$34,236	0.0%	0.1%
<i>Subtotal - Direct Funded (excludes OC 13)</i>	<i>415,827</i>	<i>427,260</i>	<i>413,607</i>	<i>24,589,309</i>	<i>284,192</i>	<i>34,002</i>	<i>993,530</i>	<i>1,311,724</i>	<i>25,901,033</i>	<i>7,448,104</i>	<i>33,349,137</i>	<i>\$59,451</i>	<i>\$62,622</i>	<i>\$80,630</i>	<i>5.3%</i>	<i>30.3%</i>
D5. Other Object Class 13 Benefits										110,021	110,021					
D5a. USDH - Benefits for Former Employees										44,321	44,321					
D5b. DHFN - Benefits for Former Employees										682	682					
D5c. Voluntary Separation Incentive Pay (VSIP)										45,585	45,585					
D5d. Foreign National Separation Liability Accrual										19,433	19,433					

CIVILIAN PERSONNEL (OP-8)

Department of Defense Summary
Total CIVILIAN PERSONNEL COSTS
FY 2008/2009 President's Budget
(FY 2007)

	(\$ in Thousands)											Rates				
	<u>a</u>	<u>b</u>	<u>c</u>	<u>d</u>	<u>e</u>	<u>f</u>	<u>g</u>	e + f + g	d + h	<u>i</u>	i + j	d/c	i/c	k/c	h/d	j/d
	<u>Begin</u>	<u>End</u>	<u>FTEs</u>	<u>Basic</u>	<u>Overtime</u>	<u>Holiday</u>	<u>Other</u>	<u>h</u>	<u>i</u>	<u>j</u>	<u>k</u>	<u>l</u>	<u>m</u>	<u>n</u>	<u>o</u>	<u>p</u>
	<u>Strength</u>	<u>Strength</u>	<u>Strength</u>	<u>Comp</u>	<u>Pay</u>	<u>Pay</u>	<u>O.C.11</u>	<u>Variables</u>	<u>O.C.11</u>	<u>O.C.12/13</u>	<u>& Benefits</u>	<u>Comp</u>	<u>Comp</u>	<u>& Benefits</u>	<u>Variables</u>	<u>Benefits</u>
Reimbursable Funded Personnel (includes OC 13)	294,301	290,787	291,161	17,311,340	892,883	26,381	479,888	1,399,152	18,710,492	4,444,081	23,154,573	\$59,456	\$64,262	\$79,525	8.1%	25.7%
R1. US Direct Hire (USDH)	275,615	269,531	270,154	16,825,680	891,273	25,699	470,159	1,387,131	18,212,811	4,341,414	22,554,225	\$62,282	\$67,416	\$83,487	8.2%	25.8%
R1a. Senior Executive Schedule	169	172	170	25,351	5	2	2,972	2,979	28,330	4,621	32,951	\$149,124	\$166,647	\$193,829	11.8%	18.2%
R1b. General Schedule	203,394	197,733	196,588	13,472,784	291,417	18,976	345,559	655,952	14,128,736	3,472,805	17,601,541	\$68,533	\$71,870	\$89,535	4.9%	25.8%
R1c. Special Schedule	4,730	5,190	7,365	226,466	137,013	0	36,234	173,247	399,713	81,528	481,241	\$30,749	\$54,272	\$65,342	76.5%	36.0%
R1d. Wage System	66,832	66,042	65,643	3,071,771	462,784	6,721	84,713	554,218	3,625,989	775,977	4,401,966	\$46,795	\$55,238	\$67,059	18.0%	25.3%
R1e. Highly Qualified Experts	3	3	1	56	0	0	0	-	56	6	62	\$56,000	\$56,000	\$62,000	0.0%	10.7%
R1f. Other	487	391	387	29,252	54	0	681	735	29,987	6,477	36,464	\$75,587	\$77,486	\$94,222	2.5%	22.1%
R2. Direct Hire Program Foreign Nationals (DHFN)	4,372	4,641	4,682	124,409	1,511	612	9,567	11,690	136,099	40,661	176,760	\$26,572	\$29,069	\$37,753	9.4%	32.7%
R3. Total Direct Hire	279,987	274,172	274,836	16,950,089	892,784	26,311	479,726	1,398,821	18,348,910	4,382,075	22,730,985	\$61,673	\$66,763	\$82,707	8.3%	25.9%
R4. Indirect Hire Foreign Nationals (IHFN)	14,314	16,615	16,325	361,251	99	70	162	331	361,582	1,367	362,949	\$22,129	\$22,149	\$22,233	0.1%	0.4%
<i>Subtotal - Reimbursable Funded (excludes OC 13)</i>	<i>294,301</i>	<i>290,787</i>	<i>291,161</i>	<i>17,311,340</i>	<i>892,883</i>	<i>26,381</i>	<i>479,888</i>	<i>1,399,152</i>	<i>18,710,492</i>	<i>4,383,442</i>	<i>23,093,934</i>	<i>\$59,456</i>	<i>\$64,262</i>	<i>\$79,317</i>	<i>8.1%</i>	<i>25.3%</i>
R5. Other Object Class 13 Benefits										60,639	60,639					
R5a. USDH - Benefits for Former Employees										7,626	7,626					
R5b. DHFN - Benefits for Former Employees										194	194					
R5c. Voluntary Separation Incentive Pay (VSIP)										39,668	39,668					
R5d. Foreign National Separation Liability Accrual										13,151	13,151					

CIVILIAN PERSONNEL (OP-8)

Department of Defense Summary
Total CIVILIAN PERSONNEL COSTS
FY 2008/2009 President's Budget
(FY 2007)

	(\$ in Thousands)											Rates				
	a	b	c	d	e	f	g	e + f + g	d + h	i	i + j	d/c	i/c	k/c	h/d	j/d
	<u>Begin Strength</u>	<u>End Strength</u>	<u>FTEs</u>	<u>Basic Comp</u>	<u>Overtime Pav</u>	<u>Holiday Pav</u>	<u>Other O.C.11</u>	<u>h Total Variables</u>	<u>i Comp O.C.11</u>	<u>j Benefits O.C.12/13</u>	<u>k Comp & Benefits</u>	<u>l Basic Comp</u>	<u>m Total Comp</u>	<u>n Comp & Benefits</u>	<u>o % BC Variables</u>	<u>p % BC Benefits</u>
Total Personnel (includes OC 13)	710,128	718,047	704,768	41,900,649	1,177,075	60,383	1,473,418	2,710,876	44,611,525	12,002,206	56,613,731	\$59,453	\$63,300	\$80,330	6.5%	28.6%
T1. US Direct Hire (USDH)	657,785	665,848	653,307	40,521,580	1,174,159	58,470	1,414,885	2,647,514	43,169,094	11,741,992	54,911,086	\$62,025	\$66,078	\$84,051	6.5%	29.0%
T1a. Senior Executive Schedule	1,480	1,502	1,490	221,183	46	14	19,546	19,606	240,789	47,408	288,197	\$148,445	\$161,603	\$193,421	8.9%	21.4%
T1b. General Schedule	502,869	498,949	489,514	32,453,683	494,712	43,989	1,093,431	1,632,132	34,085,815	9,241,561	43,327,376	\$66,298	\$69,632	\$88,511	5.0%	28.5%
T1c. Special Schedule	8,374	8,962	10,651	464,559	137,285	10	41,887	179,182	643,741	150,432	794,173	\$43,616	\$60,439	\$74,563	38.6%	32.4%
T1d. Wage System	132,970	145,030	140,534	6,592,293	540,155	13,865	236,204	790,224	7,382,517	1,928,949	9,311,466	\$46,909	\$52,532	\$66,258	12.0%	29.3%
T1e. Highly Qualified Experts	22	28	21	2,847	102	34	0	136	2,983	638	3,621	\$135,571	\$142,048	\$172,429	4.8%	22.4%
T1f. Other	12,070	11,377	11,097	787,015	1,859	558	23,817	26,234	813,249	373,004	1,186,253	\$70,921	\$73,285	\$106,899	3.3%	47.4%
T2. Direct Hire Program Foreign Nationals (DHFN)	13,593	14,106	13,967	293,615	2,817	1,843	58,333	62,993	356,608	87,681	444,289	\$21,022	\$25,532	\$31,810	21.5%	29.9%
T3. Total Direct Hire	671,378	679,954	667,274	40,815,195	1,176,976	60,313	1,473,218	2,710,507	43,525,702	11,829,673	55,355,375	\$61,167	\$65,229	\$82,957	6.6%	29.0%
T4. Indirect Hire Foreign Nationals (IHFN)	38,750	38,093	37,494	1,085,454	99	70	200	369	1,085,823	1,873	1,087,696	\$28,950	\$28,960	\$29,010	0.0%	0.2%
<i>Subtotal - Total Funded (excludes OC 13)</i>	<i>710,128</i>	<i>718,047</i>	<i>704,768</i>	<i>41,900,649</i>	<i>1,177,075</i>	<i>60,383</i>	<i>1,473,418</i>	<i>2,710,876</i>	<i>44,611,525</i>	<i>11,831,546</i>	<i>56,443,071</i>	<i>\$59,453</i>	<i>\$63,300</i>	<i>\$80,087</i>	<i>6.5%</i>	<i>28.2%</i>
T5. Other Object Class 13 Benefits											170,660	170,660				
T5a. USDH - Benefits for Former Employees											51,947	51,947				
T5b. DHFN - Benefits for Former Employees											876	876				
T5c. Voluntary Separation Incentive Pay (VSIP)											85,253	85,253				
T5d. Foreign National Separation Liability Accrual											32,584	32,584				

CIVILIAN PERSONNEL (OP-8)

Department of Defense Summary
Total CIVILIAN PERSONNEL COSTS
FY 2008/2009 President's Budget
(FY 2008)

	(\$ in Thousands)											Rates				
	a	b	c	d	e	f	g	e + f + g	d + h	i	i + j	d/c	i/c	k/c	h/d	j/d
	<u>Begin Strength</u>	<u>End Strength</u>	<u>FTEs</u>	<u>Basic Comp</u>	<u>Overtime Pay</u>	<u>Holiday Pay</u>	<u>Other O.C.11</u>	<u>h Total Variables</u>	<u>i Comp O.C.11</u>	<u>j Benefits O.C.12/13</u>	<u>k Comp & Benefits</u>	<u>l Basic Comp</u>	<u>m Total Comp</u>	<u>n Comp & Benefits</u>	<u>o % BC Variables</u>	<u>p % BC Benefits</u>
Direct Funded Personnel (includes OC 13)	427,311	430,684	418,978	25,715,879	293,380	34,636	1,052,694	1,380,710	27,096,589	7,930,737	35,027,326	\$61,378	\$64,673	\$83,602	5.4%	30.8%
D1. US Direct Hire (USDH)	396,368	400,145	388,828	24,764,193	292,021	33,257	998,753	1,324,031	26,088,224	7,759,807	33,848,031	\$63,689	\$67,095	\$87,051	5.3%	31.3%
D1a. Senior Executive Schedule	1,331	1,350	1,347	206,216	56	29	15,777	15,862	222,078	45,778	267,856	\$153,093	\$164,869	\$198,854	7.7%	22.2%
D1b. General Schedule	301,244	305,892	297,592	19,870,538	201,422	25,429	791,946	1,018,797	20,889,335	6,059,894	26,949,229	\$66,771	\$70,195	\$90,558	5.1%	30.5%
D1c. Special Schedule	3,772	3,825	3,327	251,471	280	10	6,870	7,160	258,631	72,324	330,955	\$75,585	\$77,737	\$99,476	2.8%	28.8%
D1d. Wage System	78,988	78,244	76,010	3,651,789	88,355	7,225	156,944	252,524	3,904,313	1,215,111	5,119,424	\$48,044	\$51,366	\$67,352	6.9%	33.3%
D1e. Highly Qualified Experts	24	32	28	4,038	165	29	0	194	4,232	977	5,209	\$144,214	\$151,143	\$186,036	4.8%	24.2%
D1f. Other	11,009	10,802	10,524	780,141	1,743	535	27,216	29,494	809,635	365,723	1,175,358	\$74,130	\$76,932	\$111,684	3.8%	46.9%
D2. Direct Hire Program Foreign Nationals (DHFN)	9,465	9,381	9,232	178,784	1,359	1,379	53,903	56,641	235,425	50,640	286,065	\$19,366	\$25,501	\$30,986	31.7%	28.3%
D3. Total Direct Hire	405,833	409,526	398,060	24,942,977	293,380	34,636	1,052,656	1,380,672	26,323,649	7,810,447	34,134,096	\$62,661	\$66,130	\$85,751	5.5%	31.3%
D4. Indirect Hire Foreign Nationals (IHFN)	21,478	21,158	20,918	772,902	0	0	38	38	772,940	587	773,527	\$36,949	\$36,951	\$36,979	0.0%	0.1%
<i>Subtotal - Direct Funded (excludes OC 13)</i>	<i>427,311</i>	<i>430,684</i>	<i>418,978</i>	<i>25,715,879</i>	<i>293,380</i>	<i>34,636</i>	<i>1,052,694</i>	<i>1,380,710</i>	<i>27,096,589</i>	<i>7,811,034</i>	<i>34,907,623</i>	<i>\$61,378</i>	<i>\$64,673</i>	<i>\$83,316</i>	<i>5.4%</i>	<i>30.4%</i>
D5. Other Object Class 13 Benefits										119,703	119,703					
D5a. USDH - Benefits for Former Employees										54,735	54,735					
D5b. DHFN - Benefits for Former Employees										735	735					
D5c. Voluntary Separation Incentive Pay (VSIP)										44,342	44,342					
D5d. Foreign National Separation Liability Accrual										19,891	19,891					

CIVILIAN PERSONNEL (OP-8)

Department of Defense Summary
Total CIVILIAN PERSONNEL COSTS
FY 2008/2009 President's Budget
(FY 2008)

	(\$ in Thousands)											Rates				
	<u>a</u>	<u>b</u>	<u>c</u>	<u>d</u>	<u>e</u>	<u>f</u>	<u>g</u>	e + f + g	<u>d + h</u>	<u>i + j</u>		<u>d/c</u>	<u>i/c</u>	<u>k/c</u>	<u>h/d</u>	<u>j/d</u>
	<u>Begin</u>	<u>End</u>		<u>Basic</u>	<u>Overtime</u>	<u>Holiday</u>	<u>Other</u>	<u>h</u>	<u>i</u>	<u>i</u>	<u>k</u>	<u>l</u>	<u>m</u>	<u>n</u>	<u>o</u>	<u>p</u>
	<u>Strength</u>	<u>Strength</u>	<u>FTEs</u>	<u>Comp</u>	<u>Pay</u>	<u>Pay</u>	<u>O.C.11</u>	<u>Variables</u>	<u>O.C.11</u>	<u>O.C.12/13</u>	<u>& Benefits</u>	<u>Comp</u>	<u>Comp</u>	<u>& Benefits</u>	<u>Variables</u>	<u>Benefits</u>
Reimbursable Funded Personnel (includes OC 13)	290,600	288,870	290,478	17,750,265	918,410	27,167	502,335	1,447,912	19,198,177	4,626,909	23,825,086	\$61,107	\$66,092	\$82,020	8.2%	26.1%
R1. US Direct Hire (USDH)	269,344	267,937	269,812	17,288,337	916,929	26,553	475,075	1,418,557	18,706,894	4,537,758	23,244,652	\$64,075	\$69,333	\$86,151	8.2%	26.2%
R1a. Senior Executive Schedule	171	166	164	24,876	6	3	2,531	2,540	27,416	4,556	31,972	\$151,683	\$167,171	\$194,951	10.2%	18.3%
R1b. General Schedule	197,548	195,882	195,457	13,783,213	292,865	19,544	344,518	656,927	14,440,140	3,629,407	18,069,547	\$70,518	\$73,879	\$92,448	4.8%	26.3%
R1c. Special Schedule	5,190	5,543	7,497	242,352	146,623	0	38,776	185,399	427,751	87,247	514,998	\$32,327	\$57,056	\$68,694	76.5%	36.0%
R1d. Wage System	66,042	65,945	66,298	3,201,521	477,381	7,006	88,191	572,578	3,774,099	808,200	4,582,299	\$48,290	\$56,926	\$69,117	17.9%	25.2%
R1e. Highly Qualified Experts	2	2	1	57	0	0	0	-	57	6	63	\$57,000	\$57,000	\$63,000	0.0%	10.5%
R1f. Other	391	399	395	36,318	54	0	1,059	1,113	37,431	8,342	45,773	\$91,944	\$94,762	\$115,881	3.1%	23.0%
R2. Direct Hire Program Foreign Nationals (DHFN)	4,641	4,463	4,416	112,856	1,321	466	27,032	28,819	141,675	31,052	172,727	\$25,556	\$32,082	\$39,114	25.5%	27.5%
R3. Total Direct Hire	273,985	272,400	274,228	17,401,193	918,250	27,019	502,107	1,447,376	18,848,569	4,568,810	23,417,379	\$63,455	\$68,733	\$85,394	8.3%	26.3%
R4. Indirect Hire Foreign Nationals (IHFN)	16,615	16,470	16,250	349,072	160	148	228	536	349,608	1,343	350,951	\$21,481	\$21,514	\$21,597	0.2%	0.4%
<i>Subtotal - Reimbursable Funded (excludes OC 13)</i>	<i>290,600</i>	<i>288,870</i>	<i>290,478</i>	<i>17,750,265</i>	<i>918,410</i>	<i>27,167</i>	<i>502,335</i>	<i>1,447,912</i>	<i>19,198,177</i>	<i>4,570,153</i>	<i>23,768,330</i>	<i>\$61,107</i>	<i>\$66,092</i>	<i>\$81,825</i>	<i>8.2%</i>	<i>25.7%</i>
R5. Other Object Class 13 Benefits										56,756	56,756					
R5a. USDH - Benefits for Former Employees											9,187					
R5b. DHFN - Benefits for Former Employees											316					
R5c. Voluntary Separation Incentive Pay (VSIP)											33,776					
R5d. Foreign National Separation Liability Accrual											13,477					

CIVILIAN PERSONNEL (OP-8)

Department of Defense Summary Total CIVILIAN PERSONNEL COSTS FY 2008/2009 President's Budget (FY 2008)																
	(\$ in Thousands)											Rates				
	a	b	c	d	e	f	g	e+f+g	d+h	i	i+j	d/c	i/c	k/c	h/d	j/d
	<u>Begin</u> <u>Strength</u>	<u>End</u> <u>Strength</u>	<u>FTEs</u>	<u>Basic</u> <u>Comp</u>	<u>Overtime</u> <u>Pay</u>	<u>Holiday</u> <u>Pay</u>	<u>Other</u> <u>O.C.11</u>	<u>Total</u> <u>Variables</u>	<u>Comp</u> <u>O.C.11</u>	<u>Benefits</u> <u>O.C.12/13</u>	<u>Comp</u> <u>& Benefits</u>	<u>Basic</u> <u>Comp</u>	<u>Total</u> <u>Comp</u>	<u>Comp</u> <u>& Benefits</u>	<u>% BC</u> <u>Variables</u>	<u>% BC</u> <u>Benefits</u>
Total Personnel (includes OC 13)	717,911	719,554	709,456	43,466,144	1,211,790	61,803	1,555,029	2,828,622	46,294,766	12,557,646	58,852,412	\$61,267	\$65,254	\$82,954	6.5%	28.9%
T1. US Direct Hire (USDH)	665,712	668,082	658,640	42,052,530	1,208,950	59,810	1,473,828	2,742,588	44,795,118	12,297,565	57,092,683	\$63,848	\$68,012	\$86,683	6.5%	29.2%
T1a. Senior Executive Schedule	1,502	1,516	1,511	231,092	62	32	18,308	18,402	249,494	50,334	299,828	\$152,940	\$165,118	\$198,430	8.0%	21.8%
T1b. General Schedule	498,792	501,774	493,049	33,653,751	494,287	44,973	1,136,464	1,675,724	35,329,475	9,689,301	45,018,776	\$68,256	\$71,655	\$91,307	5.0%	28.8%
T1c. Special Schedule	8,962	9,368	10,824	493,823	146,903	10	45,646	192,559	686,382	159,571	845,953	\$45,623	\$63,413	\$78,155	39.0%	32.3%
T1d. Wage System	145,030	144,189	142,308	6,853,310	565,736	14,231	245,135	825,102	7,678,412	2,023,311	9,701,723	\$48,158	\$53,956	\$68,174	12.0%	29.5%
T1e. Highly Qualified Experts	26	34	29	4,095	165	29	0	194	4,289	983	5,272	\$141,207	\$147,897	\$181,793	4.7%	24.0%
T1f. Other	11,400	11,201	10,919	816,459	1,797	535	28,275	30,607	847,066	374,065	1,221,131	\$74,774	\$77,577	\$111,835	3.7%	45.8%
T2. Direct Hire Program Foreign Nationals (DHFN)	14,106	13,844	13,648	291,640	2,680	1,845	80,935	85,460	377,100	81,692	458,792	\$21,369	\$27,630	\$33,616	29.3%	28.0%
T3. Total Direct Hire	679,818	681,926	672,288	42,344,170	1,211,630	61,655	1,554,763	2,828,048	45,172,218	12,379,257	57,551,475	\$62,985	\$67,192	\$85,605	6.7%	29.2%
T4. Indirect Hire Foreign Nationals (IHFN)	38,093	37,628	37,168	1,121,974	160	148	266	574	1,122,548	1,930	1,124,478	\$30,187	\$30,202	\$30,254	0.1%	0.2%
<i>Subtotal - Total Funded (excludes OC 13)</i>	<i>717,911</i>	<i>719,554</i>	<i>709,456</i>	<i>43,466,144</i>	<i>1,211,790</i>	<i>61,803</i>	<i>1,555,029</i>	<i>2,828,622</i>	<i>46,294,766</i>	<i>12,381,187</i>	<i>58,675,953</i>	<i>\$61,267</i>	<i>\$65,254</i>	<i>\$82,706</i>	<i>6.5%</i>	<i>28.5%</i>
T5. Other Object Class 13 Benefits										176,459	176,459					
T5a. USDH - Benefits for Former Employees										63,922	63,922					
T5b. DHFN - Benefits for Former Employees										1,051	1,051					
T5c. Voluntary Separation Incentive Pay (VSIP)										78,118	78,118					
T5d. Foreign National Separation Liability Accrual										33,368	33,368					

MAJOR HEADQUARTERS

(Military End Strength/Civilian Full-Time Equivalents)*

	<u>FY 2006 Actual</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
Military	25,080	-592	24,488	+362	24,850
Civilian	27,857	+872	28,729	+711	29,440
Total DoD	52,937	+280	53,217	+1,073	54,290

* The FY 1999 actual baseline is 63,786 (Military, 30,860; Civilian, 32,926) in accordance with the revised definition approved in the DoD Directive 5100.73 issued on May 13, 1999, and consistent with subsection (d) of section 130a of Title 10, United States Code as amended by subsection (a).

Major Headquarters include the Office of the Secretary of Defense, the Office of the Chairman of the Joint Chiefs of Staff, the Joint Staff, Headquarters of Unified and Specified Commands, Headquarters of the Defense Agencies, the Service Secretariats and Service Staffs, Headquarters of Major Service Commands, and other organizations (i.e., field operating activities and direct reporting units) that manage the programs and operations of the Department of Defense.

The table above reflects the personnel levels applicable to major headquarters activities between FY 2006 and FY 2008. As noted, the FY 1999 DoD baseline used to measure major headquarters personnel (military and civilian) is 63,786. The FY 2008 estimate of 54,290 reflects slight growth above the FY 2007 program of 53,217 (+2 percent) and a cumulative reduction of 9,496 below the FY 1999 baseline (-14.9 percent).

The estimates on the following pages reflect the total major headquarters military personnel end strength and civilian full-time equivalents in the DoD assigned to the combatant and functional commands and to Departmental headquarters and headquarters support between FY 2006 and FY 2008.

MAJOR HEADQUARTERS

COMBATANT COMMANDS

(Military End Strength/Civilian Full-Time Equivalents)

<u>Service Component Commands:</u> ¹	<u>FY 2006</u>		<u>FY 2007</u>		<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>					
Military	1,971	-39	1,932	+521	2,453
Civilian	<u>1,535</u>	<u>-188</u>	<u>1,347</u>	<u>+172</u>	<u>1,519</u>
Total	3,506	-227	3,279	+693	3,972
<u>Navy</u>					
Military	2,355	+1	2,356	+21	2,377
Civilian	<u>1,188</u>	<u>+111</u>	<u>1,299</u>	<u>-16</u>	<u>1,283</u>
Total	3,543	+112	3,655	+5	3,660
<u>Air Force</u>					
Military	4,458	-227	4,231	+55	4,286
Civilian	<u>2,156</u>	<u>+85</u>	<u>2,241</u>	<u>+139</u>	<u>2,380</u>
Total	6,614	-142	6,472	+194	6,666
<u>Special Operations Forces (Service Components)</u>					
Military	453	+38	491	+16	507
Civilian	<u>425</u>	<u>-61</u>	<u>364</u>	<u>+20</u>	<u>384</u>
Total	878	-23	855	+36	891

¹ Reports strength levels for the Service commands supporting the Combatant Commands (Unified Commands), i.e., Army North, Army Pacific, Air Force Europe, Navy Pacific Fleet, etc.

MAJOR HEADQUARTERS

COMBATANT COMMANDS

(Military End Strength/Civilian Full-Time Equivalents)

	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Unified Commands</u>²					
Military	4,218	-334	3,884	-47	3,837
Civilian	<u>1,532</u>	<u>-96</u>	<u>1,436</u>	<u>+331</u>	<u>1,767</u>
Total	5,750	-430	5,320	+284	5,604
<u>US Special Operations Command (USSOCOM)</u>					
Military	283	+36	319	-25	294
Civilian	<u>354</u>	<u>-110</u>	<u>244</u>	<u>+69</u>	<u>313</u>
Total	637	-74	563	+44	607
<u>Total Combatant Commands</u>					
Military	13,738	-525	13,213	+541	13,754
Civilian	<u>7,190</u>	<u>-259</u>	<u>6,931</u>	<u>+715</u>	<u>7,646</u>
Total	20,928	-784	20,144	+1,256	21,400

FUNCTIONAL COMMANDS

<u>Army</u>					
Military	1,058	+9	1,067	-26	1,041
Civilian	<u>4,032</u>	<u>+368</u>	<u>4,400</u>	<u>-43</u>	<u>4,357</u>
Total	5,090	+377	5,467	-69	5,398

² Reports strength levels for the Combatant Commands, i.e., Joint Forces Command, Pacific Command, Strategic Command, Southern Command.

MAJOR HEADQUARTERS

FUNCTIONAL COMMANDS

(Military End Strength/Civilian Full-Time Equivalents)

	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Navy</u>					
Military	1,018	-120	898	-19	879
Civilian	<u>2,412</u>	<u>+45</u>	<u>2,457</u>	<u>+2</u>	<u>2,459</u>
Total	3,430	-75	3,355	-17	3,338
<u>Air Force</u>					
Military	1,177	+68	1,245	+6	1,251
Civilian	<u>1,898</u>	<u>+38</u>	<u>1,936</u>	<u>+2</u>	<u>1,938</u>
Total	3,075	+106	3,181	+8	3,189
<u>Defense-Wide (less OSD/TJS) *</u>					
Military	1,190	+32	1,222	+16	1,238
Civilian	<u>4,329</u>	<u>+348</u>	<u>4,677</u>	<u>-15</u>	<u>4,662</u>
Total	5,519	+380	5,899	+1	5,900
<u>Total Functional Commands</u>					
Military	4,443	-11	4,432	-23	4,409
Civilian	<u>12,671</u>	<u>+799</u>	<u>13,470</u>	<u>-54</u>	<u>13,416</u>
Total	17,114	+788	17,902	-77	17,825

DEPARTMENTAL HEADQUARTERS AND HEADQUARTERS SUPPORT

<u>Army</u>					
Military	1,353	-201	1,152	-30	1,122
Civilian	<u>2,889</u>	<u>+264</u>	<u>3,153</u>	<u>+16</u>	<u>3,169</u>
Total	4,242	+63	4,305	-14	4,291

MAJOR HEADQUARTERS

DEPARTMENTAL HEADQUARTERS AND HEADQUARTERS SUPPORT

(Military End Strength/Civilian Full-Time Equivalents)

	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Navy</u>					
Military	1,750	-37	1,713	0	1,713
Civilian	<u>1,529</u>	<u>+19</u>	<u>1,548</u>	<u>+1</u>	<u>1,549</u>
Total	3,279	-18	3,261	+1	3,262
<u>Air Force</u>					
Military	2,330	+162	2,492	-129	2,363
Civilian	<u>1,850</u>	<u>+30</u>	<u>1,880</u>	<u>+6</u>	<u>1,886</u>
Total	4,180	+192	4,372	-123	4,249
<u>Office of the Secretary of Defense (OSD)</u>					
Military	454	+24	478	+3	481
Civilian	<u>1,514</u>	<u>+24</u>	<u>1,538</u>	<u>+27</u>	<u>1,565</u>
Total	1,968	+48	2,016	+30	2,046
<u>The Joint Staff (TJS)</u>					
Military	1,012	-4	1,008	0	1,008
Civilian	<u>214</u>	<u>-5</u>	<u>209</u>	<u>0</u>	<u>209</u>
Total	1,226	-9	1,217	0	1,217
<u>Total Departmental Headquarters and Headquarters Support</u>					
Military	6,899	-56	6,843	-156	6,687
Civilian	<u>7,996</u>	<u>+332</u>	<u>8,328</u>	<u>+50</u>	<u>8,378</u>
Total	14,895	+276	15,171	-106	15,065

MAJOR HEADQUARTERS

DOD SUMMARY

(Military End Strength/Civilian Full-Time Equivalents)

	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>					
Military	4,382	-231	4,151	+465	4,616
Civilian	<u>8,456</u>	<u>+444</u>	<u>8,900</u>	<u>+145</u>	<u>9,045</u>
Total	12,838	+213	13,051	+610	13,661
<u>Navy</u>					
Military	5,123	-156	4,967	+2	4,969
Civilian	<u>5,129</u>	<u>+175</u>	<u>5,304</u>	<u>-13</u>	<u>5,291</u>
Total	10,252	+19	10,271	-11	10,260
<u>Air Force</u>					
Military	7,965	+3	7,968	-68	7,900
Civilian	<u>5,904</u>	<u>+153</u>	<u>6,057</u>	<u>+147</u>	<u>6,204</u>
Total	13,869	+156	14,025	+79	14,104
<u>Unified Commands</u>					
Military	4,218	-334	3,884	-47	3,837
Civilian	<u>1,532</u>	<u>-96</u>	<u>1,436</u>	<u>+331</u>	<u>1,767</u>
Total	5,750	-430	5,320	+284	5,604
<u>US Special Operations Command (USSOCOM)</u>					
Military	283	+36	319	-25	294
Civilian	<u>354</u>	<u>-110</u>	<u>244</u>	<u>+69</u>	<u>313</u>
Total	637	-74	563	+44	607

MAJOR HEADQUARTERS

DOD SUMMARY

(Military End Strength/Civilian Full-Time Equivalents)

	FY 2006		FY 2007		FY 2008
<u>Special Operations Forces (Service Components)</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Military	453	+38	491	+16	507
<u>Civilian</u>	<u>425</u>	<u>-61</u>	<u>364</u>	<u>+20</u>	<u>384</u>
Total	878	-23	855	+36	891
<u>Office of the Secretary of Defense (OSD)</u>					
Military	454	+24	478	+3	481
Civilian	<u>1,514</u>	<u>+24</u>	<u>1,538</u>	<u>+27</u>	<u>1,565</u>
Total	1,968	+48	2,016	+30	2,046
<u>The Joint Staff (TJS)</u>					
Military	1,012	-4	1,008	0	1,008
Civilian	<u>214</u>	<u>-5</u>	<u>209</u>	<u>0</u>	<u>209</u>
Total	1,226	-9	1,217	0	1,217
<u>Defense-Wide (less OSD/TJS)*</u>					
Military	1,190	+32	1,222	+16	1,238
Civilian	<u>4,329</u>	<u>+348</u>	<u>4,677</u>	<u>-15</u>	<u>4,662</u>
Total	5,519	+380	5,899	+1	5,900
<u>DoD Total</u>					
Military	25,080	-592	24,488	+362	24,850
Civilian	<u>27,857</u>	<u>+872</u>	<u>28,729</u>	<u>+711</u>	<u>29,440</u>
Total	52,937	+280	53,217	+1,073	54,290

MILITARY TO CIVILIAN CONVERSION

The military-to-civilian conversion program replaces uniformed service members in activities that are not "military essential" with DoD civilians or private sector contractors. This initiative is integral to achieving the Department's objectives of relieving "stress on the force" and providing a well balanced and fiscally responsible workforce. As discussed below, military conversions can increase combat capability and reduce workforce costs.

Military-to-Civilian Conversions (Number of Military Personnel Converted)

Component	FY 2006	FY 2007	FY 2008	Change FY 2007 – FY 2008
Army*	13,744	14,462	15,426	964
Navy*	4,095	6,035	14,937	8,902
Marine Corps*	2,662	3,150	3,439	289
Air Force*	5,613	7,711	9,907	2,196
Total	26,114	31,358	43,709	12,351

Source: FY 2008 President's Budget

** These figures include all of the services' military personnel, regardless of whether they work in that military service, Defense Health Programs, Joint Staff, Combatant Commands, Defense Agencies, or other DoD components.*

Program Description

For FY 2004 through FY 2008, the Department has identified 43,709 military billets for conversion. The FY 2008 program transitions an additional 12,351 military billets to DoD civilian or contractor performance, and, from FY 2004, reflects \$2.0 billion in accumulated total costs, including \$0.4 billion in additional Operation and Maintenance funding to support the increase in civilians. Reductions to the Military Personnel (MilPers) Account are not reported above. Cost reductions and cost avoidance that result from military-to-civilian conversions are discussed below.

Budget/Program Highlights

Ongoing economic analyses are demonstrating that when all costs are taken into account (both direct and indirect), DoD civilians typically prove to be a more cost effective source of support than their military counterparts. In addition, when DoD Components are able to reengineer or streamline processes and procedures, work can be eliminated that has low or marginal benefit as part of the conversion process. As a result, military-to-civilian conversions may not require a one-for-one replacement of military personnel, which results in additional savings. Also, differences in military and civilian availability factors affect the conversions rate as addressed in section IV, "Cost Estimating Methodology," of the Navy's narrative below. This can result in further savings to the Department. In FY 2008:

MILITARY TO CIVILIAN CONVERSION

- Navy plans to convert an additional 8,902 military billets into approximately 2,579 DoD civilian positions and an estimated 1,001 contractors. The balance of the positions will be eliminated.
- Air Force plans to convert an additional 2,196 military billets into approximately 1,971 DoD civilian positions.
- Army plans to convert an additional 964 military billets into approximately 964 DoD civilian positions and move those military billets into combat positions.
- Marine Corps plans to convert 261 military billets into approximately 130 DoD civilian positions.

Air Force and Navy. The Navy and (starting in FY 2006) the Air Force are reducing their military end strength (i.e., reducing the number of military personnel) when military billets are converted. As a result, funds in the military personnel (MilPers) account can be used to "pay" for the DoD civilian/contractor replacements. Because the average cost of civilians are less than the average cost of military, the net savings can be used for force modernization, recapitalization, and other military needs.

Army and Marine Corps. When the Army and Marine Corps convert military billets to DoD civilian or private sector performance, they retain the military end strength so it can be used in the operating force. As a result, the cost of civilian replacements is an added expense, but less of an expense than adding additional military end strength. This means that when military conversions are used to increase the size of the operating force instead of increasing military end strength, there is cost avoidance. In addition, military conversions offer a way to increase operational capabilities and man units quicker at the mid-grade level than accessing the equivalent number of military.

Examples of Active and Reserve Component positions that are being converted include: medical; training; security; air traffic control and aircraft maintenance; range operations; support ships; legal and administrative; and other base, installation, and headquarters command essential missions.

The military components will continue reviewing their workforce allocation to determine where additional civilian conversions can be achieved.

Cost Estimates

There are two types of savings resulting from military to civilian conversions.

- Cost savings occur when military end strength is reduced as a result of the conversion. Savings occur because military personnel are replaced by lower cost DoD civilians or contractors. Military personnel costs include compensation, special pay and allowance entitlements, and military training. DoD civilian personnel costs include basic compensation, overtime pay, holiday pay, and benefits, but do not include most special pay and allowances, housing, or skill training beyond that required for job performance.
- Additional costs are avoided when military end strength is realigned to operational units in lieu of increasing military end strength and DoD civilians/contractors are used to backfill the converted billet. The cost avoidance is achieved because a civilian/contractor is hired at a lower cost than a military member would cost.

MILITARY TO CIVILIAN CONVERSION

When, as the result of an A-76 study, it has been determined that the private sector can perform the converted function at less cost, the work is contracted out. However, once the contract is signed, the Department loses visibility into that contractor's actual personnel costs, since reporting under typical fixed price contracts does not require specific cost itemization, when the contractor's performance is acceptable. This makes reporting contractor personnel and associated savings difficult or impossible.

Cost estimates for new conversions are usually budgeted at half-year rates in the first year, since some will occur at the start of the year, and the remainder will occur throughout the year. In the second year of the conversion, the funding provides the full costs Full Time Equivalent (FTEs) from the previous year's conversion plus half FTEs for current year conversions.

MILITARY TO CIVILIAN CONVERSION

ARMY

I. Description of Operations Financed: From 2004 to 2006, the Army converted 9,644 Active Component positions needed to sustain the growth of the operational Army in its training base, power projection platforms, medical structure and other parts of the institutional Army from military to civilian performance. In addition, there are approximately 4,100 contract security guards that replaced mobilized National Guardsman providing installation security functions in FY 2004. The Army is realigning the converted military positions to the operational Army to meet operational demands (particularly at the low to mid-grade levels). Therefore, the cost of conversions requires additional resources added to the Army top line to preclude degrading critical generating force capabilities and to meet operational demands. Currently, the Army has budgeted an additional 964 conversions (mostly in Defense Health Programs (DHP) functions) for FY 2008.

II. Personnel Summary: The planned number of military billets to be converted to civilian performance is determined by the application of the DoD Manpower Mix Criteria, and the operational demand. Currently, 964 additional conversions are budgeted for FY2008.

A. <u>Personnel Summary (actual/planned):</u>	FY 2004-2005	FY 2006	FY 2007	FY 2008
	<u>Actuals</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
1. Cumulative Military End Strength (ES) converted	11,885	13,744	14,462	15,426
2. Cumulative Civilian Full Time Equivalent (FTE)	2,753	6,329	8,989	9,885
3. Cumulative Contract Workyear Equivalentents (CWE)*	4,100	2,919	2,919	2,919

Reconciliation of Increases And Decreases: Additional conversions result from a review of current efforts and continuing Defense Manpower Review Process assessments. This includes Direct Funded civilians in Army commands, Defense Health Program civilians at Army organizations, and special operations forces civilians at US Army Special Operations Command.

*Contract security guards hired in FY 2004 to replace mobilized National Guardsmen are the only CWEs included in the report. In FY 2006, the number of CWEs was reduced to 2,919.

MILITARY TO CIVILIAN CONVERSION

III. Financial Summary (\$ in Thousands)

A. <u>Subactivity Group</u>	FY 2004-2005	FY 2006	FY 2007	FY 2008
O&M:	<u>Actuals</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
1. Cumulative funding for prior conversions	222,275	494,893	623,230	645,589
2. Budget year funding for conversions *				11,836
3. Total cost	222,275	494,893	623,230	657,425

Reconciliation of Increases and Decreases:

* Dollars identified only fund Army direct funded civilians. Defense Health Program and Special Forces funding are excluded since those dollars are not included in Army TOA. This explains the difference between the above funding totals and the amounts on page 1.

IV. Cost Estimating Methodology: Civilian personnel costs include basic compensation, overtime pay, holiday pay, and benefits. The average cost of an Army civilian is about \$82,000 as compared to the average cost of military in the institutional Army of \$120,000. However, this cost difference only results in savings when military strength is reduced. When converted military are retained and realigned to operational units, the Army incurs an additional cost of \$82,000 for each position converted to fund civilian backfills. Nevertheless, military to civilian conversions provide a less costly option for increasing the size of the operating force than increasing military E/S. This is because when military are transferred to the operating force as a result of the conversions, there is a cost avoidance of \$38,000 per billet.

V. Other Considerations: None.

MILITARY TO CIVILIAN CONVERSION

NAVY

I. Description of Operations Financed: The FY 2008 President's Budget reflects the planned conversion of 8,902 military billets to 2,579 DoD civilians and an estimated 1,001 contractors. This results in cumulative conversions of 14,937 military End Strength (E/S) to 7,006 civilian Full Time Equivalents (FTEs) and \$150 million in contractor support in FY 2008, as displayed in the tables below. Beginning with the FY 2008 President's Budget request, the use of a streamlined public-private competition A-76 process has been implemented, allowing for conversions of military positions directly to contractor personnel. Prior budget submissions reflected military conversions to federal civilians with contractor performance being determined subsequently via the A-76 review process.

II. Personnel Summary:

Military to Civilian Conversions (Military E/S)				
	FY 2005	FY 2006	FY 2007	FY 2008
Various Defense Agencies	-58	-153	-345	-345
Defense Health Program/Medical	-1,772	-1,987	-2,676	-3,712
Personnel Command	0	-178	-250	-388
Legal Services/Admin	0	-113	-114	-200
Shore Installations	0	-177	-177	-2,433
Fleet Support/Staffs	0	-34	-67	-4,232
Training Command	0	0	-749	-1,487
Supply			-4	-9
Reserve Force	0	0	0	-262
Military Sealift Command	-1,305	-1,453	-1,602	-1,602
Naval Aviation Support/Maintenance	0	0	-51	-267
Total Navy (Cumulative)	-3,135	-4,095	-6,035	-14,937
Total Navy (Non-Cum)	-2,230	-960	-1,940	-8,902

Military to Civilian Conversions (Civilian FTEs)				
	FY 2005	FY 2006	FY 2007	FY 2008
Various Defense Agencies	58	153	345	345
Defense Health Program/Medical	45	1,050	2,673	3,497
Personnel Command	0	41	227	396
Legal Services/Admin	0	44	127	169
Shore Installations	0	0	170	621
Fleet Support/Staffs	0	20	61	287
Training Command	0	0	370	1,124
Supply	0	0	1	6
Reserve Force	0	0	0	81
Military Sealift Command	325	375	429	429
Naval Aviation Support/Maintenance	0	0	24	51
Total Navy (Cum)	428	1,683	4,427	7,006
Total Navy (Non-Cum)	106	1,255	2,744	2,579

A. <u>Personnel Summary (actual/planned):</u>	FY 2004-2005	FY 2006	FY 2007	FY 2008
	<u>Actuals</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
1. Cumulative Military End Strength (E/S) converted	-3,135	-4,095	-6,035	-14,937
2. Cumulative Civilian Full Time Equivalent (FTE)	428	1,683	4,427	7,006
3. Cumulative Contract Workyear Equivalents (CWE)	N/A*	N/A*	0*	1,001*

*CWE execution data is unavailable. FY 2008 CWE data is calculated based on an average cost of \$150,000. CWE estimates are illustrative and may not reflect the actual number of contractor personnel to be hired.

MILITARY TO CIVILIAN CONVERSION

Reconciliation of Increases and Decreases: Relative to the FY 2007 budget, the FY 2008 President's Budget reflects a cumulative increase of 6,269 military E/S conversions to federal civilian and contractor personnel in FY 2008 in all functional areas except for Supply and Training Command. This relative cumulative increase is based on a plan to convert 1,037 military E/S to 347 cumulative civilian FTEs in FY 2008 and 5,232 E/S that will be converted to contractor personnel in FY 2008.

III. Financial Summary (\$ in Thousand)

	FY 2004-2005	FY 2006	FY 2007	FY 2008
A. <u>Various Subactivity Group</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
Operation and Maintenance, Navy:				
1. Cumulative funding for prior conversions	2,583	18,986	83,667	244,798
2. Budget year funding for conversions				66,192
Defense Health Program, Navy:				
1. Cumulative funding for prior conversions	3,637	87,875	190,379	142,565
2. Budget year funding for new conversions				103,588
Navy Working Capital Fund:				
1. Cumulative funding for prior conversions	32,707	38,239	45,495	41,908
2. Budget year funding for conversions				6,608
Operation and Maintenance, Navy Reserve:				
1. Cumulative funding for prior conversions	0	0	0	6,629
2. Budget year funding for conversions				0
Research, Development, Test, and Evaluation, Navy and Aircraft Procurement, Navy:				
1. Cumulative funding for prior conversions	0	0	0	23,049
2. Budget year funding for conversions				0

Reconciliation of Increases and Decreases: Changes in civilian personnel funding are driven by civilian personnel FTE levels. The tables below depict military, civilian, and contractor personnel funding as well as military E/S and civilian FTE levels arrayed categorically by programmatic function. Cumulative civilian personnel FTEs increased 293 percent, 163 percent, and 58 percent annually beginning in FY 2006. Civilian personnel is not budgeted at a composite rate, but is determined by the specific position of each incumbent. Thus, the dramatic annual change in FTEs alters the "mix" of civilian personnel within each category, resulting in changes to the average FTE cost from year to year.

MILITARY TO CIVILIAN CONVERSION

Military Personnel											
Conversion Type	Category	Appropriation	Cumulative Funding (\$ in Thousands)				Cumulative Military End Strength (E/S)				
			FY 2005	FY 2006	FY 2007	FY 2008	FY 2005	FY 2006	FY 2007	FY 2008	
Military to Civilian	Various Defense Agencies		-\$4,189	-\$11,200	-\$24,160	-\$24,885	-58	-153	-345	-345	
	Defense Health Program / Medical		-35,800	-156,124	-190,576	-247,869	-1772	-1987	-2676	-3712	
	Personnel Command			-5,967	-14,657	-21,588		-178	-250	-388	
	Legal Services / Admin			-3,082	-6,414	-12,444		-113	-114	-200	
	Shore Installations			-5,211	-10,769	-41,882		-177	-177	-1243	
	Fleet Support / Staffs			-3,195	-5,318	-20,132		-34	-67	-507	
	Training Command				-26,411	-79,517			-749	-1487	
	Supply				-205	-694			-4	-9	
	Reserve Force					-5,005				-161	
	Military Sealift Command			-61,252	-82,900	-94,598	-97,436	-1,305	-1,453	-1,602	-1,602
	Naval Aviation Support / Maintenance					-1,433	-2,941			-51	-51
		Sub-total		-\$101,241	-\$267,679	-\$374,541	-\$554,392	-3,135	-4,095	-6,035	-9,705
Military to Contractor	Shore Installations					-34,326				-1,190	
	Fleet Support / Staffs					-120,825				-3,725	
	Reserve Force					-2,998				-101	
	Naval Aviation Support / Maintenance					-6,293				-216	
	Sub-total		\$0	\$0	\$0	-\$164,442	0	0	0	-5,232	
TOTAL			-\$101,241	-\$267,679	-\$374,541	-\$718,835	-3,135	-4,095	-6,035	-14,937	

*Military ES reduction occurs in Fleet Support / Staffs category, with the corresponding contractor hires occurring in Fleet Support / Staffs and Naval Aviation Support / Maintenance functional categories.

MILITARY TO CIVILIAN CONVERSION

Civilian/Contractor Personnel										
Conversion Type	Category	Appropriation	Cumulative Funding (\$ in Thousands)				Cumulative Civilian Full Time Equivalent (FTE)			
			FY 2005	FY 2006	FY 2007	FY 2008	FY 2005	FY 2006	FY 2007	FY 2008
Military to Civilian	Various Defense Agencies	OMN	\$2,583	\$12,871	\$26,137	\$26,921	58	153	345	345
	Defense Health Program / Medical	DHP	3,637	87,875	190,379	246,153	45	1,050	2,673	3,497
	Personnel Command	OMN		2,154	12,237	22,057		41	227	396
	Legal Services / Admin	OMN		2,081	6,853	11,936		44	127	169
	Shore Installations	OMN			9,580	36,921			170	621
	Fleet Support / Staffs	OMN		1,879	5,809	19,572		20	61	287
	Training Command	OMN			22,990	69,225			370	1,124
	Supply	OMN			62	457			1	6
	Reserve Force	OMNR				3,504				81
	Military Sealift Command	NWCF	32,707	38,239	44,068	45,390	325	375	429	429
	Naval Aviation Support / Maintenance	NWCF			1,428	3,126			24	51
		Sub-total		\$38,927	\$145,100	\$319,542	\$485,260	428	1,683	4,427
Military to Contractor	Shore Installations	OMN				34,900				
	Fleet Support / Staffs	OMN				89,001				
	Reserve Force	OMNR				3,125				
	Naval Aviation Support / Maintenance	RD TEN				21,095				
		APN				1,954				
	Sub-total		\$0	\$0	\$0	\$150,075	0	0	0	0
TOTAL			\$38,927	\$145,100	\$319,542	\$635,335	428	1,683	4,427	7,006

*Military ES reduction occurs in Fleet Support / Staffs category, with the corresponding contractor hires occurring in Fleet Support / Staffs and Naval Aviation Support / Maintenance functional categories.

IV. Cost Estimating Methodology: Military manpower is costed at approved officer and enlisted programming rates. Conversion to civilian performance may not be one-for-one due to differences in military and civilian availability and productivity rates. For example, civilians are typically hired fully qualified for their jobs; whereas, military often require on-the-job training in addition to technical training received prior to assignments. Also, military availability is often lower due to additional non-productive duties or details; non-mission related local training, such as non-commissioned officer preparatory school training; skill progression training; or professional military education accomplished on a temporary basis. Availability factors and productivity rates are evaluated on a case-by-case basis. Civilian personnel funding requirements are determined by examining the specific military position being converted and identifying the equivalent personnel and or contractor resources needed to perform the function. Once the civilian personnel equivalent has been identified, the personnel are costed in the same manner as all new civilian personnel, as budgeted in the OP-8 exhibit. These civilian costs mainly consist of basic compensation, locality pay, overtime pay, holiday pay, special pays, awards, healthcare government contribution, life insurance government contribution, and retirement.

V. Other Considerations: None.

MILITARY TO CIVILIAN CONVERSION

MARINE CORPS

Description of Operations Financed: The United States Marine Corps (USMC) uses the military to civilian conversion program as a manpower tool to get Marines out of supporting establishment billets and back to the operating forces to meet emerging Global War on Terrorism (GWOT) operational tempo requirements. Since the military end strength is retained, the cost of their civilian replacements is an added expense, but less than adding additional military end strength. The Marine Requirements Oversight Council (MROC) approved 488 conversions for FY 2007 and 261 for FY 2008. We estimate a one-for-one military to civilian exchange in these fiscal years and estimate the first year FTEs to be 176 and 130, respectively, for FY 2007 and FY 2008, based on half-year conversion implementation.

II. Personnel Summary: (This table is not cumulative.)

	FY 2004-2005	FY 2006	FY 2007	FY 2008
A. <u>Personnel Summary (actual/planned):</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
1. Cumulative Military End Strength (E/S) converted	2,261	2,262	3,150	3,411
2a. Cumulative Civilian End Strength (E/S)	1,372	1,773	2,261	2,522
2b. Cumulative Civilian Full Time Equivalent (FTE)	472	842	1,018	1,148
3. Cumulative Contract Workyear Equivalent (CWE)	N/A	N/A	N/A	N/A

Reconciliation of Increases And Decreases: FY 2007 reflects an additional 488 military end strength converted to 176 civilian personnel FTE and FY 2008 reflects additional 261 military end strength converted to 130 civilian personnel FTE performing duties related to security, military entrance processing, and administration. The remaining converted billets are projected to be awarded to private contractors.

MILITARY TO CIVILIAN CONVERSION

III. Financial Summary (\$ in Thousand)

	FY 2004-2005	FY 2006	FY 2007	FY 2008
A. <u>Various Subactivity Group</u>	<u>Actuals</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
1. Cumulative funding for prior year hires	28,238	78,629	100,897	103,218
2. Budget year funding for new hires				7,832

Reconciliation of Increases And Decreases: Funding reflects additional hires in FY 2008 at half year pricing.

IV. Cost Estimating Methodology: When preparing budget estimates for Military-to-Civilian Personnel Conversions, the average cost of a civilian is multiplied by one-half the number of billets approved for conversion to compute the first year requirement. This takes into consideration such things as Basic Compensation, Locality Pay, Special Salary Rates, Allowances, Special Pays, Incentive/ Performance Awards, training and education, the government share of Health Insurance/Life Insurance, Social Security and Medicare and Retired Pay.

V. Other Considerations: Differences between the number and funding for Marine Corps estimates in this section and the summary on page 1 represent the latest changes based on this year's Defense Manpower Review Process (DMRP). The results of the DMRP returned Marine Corps military personnel who were in administrative positions at OSD and various Defense Agencies back to the Marine Corps so that they may be reassigned back to the operating forces in support of GWOT. The civilian personnel hired to fill those positions are not paid through direct Marine Corps appropriations nor are they tracked by Marine Corps personnel systems; instead, they are funded by and belong to OSD or to the various Defense Agencies. Inclusion of the Marine Corps military personnel conversions directed by the DMRP distorts the conversion ratio of military to civilians/contractor personnel as well as the savings achieved by the Marine Corps.

MILITARY TO CIVILIAN CONVERSION

AIR FORCE

I. Description of Operations Financed: The Air Force (AF) military-to-civilian conversion program is intended to reduce stress on the force. The AF has added civilians and realigned military to relieve stressed career fields. In the FY 2006 through FY 2008, the AF reduced military end strength. As part of this change, the funding for the military positions was converted to O&M to fund the civilians added from the conversions.

II. Personnel Summary:

Military to Civilian Conversions (Military E/S)					Military to Civilian Conversions (Civilian FTEs)				
	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>		<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>
Within Svc: Military to Civ	-790	-1,527	-1,134	-1,094	Within Svc: Military to Civ	744	1,491	1,071	1,020
Within Svc: A-76 Military to Civ	-447	0	0	0	Within Svc: A-76 Military to Civ	28	0	0	0
Compatant Commands	-35	-59	-65	-96	Compatant Commands	35	46	78	67
Various Defence Agencies	-343	-153	-38	-43	Various Defence Agencies	0	0	0	0
Defense Health Program	0	-412	-826	-963	Defense Health Program	0	403	813	884
Other DoD Components	0	-57	-35	0	Other DoD Components	0	0	0	0
Total Air Force (Cumulative)	-3,405	-5,613	-7,711	-9,907	Total Air Force (Cum)	1,970	3,910	5,872	7,843
Total Air Force (Non-Cum)	-1,615	-2,208	-2,098	-2,196	Total Air Force (Non-Cum)	807	1,940	1,962	1,971

A. Personnel Summary (actual/planned):

	<u>Actuals</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
1. Cumulative Military End Strength (E/S) converted	-3,405	-5,613	-7,711	-9,907
2. Cumulative Civilian Full Time Equivalent (FTE)	1,970	3,910	5,872	7,843
3. Cumulative Contract Workyear Equivalent (CWE)	N/A*	N/A*	N/A*	N/A*

* CWE data not captured as AF cannot track number of contractors resulting from an A-76 cost comparison study (with contract function winning the bid). Line number 1, "Within SVC: A-76 Military to Civ," includes the number of military converted to contract function. However, it wouldn't be a "one-for-one" due to the OMB Circular A-76 cost comparison study process.

Reconciliation of Increases And Decreases: In FY 2007, an additional 2,000 civilians were reduced Air Force-wide; some of the civilians added resulting from mil-civ conversions may have been impacted, as well. DHP military-to-civilian conversions from FY 2006 (FY 2006-2008) were delayed in their implementation due to a study required by the FY 2006 National Defense Authorization Act.

MILITARY TO CIVILIAN CONVERSION

III. Financial Summary (\$ in Thousand)

A. <u>Various Subactivity Group</u>	FY 2004-2005	FY 2006	FY 2007	FY 2008
	<u>Actuals</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
O&M				
1. Cumulative funding for prior year hires	137,901	204,920	243,661	210,451
2. Budget year funding for new hires				38,200
DHP:				
1. Cumulative funding for prior year hires		11,110	45,918	68,356
2. Budget year funding for new hires				26,757
RDT&E				
1. Cumulative funding for prior year hires		12,650	25,861	26,636
2. Budget year funding for new hires				
Defense Agencies:				
1. Cumulative funding for prior year hires	14,934	33,940	42,545	42,539
2. Budget funding for new hires				1,282
Totals	152,835	262,620	357,985	414,221

Reconciliation of Increases And Decreases: Budget is normally at half year funding for the first year civilians added.

IV. Cost Estimating Methodology: Air Force uses composite rate, by appropriation, to calculate cost of a military to civilian conversion. For DHP cost, an estimated rate was used by examining accounting data for DHP personnel at the Air Force Major Commands (MAJCOMs).

V. Other Considerations: None

MILITARY TO CIVILIAN CONVERSION

OFFICE OF THE INSPECTOR GENERAL

I. Description of Operations Financed: Financed are the salary and benefits incurred in converting one enlisted position to a GS-7/8 civilian position working in the Office of the Inspector General starting in FY2008.

II. Manpower Summary: Summary of planned military to civilian conversion is provided below.

A. <u>Manpower Summary (actual/planned):</u>	FY 2004-2005	FY 2006	FY 2007	FY 2008
	<u>Actuals</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
1. Cumulative Military End Strength (ES) converted	0	0	0	-1
2. Cumulative Civilian Full Time Equivalent (FTE))	0	0	0	+1
3. Cumulative Contract Workyear Equivalents (CWE)	0	0	0	0

Reconciliation of Increases And Decreases: This is the first military to civilian conversion within the DoD Inspector General organization.

III. Financial Summary (\$ in Thousand)

A. <u>Various Subactivity Group</u>	FY 2004-2005	FY 2006	FY 2007	FY 2008
	<u>Actuals</u>	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
O&M:				
1. Cumulative funding for prior conversions	0	0	0	0
3. Budget year funding for conversions	0	0	0	43

Reconciliation of Increases and Decreases: The Defense Manpower Review Process (DMRP) determined the enlisted military assistant to the Office of Inspector General could be converted to a Civilian GS-7/8 position starting in FY2008. Half year funding is budgeted for FY 2008 and full funding will be required for FY 2009-2013.

IV. Cost Estimating Methodology: Cost estimate is based on the salary and benefits for a civilian GS-7/8 performing the duties of this position.

V. Other Considerations: N/A

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

ACTIVE FORCE PERSONNEL

(End Strength)

	FY 2006		FY 2007		FY 2008
	<u>Actual</u> ^{1/2}	<u>Change</u>	<u>Estimate</u> ^{2/3}	<u>Change</u>	<u>Estimate</u> ^{2/3}
<u>DoD Total by Type</u>	<u>1,384,968</u>	<u>-10,768</u>	<u>1,374,200</u>	<u>-2,800</u>	<u>1,371,400</u>
Officer	223,215	-2,968	220,247	+854	221,101
Enlisted	1,148,552	-7,012	1,141,540	-3,669	1,137,871
Cadets	13,201	-788	12,413	+15	12,428
 <u>DoD Total by Service</u>	 <u>1,384,968</u>	 <u>-10,768</u>	 <u>1,374,200</u>	 <u>-2,800</u>	 <u>1,371,400</u>
Army	505,402	+12,998	518,400	+7,000	525,400
Navy	350,197	-12,597	337,600	-9,200	328,400
Marine Corps	180,416	+3,584	184,000	+5,000	189,000
Air Force	348,953	-14,753	334,200	-5,600	328,600

¹ Includes end strength funded from DoD Appropriations Act Title IX (P.L. 109-148) and Emergency Supplemental Appropriations Act for Defense, 2006 (P.L. 109-234).

² Reserve Component members called to active duty are excluded in active force end strength but are included in the average strength figures.

³ Includes 36,000 Army and 9,000 Marine Corps end strength requested in the FY 2007 Emergency Supplemental and FY 2008 GWOT Request.

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

<u>End Strength by Service</u>	<u>(End Strength)</u>				
	<u>FY 2006</u>		<u>FY 2007</u>		<u>FY 2008</u>
	<u>Actual</u> ^{/1/2}	<u>Change</u>	<u>Estimate</u> ^{/2/3}	<u>Change</u>	<u>Estimate</u> ^{/2/3}
<u>Army</u>	<u>505,402</u>	<u>+12,998</u>	<u>518,400</u>	<u>+7,000</u>	<u>525,400</u>
Officer	81,708	+1,474	83,182	+1,185	84,367
Enlisted	419,353	+11,865	431,218	+5,687	436,905
Cadets	4,341	-341	4,000	+128	4,128
<u>Navy</u>	<u>350,197</u>	<u>-12,597</u>	<u>337,600</u>	<u>-9,200</u>	<u>328,400</u>
Officer	51,943	-674	51,269	-3	51,266
Enlisted	293,818	-11,900	281,918	-9,084	272,834
Cadets	4,436	-23	4,413	-113	4,300
<u>Marine Corps</u>	<u>180,416</u>	<u>+3,584</u>	<u>184,000</u>	<u>+5,000</u>	<u>189,000</u>
Officer	19,025	+995	20,020	+500	20,520
Enlisted	161,391	+2,589	163,980	+4,500	168,480
<u>Air Force</u>	<u>348,953</u>	<u>-14,753</u>	<u>334,200</u>	<u>-5,600</u>	<u>328,600</u>
Officer	70,539	-4,763	65,776	-828	64,948
Enlisted	273,990	-9,566	264,424	-4,772	259,652
Cadets	4,424	-424	4,000	0	4,000
<u>DoD Total</u>	<u>1,384,968</u>	<u>-10,768</u>	<u>1,374,200</u>	<u>-2,800</u>	<u>1,371,400</u>
Officer	223,215	-2,968	220,247	+854	221,101
Enlisted	1,148,552	-7,012	1,141,540	-3,669	1,137,871
Cadets	13,201	-788	12,413	+15	12,428

^{/1} Includes end strength funded from DoD Appropriations Act Title IX (P.L. 109-148) and Emergency Supplemental Appropriations Act for Defense, 2006 (P.L. 109-234).

^{/2} Reserve Component members called to active duty are excluded from active force end strength but are included in the average strength figures.

^{/3} Includes 36,000 Army and 9,000 Marine Corps end strength requested in the FY 2007 Emergency Supplemental and FY 2008 GWOT Request.

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

(Average Strength)

<u>Average Strength by Service</u>	<u>FY 2006</u>		<u>FY 2007</u>		<u>FY 2008</u>
	<u>Actual</u> ¹	<u>Change</u>	<u>Estimate</u> ²	<u>Change</u>	<u>Estimate</u> ³
<u>Army</u>	<u>582,978</u>	<u>+18,217</u>	<u>601,195</u>	<u>+11,319</u>	<u>612,514</u>
Officer	95,430	+919	96,349	+848	97,197
Enlisted	483,454	+17,376	500,830	+10,458	511,288
Cadets	4,094	-78	4,016	+13	4,029
<u>Navy</u>	<u>364,684</u>	<u>-14,974</u>	<u>349,710</u>	<u>-16,487</u>	<u>333,223</u>
Officer	54,195	-995	53,200	-522	52,678
Enlisted	306,102	-14,016	292,086	-15,797	276,289
Cadets	4,387	37	4,424	-168	4,256
<u>Marine Corps</u>	<u>186,257</u>	<u>+1,753</u>	<u>188,010</u>	<u>+5,533</u>	<u>193,543</u>
Officer	20,293	+764	21,057	+639	21,696
Enlisted	165,964	+989	166,953	+4,894	171,847
<u>Air Force</u>	<u>370,811</u>	<u>-8,834</u>	<u>361,977</u>	<u>-12,598</u>	<u>349,379</u>
Officer	75,672	-2,318	73,354	-4,423	68,931
Enlisted	290,890	-6,564	284,326	-8,130	276,196
Cadets	4,249	+48	4,297	-45	4,252
<u>DoD Total</u>	<u>1,504,730</u>	<u>-3,838</u>	<u>1,500,892</u>	<u>-12,233</u>	<u>1,488,659</u>
Officer	245,590	-1,630	243,960	-3,458	240,502
Enlisted	1,246,410	-2,215	1,244,195	-8,575	1,235,620
Cadets	12,730	+7	12,737	-200	12,537

¹ Includes average strength associated with reserve mobilization and active duty overstrength funded from DoD Appropriations Act Title IX (P.L. 109-148) and Emergency Supplemental Appropriations Act for Defense, 2006 (P.L. 109-234).

² Includes average strength for reserve mobilization and active duty overstrength funded from appropriations provided by DoD Appropriations Act Title IX (P.L. 109-289) and FY 2007 Supp Request.

³ Includes average strength for reserve mobilization and active duty overstrength requested in the FY 2008 GWOT Request.

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

U.S. SPECIAL OPERATIONS COMMAND (USSOCOM) SUPPORT

Included within the Services' estimates are the following active military end strength that provide direct support to the United States Special Operations Command (USSOCOM)

	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army</u>	<u>18,070</u>	<u>+1,671</u>	<u>19,741</u>	<u>+2,970</u>	<u>22,711</u>
Officer	3,282	+521	3,803	+496	4,299
Enlisted	14,788	+1,150	15,938	+2,474	18,412
<u>Navy</u>	<u>6,661</u>	<u>-325</u>	<u>6,336</u>	<u>+1,182</u>	<u>7,518</u>
Officer	1,121	-105	1,016	+257	1,273
Enlisted	5,540	-220	5,320	+925	6,245
<u>Marine Corps</u>	<u>755</u>	<u>+718</u>	<u>1,473</u>	<u>+492</u>	<u>1,965</u>
Officer	136	+128	264	+118	382
Enlisted	619	+590	1,209	+374	1,583
<u>Air Force</u>	<u>8,438</u>	<u>+2,232</u>	<u>10,670</u>	<u>+269</u>	<u>10,939</u>
Officer	1,771	+342	2,113	+189	2,302
Enlisted	6,667	+1,890	8,557	+80	8,637
<u>DoD Total</u>	<u>33,924</u>	<u>+4,296</u>	<u>38,220</u>	<u>+4,913</u>	<u>43,133</u>
Officer	6,310	+886	7,196	+1,060	8,256
Enlisted	27,614	+3,410	31,024	+3,853	34,877

**SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT
PERSONNEL**

(Military End Strength / Civilian Full-Time Equivalents)

	FY 2006		FY 2007		FY 2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Total Selected Reserve</u>	<u>825,984</u>	<u>+16,816</u>	<u>842,800</u>	<u>-4,900</u>	<u>837,900</u>
Trained in Units	677,985	+6,964	684,949	-2,087	682,862
Individual Mobilization Augmentees (IMAs)	19,903	-1,011	18,892	-3,046	15,846
Training Pipeline	56,627	+7,961	64,588	-967	63,621
Full-time Duty	71,469	+2,902	74,371	+1,200	75,571
Active Military Support to Reserves	8,378	-712	7,666	-52	7,614
Civilian FTEs For Reserves/National Guard	71,000	+5,808	76,808	+2,455	79,263
(Technicians Included Above)	60,203	+5,446	65,649	+2,642	68,291
<u>Selected Reserve By Service</u>	<u>825,984</u>	<u>+16,816</u>	<u>842,800</u>	<u>-4,900</u>	<u>837,900</u>
Army Reserve	189,975	+10,025	200,000	+5,000	205,000
Navy Reserve	70,500	+800	71,300	-3,500	67,800
Marine Corps Reserve	39,486	+114	39,600	-	39,600
Air Force Reserve	74,075	+825	74,900	-7,400	67,500
Army National Guard	346,288	+3,712	350,000	+1,300	351,300
Air National Guard	105,660	+1,340	107,000	-300	106,700

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

(Military End Strength / Civilian Full-Time Equivalents)

	<u>FY 2006</u>		<u>FY 2007</u>		<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Army Reserve (AR)</u>	<u>189,975</u>	<u>+10,025</u>	<u>200,000</u>	<u>+5,000</u>	<u>205,000</u>
Trained in Units	163,278	+10,619	173,897	-1,379	172,518
Individual Mobilization Augmentees (IMAs)	4,481	-981	3,500	+2,000	5,500
Training Pipeline	6,908	+279	7,187	+3,925	11,112
Full-time Duty	15,308	+108	15,416	+454	15,870
Active Military Support to AR	197	-74	123	-75	48
Civilian FTE for AR	9,905	+1,532	11,437	+311	11,748
(Technicians Included Above)	6,641	+1,574	8,215	+332	8,547
<u>Navy Reserve (NR)</u>	<u>70,500</u>	<u>+800</u>	<u>71,300</u>	<u>-3,500</u>	<u>67,800</u>
Trained in Units	55,350	+1,723	57,073	-2,543	54,530
Individual Mobilization Augmentees (IMAs)	224	+44	268	-2	266
Training Pipeline	1,839	-445	1,394	+31	1,425
Full-time Duty	13,087	-522	12,565	-986	11,579
Active Military Support to NR	1,977	-163	1,814	+43	1,857
Civilian FTEs for NR	1,127	-116	1,011	+60	1,071
(Technicians Included Above)	-	-	-	-	-
<u>Marine Corps Reserve (MCR)</u>	<u>39,486</u>	<u>+114</u>	<u>39,600</u>	<u>-</u>	<u>39,600</u>
Trained in Units	31,609	+319	31,928	-	31,928
Individual Mobilization Augmentees (IMAs)	2,400	-272	2,128	-	2,128
Training Pipeline	3,222	+61	3,283	-	3,283
Full-time Duty	2,255	+6	2,261	-	2,261
Active Military Support to MCR	4,405	-	4,405	-	4,405
Civilian FTEs for MCR	184	+21	205	+5	210
(Technicians Included Above)	-	-	-	-	-

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

(Military End Strength / Civilian Full-Time Equivalents)

	<u>FY 2006</u>		<u>FY 2007</u>		<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Air Force Reserve (AFR)</u>	<u>74,075</u>	<u>+825</u>	<u>74,900</u>	<u>-7,400</u>	<u>67,500</u>
Trained in Units	57,403	-1,282	56,121	-1,803	54,318
Individual Mobilization Augmentees (IMAs)	12,798	+198	12,996	-5,044	7,952
Training Pipeline	1,578	+1,498	3,076	-567	2,509
Full-time Duty	2,296	+411	2,707	+14	2,721
Active Military Support for AFR	1,062	-464	598	-20	578
Civilian FTEs for AFR	13,848	+447	14,295	-378	13,917
(Technicians Included Above)	9,427	+652	10,079	-142	9,937
<u>Army National Guard (ARNG)</u>	<u>346,288</u>	<u>+3,712</u>	<u>350,000</u>	<u>+1,300</u>	<u>351,300</u>
Trained in Units	282,588	-7,926	274,662	+4,442	279,104
Individual Mobilization Augmentees (IMAs)	-	-	-	-	-
Training Pipeline	38,384	+8,738	47,122	-4,130	42,992
Full-time Duty	25,316	+2,900	28,216	+988	29,204
Active Military Support to ARNG	184	-	184	-	184
Civilian FTEs for ARNG	22,629	+2,685	25,314	+2,510	27,824
(Technicians Included Above)	22,138	+2,648	24,786	+2,520	27,306
<u>Air National Guard (ANG)</u>	<u>105,660</u>	<u>+1,340</u>	<u>107,000</u>	<u>-300</u>	<u>106,700</u>
Trained in Units	87,757	+3,511	91,268	-804	90,464
Individual Mobilization Augmentees (IMAs)	-	-	-	-	-
Training Pipeline	4,696	-2,170	2,526	-226	2,300
Full-time Duty	13,207	-1	13,206	+730	13,936
Active Military Support for ANG	553	-11	542	-	542
Civilian FTEs for ANG	23,307	+1,239	24,546	-53	24,493
(Technicians Included Above)	21,997	+572	22,569	-68	22,501

DOD CUSTOMER FUEL PRICES

The Department of Defense (DoD) procures only refined fuel products. The fuel prices identified in the following table include the cost of crude oil, refining, inventory control, transportation, storage, and operating costs.

The DoD makes refined fuel purchases in a two-step process involving both the Defense Logistics Agency (DLA) and the individual Service or Agency customers. The DLA, through its Defense Energy Support Center operating under the Defense Working Capital Fund (DWCF), purchases the fuel and subsequently sells it primarily to DoD customers. This operation permits the Department to take advantage of price breaks for large quantity purchases, and in most years provides the DoD customer a stabilized price for all products during that fiscal year.

In FY 2006, world fuel market volatility resulting from growing world demand, limited refining capacity, regional political instabilities, and the lingering impact of FY 2005's hurricane damage on the U.S. refining and distribution industry drove significant fuel price increases and required the DWCF to implement price changes to DoD customers in FY 2006. The initial change increased the price to DoD customers from \$84.00 funded in the FY 2007 President's Budget, to \$89.88 per barrel. Title IX of the Department of Defense Appropriations, 2006 (P.L. 109-148) appropriated \$2.6 billion to fund this fuel price growth. In the third quarter of FY 2006, world fuel markets once again reached record highs, and in June 2006 the DoD fuel price was increased to \$106.26 per barrel.

Fluctuations in world fuel markets continue to impact the Department's baseline fuel costs. The FY 2008 President's Budget includes FY 2007 fuel rates of \$96.60 per barrel, versus \$84.00 per barrel funded in the FY 2007 President's Budget. The impact of this fuel price increase, partially offset by planned mid-year repricing if current market downtrends continue, is estimated at \$0.5 billion in FY 2007. The Department has identified \$0.5 billion in the FY 2007 Emergency Supplemental Request for increases in baseline fuel costs resulting from higher market costs in the first half of FY 2007.

The following table reflects the composite price and stabilized prices by fuel product that DoD customers are paying and will pay for fuel in each fiscal year. Because of the repricing occurring in FY 2006, the composite price provided below represents the final prices charged to DoD customers.

DOD CUSTOMER FUEL PRICES

(Rates in Dollars)

<u>Product Type</u>	<u>FY 2006</u>		<u>FY 2007</u>		<u>FY 2008</u>	
	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>	<u>Gallon</u>	<u>Barrel</u>
AVGAS OCONUS	\$11.33	\$475.86	\$10.30	\$432.60	\$9.72	\$408.24
AVGAS CONUS	\$2.87	\$120.54	\$2.61	\$109.62	\$2.46	\$103.32
Motor Gas Leaded	\$3.04	\$120.68	\$2.76	\$115.92	\$2.60	\$109.20
Motor Gas Unleaded	\$2.59	\$108.78	\$2.35	\$98.70	\$2.22	\$93.24
Premium	\$2.93	\$123.06	\$2.66	\$111.72	\$2.51	\$105.42
Midgrade	\$2.61	\$109.62	\$2.37	\$99.54	\$2.24	\$94.08
Regular	\$2.47	\$103.74	\$2.25	\$94.50	\$2.12	\$89.04
Gasohol	\$2.61	\$109.62	\$2.37	\$99.54	\$2.24	\$94.08
Jet Fuel Widecut	\$2.61	\$109.62	\$2.37	\$99.54	\$2.24	\$94.08
Jet Fuel Commercial Grade	\$2.53	\$106.26	\$2.30	\$96.60	\$2.17	\$91.14
JP-5	\$2.55	\$107.1	\$2.32	\$97.44	\$2.19	\$91.98
JP-8	\$2.53	\$106.26	\$2.30	\$96.60	\$2.17	\$91.14
Distillates	\$2.52	\$105.84	\$2.29	\$96.18	\$2.16	\$90.72
Diesel (Generic)	\$2.47	\$103.74	\$2.25	\$94.50	\$2.12	\$89.04
Diesel KSN PC&S	\$2.40	\$100.80	\$2.18	\$91.56	\$2.06	\$86.52
Diesel KS1 PC&S	\$2.49	\$104.58	\$2.26	\$94.92	\$2.13	\$89.46
Diesel FS2 PC&S	\$2.17	\$91.14	\$1.97	\$82.74	\$1.86	\$78.12
Diesel FS1 PC&S	\$2.47	\$103.74	\$2.25	\$94.50	\$2.12	\$89.04
Diesel DF2 High Sulfur	\$2.27	\$95.34	\$2.06	\$86.52	\$1.94	\$81.48
Diesel DL2 Low Sulfur	\$2.64	\$110.88	\$2.40	\$100.80	\$2.12	\$89.04
Diesel DL1 Low Sulfur	\$2.91	\$122.22	\$2.65	\$111.30	\$2.20	\$2.20
Diesel DF1 High Sulfur	\$2.53	\$106.26	\$2.30	\$96.60	\$2.17	\$91.14
Residuals	\$1.91	\$80.22	\$1.74	\$73.08	\$1.64	\$68.88
Navy Reclaimed	\$1.00	\$42.00	\$1.00	\$42.00	\$1.00	\$42.00
Into Plane Jet Fuel	\$2.87	\$120.54	\$2.61	\$109.62	\$2.46	\$103.32
Into Plane AVGAS	\$6.27	\$263.34	\$5.70	\$239.40	\$5.38	\$225.96
Local Purchase Jet Fuel	\$4.68	\$196.56	\$4.25	\$178.50	\$4.01	\$168.42
Local Purchase Ground Fuel	\$3.98	\$167.16	\$3.62	\$152.04	\$3.42	\$143.64
Bunker - Marine	\$1.93	\$81.06	\$1.75	\$73.50	\$2.06	\$86.52
Bunker - Intermediate	\$1.60	\$67.20	\$1.45	\$60.90	\$1.37	\$57.54
Local Purchase Bunker	\$3.44	\$144.48	\$3.13	\$131.46	\$2.95	\$123.90
Special Fuels JPTS	\$3.90	\$163.80	\$3.90	\$163.80	\$3.90	\$163.80
Composite Price	\$2.53	\$106.26	\$2.30	\$96.60	\$2.17	\$91.14

FOREIGN CURRENCY FLUCTUATION RATES
Foreign Currency Fluctuations, Defense

The Foreign Currency Fluctuations, Defense (FCF,D) appropriation was established in FY 1979 to enable execution of budgeted programs despite adverse variations in foreign currency exchange rates. This centralized account is managed by the Under Secretary of Defense (Comptroller). Funds are transferred from this appropriation to DoD Components' Operation and Maintenance and Military Personnel appropriations to offset net losses in purchasing power because of unfavorable fluctuations in the foreign currency exchange rates of specified currencies. If a net gain results, the asset is transferred from the gaining appropriation to the FCF,D appropriation to replenish the fund. Unobligated balances from the prior two years for Operation and Maintenance and Military Personnel appropriations can be transferred to the FCF,D to further replenish the fund. The specified currencies are shown below as well as the rates used to formulate the budget. The Department will use these rates to measure foreign currency fluctuation during execution. These rates are expressed in terms of units of foreign currency that can be purchased with one (1) U.S. dollar. The FY 2008 budget recognizes that the U.S. dollar has generally declined in value compared to other countries' currencies and the rates reflect the U.S. dollar's reduced value.

<u>FOREIGN CURRENCY EXCHANGE RATES</u> (Units of Foreign Currency Per One U.S. Dollar)				
<u>Country</u>	<u>Monetary Unit</u>	<u>Budget Rates</u>		<u>President's</u>
		<u>FY 2006</u>	<u>FY 2007</u>	<u>Budget Rates</u>
				<u>FY 2008</u>
Denmark	Krone	6.0170	6.4710	6.2523
European Community	Euro	.8785	.8530	.8259
Japan	Yen	115.0000	113.3000	114.7781
Norway	Krone	6.7510	6.7680	6.5827
Iceland	Krona	82.1990	74.0730	74.4138
Singapore	Dollar	1.7410	1.7040	1.6202
South Korea	Won	1,205.2000	1,151.0000	1,025.6971
Turkey	Lira	1.514427	1.491817	1.449289
United Kingdom	Pound	0.5930	0.5750	0.5528

KEY ACTIVITY INDICATORS

	<u>FY 2006</u>	<u>Program</u>	<u>FY 2007</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>ARMY</u>					
Active Duty Military Personnel (End Strength) ¹	505,402	12,998	518,400	7,000	525,400
Civilian Personnel (O&M FTEs)	151,804	-5,856	145,948	1,367	147,315
Primary Authorized Aircraft (PAA)	2,124	71	2,195	-18	2,177
Total Aircraft Inventory (TAI)	3,969	38	4,007	52	4,059
Flying Hours (in 000s of hours)	440	1	441	91	532
Training Workloads	65,993	14,817	80,810	-2,352	78,458
Major Installations	90	0	90	0	90
<u>NAVY</u>					
Active Duty Military Personnel (End Strength)	350,197	-12,597	337,600	-9,200	328,400
Civilian Personnel (O&M FTEs)	84,360	11,473	95,833	-2,346	93,487
Primary Authorized Aircraft (PAA) – Active	3,028	-40	2,988	49	3,037
Total Aircraft Inventory (TAI)	3,698	86	3,784	41	3,825
Flying Hours (in 000s of hours)	720	-151	569	29	598
Ship Inventory (Ship Years)	257	-6	251	1	252
Steaming Hours (in 000s of hours) – Conventional	359,088	-52,122	306,966	-518	306,448
Steaming Hours (in 000s of hours) – Nuclear	136,848	-1,380	135,468	-3,772	131,696
Training Workloads	44,927	-3,086	41,841	-1,467	40,374
Major Installations	78	0	78	0	78
<u>MARINE CORPS</u>					
Active Duty Military Personnel (End Strength) ²	180,416	3,584	184,000	5,000	189,000
Civilian Personnel (O&M FTEs)	15,535	227	15,762	214	15,976
Training Workloads	22,825	175	23,000	500	23,500
Major Installations	23	0	23	0	23
Major Supply Depots	2	0	2	0	2

1) Includes 36K Army end strength requested in the FY 2007 Supplemental and the FY 2008 GWOT Request.

2) Includes 9K Marine Corps end strength requested in the FY 2007 Supplemental and the FY 2008 GWOT Request.

KEY ACTIVITY INDICATORS

	<u>FY 2006</u>	<u>Program</u>	<u>FY 2007</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>AIR FORCE</u>					
Active Duty Military Personnel (End Strength)	348,953	-14,753	334,200	-5,600	328,600
Civilian Personnel (O&M FTEs)	92,144	1,332	93,476	1,662	95,138
Primary Authorized Aircraft (PAA)	3,433	-79	3,354	47	3,401
Total Aircraft Inventory (TAI)	4,089	-40	4,049	-60	3,989
Flying Hours (in 000s of hours)	1,203	-21	1,182	-98	1,084
Training Workloads	2,692	-254	2,438	283	2,721
Major Installations	77	0	77	0	77
<u>ARMY RESERVE</u>					
Total Selected Reserve Strength (End Strength)	189,975	10,025	200,000	5,000	205,000
Civilian Personnel (O&M FTEs)	9,905	1,532	11,437	311	11,748
Direct Hires	3,177	-8	3,169	-4	3,165
Reimbursables	87	-34	53	-17	36
Technicians (Included in FTEs)	6,641	1,574	8,215	332	8,547
Flying Hours (in 000s of hours)	36	3	39	0	39
Primary Authorized Aircraft (PAA)	152	6	158	2	160
Reserve Centers	912	-17	895	0	895
Major Installations	7	-3	4	0	4
<u>NAVY RESERVE</u>					
Total Selected Reserve Strength (End Strength)	70,500	800	71,300	-3,500	67,800
Civilian Personnel (O&M FTEs)	1,127	-116	1,011	60	1,071
Primary Authorized Aircraft (PAA)	374	-26	348	-41	307
Flying Hours (in 000s of hours)	125	2	127	-3	124
Ship Inventory	20	-3	17	-6	11
Steaming Hours (in 000s of hours)	24	4	28	-10	18
Training Centers	181	-9	172	-15	157
Major Installations	6	0	6	0	6

KEY ACTIVITY INDICATORS

	FY 2006	Program	FY 2007	Program	FY 2008
	Actual	Change	Estimate	Change	Estimate
<u>MARINE CORPS RESERVE</u>					
Total Selected Reserve Strength (End Strength)	39,486	114	39,600	0	39,600
Civilian Personnel (O&M FTEs)	184	21	205	5	210
Division	1	0	1	0	1
Wing	1	0	1	0	1
Training Centers	185	0	185	0	185
<u>AIR FORCE RESERVE</u>					
Total Selected Reserve Strength (End Strength)	74,075	825	74,900	-7,400	67,500
Civilian Personnel (O&M FTEs)	13,848	447	14,295	-378	13,917
Technicians (Included in FTEs)	9,427	652	10,079	-142	9,937
Primary Authorized Aircraft (PAA)	362	-1	361	-16	345
Total Aircraft Inventory (TAI)	407	-18	389	-15	374
Flying Hours (in 000s of hours)	105	28	133	-13	120
Major Installations	13	0	13	-3	10
<u>ARMY NATIONAL GUARD</u>					
Total Selected Reserve Strength (End Strength)	346,288	3,712	350,000	1,300	351,300
Civilian Personnel (O&M FTEs)	22,629	2,685	25,314	2,510	27,824
Technicians (Included in FTEs)	22,138	2,648	24,786	2,520	27,306
Primary Authorized Aircraft (PAA)	1,527	-6	1,521	-32	1,489
Flying Hours (in 000s of hours)	210	-33	177	38	215
Training Locations	114	0	114	0	114

KEY ACTIVITY INDICATORS

	<u>FY 2006</u>	<u>Program</u>	<u>FY 2007</u>	<u>Program</u>	<u>FY 2008</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>AIR NATIONAL GUARD</u>					
Total Selected Reserve Strength (End Strength)	105,660	1,340	107,000	-300	106,700
Civilian Personnel (O&M FTEs)	23,122	1,745	24,867	-746	24,121
Technicians (Included in FTEs)	21,997	1,608	23,605	-702	22,903
Primary Authorized Aircraft (PAA)	1,079	-5	1,074	-22	1,052
Total Aircraft Inventory (TAI)	1,321	-64	1,257	-99	1,158
Flying Hours (in 000s of hours)	256	52	308	-47	261
Major Installations	2	0	2	0	2
Other Operating Locations	177	-4	173	-2	171
<u>DEFENSE HEALTH PROGRAM</u>					
Training Workloads					
HPSP/FAP/HPLRP	4,177	91	4,268	118	4,386
USUHS	671	10	681	2	683
Other Education & Training	59,029	1,066	60,095	-1,058	59,037
Inpatient Facilities	70	-5	65	-2	63
Inpatient Admissions	251,047	3,191	254,238	-663	253,575
Outpatient Facilities	409	3	412	2	414
Ambulatory Visits	31,216,632	-816,282	30,400,350	479,570	30,879,920

KEY ACTIVITY INDICATORS

<u>SPECIAL OPERATIONS COMMAND</u>	<u>FY 2006 Actual</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Total Aircraft Inventory (TAI)	303	5	308	-5	303
AFSOC	137	-5	132	-7	125
USASOC	166	10	176	2	178
 Primary Authorized Aircraft (PAA)	 271	 11	 282	 -4	 278
AFSOC	120	-2	118	-5	113
USASOC	151	13	164	1	165
 Total Flying Hours (000s)	 97	 -2	 95	 2	 97
AFSOC	52	2	54	0	54
USASOC	45	-4	41	2	43

WORLD WIDE WEB

**The Operation and Maintenance Overview is available on the
World Wide Web at**

<http://www.dod.mil/comptroller/defbudget/fy2008/index.html>

MILITARY PERSONNEL PROGRAMS (M-1, M-1A)

OPERATION AND MAINTENANCE PROGRAMS (O-1, O-1A)



Department of Defense Budget

Fiscal Year 2008

February 2007

Office of the Under Secretary of Defense (Comptroller)

Preface

The Military Personnel (M-1, M-1A) and Operation & Maintenance (O-1, O-1A) Programs are derived from and consistent with the Comptroller Information System database.

The M-1 and O-1 are provided annually to the DoD oversight committees of the Congress coincident with the transmittal of the President's Budget.

The M-1A and O-1A are provided in the Operation and Maintenance Overview Book to assist the oversight committees with evaluating the Department's budget request. The M-1A and O-1A include Supplemental funding in Fiscal Year (FY) 2006, and exclude it in FY 2007 and FY 2008.

These documents are also provided to Office of Assistant Secretary of Defense (Public Affairs) for use by non-DoD activities, and are available to the public on the Internet at <http://www.dod.mil/comptroller>.

Office of the Under Secretary of Defense (Comptroller)

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MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID		(DOLLARS IN THOUSANDS)		
			FY 2006	FY 2007	FY 2008
			-----	-----	-----
		MILITARY PERSONNEL, ARMY (SEE NOTE 5)			
		ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS			
2010A	5	BASIC PAY	5,702,673	5,531,693	5,137,031
2010A	10	RETIRED PAY ACCRUAL	1,498,022	1,427,900	1,489,739
2010A	25	BASIC ALLOWANCE FOR HOUSING (SEE NOTE 3)	1,510,043	1,191,790	1,288,637
2010A	30	BASIC ALLOWANCE FOR SUBSISTENCE	216,044	208,867	197,500
2010A	35	INCENTIVE PAYS	99,919	99,061	99,510
2010A	40	SPECIAL PAYS	377,281	254,667	232,463
2010A	45	ALLOWANCES	260,309	163,651	143,196
2010A	50	SEPARATION PAY	55,870	76,292	77,884
2010A	55	SOCIAL SECURITY TAX	440,470	423,381	373,205
		TOTAL BUDGET ACTIVITY 01:	10,160,631	9,377,302	9,039,165
		ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED			
2010A	60	BASIC PAY	13,191,327	12,066,229	10,859,600
2010A	65	RETIRED PAY ACCRUAL	3,488,476	3,082,325	3,149,284
2010A	80	BASIC ALLOWANCE FOR HOUSING (SEE NOTE 3)	3,944,757	2,524,117	3,360,194
2010A	85	INCENTIVE PAYS	103,972	85,393	95,106
2010A	90	SPECIAL PAYS	1,857,833	861,983	700,337
2010A	95	ALLOWANCES	1,139,463	799,633	633,920
2010A	100	SEPARATION PAY	330,227	305,405	256,285
2010A	105	SOCIAL SECURITY TAX	1,007,033	922,949	830,759
		TOTAL BUDGET ACTIVITY 02:	25,063,088	20,648,034	19,885,485
		ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN			
2010A	110	ACADEMY CADETS	53,391	55,818	56,113
		TOTAL BUDGET ACTIVITY 03:	53,391	55,818	56,113
		ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL			
2010A	115	BASIC ALLOWANCE FOR SUBSISTENCE	1,084,807	1,034,676	819,256
2010A	120	SUBSISTENCE-IN-KIND	1,955,246	1,445,444	648,565
2010A	121	FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	544	613	625
		TOTAL BUDGET ACTIVITY 04:	3,040,597	2,480,733	1,468,446

MILITARY PERSONNEL (M-1)

		ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL			
2010A	125	ACCESSION TRAVEL	211,906	195,893	234,015
2010A	130	TRAINING TRAVEL	88,909	56,536	77,168
2010A	135	OPERATIONAL TRAVEL	278,104	185,912	253,529
2010A	140	ROTATIONAL TRAVEL	526,374	474,098	420,469
2010A	145	SEPARATION TRAVEL	164,313	184,690	143,336
2010A	150	TRAVEL OF ORGANIZED UNITS	58,297	3,789	10,429
2010A	155	NON-TEMPORARY STORAGE	24,304	22,025	23,029
2010A	160	TEMPORARY LODGING EXPENSE	31,809	39,255	41,030
		TOTAL BUDGET ACTIVITY 05:	1,384,016	1,162,198	1,203,005

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR BAH FUNDING IN FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 5: THE BUDGET ACTIVITY DISTRIBUTIONS REFLECTED FOR MILITARY PERSONNEL, ARMY HAVE BEEN ADJUSTED AND DO NOT MATCH THE AMOUNTS REFLECTED IN THE BUDGET OF THE UNITED STATES GOVERNMENT, FY 2008 - APPENDIX.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, ARMY (SEE NOTE 5)			
	ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS			
2010A	170 APPREHENSION OF MILITARY DESERTERS	1,013	1,035	845
2010A	175 INTEREST ON UNIFORMED SERVICES SAVINGS	21,806	3,857	4,367
2010A	180 DEATH GRATUITIES	418,880	27,247	42,609
2010A	185 UNEMPLOYMENT BENEFITS	309,958	152,158	85,172
2010A	195 EDUCATION BENEFITS	3,410	2,184	2,184
2010A	200 ADOPTION EXPENSES	501	470	470
2010A	210 TRANSPORTATION SUBSIDY	7,154	7,416	7,224
2010A	215 PARTIAL DISLOCATION ALLOWANCE	1,623	2,489	2,284
2010A	216 SGLI EXTRA HAZARD PAYMENTS	466,205	230,525	
2010A	217 RESERVE OFFICERS TRAINING CORPS (ROTC)	66,735	84,174	111,567
2010A	218 JUNIOR ROTC	26,971	28,925	30,027
	TOTAL BUDGET ACTIVITY 06:	1,324,256	540,480	286,749
	TOTAL MILITARY PERSONNEL, ARMY	41,025,979	34,264,565	31,938,963
	LESS REIMBURSABLES	145,669	318,601	315,098
	TOTAL DIRECT - MILITARY PERSONNEL, ARMY	40,880,310	33,945,964	31,623,865

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 5: THE BUDGET ACTIVITY DISTRIBUTIONS REFLECTED FOR MILITARY PERSONNEL, ARMY HAVE BEEN ADJUSTED AND DO NOT MATCH THE AMOUNTS REFLECTED IN THE BUDGET OF THE UNITED STATES GOVERNMENT, FY 2008 - APPENDIX.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	RESERVE PERSONNEL, ARMY			
	RESERVE COMPONENT TRAINING AND SUPPORT			
2070A	10 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	980,311	1,081,977	1,179,447
2070A	11 PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(41,901)	(51,636)
2070A	20 PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	29,489	45,350	65,377
2070A	21 PAY GROUP B TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(1,246)	(1,685)
2070A	30 PAY GROUP F TRAINING (RECRUITS)	206,244	186,084	201,473
2070A	31 PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(17,367)	(15,297)
2070A	40 PAY GROUP P TRAINING (PIPELINE RECRUITS)	94		
2070A	60 MOBILIZATION TRAINING	4,631	16,641	13,396
2070A	61 MOBILIZATION TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(448)	(1,204)
2070A	70 SCHOOL TRAINING	169,351	184,818	140,095
2070A	71 SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(25,549)	(20,253)
2070A	80 SPECIAL TRAINING	169,892	202,559	160,098
2070A	81 SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(20,930)	(19,589)
2070A	90 ADMINISTRATION AND SUPPORT	1,677,288	1,582,323	1,747,116
2070A	91 ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)		(233,378)	(248,681)
2070A	100 EDUCATION BENEFITS	106,594	116,446	138,351
2070A	120 HEALTH PROFESSION SCHOLARSHIP	33,019	34,856	34,245
2070A	121 HEALTH PROFESSION SCHOLARSHIP - BAH (MEMO ENTRY - SEE NOTE 2)		(1,897)	(1,944)
2070A	130 OTHER PROGRAMS	49,575	27,479	55,022
2070A	131 OTHER PROGRAMS - BAH (MEMO ENTRY - SEE NOTE 2)		(4,891)	(6,376)
	TOTAL BUDGET ACTIVITY 01:	3,426,488	3,478,533	1,446,297
	TOTAL BUDGET ACTIVITY 02:			2,288,323
2070A	501 BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-40,965	
	TOTAL DIRECT - RESERVE PERSONNEL, ARMY	3,426,488	3,437,568	3,734,620
	TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 2)		(347,607)	(366,665)

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.
 NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.
 NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID		(DOLLARS IN THOUSANDS)		
			FY 2006	FY 2007	FY 2008
			-----	-----	-----
		NATIONAL GUARD PERSONNEL, ARMY (SEE NOTE 6)			
		RESERVE COMPONENT TRAINING AND SUPPORT			
2060A	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	1,815,854	1,769,630	1,897,450
2060A	11	PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(52,311)	(56,344)
2060A	30	PAY GROUP F TRAINING (RECRUITS)	361,742	319,767	342,659
2060A	31	PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(8,563)	(9,424)
2060A	40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	31,964	22,335	31,525
2060A	70	SCHOOL TRAINING	355,335	340,798	344,586
2060A	71	SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(34,177)	(36,489)
2060A	80	SPECIAL TRAINING	507,067	156,850	244,781
2060A	81	SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(17,632)	(30,688)
2060A	90	ADMINISTRATION AND SUPPORT	2,664,920	2,699,368	2,909,995
2060A	91	ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)		(356,426)	(406,286)
2060A	100	EDUCATION BENEFITS	242,494	208,291	188,153
		TOTAL BUDGET ACTIVITY 01:	5,979,376	5,517,039	2,271,634
		TOTAL BUDGET ACTIVITY 02:			3,687,515
2060A	501	BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-24,290	
		TOTAL DIRECT - NATIONAL GUARD PERSONNEL, ARMY	5,979,376	5,492,749	5,959,149
		TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 2)		(469,109)	(539,231)
		TOTAL DIRECT - ARMY MILITARY PERSONNEL APPROPRIATIONS	50,286,174	42,876,281	41,317,634
		MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS:			
1004A	300	ARMY	2,727,452	2,915,391	2,892,875
1005A	300	RESERVE PERSONNEL, ARMY	716,969	742,233	718,229
1006A	300	NATIONAL GUARD PERSONNEL, ARMY	1,219,403	1,232,152	1,264,094
		GRAND TOTAL DIRECT - ARMY MILITARY PERSONNEL COSTS	54,949,998	47,766,057	46,192,832

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

NOTE 6: THE BUDGET ACTIVITY DISTRIBUTIONS REFLECTED FOR NATIONAL GUARD PERSONNEL, ARMY HAVE BEEN ADJUSTED AND DO NOT MATCH THE AMOUNTS REFLECTED IN THE BUDGET OF THE UNITED STATES GOVERNMENT, FY 2008 - APPENDIX.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID		(DOLLARS IN THOUSANDS)		
			FY 2006	FY 2007	FY 2008
			-----	-----	-----
		MILITARY PERSONNEL, NAVY			
		ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS			
1453N	5	BASIC PAY	3,330,454	3,261,498	3,316,590
1453N	10	RETIRED PAY ACCRUAL	882,571	864,297	960,710
1453N	25	BASIC ALLOWANCE FOR HOUSING (SEE NOTE 3)	1,064,109	1,047,177	1,073,826
1453N	30	BASIC ALLOWANCE FOR SUBSISTENCE	121,131	119,593	121,738
1453N	35	INCENTIVE PAYS	155,083	176,448	176,341
1453N	40	SPECIAL PAYS	332,490	350,781	344,512
1453N	45	ALLOWANCES	114,100	107,868	114,796
1453N	50	SEPARATION PAY	40,512	36,861	34,683
1453N	55	SOCIAL SECURITY TAX	252,449	247,525	252,117
		TOTAL BUDGET ACTIVITY 01:	6,292,899	6,212,048	6,395,313
		ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED			
1453N	60	BASIC PAY	8,091,337	7,868,349	7,724,419
1453N	65	RETIRED PAY ACCRUAL	2,144,205	2,085,112	2,237,935
1453N	80	BASIC ALLOWANCE FOR HOUSING (SEE NOTE 3)	3,256,056	3,224,494	3,127,841
1453N	85	INCENTIVE PAYS	96,007	107,313	105,469
1453N	90	SPECIAL PAYS	924,881	925,486	899,765
1453N	95	ALLOWANCES	556,486	514,245	612,990
1453N	100	SEPARATION PAY	157,882	163,952	149,962
1453N	105	SOCIAL SECURITY TAX	613,988	601,928	585,990
		TOTAL BUDGET ACTIVITY 02:	15,840,842	15,490,879	15,444,371
		ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN			
1453N	110	MIDSHIPMEN	59,085	62,649	61,472
		TOTAL BUDGET ACTIVITY 03:	59,085	62,649	61,472
		ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL			
1453N	115	BASIC ALLOWANCE FOR SUBSISTENCE	643,932	606,850	591,589
1453N	120	SUBSISTENCE-IN-KIND	341,048	347,076	344,721
1453N	121	FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	20	22	22
		TOTAL BUDGET ACTIVITY 04:	985,000	953,948	936,332

MILITARY PERSONNEL (M-1)

		ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL			
1453N	125	ACCESSION TRAVEL	70,877	59,954	63,361
1453N	130	TRAINING TRAVEL	65,522	64,987	60,933
1453N	135	OPERATIONAL TRAVEL	236,054	189,748	183,330
1453N	140	ROTATIONAL TRAVEL	287,878	267,253	269,742
1453N	145	SEPARATION TRAVEL	113,627	100,903	99,129
1453N	150	TRAVEL OF ORGANIZED UNITS	18,893	19,505	19,103
1453N	155	NON-TEMPORARY STORAGE	8,084	7,283	7,243
1453N	160	TEMPORARY LODGING EXPENSE	6,964	6,625	6,523
1453N	165	OTHER	5,394	6,272	6,272
		TOTAL BUDGET ACTIVITY 05:	813,293	722,530	715,636

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR BAH FUNDING IN FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, NAVY			
	ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS			
1453N	170 APPREHENSION OF MILITARY DESERTERS	550	725	741
1453N	175 INTEREST ON UNIFORMED SERVICES SAVINGS	763	940	880
1453N	180 DEATH GRATUITIES	227,200	15,181	25,400
1453N	185 UNEMPLOYMENT BENEFITS	96,264	73,976	35,412
1453N	195 EDUCATION BENEFITS	2,107	5,038	7,925
1453N	200 ADOPTION EXPENSES	203	346	254
1453N	210 TRANSPORTATION SUBSIDY	5,828	6,395	5,958
1453N	215 PARTIAL DISLOCATION ALLOWANCE	377	1,032	1,065
1453N	216 SGLI EXTRA HAZARD PAYMENTS	98,927	102,625	
1453N	217 RESERVE OFFICERS TRAINING CORPS (ROTC)	18,635	19,972	20,050
1453N	218 JUNIOR R.O.T.C	13,770	12,932	13,217
	TOTAL BUDGET ACTIVITY 06:	464,624	239,162	110,902
	TOTAL MILITARY PERSONNEL, NAVY	24,455,743	23,681,216	23,664,026
	LESS REIMBURSABLES	336,821	353,405	358,793
	TOTAL DIRECT - MILITARY PERSONNEL, NAVY	24,118,922	23,327,811	23,305,233

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	RESERVE PERSONNEL, NAVY			
	RESERVE COMPONENT TRAINING AND SUPPORT			
1405N	10 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	536,669	555,617	611,478
1405N	11 PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 3)		(10,772)	(11,005)
1405N	20 PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY)	5,235	7,568	8,055
1405N	21 PAY GROUP B TRAINING - BAH (MEMO ENTRY - SEE NOTE 3)		(241)	(245)
1405N	30 PAY GROUP F TRAINING (RECRUITS)	18,748	41,947	43,599
1405N	31 PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 3)		(106)	(103)
1405N	60 MOBILIZATION TRAINING	6,699	7,491	7,738
1405N	61 MOBILIZATION TRAINING -BAH (MEMO ENTRY - SEE NOTE 3)		(442)	(454)
1405N	70 SCHOOL TRAINING	36,798	31,198	30,547
1405N	71 SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 3)		(3,015)	(2,938)
1405N	80 SPECIAL TRAINING	98,553	65,455	61,497
1405N	81 SPECIAL TRAINING -BAH (MEMO ENTRY - SEE NOTE 3)		(7,823)	(5,793)
1405N	90 ADMINISTRATION AND SUPPORT	1,036,502	999,701	995,162
1405N	91 ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 3)		(185,251)	(177,817)
1405N	100 EDUCATION BENEFITS	25,862	20,827	6,473
1405N	120 HEALTH PROFESSION SCHOLARSHIP	29,076	30,872	33,136
1405N	121 HEALTH PROFESSION SCHOLARSHIP - BAH (MEMO ENTRY - SEE NOTE 3)		(1,188)	(3,210)
	TOTAL BUDGET ACTIVITY 01:	1,794,142	1,760,676	663,132
	TOTAL BUDGET ACTIVITY 02:			1,134,553
	TOTAL DIRECT - RESERVE PERSONNEL, NAVY	1,794,142	1,760,676	1,797,685
	TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 3)		(208,838)	(201,565)
	TOTAL DIRECT - NAVY MILITARY PERSONNEL APPROPRIATIONS	25,913,064	25,088,487	25,102,918
	MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS:			
1000N	300 NAVY	2,028,599	2,098,369	1,924,988
1002N	300 RESERVE PERSONNEL, NAVY	291,754	287,140	265,682
	GRAND TOTAL DIRECT - NAVY MILITARY PERSONNEL COSTS	28,233,417	27,473,996	27,293,588

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR BAH FUNDING IN FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, MARINE CORPS			
	ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS			
1105N	5 BASIC PAY	1,213,200	1,131,640	1,194,344
1105N	10 RETIRED PAY ACCRUAL	321,039	299,885	346,360
1105N	25 BASIC ALLOWANCE FOR HOUSING (SEE NOTE 2)	338,226	327,019	338,709
1105N	30 BASIC ALLOWANCE FOR SUBSISTENCE	44,644	42,249	44,616
1105N	35 INCENTIVE PAYS	47,097	47,079	49,440
1105N	40 SPECIAL PAYS	13,753	4,508	8,923
1105N	45 ALLOWANCES	39,846	24,106	24,451
1105N	50 SEPARATION PAY	8,441	12,514	13,659
1105N	55 SOCIAL SECURITY TAX	91,382	86,544	91,481
	TOTAL BUDGET ACTIVITY 01:	2,117,628	1,975,544	2,111,983
	ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED			
1105N	60 BASIC PAY	3,940,895	3,739,462	3,926,974
1105N	65 RETIRED PAY ACCRUAL	1,040,033	987,359	1,138,720
1105N	80 BASIC ALLOWANCE FOR HOUSING (SEE NOTE 2)	1,041,538	1,024,902	1,109,129
1105N	85 INCENTIVE PAYS	8,186	8,360	8,360
1105N	90 SPECIAL PAYS	245,408	126,406	381,160
1105N	95 ALLOWANCES	256,772	213,304	242,372
1105N	100 SEPARATION PAY	45,398	75,359	77,200
1105N	105 SOCIAL SECURITY TAX	294,830	285,030	300,414
	TOTAL BUDGET ACTIVITY 02:	6,873,060	6,460,182	7,184,329
	ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL			
1105N	115 BASIC ALLOWANCE FOR SUBSISTENCE	374,890	304,767	336,758
1105N	120 SUBSISTENCE-IN-KIND	221,408	255,101	260,978
1105N	121 FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	742	750	750
	TOTAL BUDGET ACTIVITY 04:	597,040	560,618	598,486

MILITARY PERSONNEL (M-1)

		ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL			
1105N	125	ACCESSION TRAVEL	55,734	45,331	47,877
1105N	130	TRAINING TRAVEL	5,246	9,523	9,798
1105N	135	OPERATIONAL TRAVEL	122,081	90,676	91,399
1105N	140	ROTATIONAL TRAVEL	124,642	126,686	126,787
1105N	145	SEPARATION TRAVEL	45,070	50,659	53,545
1105N	150	TRAVEL OF ORGANIZED UNITS	246	1,755	1,781
1105N	155	NON-TEMPORARY STORAGE	5,189	5,351	5,430
1105N	160	TEMPORARY LODGING EXPENSE	12,467	12,857	13,046
1105N	165	OTHER	2,414	2,524	2,561
		TOTAL BUDGET ACTIVITY 05:	373,089	345,362	352,224

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, MARINE CORPS			
	ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS			
1105N	170 APPREHENSION OF MILITARY DESERTERS	1,622	1,668	1,710
1105N	175 INTEREST ON UNIFORMED SERVICES SAVINGS	1,150	17	18
1105N	180 DEATH GRATUITIES	203,539	2,208	16,800
1105N	185 UNEMPLOYMENT BENEFITS	71,950	52,317	30,604
1105N	195 EDUCATION BENEFITS	371	959	1,172
1105N	200 ADOPTION EXPENSES	259	363	470
1105N	210 TRANSPORTATION SUBSIDY	1,543	1,956	2,007
1105N	215 PARTIAL DISLOCATION ALLOWANCE	668	682	713
1105N	216 SGLI EXTRA HAZARD PAYMENTS	152,960	54,200	
1105N	218 JUNIOR R.O.T.C	5,249	5,392	4,184
	TOTAL BUDGET ACTIVITY 06:	439,311	119,762	57,678
1105N	501 BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-97,805	
	TOTAL MILITARY PERSONNEL, MARINE CORPS	10,400,128	9,363,663	10,304,700
	LESS REIMBURSABLES	19,374	32,222	26,669
	TOTAL DIRECT - MILITARY PERSONNEL, MARINE CORPS	10,380,754	9,331,441	10,278,031

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS, SEE NOTE 2, PAGE 8.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID		(DOLLARS IN THOUSANDS)		
			FY 2006	FY 2007	FY 2008
			-----	-----	-----
		RESERVE PERSONNEL, MARINE CORPS			
		RESERVE COMPONENT TRAINING AND SUPPORT			
1108N	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	159,863	166,505	176,227
1108N	11	PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(5,144)	(5,759)
1108N	20	PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	21,179	24,951	39,689
1108N	21	PAY GROUP B TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(980)	(1,260)
1108N	30	PAY GROUP F TRAINING (RECRUITS)	64,086	91,315	93,272
1108N	31	PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(2,361)	(2,448)
1108N	40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	28	65	
1108N	60	MOBILIZATION TRAINING	2,494	2,715	2,811
1108N	61	MOBILIZATION TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(215)	(222)
1108N	70	SCHOOL TRAINING	13,495	12,484	14,245
1108N	71	SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(1,818)	(1,794)
1108N	80	SPECIAL TRAINING	49,546	54,190	36,244
1108N	81	SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(4,262)	(4,419)
1108N	90	ADMINISTRATION AND SUPPORT	180,953	162,215	183,131
1108N	91	ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)		(28,302)	(28,930)
1108N	95	PLATOON LEADER CLASS	8,797	12,954	13,043
1108N	100	EDUCATION BENEFITS	26,655	29,794	36,210
		TOTAL BUDGET ACTIVITY 01:	527,096	557,188	309,188
		TOTAL BUDGET ACTIVITY 02:			285,684
1108N	501	BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-2,948	
		TOTAL DIRECT - RESERVE PERSONNEL, MARINE CORPS	527,096	554,240	594,872
		TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 2)		(43,082)	(44,832)
		TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL APPROPRIATIONS	10,907,850	9,885,681	10,872,903
		MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS:			
1001N	300	MARINE CORPS	981,905	1,050,586	1,055,475
1003N	300	RESERVE PERSONNEL, MARINE CORPS	136,589	144,647	141,606
		GRAND TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL COSTS	12,026,344	11,080,914	12,069,984

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.
 NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.
 NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, AIR FORCE			
	ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS			
3500F	5	4,587,562	4,406,524	4,265,227
3500F	10	1,215,712	1,167,729	1,236,917
3500F	25	1,152,573	1,015,115	1,106,804
3500F	30	169,354	163,330	156,328
3500F	35	304,618	310,228	293,725
3500F	40	238,800	229,929	214,947
3500F	45	165,805	131,815	122,307
3500F	50	66,370	87,723	308,588
3500F	55	348,699	335,351	324,900
	TOTAL BUDGET ACTIVITY 01:	8,249,493	7,847,744	8,029,743
	ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED			
3500F	60	8,097,657	8,015,715	7,812,430
3500F	65	2,145,876	2,124,166	2,265,606
3500F	80	2,467,963	1,919,212	2,528,554
3500F	85	38,320	35,254	36,224
3500F	90	324,305	257,698	234,379
3500F	95	652,894	535,644	520,062
3500F	100	130,707	129,579	123,691
3500F	105	619,473	613,201	597,651
	TOTAL BUDGET ACTIVITY 02:	14,477,195	13,630,469	14,118,597
	ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN			
3500F	110	57,056	57,971	59,942
	TOTAL BUDGET ACTIVITY 03:	57,056	57,971	59,942
	ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL			
3500F	115	830,569	786,109	750,602
3500F	120	206,447	148,630	152,792
3500F	121	800	143	143
	TOTAL BUDGET ACTIVITY 04:	1,037,816	934,882	903,537

MILITARY PERSONNEL (M-1)

		ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL			
3500F	125	ACCESSION TRAVEL	84,589	86,885	89,590
3500F	130	TRAINING TRAVEL	103,530	116,765	119,306
3500F	135	OPERATIONAL TRAVEL	226,323	177,838	246,805
3500F	140	ROTATIONAL TRAVEL	507,937	482,270	441,113
3500F	145	SEPARATION TRAVEL	152,190	198,859	159,254
3500F	150	TRAVEL OF ORGANIZED UNITS	5,129	15,100	35,046
3500F	155	NON-TEMPORARY STORAGE	31,966	32,668	33,386
3500F	160	TEMPORARY LODGING EXPENSE	48,185	49,244	50,330
		TOTAL BUDGET ACTIVITY 05:	1,159,849	1,159,629	1,174,830

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR BAH FUNDING IN FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, AIR FORCE			
	ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS			
3500F	170 APPREHENSION OF MILITARY DESERTERS	100	85	81
3500F	175 INTEREST ON UNIFORMED SERVICES SAVINGS	1,371	1,694	1,724
3500F	180 DEATH GRATUITIES	173,100	37,700	24,200
3500F	185 UNEMPLOYMENT BENEFITS	65,299	39,823	24,369
3500F	190 SURVIVOR BENEFITS	1,459	1,503	1,539
3500F	195 EDUCATION BENEFITS	2,882	131	180
3500F	200 ADOPTION EXPENSES	582	584	584
3500F	210 TRANSPORTATION SUBSIDY	4,099	4,737	4,851
3500F	215 PARTIAL DISLOCATION ALLOWANCE	2,960	2,132	2,169
3500F	216 SGLI EXTRA HAZARD PAYMENTS	109,248	115,453	
3500F	217 RESERVE OFFICERS TRAINING CORPS (ROTC)	38,692	35,058	46,754
3500F	218 JUNIOR ROTC	20,686	21,791	22,588
	TOTAL BUDGET ACTIVITY 06:	420,478	260,691	129,039
	TOTAL MILITARY PERSONNEL, AIR FORCE	25,401,887	23,891,386	24,415,688
	LESS REIMBURSABLES	313,043	319,400	318,334
	TOTAL DIRECT - MILITARY PERSONNEL, AIR FORCE	25,088,844	23,571,986	24,097,354

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	RESERVE PERSONNEL, AIR FORCE			
	RESERVE COMPONENT TRAINING AND SUPPORT			
3700F	10 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	535,765	539,057	617,479
3700F	11 PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(13,063)	(12,911)
3700F	20 PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	112,253	111,702	98,622
3700F	21 PAY GROUP B TRAINING - BAH (MEMO ENTRY- SEE NOTE 2)		(3,343)	(3,368)
3700F	30 PAY GROUP F TRAINING (RECRUITS)	28,248	37,478	53,082
3700F	31 PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(2,671)	(2,432)
3700F	40 PAY GROUP P TRAINING (PIPELINE RECRUITS)	85	100	104
3700F	60 MOBILIZATION TRAINING	370	1,800	1,800
3700F	70 SCHOOL TRAINING	103,314	128,622	109,475
3700F	71 SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(12,279)	(11,957)
3700F	80 SPECIAL TRAINING	157,520	168,926	101,175
3700F	81 SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(15,009)	(15,104)
3700F	90 ADMINISTRATION AND SUPPORT	213,164	241,755	269,299
3700F	91 ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)		(29,015)	(34,613)
3700F	100 EDUCATION BENEFITS	44,870	32,733	40,222
3700F	120 HEALTH PROFESSION SCHOLARSHIP	29,296	29,387	31,026
3700F	121 HEALTH PROFESSION SCHOLARSHIP - BAH (MEMO ENTRY - SEE NOTE 2)		(838)	(1,259)
3700F	130 OTHER PROGRAMS (ADMIN & SUPPORT)	15,237	44,278	48,195
	TOTAL BUDGET ACTIVITY 01:	1,240,122	1,335,838	769,287
	TOTAL BUDGET ACTIVITY 02:			601,192
3700F	501 BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-6,861	
	TOTAL DIRECT - RESERVE PERSONNEL, AIR FORCE	1,240,122	1,328,977	1,370,479
	TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 2)		(76,218)	(81,644)

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.
 NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.
 NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)			
		FY 2006	FY 2007	FY 2008	
		-----	-----	-----	
	NATIONAL GUARD PERSONNEL, AIR FORCE				
	RESERVE COMPONENT TRAINING AND SUPPORT				
3850F	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	763,367	842,604	962,871
3850F	11	PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(23,852)	(23,318)	(25,252)
3850F	30	PAY GROUP F TRAINING (RECRUITS)	54,294	71,798	65,056
3850F	31	PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(4,865)	(4,755)	(5,151)
3850F	40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	5,467	4,177	456
3850F	70	SCHOOL TRAINING	185,241	141,790	187,802
3850F	71	SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(52,950)	(25,820)	(28,032)
3850F	80	SPECIAL TRAINING	217,935	59,403	87,831
3850F	81	SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(73,414)	(15,875)	(38,861)
3850F	90	ADMINISTRATION AND SUPPORT	1,172,966	1,159,482	1,281,804
3850F	91	ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)	(148,588)	(207,765)	(206,748)
3850F	100	EDUCATION BENEFITS	54,051	66,067	56,590
		TOTAL BUDGET ACTIVITY 01:	2,453,321	2,345,321	1,028,383
		TOTAL BUDGET ACTIVITY 02:			1,614,027
3850F	501	BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-39,173	
		TOTAL DIRECT - NATIONAL GUARD PERSONNEL, AIR FORCE	2,453,321	2,306,148	2,642,410
		TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 2)	(303,669)	(277,533)	(304,044)
		TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL APPROPRIATIONS	28,782,287	27,207,111	28,110,243
		MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS:			
1007F	300	AIR FORCE	2,032,519	2,082,462	1,957,484
1008F	300	RESERVE PERSONNEL, AIR FORCE	254,333	268,104	251,799
1009F	300	NATIONAL GUARD PERSONNEL, AIR FORCE	385,869	409,546	403,972
		GRAND TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL COSTS	31,455,008	29,967,223	30,723,498

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.
 NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.
 NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

ID	(DOLLARS IN THOUSANDS)			
	FY 2006	FY 2007	FY 2008	
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MILITARY PERSONNEL, GRAND TOTAL				
ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS				
5	BASIC PAY	14,833,889	14,331,355	13,913,192
10	RETIRED PAY ACCRUAL	3,917,344	3,759,811	4,033,726
25	BASIC ALLOWANCE FOR HOUSING (SEE NOTE 2)	4,064,951	3,581,101	3,807,976
30	BASIC ALLOWANCE FOR SUBSISTENCE	551,173	534,039	520,182
35	INCENTIVE PAYS	606,717	632,816	619,016
40	SPECIAL PAYS	962,324	839,885	800,845
45	ALLOWANCES	580,060	427,440	404,750
50	SEPARATION PAY	171,193	213,390	434,814
55	SOCIAL SECURITY TAX	1,133,000	1,092,801	1,041,703
	TOTAL BUDGET ACTIVITY 01:	26,820,651	25,412,638	25,576,204
ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED				
60	BASIC PAY	33,321,216	31,689,755	30,323,423
65	RETIRED PAY ACCRUAL	8,818,590	8,278,962	8,791,545
80	BASIC ALLOWANCE FOR HOUSING (SEE NOTE 2)	10,710,314	8,692,725	10,125,718
85	INCENTIVE PAYS	246,485	236,320	245,159
90	SPECIAL PAYS	3,352,427	2,171,573	2,215,641
95	ALLOWANCES	2,605,615	2,062,826	2,009,344
100	SEPARATION PAY	664,214	674,295	607,138
105	SOCIAL SECURITY TAX	2,535,324	2,423,108	2,314,814
	TOTAL BUDGET ACTIVITY 02:	62,254,185	56,229,564	56,632,782
ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN				
110	ACADEMY CADETS	169,532	176,438	177,527
	TOTAL BUDGET ACTIVITY 03:	169,532	176,438	177,527
ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL				
115	BASIC ALLOWANCE FOR SUBSISTENCE	2,934,198	2,732,402	2,498,205
120	SUBSISTENCE-IN-KIND	2,724,149	2,196,251	1,407,056
121	FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	2,106	1,528	1,540
	TOTAL BUDGET ACTIVITY 04:	5,660,453	4,930,181	3,906,801

MILITARY PERSONNEL (M-1)

ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL				
125	ACCESSION TRAVEL	423,106	388,063	434,843
130	TRAINING TRAVEL	263,207	247,811	267,205
135	OPERATIONAL TRAVEL	862,562	644,174	775,063
140	ROTATIONAL TRAVEL	1,446,831	1,350,307	1,258,111
145	SEPARATION TRAVEL	475,200	535,111	455,264
150	TRAVEL OF ORGANIZED UNITS	82,565	40,149	66,359
155	NON-TEMPORARY STORAGE	69,543	67,327	69,088
160	TEMPORARY LODGING EXPENSE	99,425	107,981	110,929
165	OTHER	7,808	8,796	8,833
TOTAL BUDGET ACTIVITY 05:		3,730,247	3,389,719	3,445,695

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

ID	(DOLLARS IN THOUSANDS)		
	FY 2006	FY 2007	FY 2008
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MILITARY PERSONNEL, GRAND TOTAL			
ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS			
170	3,285	3,513	3,377
175	25,090	6,508	6,989
180	1,022,719	82,336	109,009
185	543,471	318,274	175,557
190	1,459	1,503	1,539
195	8,770	8,312	11,461
200	1,545	1,763	1,778
210	18,624	20,504	20,040
215	5,628	6,335	6,231
216	827,340	502,803	
217	124,062	139,204	178,371
218	66,676	69,040	70,016
	2,648,669	1,160,095	584,368
501		-97,805	
	101,283,737	91,200,830	90,323,377
		814,907	1,018,894
	100,468,830	90,177,202	89,304,483
300	7,770,475	8,146,808	7,830,822
	108,239,305	98,324,010	97,135,305

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS, SEE NOTE 2, PAGE 15.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

ID	(DOLLARS IN THOUSANDS)			
	FY 2006	FY 2007	FY 2008	
	-----	-----	-----	
RESERVE PERSONNEL, GRAND TOTAL				
10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	2,212,608	2,343,156	2,584,631
11	PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(70,880)	(81,311)
20	PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	168,156	189,571	211,743
21	PAY GROUP B TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(5,810)	(6,558)
30	PAY GROUP F TRAINING (RECRUITS)	317,326	356,824	391,426
31	PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(22,505)	(20,280)
40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	207	165	104
60	MOBILIZATION TRAINING	14,194	28,647	25,745
61	MOBILIZATION TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(1,105)	(1,880)
70	SCHOOL TRAINING	322,958	357,122	294,362
71	SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(42,661)	(36,942)
80	SPECIAL TRAINING	475,511	491,130	359,014
81	SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(48,024)	(44,905)
90	ADMINISTRATION AND SUPPORT	3,106,907	2,985,994	3,194,708
91	ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)		(475,946)	(490,041)
95	PLATOON LEADER CLASS	8,797	12,954	13,043
100	EDUCATION BENEFITS	203,981	199,800	221,256
120	HEALTH PROFESSION SCHOLARSHIP	91,391	95,115	98,407
121	HEALTH PROFESSION SCHOLARSHIP - BAH (MEMO ENTRY - SEE NOTE 2)		(3,923)	(6,413)
130	OTHER PROGRAMS (ADMIN & SUPPORT)	64,812	71,757	103,217
131	OTHER PROGRAMS - BAH (MEMO ENTRY - SEE NOTE 2)		(4,891)	(6,376)
	TOTAL BUDGET ACTIVITY 01:	6,987,848	7,132,235	3,187,904
	TOTAL BUDGET ACTIVITY 02:			4,309,752
501	BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-50,774	
	TOTAL DIRECT - RESERVE	6,987,848	7,081,461	7,497,656
300	MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION	1,399,645	1,442,124	1,377,316
	GRAND TOTAL DIRECT - RESERVE PERSONNEL COSTS	8,387,493	8,523,585	8,874,972

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.
 NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.
 NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1)

Exhibit M-1
FY 2008/2009 President's Budget

ID	(DOLLARS IN THOUSANDS)		
	FY 2006	FY 2007	FY 2008
	-----	-----	-----
NATIONAL GUARD PERSONNEL, GRAND TOTAL			
10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	2,579,221	2,612,234
11	PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(23,852)	(75,629)
30	PAY GROUP F TRAINING (RECRUITS)	416,036	391,565
31	PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(4,865)	(13,318)
40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	37,431	26,512
70	SCHOOL TRAINING	540,576	482,588
71	SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(52,950)	(59,997)
80	SPECIAL TRAINING	725,002	216,253
81	SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(73,414)	(33,507)
90	ADMINISTRATION AND SUPPORT	3,837,886	3,858,850
91	ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)	(148,588)	(564,191)
100	EDUCATION BENEFITS	296,545	274,358
	TOTAL BUDGET ACTIVITY 01:	8,432,697	7,862,360
	TOTAL BUDGET ACTIVITY 02:		5,301,542
501	BAH, CONTINUING RESOLUTION ADJUSTMENT		-63,463
	TOTAL DIRECT - NATIONAL GUARD	8,432,697	7,798,897
300	MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION (SEE NOTE 4)	1,605,272	1,641,698
	GRAND TOTAL DIRECT - NATIONAL GUARD PERSONNEL COSTS	10,037,969	9,440,595
	GRAND TOTAL DIRECT - MILITARY PERSONNEL	126,664,767	116,288,190

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.
 NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.
 NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID		(DOLLARS IN THOUSANDS)		
			FY 2006	FY 2007	FY 2008
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		MILITARY PERSONNEL, ARMY (SEE NOTE 5)			
		ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS			
2010A	5	BASIC PAY	5,702,673	4,903,935	5,137,031
2010A	10	RETIRED PAY ACCRUAL	1,498,022	1,300,792	1,489,739
2010A	25	BASIC ALLOWANCE FOR HOUSING (SEE NOTE 3)	1,510,043	1,191,790	1,288,637
2010A	30	BASIC ALLOWANCE FOR SUBSISTENCE	216,044	184,656	197,500
2010A	35	INCENTIVE PAYS	99,919	99,061	99,510
2010A	40	SPECIAL PAYS	377,281	216,160	232,463
2010A	45	ALLOWANCES	260,309	150,341	143,196
2010A	50	SEPARATION PAY	55,870	76,292	77,884
2010A	55	SOCIAL SECURITY TAX	440,470	374,959	373,205
		TOTAL BUDGET ACTIVITY 01:	10,160,631	8,497,986	9,039,165
		ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED			
2010A	60	BASIC PAY	13,191,327	10,514,140	10,859,600
2010A	65	RETIRED PAY ACCRUAL	3,488,476	2,786,586	3,149,284
2010A	80	BASIC ALLOWANCE FOR HOUSING (SEE NOTE 3)	3,944,757	2,524,117	3,360,194
2010A	85	INCENTIVE PAYS	103,972	85,393	95,106
2010A	90	SPECIAL PAYS	1,857,833	682,837	700,337
2010A	95	ALLOWANCES	1,139,463	740,344	633,920
2010A	100	SEPARATION PAY	330,227	305,405	256,285
2010A	105	SOCIAL SECURITY TAX	1,007,033	804,222	830,759
		TOTAL BUDGET ACTIVITY 02:	25,063,088	18,443,044	19,885,485
		ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN			
2010A	110	ACADEMY CADETS	53,391	55,818	56,113
		TOTAL BUDGET ACTIVITY 03:	53,391	55,818	56,113
		ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL			
2010A	115	BASIC ALLOWANCE FOR SUBSISTENCE	1,084,807	861,817	819,256
2010A	120	SUBSISTENCE-IN-KIND	1,955,246	606,599	648,565
2010A	121	FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	544	613	625
		TOTAL BUDGET ACTIVITY 04:	3,040,597	1,469,029	1,468,446

MILITARY PERSONNEL (M-1A)

		ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL			
2010A	125	ACCESSION TRAVEL	211,906	195,893	234,015
2010A	130	TRAINING TRAVEL	88,909	56,536	77,168
2010A	135	OPERATIONAL TRAVEL	278,104	185,912	253,529
2010A	140	ROTATIONAL TRAVEL	526,374	474,098	420,469
2010A	145	SEPARATION TRAVEL	164,313	184,690	143,336
2010A	150	TRAVEL OF ORGANIZED UNITS	58,297	3,789	10,429
2010A	155	NON-TEMPORARY STORAGE	24,304	22,025	23,029
2010A	160	TEMPORARY LODGING EXPENSE	31,809	39,255	41,030
		TOTAL BUDGET ACTIVITY 05:	1,384,016	1,162,198	1,203,005

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR BAH FUNDING IN FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 5: THE BUDGET ACTIVITY DISTRIBUTIONS REFLECTED FOR MILITARY PERSONNEL, ARMY HAVE BEEN ADJUSTED AND DO NOT MATCH THE AMOUNTS REFLECTED IN THE BUDGET OF THE UNITED STATES GOVERNMENT, FY 2008 - APPENDIX.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, ARMY (SEE NOTE 5)			
	ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS			
2010A	170 APPREHENSION OF MILITARY DESERTERS	1,013	1,035	845
2010A	175 INTEREST ON UNIFORMED SERVICES SAVINGS	21,806	3,857	4,367
2010A	180 DEATH GRATUITIES	418,880	7,072	42,609
2010A	185 UNEMPLOYMENT BENEFITS	309,958	152,158	85,172
2010A	195 EDUCATION BENEFITS	3,410	2,184	2,184
2010A	200 ADOPTION EXPENSES	501	470	470
2010A	210 TRANSPORTATION SUBSIDY	7,154	7,416	7,224
2010A	215 PARTIAL DISLOCATION ALLOWANCE	1,623	2,489	2,284
2010A	216 SGLI EXTRA HAZARD PAYMENTS	466,205		
2010A	217 RESERVE OFFICERS TRAINING CORPS (ROTC)	66,735	84,174	111,567
2010A	218 JUNIOR ROTC	26,971	28,925	30,027
	TOTAL BUDGET ACTIVITY 06:	1,324,256	289,780	286,749
	TOTAL MILITARY PERSONNEL, ARMY	41,025,979	29,917,855	31,938,963
	LESS REIMBURSABLES	145,669	318,601	315,098
	TOTAL DIRECT - MILITARY PERSONNEL, ARMY	40,880,310	29,599,254	31,623,865

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 5: THE BUDGET ACTIVITY DISTRIBUTIONS REFLECTED FOR MILITARY PERSONNEL, ARMY HAVE BEEN ADJUSTED AND DO NOT MATCH THE AMOUNTS REFLECTED IN THE BUDGET OF THE UNITED STATES GOVERNMENT, FY 2008 - APPENDIX.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	RESERVE PERSONNEL, ARMY			
	RESERVE COMPONENT TRAINING AND SUPPORT			
2070A	10 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	980,311	1,081,977	1,179,447
2070A	11 PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(41,901)	(51,636)
2070A	20 PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	29,489	45,350	65,377
2070A	21 PAY GROUP B TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(1,246)	(1,685)
2070A	30 PAY GROUP F TRAINING (RECRUITS)	206,244	186,084	201,473
2070A	31 PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(17,367)	(15,297)
2070A	40 PAY GROUP P TRAINING (PIPELINE RECRUITS)	94		
2070A	60 MOBILIZATION TRAINING	4,631	16,641	13,396
2070A	61 MOBILIZATION TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(448)	(1,204)
2070A	70 SCHOOL TRAINING	169,351	184,818	140,095
2070A	71 SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(25,549)	(20,253)
2070A	80 SPECIAL TRAINING	169,892	161,759	160,098
2070A	81 SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(20,930)	(19,589)
2070A	90 ADMINISTRATION AND SUPPORT	1,677,288	1,535,367	1,747,116
2070A	91 ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)		(233,378)	(248,681)
2070A	100 EDUCATION BENEFITS	106,594	116,446	138,351
2070A	120 HEALTH PROFESSION SCHOLARSHIP	33,019	34,856	34,245
2070A	121 HEALTH PROFESSION SCHOLARSHIP - BAH (MEMO ENTRY - SEE NOTE 2)		(1,897)	(1,944)
2070A	130 OTHER PROGRAMS	49,575	27,479	55,022
2070A	131 OTHER PROGRAMS - BAH (MEMO ENTRY - SEE NOTE 2)		(4,891)	(6,376)
	TOTAL BUDGET ACTIVITY 01:	3,426,488	3,390,777	1,446,297
	TOTAL BUDGET ACTIVITY 02:			2,288,323
2070A	501 BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-40,965	
	TOTAL DIRECT - RESERVE PERSONNEL, ARMY	3,426,488	3,349,812	3,734,620
	TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 2)		(347,607)	(366,665)

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.
 NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.
 NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID		(DOLLARS IN THOUSANDS)		
			FY 2006	FY 2007	FY 2008
			-----	-----	-----
		NATIONAL GUARD PERSONNEL, ARMY (SEE NOTE 6)			
		RESERVE COMPONENT TRAINING AND SUPPORT			
2060A	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	1,815,854	1,518,630	1,897,450
2060A	11	PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(52,311)	(56,344)
2060A	30	PAY GROUP F TRAINING (RECRUITS)	361,742	319,767	342,659
2060A	31	PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(8,563)	(9,424)
2060A	40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	31,964	22,335	31,525
2060A	70	SCHOOL TRAINING	355,335	295,839	344,586
2060A	71	SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(34,177)	(36,489)
2060A	80	SPECIAL TRAINING	507,067	156,850	244,781
2060A	81	SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(17,632)	(30,688)
2060A	90	ADMINISTRATION AND SUPPORT	2,664,920	2,699,368	2,909,995
2060A	91	ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)		(356,426)	(406,286)
2060A	100	EDUCATION BENEFITS	242,494	208,291	188,153
		TOTAL BUDGET ACTIVITY 01:	5,979,376	5,221,080	2,271,634
		TOTAL BUDGET ACTIVITY 02:			3,687,515
2060A	501	BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-24,290	
		TOTAL DIRECT - NATIONAL GUARD PERSONNEL, ARMY	5,979,376	5,196,790	5,959,149
		TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 2)		(469,109)	(539,231)
		TOTAL DIRECT - ARMY MILITARY PERSONNEL APPROPRIATIONS	50,286,174	38,145,856	41,317,634
		MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS:			
1004A	300	ARMY	2,727,452	2,915,391	2,892,875
1005A	300	RESERVE PERSONNEL, ARMY	716,969	742,233	718,229
1006A	300	NATIONAL GUARD PERSONNEL, ARMY	1,219,403	1,232,152	1,264,094
		GRAND TOTAL DIRECT - ARMY MILITARY PERSONNEL COSTS	54,949,998	43,035,632	46,192,832

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

NOTE 6: THE BUDGET ACTIVITY DISTRIBUTIONS REFLECTED FOR NATIONAL GUARD PERSONNEL, ARMY HAVE BEEN ADJUSTED AND DO NOT MATCH THE AMOUNTS REFLECTED IN THE BUDGET OF THE UNITED STATES GOVERNMENT, FY 2008 - APPENDIX.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
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	MILITARY PERSONNEL, NAVY			
	ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS			
1453N	5 BASIC PAY	3,330,454	3,261,498	3,316,590
1453N	10 RETIRED PAY ACCRUAL	882,571	864,297	960,710
1453N	25 BASIC ALLOWANCE FOR HOUSING (SEE NOTE 3)	1,064,109	1,047,177	1,073,826
1453N	30 BASIC ALLOWANCE FOR SUBSISTENCE	121,131	119,593	121,738
1453N	35 INCENTIVE PAYS	155,083	176,448	176,341
1453N	40 SPECIAL PAYS	332,490	345,505	344,512
1453N	45 ALLOWANCES	114,100	107,868	114,796
1453N	50 SEPARATION PAY	40,512	36,861	34,683
1453N	55 SOCIAL SECURITY TAX	252,449	247,525	252,117
	TOTAL BUDGET ACTIVITY 01:	6,292,899	6,206,772	6,395,313
	ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED			
1453N	60 BASIC PAY	8,091,337	7,868,349	7,724,419
1453N	65 RETIRED PAY ACCRUAL	2,144,205	2,085,112	2,237,935
1453N	80 BASIC ALLOWANCE FOR HOUSING (SEE NOTE 3)	3,256,056	3,224,494	3,127,841
1453N	85 INCENTIVE PAYS	96,007	107,313	105,469
1453N	90 SPECIAL PAYS	924,881	901,966	899,765
1453N	95 ALLOWANCES	556,486	514,245	612,990
1453N	100 SEPARATION PAY	157,882	163,952	149,962
1453N	105 SOCIAL SECURITY TAX	613,988	601,928	585,990
	TOTAL BUDGET ACTIVITY 02:	15,840,842	15,467,359	15,444,371
	ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN			
1453N	110 MIDSHIPMEN	59,085	62,649	61,472
	TOTAL BUDGET ACTIVITY 03:	59,085	62,649	61,472
	ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL			
1453N	115 BASIC ALLOWANCE FOR SUBSISTENCE	643,932	606,850	591,589
1453N	120 SUBSISTENCE-IN-KIND	341,048	347,076	344,721
1453N	121 FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	20	22	22
	TOTAL BUDGET ACTIVITY 04:	985,000	953,948	936,332

MILITARY PERSONNEL (M-1A)

		ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL			
1453N	125	ACCESSION TRAVEL	70,877	59,954	63,361
1453N	130	TRAINING TRAVEL	65,522	64,987	60,933
1453N	135	OPERATIONAL TRAVEL	236,054	189,748	183,330
1453N	140	ROTATIONAL TRAVEL	287,878	267,253	269,742
1453N	145	SEPARATION TRAVEL	113,627	100,903	99,129
1453N	150	TRAVEL OF ORGANIZED UNITS	18,893	19,505	19,103
1453N	155	NON-TEMPORARY STORAGE	8,084	7,283	7,243
1453N	160	TEMPORARY LODGING EXPENSE	6,964	6,625	6,523
1453N	165	OTHER	5,394	6,272	6,272
		TOTAL BUDGET ACTIVITY 05:	813,293	722,530	715,636

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR BAH FUNDING IN FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, NAVY			
	ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS			
1453N	170 APPREHENSION OF MILITARY DESERTERS	550	725	741
1453N	175 INTEREST ON UNIFORMED SERVICES SAVINGS	763	940	880
1453N	180 DEATH GRATUITIES	227,200	3,306	25,400
1453N	185 UNEMPLOYMENT BENEFITS	96,264	73,976	35,412
1453N	195 EDUCATION BENEFITS	2,107	5,038	7,925
1453N	200 ADOPTION EXPENSES	203	346	254
1453N	210 TRANSPORTATION SUBSIDY	5,828	6,395	5,958
1453N	215 PARTIAL DISLOCATION ALLOWANCE	377	1,032	1,065
1453N	216 SGLI EXTRA HAZARD PAYMENTS	98,927		
1453N	217 RESERVE OFFICERS TRAINING CORPS (ROTC)	18,635	19,972	20,050
1453N	218 JUNIOR R.O.T.C	13,770	12,932	13,217
	TOTAL BUDGET ACTIVITY 06:	464,624	124,662	110,902
	TOTAL MILITARY PERSONNEL, NAVY	24,455,743	23,537,920	23,664,026
	LESS REIMBURSABLES	336,821	353,405	358,793
	TOTAL DIRECT - MILITARY PERSONNEL, NAVY	24,118,922	23,184,515	23,305,233

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A

FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	RESERVE PERSONNEL, NAVY			
	RESERVE COMPONENT TRAINING AND SUPPORT			
1405N	10 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	536,669	555,617	611,478
1405N	11 PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 3)		(10,772)	(11,005)
1405N	20 PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY)	5,235	7,568	8,055
1405N	21 PAY GROUP B TRAINING - BAH (MEMO ENTRY - SEE NOTE 3)		(241)	(245)
1405N	30 PAY GROUP F TRAINING (RECRUITS)	18,748	41,947	43,599
1405N	31 PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 3)		(106)	(103)
1405N	60 MOBILIZATION TRAINING	6,699	7,491	7,738
1405N	61 MOBILIZATION TRAINING -BAH (MEMO ENTRY - SEE NOTE 3)		(442)	(454)
1405N	70 SCHOOL TRAINING	36,798	31,198	30,547
1405N	71 SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 3)		(3,015)	(2,938)
1405N	80 SPECIAL TRAINING	98,553	65,455	61,497
1405N	81 SPECIAL TRAINING -BAH (MEMO ENTRY - SEE NOTE 3)		(7,823)	(5,793)
1405N	90 ADMINISTRATION AND SUPPORT	1,036,502	999,701	995,162
1405N	91 ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 3)		(185,251)	(177,817)
1405N	100 EDUCATION BENEFITS	25,862	20,827	6,473
1405N	120 HEALTH PROFESSION SCHOLARSHIP	29,076	30,872	33,136
1405N	121 HEALTH PROFESSION SCHOLARSHIP - BAH (MEMO ENTRY - SEE NOTE 3)		(1,188)	(3,210)
	TOTAL BUDGET ACTIVITY 01:	1,794,142	1,760,676	663,132
	TOTAL BUDGET ACTIVITY 02:			1,134,553
	TOTAL DIRECT - RESERVE PERSONNEL, NAVY	1,794,142	1,760,676	1,797,685
	TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 3)		(208,838)	(201,565)
	TOTAL DIRECT - NAVY MILITARY PERSONNEL APPROPRIATIONS	25,913,064	24,945,191	25,102,918
	MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS:			
1000N	300 NAVY	2,028,599	2,098,369	1,924,988
1002N	300 RESERVE PERSONNEL, NAVY	291,754	287,140	265,682
	GRAND TOTAL DIRECT - NAVY MILITARY PERSONNEL COSTS	28,233,417	27,330,700	27,293,588

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR BAH FUNDING IN FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, MARINE CORPS			
	ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS			
1105N	5 BASIC PAY	1,213,200	1,131,640	1,194,344
1105N	10 RETIRED PAY ACCRUAL	321,039	299,885	346,360
1105N	25 BASIC ALLOWANCE FOR HOUSING (SEE NOTE 2)	338,226	327,019	338,709
1105N	30 BASIC ALLOWANCE FOR SUBSISTENCE	44,644	42,249	44,616
1105N	35 INCENTIVE PAYS	47,097	47,079	49,440
1105N	40 SPECIAL PAYS	13,753	3,948	8,923
1105N	45 ALLOWANCES	39,846	24,106	24,451
1105N	50 SEPARATION PAY	8,441	12,514	13,659
1105N	55 SOCIAL SECURITY TAX	91,382	86,544	91,481
	TOTAL BUDGET ACTIVITY 01:	2,117,628	1,974,984	2,111,983
	ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED			
1105N	60 BASIC PAY	3,940,895	3,673,774	3,926,974
1105N	65 RETIRED PAY ACCRUAL	1,040,033	969,952	1,138,720
1105N	80 BASIC ALLOWANCE FOR HOUSING (SEE NOTE 2)	1,041,538	1,024,902	1,109,129
1105N	85 INCENTIVE PAYS	8,186	8,360	8,360
1105N	90 SPECIAL PAYS	245,408	123,710	381,160
1105N	95 ALLOWANCES	256,772	213,304	242,372
1105N	100 SEPARATION PAY	45,398	75,359	77,200
1105N	105 SOCIAL SECURITY TAX	294,830	280,005	300,414
	TOTAL BUDGET ACTIVITY 02:	6,873,060	6,369,366	7,184,329
	ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL			
1105N	115 BASIC ALLOWANCE FOR SUBSISTENCE	374,890	304,767	336,758
1105N	120 SUBSISTENCE-IN-KIND	221,408	255,101	260,978
1105N	121 FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	742	750	750
	TOTAL BUDGET ACTIVITY 04:	597,040	560,618	598,486

MILITARY PERSONNEL (M-1A)

		ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL			
1105N	125	ACCESSION TRAVEL	55,734	45,331	47,877
1105N	130	TRAINING TRAVEL	5,246	9,523	9,798
1105N	135	OPERATIONAL TRAVEL	122,081	90,676	91,399
1105N	140	ROTATIONAL TRAVEL	124,642	126,686	126,787
1105N	145	SEPARATION TRAVEL	45,070	50,659	53,545
1105N	150	TRAVEL OF ORGANIZED UNITS	246	1,755	1,781
1105N	155	NON-TEMPORARY STORAGE	5,189	5,351	5,430
1105N	160	TEMPORARY LODGING EXPENSE	12,467	12,857	13,046
1105N	165	OTHER	2,414	2,524	2,561
		TOTAL BUDGET ACTIVITY 05:	373,089	345,362	352,224

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, MARINE CORPS			
	ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS			
1105N	170 APPREHENSION OF MILITARY DESERTERS	1,622	1,668	1,710
1105N	175 INTEREST ON UNIFORMED SERVICES SAVINGS	1,150	17	18
1105N	180 DEATH GRATUITIES	203,539	2,208	16,800
1105N	185 UNEMPLOYMENT BENEFITS	71,950	52,317	30,604
1105N	195 EDUCATION BENEFITS	371	959	1,172
1105N	200 ADOPTION EXPENSES	259	363	470
1105N	210 TRANSPORTATION SUBSIDY	1,543	1,956	2,007
1105N	215 PARTIAL DISLOCATION ALLOWANCE	668	682	713
1105N	216 SGLI EXTRA HAZARD PAYMENTS	152,960		
1105N	218 JUNIOR R.O.T.C	5,249	5,392	4,184
	TOTAL BUDGET ACTIVITY 06:	439,311	65,562	57,678
1105N	501 BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-97,805	
	TOTAL MILITARY PERSONNEL, MARINE CORPS	10,400,128	9,218,087	10,304,700
	LESS REIMBURSABLES	19,374	32,222	26,669
	TOTAL DIRECT - MILITARY PERSONNEL, MARINE CORPS	10,380,754	9,185,865	10,278,031

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS, SEE NOTE 2, PAGE 8.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID		(DOLLARS IN THOUSANDS)		
			FY 2006	FY 2007	FY 2008
			-----	-----	-----
		RESERVE PERSONNEL, MARINE CORPS			
		RESERVE COMPONENT TRAINING AND SUPPORT			
1108N	10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	159,863	151,085	176,227
1108N	11	PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(5,144)	(5,759)
1108N	20	PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	21,179	24,951	39,689
1108N	21	PAY GROUP B TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(980)	(1,260)
1108N	30	PAY GROUP F TRAINING (RECRUITS)	64,086	91,315	93,272
1108N	31	PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(2,361)	(2,448)
1108N	40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	28	65	
1108N	60	MOBILIZATION TRAINING	2,494	2,715	2,811
1108N	61	MOBILIZATION TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(215)	(222)
1108N	70	SCHOOL TRAINING	13,495	12,484	14,245
1108N	71	SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(1,818)	(1,794)
1108N	80	SPECIAL TRAINING	49,546	54,190	36,244
1108N	81	SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(4,262)	(4,419)
1108N	90	ADMINISTRATION AND SUPPORT	180,953	162,215	183,131
1108N	91	ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)		(28,302)	(28,930)
1108N	95	PLATOON LEADER CLASS	8,797	12,954	13,043
1108N	100	EDUCATION BENEFITS	26,655	29,794	36,210
		TOTAL BUDGET ACTIVITY 01:	527,096	541,768	309,188
		TOTAL BUDGET ACTIVITY 02:			285,684
1108N	501	BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-2,948	
		TOTAL DIRECT - RESERVE PERSONNEL, MARINE CORPS	527,096	538,820	594,872
		TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 2)		(43,082)	(44,832)
		TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL APPROPRIATIONS	10,907,850	9,724,685	10,872,903
		MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS:			
1001N	300	MARINE CORPS	981,905	1,050,586	1,055,475
1003N	300	RESERVE PERSONNEL, MARINE CORPS	136,589	144,647	141,606
		GRAND TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL COSTS	12,026,344	10,919,918	12,069,984

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.
 NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.
 NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A

FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, AIR FORCE			
	ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS			
3500F	5 BASIC PAY	4,587,562	4,367,688	4,265,227
3500F	10 RETIRED PAY ACCRUAL	1,215,712	1,159,700	1,236,917
3500F	25 BASIC ALLOWANCE FOR HOUSING (SEE NOTE 3)	1,152,573	1,015,115	1,106,804
3500F	30 BASIC ALLOWANCE FOR SUBSISTENCE	169,354	162,310	156,328
3500F	35 INCENTIVE PAYS	304,618	310,228	293,725
3500F	40 SPECIAL PAYS	238,800	216,896	214,947
3500F	45 ALLOWANCES	165,805	129,667	122,307
3500F	50 SEPARATION PAY	66,370	87,723	308,588
3500F	55 SOCIAL SECURITY TAX	348,699	333,033	324,900
	TOTAL BUDGET ACTIVITY 01:	8,249,493	7,782,360	8,029,743
	ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED			
3500F	60 BASIC PAY	8,097,657	7,914,662	7,812,430
3500F	65 RETIRED PAY ACCRUAL	2,145,876	2,104,306	2,265,606
3500F	80 BASIC ALLOWANCE FOR HOUSING (SEE NOTE 3)	2,467,963	1,919,212	2,528,554
3500F	85 INCENTIVE PAYS	38,320	35,254	36,224
3500F	90 SPECIAL PAYS	324,305	234,977	234,379
3500F	95 ALLOWANCES	652,894	527,607	520,062
3500F	100 SEPARATION PAY	130,707	129,579	123,691
3500F	105 SOCIAL SECURITY TAX	619,473	607,468	597,651
	TOTAL BUDGET ACTIVITY 02:	14,477,195	13,473,065	14,118,597
	ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN			
3500F	110 ACADEMY CADETS	57,056	57,971	59,942
	TOTAL BUDGET ACTIVITY 03:	57,056	57,971	59,942
	ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL			
3500F	115 BASIC ALLOWANCE FOR SUBSISTENCE	830,569	786,109	750,602
3500F	120 SUBSISTENCE-IN-KIND	206,447	148,630	152,792
3500F	121 FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE	800	143	143
	TOTAL BUDGET ACTIVITY 04:	1,037,816	934,882	903,537

MILITARY PERSONNEL (M-1A)

		ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL			
3500F	125	ACCESSION TRAVEL	84,589	86,885	89,590
3500F	130	TRAINING TRAVEL	103,530	116,765	119,306
3500F	135	OPERATIONAL TRAVEL	226,323	177,838	246,805
3500F	140	ROTATIONAL TRAVEL	507,937	482,270	441,113
3500F	145	SEPARATION TRAVEL	152,190	198,859	159,254
3500F	150	TRAVEL OF ORGANIZED UNITS	5,129	15,100	35,046
3500F	155	NON-TEMPORARY STORAGE	31,966	32,668	33,386
3500F	160	TEMPORARY LODGING EXPENSE	48,185	49,244	50,330
		TOTAL BUDGET ACTIVITY 05:	1,159,849	1,159,629	1,174,830

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR BAH FUNDING IN FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	MILITARY PERSONNEL, AIR FORCE			
	ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS			
3500F	170 APPREHENSION OF MILITARY DESERTERS	100	85	81
3500F	175 INTEREST ON UNIFORMED SERVICES SAVINGS	1,371	1,694	1,724
3500F	180 DEATH GRATUITIES	173,100	24,153	24,200
3500F	185 UNEMPLOYMENT BENEFITS	65,299	39,823	24,369
3500F	190 SURVIVOR BENEFITS	1,459	1,503	1,539
3500F	195 EDUCATION BENEFITS	2,882	131	180
3500F	200 ADOPTION EXPENSES	582	584	584
3500F	210 TRANSPORTATION SUBSIDY	4,099	4,737	4,851
3500F	215 PARTIAL DISLOCATION ALLOWANCE	2,960	2,132	2,169
3500F	216 SGLI EXTRA HAZARD PAYMENTS	109,248		
3500F	217 RESERVE OFFICERS TRAINING CORPS (ROTC)	38,692	35,058	46,754
3500F	218 JUNIOR ROTC	20,686	21,791	22,588
	TOTAL BUDGET ACTIVITY 06:	420,478	131,691	129,039
	TOTAL MILITARY PERSONNEL, AIR FORCE	25,401,887	23,539,598	24,415,688
	LESS REIMBURSABLES	313,043	319,400	318,334
	TOTAL DIRECT - MILITARY PERSONNEL, AIR FORCE	25,088,844	23,220,198	24,097,354

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	RESERVE PERSONNEL, AIR FORCE			
	RESERVE COMPONENT TRAINING AND SUPPORT			
3700F	10 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	535,765	539,057	617,479
3700F	11 PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(13,063)	(12,911)
3700F	20 PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	112,253	111,702	98,622
3700F	21 PAY GROUP B TRAINING - BAH (MEMO ENTRY- SEE NOTE 2)		(3,343)	(3,368)
3700F	30 PAY GROUP F TRAINING (RECRUITS)	28,248	37,478	53,082
3700F	31 PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(2,671)	(2,432)
3700F	40 PAY GROUP P TRAINING (PIPELINE RECRUITS)	85	100	104
3700F	60 MOBILIZATION TRAINING	370	1,800	1,800
3700F	70 SCHOOL TRAINING	103,314	128,622	109,475
3700F	71 SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(12,279)	(11,957)
3700F	80 SPECIAL TRAINING	157,520	168,926	101,175
3700F	81 SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(15,009)	(15,104)
3700F	90 ADMINISTRATION AND SUPPORT	213,164	241,755	269,299
3700F	91 ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)		(29,015)	(34,613)
3700F	100 EDUCATION BENEFITS	44,870	32,733	40,222
3700F	120 HEALTH PROFESSION SCHOLARSHIP	29,296	29,387	31,026
3700F	121 HEALTH PROFESSION SCHOLARSHIP - BAH (MEMO ENTRY - SEE NOTE 2)		(838)	(1,259)
3700F	130 OTHER PROGRAMS (ADMIN & SUPPORT)	15,237	44,278	48,195
	TOTAL BUDGET ACTIVITY 01:	1,240,122	1,335,838	769,287
	TOTAL BUDGET ACTIVITY 02:			601,192
3700F	501 BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-6,861	
	TOTAL DIRECT - RESERVE PERSONNEL, AIR FORCE	1,240,122	1,328,977	1,370,479
	TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 2)		(76,218)	(81,644)

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

APPROP	ID	(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	NATIONAL GUARD PERSONNEL, AIR FORCE			
	RESERVE COMPONENT TRAINING AND SUPPORT			
3850F	10 PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	763,367	842,604	962,871
3850F	11 PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(23,852)	(23,318)	(25,252)
3850F	30 PAY GROUP F TRAINING (RECRUITS)	54,294	71,798	65,056
3850F	31 PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(4,865)	(4,755)	(5,151)
3850F	40 PAY GROUP P TRAINING (PIPELINE RECRUITS)	5,467	4,177	456
3850F	70 SCHOOL TRAINING	185,241	141,790	187,802
3850F	71 SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(52,950)	(25,820)	(28,032)
3850F	80 SPECIAL TRAINING	217,935	59,403	87,831
3850F	81 SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(73,414)	(15,875)	(38,861)
3850F	90 ADMINISTRATION AND SUPPORT	1,172,966	1,159,482	1,281,804
3850F	91 ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)	(148,588)	(207,765)	(206,748)
3850F	100 EDUCATION BENEFITS	54,051	66,067	56,590
	TOTAL BUDGET ACTIVITY 01:	2,453,321	2,345,321	1,028,383
	TOTAL BUDGET ACTIVITY 02:			1,614,027
3850F	501 BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-39,173	
	TOTAL DIRECT - NATIONAL GUARD PERSONNEL, AIR FORCE	2,453,321	2,306,148	2,642,410
	TOTAL BASIC ALLOWANCE FOR HOUSING (MEMO ENTRY - SEE NOTE 2)	(303,669)	(277,533)	(304,044)
	TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL APPROPRIATIONS	28,782,287	26,855,323	28,110,243
	MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS:			
1007F	300 AIR FORCE	2,032,519	2,082,462	1,957,484
1008F	300 RESERVE PERSONNEL, AIR FORCE	254,333	268,104	251,799
1009F	300 NATIONAL GUARD PERSONNEL, AIR FORCE	385,869	409,546	403,972
	GRAND TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL COSTS	31,455,008	29,615,435	30,723,498

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

ID	(DOLLARS IN THOUSANDS)		
	FY 2006	FY 2007	FY 2008
	-----	-----	-----
MILITARY PERSONNEL, GRAND TOTAL			
ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS			
5	14,833,889	13,664,761	13,913,192
10	3,917,344	3,624,674	4,033,726
25	4,064,951	3,581,101	3,807,976
30	551,173	508,808	520,182
35	606,717	632,816	619,016
40	962,324	782,509	800,845
45	580,060	411,982	404,750
50	171,193	213,390	434,814
55	1,133,000	1,042,061	1,041,703
	26,820,651	24,462,102	25,576,204
ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED			
60	33,321,216	29,970,925	30,323,423
65	8,818,590	7,945,956	8,791,545
80	10,710,314	8,692,725	10,125,718
85	246,485	236,320	245,159
90	3,352,427	1,943,490	2,215,641
95	2,605,615	1,995,500	2,009,344
100	664,214	674,295	607,138
105	2,535,324	2,293,623	2,314,814
	62,254,185	53,752,834	56,632,782
ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN			
110	169,532	176,438	177,527
	169,532	176,438	177,527
ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL			
115	2,934,198	2,559,543	2,498,205
120	2,724,149	1,357,406	1,407,056
121	2,106	1,528	1,540
	5,660,453	3,918,477	3,906,801

MILITARY PERSONNEL (M-1A)

ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL				
125	ACCESSION TRAVEL	423,106	388,063	434,843
130	TRAINING TRAVEL	263,207	247,811	267,205
135	OPERATIONAL TRAVEL	862,562	644,174	775,063
140	ROTATIONAL TRAVEL	1,446,831	1,350,307	1,258,111
145	SEPARATION TRAVEL	475,200	535,111	455,264
150	TRAVEL OF ORGANIZED UNITS	82,565	40,149	66,359
155	NON-TEMPORARY STORAGE	69,543	67,327	69,088
160	TEMPORARY LODGING EXPENSE	99,425	107,981	110,929
165	OTHER	7,808	8,796	8,833
TOTAL BUDGET ACTIVITY 05:		3,730,247	3,389,719	3,445,695

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

ID	(DOLLARS IN THOUSANDS)		
	FY 2006	FY 2007	FY 2008
	-----	-----	-----
MILITARY PERSONNEL, GRAND TOTAL			
ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS			
170	3,285	3,513	3,377
175	25,090	6,508	6,989
180	1,022,719	36,739	109,009
185	543,471	318,274	175,557
190	1,459	1,503	1,539
195	8,770	8,312	11,461
200	1,545	1,763	1,778
210	18,624	20,504	20,040
215	5,628	6,335	6,231
216	827,340		
217	124,062	139,204	178,371
218	66,676	69,040	70,016
	2,648,669	611,695	584,368
501		-97,805	
	101,283,737	86,213,460	90,323,377
		814,907	1,023,628
		1,018,894	
	100,468,830	85,189,832	89,304,483
300	7,770,475	8,146,808	7,830,822
	108,239,305	93,336,640	97,135,305

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS, SEE NOTE 2, PAGE 15.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

ID		(DOLLARS IN THOUSANDS)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
	RESERVE PERSONNEL, GRAND TOTAL			
10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	2,212,608	2,327,736	2,584,631
11	PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(70,880)	(81,311)
20	PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY)	168,156	189,571	211,743
21	PAY GROUP B TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(5,810)	(6,558)
30	PAY GROUP F TRAINING (RECRUITS)	317,326	356,824	391,426
31	PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(22,505)	(20,280)
40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	207	165	104
60	MOBILIZATION TRAINING	14,194	28,647	25,745
61	MOBILIZATION TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(1,105)	(1,880)
70	SCHOOL TRAINING	322,958	357,122	294,362
71	SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(42,661)	(36,942)
80	SPECIAL TRAINING	475,511	450,330	359,014
81	SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)		(48,024)	(44,905)
90	ADMINISTRATION AND SUPPORT	3,106,907	2,939,038	3,194,708
91	ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)		(475,946)	(490,041)
95	PLATOON LEADER CLASS	8,797	12,954	13,043
100	EDUCATION BENEFITS	203,981	199,800	221,256
120	HEALTH PROFESSION SCHOLARSHIP	91,391	95,115	98,407
121	HEALTH PROFESSION SCHOLARSHIP - BAH (MEMO ENTRY - SEE NOTE 2)		(3,923)	(6,413)
130	OTHER PROGRAMS (ADMIN & SUPPORT)	64,812	71,757	103,217
131	OTHER PROGRAMS - BAH (MEMO ENTRY - SEE NOTE 2)		(4,891)	(6,376)
	TOTAL BUDGET ACTIVITY 01:	6,987,848	7,029,059	3,187,904
	TOTAL BUDGET ACTIVITY 02:			4,309,752
501	BAH, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-50,774	
	TOTAL DIRECT - RESERVE	6,987,848	6,978,285	7,497,656
300	MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION	1,399,645	1,442,124	1,377,316
	GRAND TOTAL DIRECT - RESERVE PERSONNEL COSTS	8,387,493	8,420,409	8,874,972

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.
 NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.
 NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

MILITARY PERSONNEL (M-1A)

Exhibit M-1A
FY 2008/2009 President's Budget

ID	(DOLLARS IN THOUSANDS)			
	FY 2006	FY 2007	FY 2008	
	-----	-----	-----	
NATIONAL GUARD PERSONNEL, GRAND TOTAL				
10	PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	2,579,221	2,361,234	2,860,321
11	PAY GROUP A TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(23,852)	(75,629)	(81,596)
30	PAY GROUP F TRAINING (RECRUITS)	416,036	391,565	407,715
31	PAY GROUP F TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(4,865)	(13,318)	(14,575)
40	PAY GROUP P TRAINING (PIPELINE RECRUITS)	37,431	26,512	31,981
70	SCHOOL TRAINING	540,576	437,629	532,388
71	SCHOOL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(52,950)	(59,997)	(64,521)
80	SPECIAL TRAINING	725,002	216,253	332,612
81	SPECIAL TRAINING - BAH (MEMO ENTRY - SEE NOTE 2)	(73,414)	(33,507)	(69,549)
90	ADMINISTRATION AND SUPPORT	3,837,886	3,858,850	4,191,799
91	ADMINISTRATION AND SUPPORT - BAH (MEMO ENTRY - SEE NOTE 2)	(148,588)	(564,191)	(613,034)
100	EDUCATION BENEFITS	296,545	274,358	244,743
	TOTAL BUDGET ACTIVITY 01:	8,432,697	7,566,401	3,300,017
	TOTAL BUDGET ACTIVITY 02:			5,301,542
501	BAH, CONTINUING RESOLUTION ADJUSTMENT		-63,463	
	TOTAL DIRECT - NATIONAL GUARD	8,432,697	7,502,938	8,601,559
300	MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION (SEE NOTE 4)	1,605,272	1,641,698	1,668,066
	GRAND TOTAL DIRECT - NATIONAL GUARD PERSONNEL COSTS	10,037,969	9,144,636	10,269,625
	GRAND TOTAL DIRECT - MILITARY PERSONNEL	126,664,767	110,901,685	116,279,902

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: BAH FUNDING IN FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO BAH FUNDING FOR CONTINUING RESOLUTION AMOUNTS.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1

Appropriation Summary	Total Obligation Authority (Dollars in Thousands)		
	FY 2006 -----	FY 2007 -----	FY 2008 -----
Department of the Army			
OPERATION & MAINTENANCE, ARMY	63,487,219	52,771,562	28,924,973
OPERATION & MAINTENANCE, ARMY RESERVE	2,132,742	2,363,947	2,508,062
OPERATION & MAINTENANCE, ARMY NATIONAL GUARD	5,191,296	5,132,562	5,840,209
Total Department of the Army	70,811,257	60,268,071	37,273,244
Department of the Navy			
OPERATION & MAINTENANCE, NAVY	35,444,778	32,333,266	33,334,690
OPERATION & MAINTENANCE, MARINE CORPS	7,061,001	6,475,594	4,961,393
OPERATION & MAINTENANCE, NAVY RESERVE	1,484,273	1,293,130	1,186,883
OPERATION & MAINTENANCE, MARINE CORPS RESERVE	322,336	255,745	208,637
KAHO'OLAWA IS CONVYNC, REMEDIATN ENV REST	1		
Total Department of the Navy	44,312,389	40,357,735	39,691,603
Department of the Air Force			
OPERATION & MAINTENANCE, AIR FORCE	39,107,219	32,807,530	33,655,633
OPERATION & MAINTENANCE, AIR FORCE RESERVE	2,566,134	2,668,188	2,692,077
OPERATION & MAINTENANCE, AIR NATIONAL GUARD	4,895,150	5,186,646	5,041,965
Total Department of the Air Force	46,568,503	40,662,364	41,389,675
Defense-Wide			
OPERATION & MAINTENANCE, DEFENSE-WIDE	22,941,387	24,502,531	22,574,278
OFFICE OF THE INSPECTOR GENERAL	207,282	220,465	215,995
USE OF PROCEEDS FROM CASH EQUALIZATION PAYMENTS FROM ACQ.	18,227		
DEFENSE HEALTH PROGRAM	21,219,575	21,025,121	20,679,124

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1

Appropriation Summary	Total Obligation Authority (Dollars in Thousands)		
	FY 2006 -----	FY 2007 -----	FY 2008 -----
Transfer Accounts and Miscellaneous			
DRUG INTERDICTION & COUNTER-DRUG ACT., DEFENSE		1,137,491	936,822
ENVIRONMENTAL RESTORATION, ARMY		402,848	434,879
ENVIRONMENTAL RESTORATION, NAVY		301,520	300,591
ENVIRONMENTAL RESTORATION, AIR FORCE		401,679	458,428
ENVIRONMENTAL RESTORATION, DEFENSE		32,431	12,751
ENVIRONMENTAL RESTORATION FORMERLY USED SITES		253,761	250,249
OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND			5,000
AFGHANISTAN SECURITY FORCES FUND	1,908,133	1,500,000	
IRAQ SECURITY FORCES FUND	3,007,000	1,700,000	
PAYMENT TO KAHO'OLAWA ISLAND FUND	3		
US COURT OF APPEALS FOR THE ARMED FORCES, DEFENSE	10,854	11,673	11,971
SUPPORT OF INT'L SPORTING COMPETITIONS, DEFENSE	4,790		
EMERGENCY RESPONSE FUND	6,057		
EMERGENCY RESPONSE FUND, DEFENSE	44,878		
IRAQ FREEDOM FUND		80,708	
OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID	120,789	62,947	103,300
FORMER SOVIET UNION (FSU) THREAT REDUCTION	454,937	370,615	348,048
Total Transfer and Miscellaneous	5,557,441	6,255,673	2,862,039
Total Operation and Maintenance Title:	211,636,061	193,291,960	164,685,958

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1

				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
2020A Operation & Maintenance, Army						
BUDGET ACTIVITY 01: OPERATING FORCES						
LAND FORCES						
2020A	010	111	MANEUVER UNITS	1,036,977	792,436	887,030
2020A	020	112	MODULAR SUPPORT BRIGADES	318,279	375,504	93,630
2020A	030	113	ECHELONS ABOVE BRIGADE	329,239	254,681	693,513
2020A	040	114	THEATER LEVEL ASSETS	886,340	676,953	771,074
2020A	050	115	LAND FORCES OPERATIONS SUPPORT	944,427	1,022,344	1,242,988
2020A	060	116	AVIATION ASSETS			848,171
			TOTAL LAND FORCES	3,515,262	3,121,918	4,536,406
LAND FORCES READINESS						
2020A	070	121	FORCE READINESS OPERATIONS SUPPORT	1,792,176	3,353,946	2,051,266
2020A	080	122	LAND FORCES SYSTEMS READINESS	497,631	512,585	555,405
2020A	090	123	LAND FORCES DEPOT MAINTENANCE	3,330,906	705,544	804,892
			TOTAL LAND FORCES READINESS	5,620,713	4,572,075	3,411,563
LAND FORCES READINESS SUPPORT						
2020A	100	131	BASE OPERATIONS SUPPORT	6,498,332	6,857,890	6,802,278
2020A	110	132	FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION (SEE NOTE 2)	2,204,154	1,810,774	2,031,173
2020A	120	133	MANAGEMENT AND OPERATIONAL HQ	278,773	253,051	285,198
2020A	130	134	UNIFIED COMMANDS	104,300	99,070	113,872
2020A	140	135	ADDITIONAL ACTIVITIES	32,551,872	26,071,971	233,035
			TOTAL LAND FORCES READINESS SUPPORT	41,637,431	35,092,756	9,465,556
			TOTAL, BA 01: OPERATING FORCES	50,773,406	42,786,749	17,413,525
BUDGET ACTIVITY 02: MOBILIZATION						
MOBILITY OPERATIONS						
2020A	150	211	STRATEGIC MOBILITY	224,271	157,362	288,063
2020A	160	212	ARMY PREPOSITIONING STOCKS	100,013	65,298	156,318
2020A	170	213	INDUSTRIAL PREPAREDNESS	18,927	4,650	
			TOTAL MOBILITY OPERATIONS	343,211	227,310	444,381
			TOTAL, BA 02: MOBILIZATION	343,211	227,310	444,381
BUDGET ACTIVITY 03: TRAINING AND RECRUITING						

OPERATION AND MAINTENANCE PERSONNEL (O-1)

ACCESSION TRAINING

2020A	180	311	OFFICER ACQUISITION	108,473	123,745	116,804
2020A	190	312	RECRUIT TRAINING	35,683	37,329	47,608
2020A	200	313	ONE STATION UNIT TRAINING	46,449	44,870	50,796
2020A	210	314	SENIOR RESERVE OFFICERS TRAINING CORPS	230,100	244,912	364,863
			TOTAL ACCESSION TRAINING	420,705	450,856	580,071

BASIC SKILLS AND ADVANCED TRAINING

2020A	220	321	SPECIALIZED SKILL TRAINING	522,783	477,497	574,212
2020A	230	322	FLIGHT TRAINING	505,963	545,276	695,377

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
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2020A Operation & Maintenance, Army						
2020A	240	323	PROFESSIONAL DEVELOPMENT EDUCATION	108,481	100,464	113,769
2020A	250	324	TRAINING SUPPORT	518,690	563,785	706,416
			TOTAL BASIC SKILLS AND ADVANCED TRAINING	1,655,917	1,687,022	2,089,774
RECRUITING AND OTHER TRAINING AND EDUCATION						
2020A	260	331	RECRUITING AND ADVERTISING	582,550	482,166	603,498
2020A	270	332	EXAMINING	134,320	114,724	152,793
2020A	280	333	OFF-DUTY AND VOLUNTARY EDUCATION	176,285	238,433	238,457
2020A	290	334	CIVILIAN EDUCATION AND TRAINING	140,666	145,306	199,956
2020A	300	335	JUNIOR ROTC	122,273	132,814	147,203
			TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION	1,156,094	1,113,443	1,341,907
TOTAL, BA 03: TRAINING AND RECRUITING				3,232,716	3,251,321	4,011,752
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SECURITY PROGRAMS						
2020A	310	411	SECURITY PROGRAMS	1,424,685	1,099,129	757,874
			TOTAL SECURITY PROGRAMS	1,424,685	1,099,129	757,874
LOGISTICS OPERATIONS						
2020A	320	421	SERVICEWIDE TRANSPORTATION	1,974,437	1,118,416	686,899
2020A	330	422	CENTRAL SUPPLY ACTIVITIES	405,311	407,350	642,906
2020A	340	423	LOGISTIC SUPPORT ACTIVITIES	450,041	413,812	506,679
2020A	350	424	AMMUNITION MANAGEMENT	353,441	276,464	476,807
			TOTAL LOGISTICS OPERATIONS	3,183,230	2,216,042	2,313,291
SERVICEWIDE SUPPORT						
2020A	360	431	ADMINISTRATION	1,088,933	603,421	775,819
2020A	370	432	SERVICEWIDE COMMUNICATIONS	894,142	855,002	1,192,413
2020A	380	433	MANPOWER MANAGEMENT	270,428	267,608	269,420
2020A	390	434	OTHER PERSONNEL SUPPORT	241,751	183,825	217,872
2020A	400	435	OTHER SERVICE SUPPORT	1,427,625	738,268	841,825
2020A	410	436	ARMY CLAIMS ACTIVITIES	191,178	184,066	233,786
2020A	420	437	REAL ESTATE MANAGEMENT	45,574	44,379	48,170
			TOTAL SERVICEWIDE SUPPORT	4,159,631	2,876,569	3,579,305
SUPPORT OF OTHER NATIONS						
2020A	430	441	SUPPORT OF NATO OPERATIONS	325,013	304,252	362,159
2020A	440	442	MISC. SUPPORT OF OTHER NATIONS	45,327	40,190	42,686
			TOTAL SUPPORT OF OTHER NATIONS	370,340	344,442	404,845
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES				9,137,886	6,536,182	7,055,315

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
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	Total Obligation Authority (Dollars in Thousands)		
	FY 2006 -----	FY 2007 -----	FY 2008 -----
2020A Operation & Maintenance, Army			
BUDGET ACTIVITY 30: ADJUSTMENT			
CONTINUING RESOLUTION ADJUSTMENT			
2020A 450 FSRM, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-30,000	
TOTAL CONTINUING RESOLUTION ADJUSTMENT		-30,000	
TOTAL, BA 30: ADJUSTMENT		-30,000	
Total Operation & Maintenance, Army	63,487,219	52,771,562	28,924,973

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 4: REFLECTS ADJUSTMENT TO FSRM FUNDING FOR THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
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2080A Operation & Maintenance, Army Reserve						
BUDGET ACTIVITY 01: OPERATING FORCES						
LAND FORCES						
2080A	010	111	MANEUVER UNITS	21,610	33,104	4,465
2080A	020	112	MODULAR SUPPORT BRIGADES	14,812	20,486	15,706
2080A	030	113	ECHELONS ABOVE BRIGADE	306,959	343,178	443,577
2080A	040	114	THEATER LEVEL ASSETS	157,302	192,576	154,575
2080A	050	115	LAND FORCES OPERATIONS SUPPORT	425,920	432,444	514,510
2080A	060	116	AVIATION ASSETS			63,133
			TOTAL LAND FORCES	926,603	1,021,788	1,195,966
LAND FORCES READINESS						
2080A	070	121	FORCE READINESS OPERATIONS SUPPORT	186,537	208,704	230,699
2080A	080	122	LAND FORCES SYSTEMS READINESS	72,575	95,621	84,725
2080A	090	123	LAND FORCES DEPOT MAINTENANCE	92,062	129,173	130,683
			TOTAL LAND FORCES READINESS	351,174	433,498	446,107
LAND FORCES READINESS SUPPORT						
2080A	100	131	BASE OPERATIONS SUPPORT	506,506	523,074	502,679
2080A	110	132	FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION (SEE NOTE 2)	150,708	215,890	222,856
2080A	120	135	MISCELLANEOUS ACTIVITIES	4,835	8,455	11,367
			TOTAL LAND FORCES READINESS SUPPORT	662,049	747,419	736,902
			TOTAL, BA 01: OPERATING FORCES	1,939,826	2,202,705	2,378,975
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE SUPPORT						
2080A	130	431	ADMINISTRATION	57,956	59,402	67,309
2080A	140	432	SERVICEWIDE COMMUNICATIONS	10,156	8,852	10,427
2080A	150	433	MANPOWER MANAGEMENT	8,141	7,642	8,321
2080A	160	434	RECRUITING AND ADVERTISING	116,663	98,910	43,030
			TOTAL SERVICEWIDE SUPPORT	192,916	174,806	129,087
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	192,916	174,806	129,087

OPERATION AND MAINTENANCE PERSONNEL (O-1)

BUDGET ACTIVITY 30: ADJUSTMENT

CONTINUING RESOLUTION ADJUSTMENT

2080A	170	FSRM, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)	-13,564
		TOTAL CONTINUING RESOLUTION ADJUSTMENT	-13,564

		TOTAL, BA 30: ADJUSTMENT	-13,564
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		Total Operation & Maintenance, Army Reserve	2,132,742	2,363,947	2,508,062
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NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO FSRM FUNDNG FOR THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
2065A Operation & Maintenance, Army National Guard						
BUDGET ACTIVITY 01: OPERATING FORCES						
LAND FORCES						
2065A	010	111	MANEUVER UNITS	558,794	685,625	638,508
2065A	020	112	MODULAR SUPPORT BRIGADES	511,837	626,787	423,443
2065A	030	113	ECHELONS ABOVE BRIGADE	289,024	383,546	555,457
2065A	040	114	THEATER LEVEL ASSETS	712,971	669,192	627,343
2065A	050	115	LAND FORCES OPERATIONS SUPPORT	33,567	23,996	34,721
2065A	060	116	AVIATION ASSETS			361,885
			TOTAL LAND FORCES	2,106,193	2,389,146	2,641,357
LAND FORCES READINESS						
2065A	070	121	FORCE READINESS OPERATIONS SUPPORT	226,454	236,279	309,655
2065A	080	122	LAND FORCES SYSTEMS READINESS	128,659	146,742	109,561
2065A	090	123	LAND FORCES DEPOT MAINTENANCE	248,319	351,832	466,452
			TOTAL LAND FORCES READINESS	603,432	734,853	885,668
LAND FORCES READINESS SUPPORT						
2065A	100	131	BASE OPERATIONS SUPPORT	846,630	746,172	828,418
2065A	110	132	FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION (SEE NOTE 3)	407,102	387,882	486,341
2065A	120	133	MANAGEMENT AND OPERATIONAL HQ	501,229	396,937	551,675
2065A	130	135	MISCELLANEOUS ACTIVITIES	99,085	109,100	92,517
			TOTAL LAND FORCES READINESS SUPPORT	1,854,046	1,640,091	1,958,951
			TOTAL, BA 01: OPERATING FORCES	4,563,671	4,764,090	5,485,976
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE SUPPORT						
2065A	140	431	ADMINISTRATION	110,196	133,881	119,227
2065A	150	432	SERVICEWIDE COMMUNICATIONS	58,602	54,663	52,250
2065A	160	433	MANPOWER MANAGEMENT	100,786	53,197	7,396
2065A	170	434	RECRUITING AND ADVERTISING	358,041	126,731	175,360
			TOTAL SERVICEWIDE SUPPORT	627,625	368,472	354,233
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	627,625	368,472	354,233
			Total Operation & Maintenance, Army National Guard	5,191,296	5,132,562	5,840,209

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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1804N Operation & Maintenance, Navy				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
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BUDGET ACTIVITY 01: OPERATING FORCES						
AIR OPERATIONS						
1804N	010	1A1A	MISSION AND OTHER FLIGHT OPERATIONS	4,446,306	3,727,117	3,607,384
1804N	020	1A2A	FLEET AIR TRAINING	890,363	845,425	937,648
1804N	030	1A3A	INTERMEDIATE MAINTENANCE	60,315	58,347	50,805
1804N	040	1A4A	AIR OPERATIONS AND SAFETY SUPPORT	134,165	124,712	127,578
1804N	050	1A4N	AIR SYSTEMS SUPPORT	456,181	506,699	479,941
1804N	060	1A5A	AIRCRAFT DEPOT MAINTENANCE	1,069,051	1,234,931	1,017,876
1804N	070	1A6A	AIRCRAFT DEPOT OPERATIONS SUPPORT	117,545	137,399	152,464
TOTAL AIR OPERATIONS				7,173,926	6,634,630	6,373,696
SHIP OPERATIONS						
1804N	080	1B1B	MISSION AND OTHER SHIP OPERATIONS	3,610,684	3,352,487	3,463,690
1804N	090	1B2B	SHIP OPERATIONS SUPPORT & TRAINING	620,762	631,936	671,029
1804N	100	1B4B	SHIP DEPOT MAINTENANCE	4,276,083	3,825,916	4,416,438
1804N	110	1B5B	SHIP DEPOT OPERATIONS SUPPORT	850,485	927,537	1,081,734
TOTAL SHIP OPERATIONS				9,358,014	8,737,876	9,632,891
COMBAT OPERATIONS/SUPPORT						
1804N	120	1C1C	COMBAT COMMUNICATIONS	369,425	527,981	564,929
1804N	130	1C2C	ELECTRONIC WARFARE	48,041	52,497	74,888
1804N	140	1C3C	SPACE SYSTEMS AND SURVEILLANCE	190,173	159,955	159,521
1804N	150	1C4C	WARFARE TACTICS	367,427	359,301	390,335
1804N	160	1C5C	OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	260,552	268,611	260,736
1804N	170	1C6C	COMBAT SUPPORT FORCES	2,273,799	1,316,887	1,105,254
1804N	180	1C7C	EQUIPMENT MAINTENANCE	184,644	170,107	176,743
1804N	190	1C8C	DEPOT OPERATIONS SUPPORT	3,464	3,815	3,925
TOTAL COMBAT OPERATIONS/SUPPORT				3,697,525	2,859,154	2,736,331
WEAPONS SUPPORT						
1804N	200	1D1D	CRUISE MISSILE	148,444	130,188	138,447
1804N	210	1D2D	FLEET BALLISTIC MISSILE	828,302	942,973	974,235
1804N	220	1D3D	IN-SERVICE WEAPONS SYSTEMS SUPPORT	71,383	114,203	99,435
1804N	230	1D4D	WEAPONS MAINTENANCE	424,058	436,994	486,603
1804N	240	1D7D	OTHER WEAPON SYSTEMS SUPPORT		290,244	315,141
TOTAL WEAPONS SUPPORT				1,472,187	1,914,602	2,013,861

OPERATION AND MAINTENANCE PERSONNEL (O-1)

BASE SUPPORT

1804N	250	BSIT	ENTERPRISE INFORMATION	14,720	756,916	610,899
1804N	260	BSM1	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SEE NOTE 3)	1,578,559	1,203,813	1,246,489
1804N	270	BSS1	BASE OPERATING SUPPORT	3,955,801	3,460,838	3,826,778
			TOTAL BASE SUPPORT	5,549,080	5,421,567	5,684,166
			TOTAL, BA 01: OPERATING FORCES	27,250,732	25,567,829	26,440,945

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
1804N Operation & Maintenance, Navy						
BUDGET ACTIVITY 02: MOBILIZATION						
READY RESERVE AND PREPOSITIONING FORCE						
1804N	280	2A1F	SHIP PREPOSITIONING AND SURGE	716,252	545,635	541,656
			TOTAL READY RESERVE AND PREPOSITIONING FORCE	716,252	545,635	541,656
ACTIVATIONS/INACTIVATIONS						
1804N	290	2B1G	AIRCRAFT ACTIVATIONS/INACTIVATIONS	3,272	4,605	7,166
1804N	300	2B2G	SHIP ACTIVATIONS/INACTIVATIONS	113,926	194,065	192,440
			TOTAL ACTIVATIONS/INACTIVATIONS	117,198	198,670	199,606
MOBILIZATION PREPARATION						
1804N	310	2C1H	FLEET HOSPITAL PROGRAM	29,591	30,197	29,880
1804N	320	2C2H	INDUSTRIAL READINESS	1,703	1,580	2,043
1804N	330	2C3H	COAST GUARD SUPPORT	16,993	16,347	21,538
			TOTAL MOBILIZATION PREPARATION	48,287	48,124	53,461
			TOTAL, BA 02: MOBILIZATION	881,737	792,429	794,723
BUDGET ACTIVITY 03: TRAINING AND RECRUITING						
ACCESSION TRAINING						
1804N	340	3A1J	OFFICER ACQUISITION	128,346	132,485	135,602
1804N	350	3A2J	RECRUIT TRAINING	8,911	9,852	11,308
1804N	360	3A3J	RESERVE OFFICERS TRAINING CORPS	56,187	102,892	112,185
			TOTAL ACCESSION TRAINING	193,444	245,229	259,095
BASIC SKILLS AND ADVANCED TRAINING						
1804N	370	3B1K	SPECIALIZED SKILL TRAINING	507,316	505,657	486,138
1804N	380	3B2K	FLIGHT TRAINING	411,721	423,034	475,655
1804N	390	3B3K	PROFESSIONAL DEVELOPMENT EDUCATION	142,626	141,702	161,017
1804N	400	3B4K	TRAINING SUPPORT	243,466	162,127	161,647
			TOTAL BASIC SKILLS AND ADVANCED TRAINING	1,305,129	1,232,520	1,284,457
RECRUITING AND OTHER TRAINING AND EDUCATION						
1804N	410	3C1L	RECRUITING AND ADVERTISING	305,990	243,114	264,309
1804N	420	3C3L	OFF-DUTY AND VOLUNTARY EDUCATION	149,154	145,596	144,828
1804N	430	3C4L	CIVILIAN EDUCATION AND TRAINING	67,532	70,787	74,991
1804N	440	3C5L	JUNIOR ROTC	42,633	45,473	47,515
			TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION	565,309	504,970	531,643
			TOTAL, BA 03: TRAINING AND RECRUITING	2,063,882	1,982,719	2,075,195

OPERATION AND MAINTENANCE PERSONNEL (O-1)

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

1804N	450	4A1M	ADMINISTRATION	734,199	683,916	759,691
1804N	460	4A2M	EXTERNAL RELATIONS	4,477	5,154	5,448
1804N	470	4A3M	CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	103,765	101,796	104,347

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
1804N Operation & Maintenance, Navy						
1804N	480	4A4M	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	243,741	178,057	151,915
1804N	490	4A5M	OTHER PERSONNEL SUPPORT	251,200	277,334	275,033
1804N	500	4A6M	SERVICEWIDE COMMUNICATIONS	719,773	595,392	578,999
1804N	510	4A8M	MEDICAL ACTIVITIES	25,056	1,000	
			TOTAL SERVICEWIDE SUPPORT	2,082,211	1,842,649	1,875,433
LOGISTICS OPERATIONS AND TECHNICAL SUPPORT						
1804N	520	4B1N	SERVICEWIDE TRANSPORTATION	392,606	283,574	237,202
1804N	530	4B2E	ENVIRONMENTAL PROGRAMS	295,909		
1804N	540	4B2N	PLANNING, ENGINEERING AND DESIGN	276,807	226,079	243,861
1804N	550	4B3N	ACQUISITION AND PROGRAM MANAGEMENT	929,480	547,857	559,214
1804N	560	4B5N	HULL, MECHANICAL AND ELECTRICAL SUPPORT	49,926	52,850	58,963
1804N	570	4B6N	COMBAT/WEAPONS SYSTEMS	37,629	40,731	17,205
1804N	580	4B7N	SPACE AND ELECTRONIC WARFARE SYSTEMS	65,083	75,875	77,793
			TOTAL LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	2,047,440	1,226,966	1,194,238
INVESTIGATIONS AND SECURITY PROGRAMS						
1804N	590	4C1P	NAVAL INVESTIGATIVE SERVICE	432,371	395,915	421,887
			TOTAL INVESTIGATIONS AND SECURITY PROGRAMS	432,371	395,915	421,887
SUPPORT OF OTHER NATIONS						
1804N	640	4D1Q	INTERNATIONAL HEADQUARTERS AND AGENCIES	26,853	10,981	11,290
1804N	650	4DS9	PRESIDENTIAL DRAWDOWN AUTHORITY	5,666		
			TOTAL SUPPORT OF OTHER NATIONS	32,519	10,981	11,290
CANCELLED ACCOUNTS						
1804N	660	4EMM	CANCELLED ACCOUNT ADJUSTMENTS	4,133		
1804N	670	4EPJ	JUDGMENT FUND	907		
			TOTAL CANCELLED ACCOUNTS	5,040		
1804N	999		OTHER PROGRAMS	648,846	513,778	520,979
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	5,248,427	3,990,289	4,023,827
			Total Operation & Maintenance, Navy	35,444,778	32,333,266	33,334,690

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
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1106N Operation & Maintenance, Marine Corps						
BUDGET ACTIVITY 01: OPERATING FORCES						
EXPEDITIONARY FORCES						
1106N	010	1A1A	OPERATIONAL FORCES	2,536,827	2,097,134	867,734
1106N	020	1A2A	FIELD LOGISTICS	587,045	585,865	502,437
1106N	030	1A3A	DEPOT MAINTENANCE	372,055	558,914	71,240
1106N	040	1A4A	BASE SUPPORT	577		
			TOTAL EXPEDITIONARY FORCES	3,496,504	3,241,913	1,441,411
USMC PREPOSITIONING						
1106N	050	1B1B	MARITIME PREPOSITIONING	95,135	110,877	73,870
1106N	060	1B2B	NORWAY PREPOSITIONING	4,678	5,248	5,681
			TOTAL USMC PREPOSITIONING	99,813	116,125	79,551
BASE SUPPORT						
1106N	070	BSM1	FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION (SEE NOTE 3)	671,234	419,418	517,701
1106N	080	BSS1	BASE OPERATING SUPPORT	1,454,438	1,497,189	1,742,906
			TOTAL BASE SUPPORT	2,125,672	1,916,607	2,260,607
			TOTAL, BA 01: OPERATING FORCES	5,721,989	5,274,645	3,781,569
BUDGET ACTIVITY 03: TRAINING AND RECRUITING						
ACCESSION TRAINING						
1106N	090	3A1C	RECRUIT TRAINING	13,494	11,762	13,242
1106N	100	3A2C	OFFICER ACQUISITION	353	388	520
			TOTAL ACCESSION TRAINING	13,847	12,150	13,762
BASIC SKILLS AND ADVANCED TRAINING						
1106N	110	3B1D	SPECIALIZED SKILL TRAINING	46,965	43,351	54,185
1106N	120	3B2D	FLIGHT TRAINING	207	185	318
1106N	130	3B3D	PROFESSIONAL DEVELOPMENT EDUCATION	13,627	16,305	16,751
1106N	140	3B4D	TRAINING SUPPORT	227,787	201,177	284,071
			TOTAL BASIC SKILLS AND ADVANCED TRAINING	288,586	261,018	355,325
RECRUITING AND OTHER TRAINING AND EDUCATION						
1106N	150	3C1F	RECRUITING AND ADVERTISING	168,956	141,876	141,378
1106N	160	3C2F	OFF-DUTY AND VOLUNTARY EDUCATION	49,350	55,280	57,523
1106N	170	3C3F	JUNIOR ROTC	16,627	17,557	17,080
			TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION	234,933	214,713	215,981

OPERATION AND MAINTENANCE PERSONNEL (O-1)

BASE SUPPORT

1106N	180	BSM3	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SEE NOTE 3)	56,728	50,810	56,590
1106N	190	BSS3	BASE OPERATING SUPPORT	133,094	143,250	146,254
			TOTAL BASE SUPPORT	189,822	194,060	202,844
			TOTAL, BA 03: TRAINING AND RECRUITING	727,188	681,941	787,912

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
 FY 2008/2009 President's Budget
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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
1106N Operation & Maintenance, Marine Corps						
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE SUPPORT						
1106N	200	4A2G	SPECIAL SUPPORT	256,861	254,398	257,131
1106N	210	4A3G	SERVICE-WIDE TRANSPORTATION	295,530	216,061	81,548
1106N	220	4A4G	ADMINISTRATION	43,994	33,864	36,078
			TOTAL SERVICEWIDE SUPPORT	596,385	504,323	374,757
BASE SUPPORT						
1106N	230	BSM4	FACILITIES SUSTAINMENT, RESTORATION, AND MODERNIZATION (SEE NOTE 3)	2,349	2,913	3,039
1106N	240	BSS4	BASE OPERATING SUPPORT	13,090	11,772	14,116
			TOTAL BASE SUPPORT	15,439	14,685	17,155
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	611,824	519,008	391,912
			Total Operation & Maintenance, Marine Corps	7,061,001	6,475,594	4,961,393

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
1806N Operation & Maintenance, Navy Reserve						
BUDGET ACTIVITY 01: OPERATING FORCES						
AIR OPERATIONS						
1806N	010	1A1A	MISSION AND OTHER FLIGHT OPERATIONS	564,590	583,132	561,550
1806N	020	1A3A	INTERMEDIATE MAINTENANCE	16,007	16,858	17,029
1806N	030	1A4A	AIR OPERATIONS AND SAFETY SUPPORT	1,899	2,059	3,169
1806N	040	1A5A	AIRCRAFT DEPOT MAINTENANCE	150,957	131,837	121,186
1806N	050	1A6A	AIRCRAFT DEPOT OPERATIONS SUPPORT	1,666	382	393
			TOTAL AIR OPERATIONS	735,119	734,268	703,327
SHIP OPERATIONS						
1806N	060	1B1B	MISSION AND OTHER SHIP OPERATIONS	73,373	62,687	49,766
1806N	070	1B2B	SHIP OPERATIONS SUPPORT & TRAINING	523	557	573
1806N	080	1B4B	SHIP DEPOT MAINTENANCE	75,032	68,314	41,616
1806N	090	1B5B	SHIP DEPOT OPERATIONS SUPPORT		527	559
			TOTAL SHIP OPERATIONS	148,928	132,085	92,514
COMBAT OPERATIONS/SUPPORT						
1806N	100	1C1C	COMBAT COMMUNICATIONS	11,439	12,400	15,344
1806N	110	1C6C	COMBAT SUPPORT FORCES	246,346	117,092	121,531
			TOTAL COMBAT OPERATIONS/SUPPORT	257,785	129,492	136,875
WEAPONS SUPPORT						
1806N	120	1D4D	WEAPONS MAINTENANCE	4,872	5,810	2,141
			TOTAL WEAPONS SUPPORT	4,872	5,810	2,141
BASE SUPPORT						
1806N	130	BSIT	ENTERPRISE INFORMATION		105,557	90,262
1806N	140	BSMR	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SEE NOTE 3)	153,494	64,891	52,000
1806N	150	BSSR	BASE OPERATING SUPPORT	155,375	99,502	94,642
			TOTAL BASE SUPPORT	308,869	269,950	236,904
			TOTAL, BA 01: OPERATING FORCES	1,455,573	1,271,605	1,171,761
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE SUPPORT						
1806N	160	4A1M	ADMINISTRATION	3,763	3,156	3,260
1806N	170	4A4M	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	9,618	7,636	8,509
1806N	180	4A6M	SERVICEWIDE COMMUNICATIONS	3,748	5,289	2,936
1806N	190	4A8M	COMBAT/WEAPONS SYSTEMS	5,205	5,048	
			TOTAL SERVICEWIDE SUPPORT	22,334	21,129	14,705

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
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	Total Obligation Authority (Dollars in Thousands)		
	FY 2006	FY 2007	FY 2008
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1806N Operation & Maintenance, Navy Reserve			
CANCELLED ACCOUNTS			
1806N 210 4EMM CANCELLED ACCOUNT ADJUSTMENTS	192		
TOTAL CANCELLED ACCOUNTS	192		
1806N 999 OTHER PROGRAMS	6,174	396	417
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	28,700	21,525	15,122
Total Operation & Maintenance, Navy Reserve	1,484,273	1,293,130	1,186,883

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
1107N Operation & Maintenance, Marine Corps Reserve						
BUDGET ACTIVITY 01: OPERATING FORCES						
EXPEDITIONARY FORCES						
1107N	010	1A1A	OPERATING FORCES	165,504	94,707	49,487
1107N	020	1A3A	DEPOT MAINTENANCE	13,688	13,605	11,229
1107N	030	1A5A	TRAINING SUPPORT	27,020	28,681	27,131
			TOTAL EXPEDITIONARY FORCES	206,212	136,993	87,847
BASE SUPPORT						
1107N	040	B5M1	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SEE NOTE 3)	20,159	9,579	14,827
1107N	050	B5S1	BASE OPERATING SUPPORT	64,728	76,038	69,998
			TOTAL BASE SUPPORT	84,887	85,617	84,825
			TOTAL, BA 01: OPERATING FORCES	291,099	222,610	172,672
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE SUPPORT						
1107N	060	4A2G	SPECIAL SUPPORT (SEE NOTE 9)	18,395	11,925	12,417
1107N	070	4A3G	SERVICE-WIDE TRANSPORTATION	30	812	826
1107N	080	4A4G	ADMINISTRATION (SEE NOTE 9)		7,957	9,422
1107N	090	4A6G	RECRUITING AND ADVERTISING	7,913	7,964	8,690
			TOTAL SERVICEWIDE SUPPORT	26,338	28,658	31,355
BASE SUPPORT						
1107N	100	B5S4	BASE OPERATING SUPPORT	4,899	4,477	4,610
			TOTAL BASE SUPPORT	4,899	4,477	4,610
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	31,237	33,135	35,965
			Total Operation & Maintenance, Marine Corps Reserve	322,336	255,745	208,637

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 9: FOR FY 2006, \$8.8 MILLION EXECUTION FOR SAG 'ADMINISTRATION' ERRONEOUSLY RECORDED TO SAG 'SPECIAL SUPPORT'.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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		Total Obligation Authority (Dollars in Thousands)			
		FY 2006	FY 2007	FY 2008	
		-----	-----	-----	
3400F Operation & Maintenance, Air Force					
 BUDGET ACTIVITY 01: OPERATING FORCES					
AIR OPERATIONS					
3400F	010 011A	PRIMARY COMBAT FORCES	4,937,418	4,505,366	4,260,831
3400F	020 011B	PRIMARY COMBAT WEAPONS	321,950	268,980	279,759
3400F	030 011C	COMBAT ENHANCEMENT FORCES	673,907	600,068	673,384
3400F	040 011D	AIR OPERATIONS TRAINING (OJT, MAINTAIN SKILLS)	1,353,719	1,498,239	1,502,472
3400F	050 011E	COMBAT COMMUNICATIONS	2,067,717	1,845,766	1,839,006
3400F	060 011M	DEPOT MAINTENANCE	2,130,492	2,129,999	2,277,479
3400F	070 011R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	1,328,578	922,322	1,041,719
3400F	080 011Z	BASE SUPPORT	3,663,366	1,986,520	2,202,105
		TOTAL AIR OPERATIONS	16,477,147	13,757,260	14,076,755
 COMBAT RELATED OPERATIONS					
3400F	090 012A	GLOBAL C3I AND EARLY WARNING	1,264,250	1,102,369	1,318,235
3400F	100 012B	NAVIGATION/WEATHER SUPPORT	228,329	236,593	258,712
3400F	110 012C	OTHER COMBAT OPS SPT PROGRAMS	978,198	604,522	776,893
3400F	120 012D	JCS EXERCISES	31,983	29,151	27,261
3400F	130 012E	MANAGEMENT/OPERATIONAL HQ	438,934	240,677	327,494
3400F	140 012F	TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	334,051	350,430	485,784
		TOTAL COMBAT RELATED OPERATIONS	3,275,745	2,563,742	3,194,379
 SPACE OPERATIONS					
3400F	150 013A	LAUNCH FACILITIES	328,424	302,642	321,465
3400F	160 013B	LAUNCH VEHICLES	71,122	53,264	51,072
3400F	170 013C	SPACE CONTROL SYSTEMS	207,560	229,596	233,190
3400F	180 013D	SATELLITE SYSTEMS	61,975	78,186	87,993
3400F	190 013E	OTHER SPACE OPERATIONS	287,119	291,667	329,184
3400F	200 013R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	165,230	136,291	184,632
3400F	210 013Z	BASE SUPPORT	541,633	568,643	645,518
		TOTAL SPACE OPERATIONS	1,663,063	1,660,289	1,853,054
		TOTAL, BA 01: OPERATING FORCES	21,415,955	17,981,291	19,124,188
 BUDGET ACTIVITY 02: MOBILIZATION					

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MOBILITY OPERATIONS

3400F	220	021A	AIRLIFT OPERATIONS	4,901,285	3,996,637	2,932,076
3400F	230	021B	AIRLIFT OPERATIONS C3I	59,499	43,078	49,152
3400F	240	021D	MOBILIZATION PREPAREDNESS	229,700	199,945	190,395
3400F	250	021E	PAYMENTS TO TRANSPORTATION BUSINESS AREA			300,000
3400F	260	021M	DEPOT MAINTENANCE	421,992	366,029	337,741
3400F	270	021R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	189,436	178,044	214,720
3400F	280	021Z	BASE SUPPORT	624,473	600,340	656,828
			TOTAL MOBILITY OPERATIONS	6,426,385	5,384,073	4,680,912
			TOTAL, BA 02: MOBILIZATION	6,426,385	5,384,073	4,680,912

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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		Total Obligation Authority (Dollars in Thousands)			
		FY 2006	FY 2007	FY 2008	
		-----	-----	-----	
3400F Operation & Maintenance, Air Force					
BUDGET ACTIVITY 03: TRAINING AND RECRUITING					
ACCESSION TRAINING					
3400F	290 031A	OFFICER ACQUISITION	85,101	80,448	85,528
3400F	300 031B	RECRUIT TRAINING	8,019	6,037	11,704
3400F	310 031D	RESERVE OFFICERS TRAINING CORPS (ROTC)	87,816	90,909	98,631
3400F	320 031R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	65,734	43,247	69,047
3400F	330 031Z	BASE SUPPORT	84,461	80,274	92,671
		TOTAL ACCESSION TRAINING	331,131	300,915	357,581
BASIC SKILLS AND ADVANCED TRAINING					
3400F	340 032A	SPECIALIZED SKILL TRAINING	363,432	338,601	378,009
3400F	350 032B	FLIGHT TRAINING	787,908	841,743	911,673
3400F	360 032C	PROFESSIONAL DEVELOPMENT EDUCATION	184,666	172,101	173,051
3400F	370 032D	TRAINING SUPPORT	116,897	86,437	96,679
3400F	380 032M	DEPOT MAINTENANCE	9,997	12,521	14,309
3400F	390 032R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	290,606	135,778	182,756
3400F	400 032Z	BASE SUPPORT	617,299	625,688	621,550
		TOTAL BASIC SKILLS AND ADVANCED TRAINING	2,370,805	2,212,869	2,378,027
RECRUITING AND OTHER TRAINING AND EDUCATION					
3400F	410 033A	RECRUITING AND ADVERTISING	154,477	127,216	138,895
3400F	420 033B	EXAMINING	3,906	3,704	4,820
3400F	430 033C	OFF-DUTY AND VOLUNTARY EDUCATION	189,172	184,997	189,568
3400F	440 033D	CIVILIAN EDUCATION AND TRAINING	130,426	130,911	133,167
3400F	450 033E	JUNIOR ROTC	59,999	57,623	70,798
		TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION	537,980	504,451	537,248
		TOTAL, BA 03: TRAINING AND RECRUITING	3,239,916	3,018,235	3,272,856
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES					
LOGISTICS OPERATIONS					
3400F	460 041A	LOGISTICS OPERATIONS	992,499	873,109	812,935
3400F	470 041B	TECHNICAL SUPPORT ACTIVITIES	562,343	619,457	650,478
3400F	480 041C	SERVICEWIDE TRANSPORTATION	375,471	167,795	274,722
3400F	490 041M	DEPOT MAINTENANCE	49,719	47,673	66,246
3400F	500 041R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	267,312	251,092	290,267
3400F	510 041Z	BASE SUPPORT	1,073,483	1,088,385	1,133,524
		TOTAL LOGISTICS OPERATIONS	3,320,827	3,047,511	3,228,172

OPERATION AND MAINTENANCE PERSONNEL (O-1)

SERVICEWIDE ACTIVITIES

3400F	520	042A	ADMINISTRATION	310,971	253,831	221,139
3400F	530	042B	SERVICE-WIDE COMMUNICATIONS	506,141	484,651	578,644
3400F	540	042C	PERSONNEL PROGRAMS	325,532	217,340	229,575
3400F	550	042F	ARMS CONTROL	45,336	38,447	39,300
3400F	560	042G	OTHER SERVICEWIDE ACTIVITIES	1,427,446	723,107	845,771
3400F	570	042H	OTHER PERSONNEL SUPPORT	38,762	35,936	36,195
3400F	580	042I	CIVIL AIR PATROL	34,945	24,803	23,753

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
3400F Operation & Maintenance, Air Force						
3400F	590	042R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	35,804	17,245	29,772
3400F	600	042Z	BASE SUPPORT	367,330	292,387	308,771
			TOTAL SERVICEWIDE ACTIVITIES	3,092,267	2,087,747	2,312,920
SECURITY PROGRAMS						
3400F	610	043A	SECURITY PROGRAMS	1,552,794	1,442,774	1,001,198
			TOTAL SECURITY PROGRAMS	1,552,794	1,442,774	1,001,198
SUPPORT TO OTHER NATIONS						
3400F	620	044A	INTERNATIONAL SUPPORT	59,075	18,899	35,387
			TOTAL SUPPORT TO OTHER NATIONS	59,075	18,899	35,387
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	8,024,963	6,596,931	6,577,677
BUDGET ACTIVITY 30: ADJUSTMENT						
CONTINUING RESOLUTION ADJUSTMENT						
3400F	630		FSRM, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-173,000	
			TOTAL CONTINUING RESOLUTION ADJUSTMENT		-173,000	
			TOTAL, BA 30: ADJUSTMENT		-173,000	
			Total Operation & Maintenance, Air Force	39,107,219	32,807,530	33,655,633

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO FSRM FUNDING FOR THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
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		Total Obligation Authority (Dollars in Thousands)			
		FY 2006	FY 2007	FY 2008	
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3740F Operation & Maintenance, Air Force Reserve					
BUDGET ACTIVITY 01: OPERATING FORCES					
AIR OPERATIONS					
3740F	010 011A	PRIMARY COMBAT FORCES	1,536,008	1,802,364	1,709,952
3740F	020 011G	MISSION SUPPORT OPERATIONS	100,762	87,132	99,253
3740F	030 011M	DEPOT MAINTENANCE	334,650	341,514	399,573
3740F	040 011R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	161,097	59,849	83,405
3740F	050 011Z	BASE SUPPORT	313,900	275,374	276,854
		TOTAL AIR OPERATIONS	2,446,417	2,566,233	2,569,037
TOTAL, BA 01: OPERATING FORCES			2,446,417	2,566,233	2,569,037
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES					
SERVICEWIDE ACTIVITIES					
3740F	060 042A	ADMINISTRATION	70,458	67,134	70,152
3740F	070 042J	RECRUITING AND ADVERTISING	21,099	17,028	22,704
3740F	080 042K	MILITARY MANPOWER AND PERS MGMT (ARPC)	20,506	21,359	22,995
3740F	090 042L	OTHER PERS SUPPORT (DISABILITY COMP)	6,814	5,760	6,505
3740F	100 042M	AUDIOVISUAL	840	663	684
		TOTAL SERVICEWIDE ACTIVITIES	119,717	111,944	123,040
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES			119,717	111,944	123,040
BUDGET ACTIVITY 30: ADJUSTMENT					
CONTINUING RESOLUTION ADJUSTMENT					
3740F	110	FSRM, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-9,989	
		TOTAL CONTINUING RESOLUTION ADJUSTMENT		-9,989	
TOTAL, BA 30: ADJUSTMENT				-9,989	
Total Operation & Maintenance, Air Force Reserve			2,566,134	2,668,188	2,692,077

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO FSRM FUNDING FOR THE CONTINUING RESOLUTION.

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
3840F Operation & Maintenance, Air National Guard						
 BUDGET ACTIVITY 01: OPERATING FORCES						
AIR OPERATIONS						
3840F	010	011F	AIRCRAFT OPERATIONS	2,935,955	3,293,689	3,049,334
3840F	020	011G	MISSION SUPPORT OPERATIONS	645,852	536,179	540,633
3840F	030	011M	DEPOT MAINTENANCE	576,518	602,995	587,485
3840F	040	011R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	189,593	255,322	285,227
3840F	050	011Z	BASE SUPPORT	510,529	528,717	525,149
			TOTAL AIR OPERATIONS	4,858,447	5,216,902	4,987,828
			TOTAL, BA 01: OPERATING FORCES	4,858,447	5,216,902	4,987,828
 BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE ACTIVITIES						
3840F	060	042A	ADMINISTRATION	16,948	29,144	30,716
3840F	070	042J	RECRUITING AND ADVERTISING	19,755	20,800	23,421
			TOTAL SERVICEWIDE ACTIVITIES	36,703	49,944	54,137
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	36,703	49,944	54,137
 BUDGET ACTIVITY 30: ADJUSTMENT						
CONTINUING RESOLUTION ADJUSTMENT						
3840F	080		FSRM, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-80,200	
			TOTAL CONTINUING RESOLUTION ADJUSTMENT		-80,200	
			TOTAL, BA 30: ADJUSTMENT		-80,200	
			Total Operation & Maintenance, Air National Guard	4,895,150	5,186,646	5,041,965

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO FSRM FUNDING FOR THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

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			Total Obligation Authority (Dollars in Thousands)		
			FY 2006	FY 2007	FY 2008
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0100D Operation & Maintenance, Defense-Wide					
BUDGET ACTIVITY 01: OPERATING FORCES					
0100D	010	JOINT CHIEFS OF STAFF (SEE NOTE 3)	588,595	573,886	597,309
0100D	020	SPECIAL OPERATIONS COMMAND	3,675,666	3,690,993	3,277,640
TOTAL, BA 01: OPERATING FORCES			4,264,261	4,264,879	3,874,949
BUDGET ACTIVITY 03: TRAINING AND RECRUITING					
0100D	030	DEFENSE ACQUISITION UNIVERSITY (SEE NOTE 3)	109,421	103,657	104,596
0100D	040	NATIONAL DEFENSE UNIVERSITY (SEE NOTE 3)	76,779	83,198	91,099
TOTAL, BA 03: TRAINING AND RECRUITING			186,200	186,855	195,695
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES					
0100D	050	AMERICAN FORCES INFORMATION SERVICE (SEE NOTE 3)	160,287	148,661	149,631
0100D	060	CIVIL MILITARY PROGRAMS	104,727	132,866	107,347
0100D	090	DEFENSE BUSINESS TRANSFORMATION AGENCY	19,585	149,408	148,028
0100D	100	DEFENSE CONTRACT AUDIT AGENCY	390,296	388,060	396,578
0100D	110	DEFENSE FINANCE AND ACCOUNTING SERVICE	1,232	448	432
0100D	120	DEFENSE INFORMATION SYSTEMS AGENCY (SEE NOTE 3)	1,160,139	1,019,693	945,594
0100D	140	DEFENSE LEGAL SERVICES	39,415	46,185	36,350
0100D	150	DEFENSE LOGISTICS AGENCY (SEE NOTE 3)	371,439	346,591	299,778
0100D	160	DEFENSE POW/MIA OFFICE	15,801	16,031	16,400
0100D	170	DEFENSE TECHNOLOGY SECURITY AGENCY	20,975	21,682	23,671
0100D	180	DEFENSE THREAT REDUCTION AGENCY (SEE NOTE 3)	315,342	311,668	333,548
0100D	190	DEPARTMENT OF DEFENSE EDUCATION ACTIVITY (SEE NOTE 3)	1,968,470	1,830,297	1,833,431
0100D	200	DOD HUMAN RESOURCES ACTIVITY	414,273	385,108	376,292
0100D	210	DEFENSE CONTRACT MANAGEMENT AGENCY (SEE NOTE 3)	1,038,314	1,030,008	1,044,139
0100D	220	DEFENSE SECURITY COOPERATION AGENCY (SEE NOTE 3)	1,323,164	1,924,074	673,400
0100D	230	DEFENSE SECURITY SERVICE (SEE NOTE 3)	345,139	293,698	372,457
0100D	250	OFFICE OF ECONOMIC ADJUSTMENT	101,204	140,018	57,176
0100D	260	OFFICE OF THE SECRETARY OF DEFENSE	854,249	810,011	1,093,742
0100D	270	WASHINGTON HEADQUARTERS SERVICES (SEE NOTE 3)	469,285	1,316,238	439,277
0100D	999	OTHER PROGRAMS	9,377,590	9,740,052	10,156,363
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES			18,490,926	20,050,797	18,503,634
Total Operation & Maintenance, Defense-Wide			22,941,387	24,502,531	22,574,278

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR THE FSRM PORTIONS OF THE DEFENSE-WIDE AGENCIES/ACTIVITIES BUDGETS FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNTS.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1

		Total Obligation Authority (Dollars in Thousands)			
		FY 2006	FY 2007	FY 2008	
		-----	-----	-----	
0107D Office of the Inspector General					
BUDGET ACTIVITY 01: OPERATION & MAINTENANCE					
0107D	010	OFFICE OF THE INSPECTOR GENERAL	205,855	218,081	214,995
TOTAL, BA 01: OPERATION & MAINTENANCE			205,855	218,081	214,995
BUDGET ACTIVITY 03: PROCUREMENT					
0107D	020	OFFICE OF THE INSPECTOR GENERAL	1,427	2,384	1,000
TOTAL, BA 03: PROCUREMENT			1,427	2,384	1,000
Total Office of the Inspector General			207,282	220,465	215,995
5394D Use of Proceeds from Cash Equalization Payments from Acq.					
BUDGET ACTIVITY 20: UNDISTRIBUTED					
5394D	010	USE OF PROCEEDS FROM CASH EQUAL. PAYMENTS	18,227		
TOTAL, BA 20: UNDISTRIBUTED			18,227		
Total Use of Proceeds from Cash Equalization Payments from Acq.			18,227		

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1

		Total Obligation Authority (Dollars in Thousands)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
0130D Defense Health Program				
BUDGET ACTIVITY 01: OPERATION & MAINTENANCE				
0130D	010	DEFENSE HEALTH PROGRAM (SEE NOTE 5)		
		20,266,071	20,249,163	20,182,381
TOTAL, BA 01: OPERATION & MAINTENANCE		20,266,071	20,249,163	20,182,381
BUDGET ACTIVITY 02: RDT&E				
0130D	020	DEFENSE HEALTH PROGRAM (SEE NOTE 5)		
		566,286	130,603	134,482
TOTAL, BA 02: RDT&E		566,286	130,603	134,482
BUDGET ACTIVITY 03: PROCUREMENT				
0130D	030	DEFENSE HEALTH PROGRAM (SEE NOTE 5)		
		387,218	396,355	362,261
TOTAL, BA 03: PROCUREMENT		387,218	396,355	362,261
BUDGET ACTIVITY 30: ADJUSTMENT				
0130D	040	CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 6)		
			249,000	
TOTAL, BA 30: ADJUSTMENT			249,000	
Total Defense Health Program		21,219,575	21,025,121	20,679,124

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 5: THE DHP APPROPRIATION FOR FY 2007 REFLECTS THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 6: THE DHP APPROPRIATION IS ADJUSTED TO REFLECT THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1

			Total Obligation Authority (Dollars in Thousands)		
			FY 2006	FY 2007	FY 2008
			-----	-----	-----
Transfer Accounts					
0105D	010	DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE		1,137,491	936,822
0810A	020	ENVIRONMENTAL RESTORATION, ARMY (SEE NOTE 7)		402,848	434,879
0810N	030	ENVIRONMENTAL RESTORATION, NAVY (SEE NOTE 7)		304,409	300,591
0810N	030	CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 8)		-2,889	
0810F	040	ENVIRONMENTAL RESTORATION, AIR FORCE (SEE NOTE 7)		424,089	458,428
0810F	040	CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 8)		-22,410	
0810D	050	ENVIRONMENTAL RESTORATION, DEFENSE		18,431	12,751
0810D	050	CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 8)		14,000	
0811D	060	ENVIRONMENTAL RESTORATION, FORMERLY USED SITES (FUDS) (SEE NOTE 7)		262,772	250,249
0811D	060	CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 8)		-9,011	
0118D	070	OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND			5,000
Total Transfer Accounts				2,529,730	2,398,720
Miscellaneous Appropriations					
2091A	080	AFGHANISTAN SECURITY FORCES FUND	1,908,133	1,500,000	
2092A	090	IRAQ SECURITY FORCES FUND	3,007,000	1,700,000	
1236N	100	PAYMENT TO KAHO'OLAWA ISLAND FUND		3	
0104D	110	US COURT OF APPEALS FOR THE ARMED FORCES	10,854	11,673	11,971
0838D	120	SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS	4,790		
4965D	130	EMERGENCY RESPONSE FUND	6,057		
0833D	140	EMERGENCY RESPONSE FUND, DEFENSE	44,878		
0141D	150	IRAQ FREEDOM FUND		80,708	
0819D	160	OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID	120,789	62,947	103,300
0134D	170	FORMER SOVIET UNION (FSU) THREAT REDUCTION	454,937	370,615	348,048
Total Miscellaneous Appropriations			5,557,441	3,725,943	463,319

NOTE 1: COLUMNS FY 2006 AND FY 2007 INCLUDE SUPPLEMENTAL FUNDING.

NOTE 7: THE ENVIRONMENTAL RESTORATION APPROPRIATIONS FOR FY 2007 REFLECT THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 8: THE ENVIRONMENTAL RESTORATION APPROPRIATIONS ARE ADJUSTED TO REFLECT THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

Appropriation Summary	Total Obligation Authority (Dollars in Thousands)		
	FY 2006 -----	FY 2007 -----	FY 2008 -----
Department of the Army			
OPERATION & MAINTENANCE, ARMY	63,487,219	24,407,460	28,924,973
OPERATION & MAINTENANCE, ARMY RESERVE	2,132,742	2,152,347	2,508,062
OPERATION & MAINTENANCE, ARMY NATIONAL GUARD	5,191,296	4,708,562	5,840,209
Total Department of the Army	70,811,257	31,268,369	37,273,244
Department of the Navy			
OPERATION & MAINTENANCE, NAVY	35,444,778	30,778,065	33,334,690
OPERATION & MAINTENANCE, MARINE CORPS	7,061,001	3,786,588	4,961,393
OPERATION & MAINTENANCE, NAVY RESERVE	1,484,273	1,270,489	1,186,883
OPERATION & MAINTENANCE, MARINE CORPS RESERVE	322,336	207,745	208,637
KAHO'OLAWA IS CONVYNC, REMEDIATN ENV REST	1		
Total Department of the Navy	44,312,389	36,042,887	39,691,603
Department of the Air Force			
OPERATION & MAINTENANCE, AIR FORCE	39,107,219	30,081,982	33,655,633
OPERATION & MAINTENANCE, AIR FORCE RESERVE	2,566,134	2,603,188	2,692,077
OPERATION & MAINTENANCE, AIR NATIONAL GUARD	4,895,150	4,986,646	5,041,965
Total Department of the Air Force	46,568,503	37,671,816	41,389,675
Defense-Wide			
OPERATION & MAINTENANCE, DEFENSE-WIDE	22,941,387	20,005,177	22,574,278
OFFICE OF THE INSPECTOR GENERAL	207,282	216,455	215,995
USE OF PROCEEDS FROM CASH EQUALIZATION PAYMENTS FROM ACQ.	18,227		
DEFENSE HEALTH PROGRAM	21,219,575	21,025,121	20,679,124

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

Appropriation Summary	Total Obligation Authority (Dollars in Thousands)		
	FY 2006 -----	FY 2007 -----	FY 2008 -----
Transfer Accounts and Miscellaneous			
DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE		1,137,491	936,822
ENVIRONMENTAL RESTORATION, ARMY		402,848	434,879
ENVIRONMENTAL RESTORATION, NAVY		301,520	300,591
ENVIRONMENTAL RESTORATION, AIR FORCE		401,679	458,428
ENVIRONMENTAL RESTORATION, DEFENSE		32,431	12,751
ENVIRONMENTAL RESTORATION FORMERLY USED SITES		253,761	250,249
OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND			5,000
AFGHANISTAN SECURITY FORCES FUND	1,908,133		
IRAQ SECURITY FORCES FUND	3,007,000		
PAYMENT TO KAHO'OLAWA ISLAND FUND	3		
US COURT OF APPEALS FOR THE ARMED FORCES, DEFENSE	10,854	11,673	11,971
SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS, DEFENSE	4,790		
EMERGENCY RESPONSE FUND	6,057		
EMERGENCY RESPONSE FUND, DEFENSE	44,878		
IRAQ FREEDOM FUND		80,708	
OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID	120,789	62,947	103,300
FORMER SOVIET UNION (FSU) THREAT REDUCTION	454,937	370,615	348,048
Total Transfer and Miscellaneous	5,557,441	3,055,673	2,862,039
Total Operation and Maintenance Title:	211,636,061	149,285,498	164,685,958

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
2020A Operation & Maintenance, Army						
BUDGET ACTIVITY 01: OPERATING FORCES						
LAND FORCES						
2020A	010	111	MANEUVER UNITS	1,036,977	792,436	887,030
2020A	020	112	MODULAR SUPPORT BRIGADES	318,279	375,504	93,630
2020A	030	113	ECHELONS ABOVE BRIGADE	329,239	254,681	693,513
2020A	040	114	THEATER LEVEL ASSETS	886,340	676,953	771,074
2020A	050	115	LAND FORCES OPERATIONS SUPPORT	944,427	1,022,344	1,242,988
2020A	060	116	AVIATION ASSETS			848,171
			TOTAL LAND FORCES	3,515,262	3,121,918	4,536,406
LAND FORCES READINESS						
2020A	070	121	FORCE READINESS OPERATIONS SUPPORT	1,792,176	1,853,946	2,051,266
2020A	080	122	LAND FORCES SYSTEMS READINESS	497,631	512,585	555,405
2020A	090	123	LAND FORCES DEPOT MAINTENANCE	3,330,906	375,544	804,892
			TOTAL LAND FORCES READINESS	5,620,713	2,742,075	3,411,563
LAND FORCES READINESS SUPPORT						
2020A	100	131	BASE OPERATIONS SUPPORT	6,498,332	6,857,890	6,802,278
2020A	110	132	FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION (SEE NOTE 2)	2,204,154	1,810,774	2,031,173
2020A	120	133	MANAGEMENT AND OPERATIONAL HQ	278,773	253,051	285,198
2020A	130	134	UNIFIED COMMANDS	104,300	99,070	113,872
2020A	140	135	ADDITIONAL ACTIVITIES	32,551,872	456,971	233,035
			TOTAL LAND FORCES READINESS SUPPORT	41,637,431	9,477,756	9,465,556
			TOTAL, BA 01: OPERATING FORCES	50,773,406	15,341,749	17,413,525
BUDGET ACTIVITY 02: MOBILIZATION						
MOBILITY OPERATIONS						
2020A	150	211	STRATEGIC MOBILITY	224,271	157,362	288,063
2020A	160	212	ARMY PREPOSITIONING STOCKS	100,013	65,298	156,318
2020A	170	213	INDUSTRIAL PREPAREDNESS	18,927	4,650	
			TOTAL MOBILITY OPERATIONS	343,211	227,310	444,381
			TOTAL, BA 02: MOBILIZATION	343,211	227,310	444,381
BUDGET ACTIVITY 03: TRAINING AND RECRUITING						

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

ACCESSION TRAINING

2020A	180	311	OFFICER ACQUISITION	108,473	123,745	116,804
2020A	190	312	RECRUIT TRAINING	35,683	37,329	47,608
2020A	200	313	ONE STATION UNIT TRAINING	46,449	44,870	50,796
2020A	210	314	SENIOR RESERVE OFFICERS TRAINING CORPS	230,100	244,912	364,863
			TOTAL ACCESSION TRAINING	420,705	450,856	580,071

BASIC SKILLS AND ADVANCED TRAINING

2020A	220	321	SPECIALIZED SKILL TRAINING	522,783	477,497	574,212
2020A	230	322	FLIGHT TRAINING	505,963	545,276	695,377

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
2020A Operation & Maintenance, Army						
2020A	240	323	PROFESSIONAL DEVELOPMENT EDUCATION	108,481	100,464	113,769
2020A	250	324	TRAINING SUPPORT	518,690	563,785	706,416
			TOTAL BASIC SKILLS AND ADVANCED TRAINING	1,655,917	1,687,022	2,089,774
RECRUITING AND OTHER TRAINING AND EDUCATION						
2020A	260	331	RECRUITING AND ADVERTISING	582,550	482,166	603,498
2020A	270	332	EXAMINING	134,320	114,724	152,793
2020A	280	333	OFF-DUTY AND VOLUNTARY EDUCATION	176,285	238,433	238,457
2020A	290	334	CIVILIAN EDUCATION AND TRAINING	140,666	145,306	199,956
2020A	300	335	JUNIOR ROTC	122,273	132,814	147,203
			TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION	1,156,094	1,113,443	1,341,907
TOTAL, BA 03: TRAINING AND RECRUITING				3,232,716	3,251,321	4,011,752
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SECURITY PROGRAMS						
2020A	310	411	SECURITY PROGRAMS	1,424,685	927,407	757,874
			TOTAL SECURITY PROGRAMS	1,424,685	927,407	757,874
LOGISTICS OPERATIONS						
2020A	320	421	SERVICEWIDE TRANSPORTATION	1,974,437	371,036	686,899
2020A	330	422	CENTRAL SUPPLY ACTIVITIES	405,311	407,350	642,906
2020A	340	423	LOGISTIC SUPPORT ACTIVITIES	450,041	413,812	506,679
2020A	350	424	AMMUNITION MANAGEMENT	353,441	276,464	476,807
			TOTAL LOGISTICS OPERATIONS	3,183,230	1,468,662	2,313,291
SERVICEWIDE SUPPORT						
2020A	360	431	ADMINISTRATION	1,088,933	603,421	775,819
2020A	370	432	SERVICEWIDE COMMUNICATIONS	894,142	855,002	1,192,413
2020A	380	433	MANPOWER MANAGEMENT	270,428	267,608	269,420
2020A	390	434	OTHER PERSONNEL SUPPORT	241,751	183,825	217,872
2020A	400	435	OTHER SERVICE SUPPORT	1,427,625	738,268	841,825
2020A	410	436	ARMY CLAIMS ACTIVITIES	191,178	184,066	233,786
2020A	420	437	REAL ESTATE MANAGEMENT	45,574	44,379	48,170
			TOTAL SERVICEWIDE SUPPORT	4,159,631	2,876,569	3,579,305
SUPPORT OF OTHER NATIONS						
2020A	430	441	SUPPORT OF NATO OPERATIONS	325,013	304,252	362,159
2020A	440	442	MISC. SUPPORT OF OTHER NATIONS	45,327	40,190	42,686
			TOTAL SUPPORT OF OTHER NATIONS	370,340	344,442	404,845
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES				9,137,886	5,617,080	7,055,315

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
 FY 2008/2009 President's Budget
 Exhibit O-1A

	Total Obligation Authority (Dollars in Thousands)		
	FY 2006 -----	FY 2007 -----	FY 2008 -----
2020A Operation & Maintenance, Army			
BUDGET ACTIVITY 30: ADJUSTMENT			
CONTINUING RESOLUTION ADJUSTMENT			
2020A 450 540 FSRM, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-30,000	
TOTAL CONTINUING RESOLUTION ADJUSTMENT		-30,000	
TOTAL, BA 30: ADJUSTMENT		-30,000	
Total Operation & Maintenance, Army	63,487,219	24,407,460	28,924,973

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 4: REFLECTS ADJUSTMENT TO FSRM FUNDING FOR THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
2080A Operation & Maintenance, Army Reserve						
BUDGET ACTIVITY 01: OPERATING FORCES						
LAND FORCES						
2080A	010	111	MANEUVER UNITS	21,610	33,104	4,465
2080A	020	112	MODULAR SUPPORT BRIGADES	14,812	20,486	15,706
2080A	030	113	ECHELONS ABOVE BRIGADE	306,959	241,139	443,577
2080A	040	114	THEATER LEVEL ASSETS	157,302	157,644	154,575
2080A	050	115	LAND FORCES OPERATIONS SUPPORT	425,920	406,115	514,510
2080A	060	116	AVIATION ASSETS			63,133
			TOTAL LAND FORCES	926,603	858,488	1,195,966
LAND FORCES READINESS						
2080A	070	121	FORCE READINESS OPERATIONS SUPPORT	186,537	184,704	230,699
2080A	080	122	LAND FORCES SYSTEMS READINESS	72,575	88,321	84,725
2080A	090	123	LAND FORCES DEPOT MAINTENANCE	92,062	129,173	130,683
			TOTAL LAND FORCES READINESS	351,174	402,198	446,107
LAND FORCES READINESS SUPPORT						
2080A	100	131	BASE OPERATIONS SUPPORT	506,506	516,574	502,679
2080A	110	132	FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION (SEE NOTE 2)	150,708	215,890	222,856
2080A	120	135	ADDITIONAL ACTIVITIES	4,835	8,455	11,367
			TOTAL LAND FORCES READINESS SUPPORT	662,049	740,919	736,902
			TOTAL, BA 01: OPERATING FORCES	1,939,826	2,001,605	2,378,975
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE SUPPORT						
2080A	130	431	ADMINISTRATION	57,956	59,402	67,309
2080A	140	432	SERVICEWIDE COMMUNICATIONS	10,156	8,852	10,427
2080A	150	433	MANPOWER MANAGEMENT	8,141	7,642	8,321
2080A	160	434	RECRUITING AND ADVERTISING	116,663	88,410	43,030
			TOTAL SERVICEWIDE SUPPORT	192,916	164,306	129,087
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	192,916	164,306	129,087

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

BUDGET ACTIVITY 30: ADJUSTMENT

CONTINUING RESOLUTION ADJUSTMENT

2080A	170	540	FSRM, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)	-13,564
			TOTAL CONTINUING RESOLUTION ADJUSTMENT	-13,564

			TOTAL, BA 30: ADJUSTMENT	-13,564
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			Total Operation & Maintenance, Army Reserve	2,132,742	2,152,347	2,508,062
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NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO FSRM FUNDING FOR THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
2065A Operation & Maintenance, Army National Guard						
BUDGET ACTIVITY 01: OPERATING FORCES						
LAND FORCES						
2065A	010	111	MANEUVER UNITS	558,794	571,957	638,508
2065A	020	112	MODULAR SUPPORT BRIGADES	511,837	533,616	423,443
2065A	030	113	ECHELONS ABOVE BRIGADE	289,024	357,493	555,457
2065A	040	114	THEATER LEVEL ASSETS	712,971	622,142	627,343
2065A	050	115	LAND FORCES OPERATIONS SUPPORT	33,567	21,476	34,721
2065A	060	116	AVIATION ASSETS			361,885
			TOTAL LAND FORCES	2,106,193	2,106,684	2,641,357
LAND FORCES READINESS						
2065A	070	121	FORCE READINESS OPERATIONS SUPPORT	226,454	223,961	309,655
2065A	080	122	LAND FORCES SYSTEMS READINESS	128,659	127,071	109,561
2065A	090	123	LAND FORCES DEPOT MAINTENANCE	248,319	351,832	466,452
			TOTAL LAND FORCES READINESS	603,432	702,864	885,668
LAND FORCES READINESS SUPPORT						
2065A	100	131	BASE OPERATIONS SUPPORT	846,630	661,012	828,418
2065A	110	132	FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION (SEE NOTE 3)	407,102	387,882	486,341
2065A	120	133	MANAGEMENT AND OPERATIONAL HQ	501,229	388,548	551,675
2065A	130	135	ADDITIONAL ACTIVITIES	99,085	93,100	92,517
			TOTAL LAND FORCES READINESS SUPPORT	1,854,046	1,530,542	1,958,951
			TOTAL, BA 01: OPERATING FORCES	4,563,671	4,340,090	5,485,976
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE SUPPORT						
2065A	140	431	ADMINISTRATION	110,196	133,881	119,227
2065A	150	432	SERVICEWIDE COMMUNICATIONS	58,602	54,663	52,250
2065A	160	433	MANPOWER MANAGEMENT	100,786	53,197	7,396
2065A	170	434	RECRUITING AND ADVERTISING	358,041	126,731	175,360
			TOTAL SERVICEWIDE SUPPORT	627,625	368,472	354,233
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	627,625	368,472	354,233
			Total Operation & Maintenance, Army National Guard	5,191,296	4,708,562	5,840,209

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

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1804N Operation & Maintenance, Navy				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
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BUDGET ACTIVITY 01: OPERATING FORCES						
AIR OPERATIONS						
1804N	010	1A1A	MISSION AND OTHER FLIGHT OPERATIONS	4,446,306	3,397,117	3,607,384
1804N	020	1A2A	FLEET AIR TRAINING	890,363	835,425	937,648
1804N	030	1A3A	INTERMEDIATE MAINTENANCE	60,315	54,947	50,805
1804N	040	1A4A	AIR OPERATIONS AND SAFETY SUPPORT	134,165	118,112	127,578
1804N	050	1A4N	AIR SYSTEMS SUPPORT	456,181	476,699	479,941
1804N	060	1A5A	AIRCRAFT DEPOT MAINTENANCE	1,069,051	894,931	1,017,876
1804N	070	1A6A	AIRCRAFT DEPOT OPERATIONS SUPPORT	117,545	137,399	152,464
			TOTAL AIR OPERATIONS	7,173,926	5,914,630	6,373,696
SHIP OPERATIONS						
1804N	080	1B1B	MISSION AND OTHER SHIP OPERATIONS	3,610,684	3,182,487	3,463,690
1804N	090	1B2B	SHIP OPERATIONS SUPPORT & TRAINING	620,762	625,536	671,029
1804N	100	1B4B	SHIP DEPOT MAINTENANCE	4,276,083	3,755,866	4,416,438
1804N	110	1B5B	SHIP DEPOT OPERATIONS SUPPORT	850,485	927,537	1,081,734
			TOTAL SHIP OPERATIONS	9,358,014	8,491,426	9,632,891
COMBAT OPERATIONS/SUPPORT						
1804N	120	1C1C	COMBAT COMMUNICATIONS	369,425	525,481	564,929
1804N	130	1C2C	ELECTRONIC WARFARE	48,041	50,807	74,888
1804N	140	1C3C	SPACE SYSTEMS AND SURVEILLANCE	190,173	159,955	159,521
1804N	150	1C4C	WARFARE TACTICS	367,427	351,801	390,335
1804N	160	1C5C	OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	260,552	263,411	260,736
1804N	170	1C6C	COMBAT SUPPORT FORCES	2,273,799	1,038,087	1,105,254
1804N	180	1C7C	EQUIPMENT MAINTENANCE	184,644	167,107	176,743
1804N	190	1C8C	DEPOT OPERATIONS SUPPORT	3,464	3,815	3,925
			TOTAL COMBAT OPERATIONS/SUPPORT	3,697,525	2,560,464	2,736,331
WEAPONS SUPPORT						
1804N	200	1D1D	CRUISE MISSILE	148,444	130,188	138,447
1804N	210	1D2D	FLEET BALLISTIC MISSILE	828,302	942,973	974,235
1804N	220	1D3D	IN-SERVICE WEAPONS SYSTEMS SUPPORT	71,383	69,403	99,435
1804N	230	1D4D	WEAPONS MAINTENANCE	424,058	436,994	486,603
1804N	240	1D7D	OTHER WEAPON SYSTEMS SUPPORT		290,244	315,141
			TOTAL WEAPONS SUPPORT	1,472,187	1,869,802	2,013,861

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

BASE SUPPORT

1804N	250	BSIT	ENTERPRISE INFORMATION	14,720	756,916	610,899
1804N	260	BSM1	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SEE NOTE 3)	1,578,559	1,201,313	1,246,489
1804N	270	BSS1	BASE OPERATING SUPPORT	3,955,801	3,374,035	3,826,778
			TOTAL BASE SUPPORT	5,549,080	5,332,264	5,684,166
			TOTAL, BA 01: OPERATING FORCES	27,250,732	24,168,586	26,440,945

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
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				Total Obligation Authority (Dollars in Thousands)		
1804N Operation & Maintenance, Navy				FY 2006	FY 2007	FY 2008
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BUDGET ACTIVITY 02: MOBILIZATION						
READY RESERVE AND PREPOSITIONING FORCE						
1804N	280	2A1F	SHIP PREPOSITIONING AND SURGE	716,252	543,335	541,656
TOTAL READY RESERVE AND PREPOSITIONING FORCE				716,252	543,335	541,656
ACTIVATIONS/INACTIVATIONS						
1804N	290	2B1G	AIRCRAFT ACTIVATIONS/INACTIVATIONS	3,272	4,605	7,166
1804N	300	2B2G	SHIP ACTIVATIONS/INACTIVATIONS	113,926	194,065	192,440
TOTAL ACTIVATIONS/INACTIVATIONS				117,198	198,670	199,606
MOBILIZATION PREPARATION						
1804N	310	2C1H	FLEET HOSPITAL PROGRAM	29,591	30,197	29,880
1804N	320	2C2H	INDUSTRIAL READINESS	1,703	1,580	2,043
1804N	330	2C3H	COAST GUARD SUPPORT	16,993	16,347	21,538
TOTAL MOBILIZATION PREPARATION				48,287	48,124	53,461
TOTAL, BA 02: MOBILIZATION				881,737	790,129	794,723
BUDGET ACTIVITY 03: TRAINING AND RECRUITING						
ACCESSION TRAINING						
1804N	340	3A1J	OFFICER ACQUISITION	128,346	132,435	135,602
1804N	350	3A2J	RECRUIT TRAINING	8,911	9,852	11,308
1804N	360	3A3J	RESERVE OFFICERS TRAINING CORPS	56,187	102,892	112,185
TOTAL ACCESSION TRAINING				193,444	245,179	259,095
BASIC SKILLS AND ADVANCED TRAINING						
1804N	370	3B1K	SPECIALIZED SKILL TRAINING	507,316	500,807	486,138
1804N	380	3B2K	FLIGHT TRAINING	411,721	423,034	475,655
1804N	390	3B3K	PROFESSIONAL DEVELOPMENT EDUCATION	142,626	141,702	161,017
1804N	400	3B4K	TRAINING SUPPORT	243,466	162,127	161,647
TOTAL BASIC SKILLS AND ADVANCED TRAINING				1,305,129	1,227,670	1,284,457
RECRUITING AND OTHER TRAINING AND EDUCATION						
1804N	410	3C1L	RECRUITING AND ADVERTISING	305,990	243,114	264,309
1804N	420	3C3L	OFF-DUTY AND VOLUNTARY EDUCATION	149,154	145,596	144,828
1804N	430	3C4L	CIVILIAN EDUCATION AND TRAINING	67,532	70,787	74,991
1804N	440	3C5L	JUNIOR ROTC	42,633	45,473	47,515
TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION				565,309	504,970	531,643
TOTAL, BA 03: TRAINING AND RECRUITING				2,063,882	1,977,819	2,075,195

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

1804N	450	4A1M	ADMINISTRATION	734,199	683,916	759,691
1804N	460	4A2M	EXTERNAL RELATIONS	4,477	5,154	5,448
1804N	470	4A3M	CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	103,765	101,796	104,347

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
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1804N Operation & Maintenance, Navy						
1804N	480	4A4M	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	243,741	177,057	151,915
1804N	490	4A5M	OTHER PERSONNEL SUPPORT	251,200	277,334	275,033
1804N	500	4A6M	SERVICEWIDE COMMUNICATIONS	719,773	577,392	578,999
1804N	510	4A8M	MEDICAL ACTIVITIES	25,056	1,000	
			TOTAL SERVICEWIDE SUPPORT	2,082,211	1,823,649	1,875,433
LOGISTICS OPERATIONS AND TECHNICAL SUPPORT						
1804N	520	4B1N	SERVICEWIDE TRANSPORTATION	392,606	217,774	237,202
1804N	530	4B2E	ENVIRONMENTAL PROGRAMS	295,909		
1804N	540	4B2N	PLANNING, ENGINEERING AND DESIGN	276,807	226,079	243,861
1804N	550	4B3N	ACQUISITION AND PROGRAM MANAGEMENT	929,480	522,857	559,214
1804N	560	4B5N	HULL, MECHANICAL AND ELECTRICAL SUPPORT	49,926	52,850	58,963
1804N	570	4B6N	COMBAT/WEAPONS SYSTEMS	37,629	40,531	17,205
1804N	580	4B7N	SPACE AND ELECTRONIC WARFARE SYSTEMS	65,083	75,675	77,793
			TOTAL LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	2,047,440	1,135,766	1,194,238
INVESTIGATIONS AND SECURITY PROGRAMS						
1804N	590	4C1P	NAVAL INVESTIGATIVE SERVICE	432,371	357,704	421,887
			TOTAL INVESTIGATIONS AND SECURITY PROGRAMS	432,371	357,704	421,887
SUPPORT OF OTHER NATIONS						
1804N	640	4D1Q	INTERNATIONAL HEADQUARTERS AND AGENCIES	26,853	10,981	11,290
1804N	650	4DS9	PRESIDENTIAL DRAWDOWN AUTHORITY	5,666		
			TOTAL SUPPORT OF OTHER NATIONS	32,519	10,981	11,290
CANCELLED ACCOUNTS						
1804N	660	4EMM	CANCELLED ACCOUNT ADJUSTMENTS	4,133		
1804N	670	4EPJ	JUDGMENT FUND	907		
			TOTAL CANCELLED ACCOUNTS	5,040		
1804N	999		OTHER PROGRAMS	648,846	513,431	520,979
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	5,248,427	3,841,531	4,023,827
			Total Operation & Maintenance, Navy	35,444,778	30,778,065	33,334,690

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
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1106N Operation & Maintenance, Marine Corps						
BUDGET ACTIVITY 01: OPERATING FORCES						
EXPEDITIONARY FORCES						
1106N	010	1A1A	OPERATIONAL FORCES	2,536,827	447,734	867,734
1106N	020	1A2A	FIELD LOGISTICS	587,045	416,105	502,437
1106N	030	1A3A	DEPOT MAINTENANCE	372,055	87,914	71,240
1106N	040	1A4A	BASE SUPPORT	577		
			TOTAL EXPEDITIONARY FORCES	3,496,504	951,753	1,441,411
USMC PREPOSITIONING						
1106N	050	1B1B	MARITIME PREPOSITIONING	95,135	72,575	73,870
1106N	060	1B2B	NORWAY PREPOSITIONING	4,678	5,248	5,681
			TOTAL USMC PREPOSITIONING	99,813	77,823	79,551
BASE SUPPORT						
1106N	070	BSM1	FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION (SEE NOTE 3)	671,234	419,418	517,701
1106N	080	BSS1	BASE OPERATING SUPPORT	1,454,438	1,428,573	1,742,906
			TOTAL BASE SUPPORT	2,125,672	1,847,991	2,260,607
			TOTAL, BA 01: OPERATING FORCES	5,721,989	2,877,567	3,781,569
BUDGET ACTIVITY 03: TRAINING AND RECRUITING						
ACCESSION TRAINING						
1106N	090	3A1C	RECRUIT TRAINING	13,494	11,512	13,242
1106N	100	3A2C	OFFICER ACQUISITION	353	388	520
			TOTAL ACCESSION TRAINING	13,847	11,900	13,762
BASIC SKILLS AND ADVANCED TRAINING						
1106N	110	3B1D	SPECIALIZED SKILL TRAINING	46,965	40,851	54,185
1106N	120	3B2D	FLIGHT TRAINING	207	185	318
1106N	130	3B3D	PROFESSIONAL DEVELOPMENT EDUCATION	13,627	16,305	16,751
1106N	140	3B4D	TRAINING SUPPORT	227,787	141,862	284,071
			TOTAL BASIC SKILLS AND ADVANCED TRAINING	288,586	199,203	355,325
RECRUITING AND OTHER TRAINING AND EDUCATION						
1106N	150	3C1F	RECRUITING AND ADVERTISING	168,956	107,418	141,378
1106N	160	3C2F	OFF-DUTY AND VOLUNTARY EDUCATION	49,350	55,280	57,523
1106N	170	3C3F	JUNIOR ROTC	16,627	17,557	17,080
			TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION	234,933	180,255	215,981

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

BASE SUPPORT

1106N	180	BSM3	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SEE NOTE 3)	56,728	50,810	56,590
1106N	190	BSS3	BASE OPERATING SUPPORT	133,094	140,210	146,254
			TOTAL BASE SUPPORT	189,822	191,020	202,844
TOTAL, BA 03: TRAINING AND RECRUITING				727,188	582,378	787,912

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
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				Total Obligation Authority (Dollars in Thousands)		
1106N Operation & Maintenance, Marine Corps				FY 2006	FY 2007	FY 2008
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BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE SUPPORT						
1106N	200	4A2G	SPECIAL SUPPORT	256,861	254,036	257,131
1106N	210	4A3G	SERVICE-WIDE TRANSPORTATION	295,530	24,058	81,548
1106N	220	4A4G	ADMINISTRATION	43,994	33,864	36,078
TOTAL SERVICEWIDE SUPPORT				596,385	311,958	374,757
BASE SUPPORT						
1106N	230	BSM4	FACILITIES SUSTAINMENT, RESTORATION, AND MODERNIZATION (SEE NOTE 3)	2,349	2,913	3,039
1106N	240	BSS4	BASE OPERATING SUPPORT	13,090	11,772	14,116
TOTAL BASE SUPPORT				15,439	14,685	17,155
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES				611,824	326,643	391,912
Total Operation & Maintenance, Marine Corps				7,061,001	3,786,588	4,961,393

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
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1806N Operation & Maintenance, Navy Reserve						
BUDGET ACTIVITY 01: OPERATING FORCES						
AIR OPERATIONS						
1806N	010	1A1A	MISSION AND OTHER FLIGHT OPERATIONS	564,590	578,146	561,550
1806N	020	1A3A	INTERMEDIATE MAINTENANCE	16,007	16,766	17,029
1806N	030	1A4A	AIR OPERATIONS AND SAFETY SUPPORT	1,899	2,059	3,169
1806N	040	1A5A	AIRCRAFT DEPOT MAINTENANCE	150,957	131,216	121,186
1806N	050	1A6A	AIRCRAFT DEPOT OPERATIONS SUPPORT	1,666	382	393
			TOTAL AIR OPERATIONS	735,119	728,569	703,327
SHIP OPERATIONS						
1806N	060	1B1B	MISSION AND OTHER SHIP OPERATIONS	73,373	62,687	49,766
1806N	070	1B2B	SHIP OPERATIONS SUPPORT & TRAINING	523	557	573
1806N	080	1B4B	SHIP DEPOT MAINTENANCE	75,032	68,314	41,616
1806N	090	1B5B	SHIP DEPOT OPERATIONS SUPPORT		527	559
			TOTAL SHIP OPERATIONS	148,928	132,085	92,514
COMBAT OPERATIONS/SUPPORT						
1806N	100	1C1C	COMBAT COMMUNICATIONS	11,439	10,550	15,344
1806N	110	1C6C	COMBAT SUPPORT FORCES	246,346	114,755	121,531
			TOTAL COMBAT OPERATIONS/SUPPORT	257,785	125,305	136,875
WEAPONS SUPPORT						
1806N	120	1D4D	WEAPONS MAINTENANCE	4,872	5,810	2,141
			TOTAL WEAPONS SUPPORT	4,872	5,810	2,141
BASE SUPPORT						
1806N	130	BSIT	ENTERPRISE INFORMATION		105,557	90,262
1806N	140	BSMR	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SEE NOTE 3)	153,494	52,136	52,000
1806N	150	BSSR	BASE OPERATING SUPPORT	155,375	99,502	94,642
			TOTAL BASE SUPPORT	308,869	257,195	236,904
			TOTAL, BA 01: OPERATING FORCES	1,455,573	1,248,964	1,171,761
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE SUPPORT						
1806N	160	4A1M	ADMINISTRATION	3,763	3,156	3,260
1806N	170	4A4M	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	9,618	7,636	8,509
1806N	180	4A6M	SERVICEWIDE COMMUNICATIONS	3,748	5,289	2,936
1806N	190	4A8M	COMBAT/WEAPONS SYSTEMS	5,205	5,048	
			TOTAL SERVICEWIDE SUPPORT	22,334	21,129	14,705

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense FY 2008/2009 President's Budget Exhibit O-1A				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
1806N Operation & Maintenance, Navy Reserve						
CANCELLED ACCOUNTS						
1806N	210	4EMM	CANCELLED ACCOUNT ADJUSTMENTS	192		
			TOTAL CANCELLED ACCOUNTS	192		
1806N	999		OTHER PROGRAMS	6,174	396	417
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES				28,700	21,525	15,122
Total Operation & Maintenance, Navy Reserve				1,484,273	1,270,489	1,186,883

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
1107N Operation & Maintenance, Marine Corps Reserve						
BUDGET ACTIVITY 01: OPERATING FORCES						
EXPEDITIONARY FORCES						
1107N	010	1A1A	OPERATING FORCES	165,504	55,207	49,487
1107N	020	1A3A	DEPOT MAINTENANCE	13,688	13,605	11,229
1107N	030	1A5A	TRAINING SUPPORT	27,020	23,681	27,131
TOTAL EXPEDITIONARY FORCES				206,212	92,493	87,847
BASE SUPPORT						
1107N	040	B5M1	FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SEE NOTE 3)	20,159	9,579	14,827
1107N	050	B5S1	BASE OPERATING SUPPORT	64,728	72,538	69,998
TOTAL BASE SUPPORT				84,887	82,117	84,825
TOTAL, BA 01: OPERATING FORCES				291,099	174,610	172,672
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE SUPPORT						
1107N	060	4A2G	SPECIAL SUPPORT (SEE NOTE 9)	18,395	11,925	12,417
1107N	070	4A3G	SERVICE-WIDE TRANSPORTATION	30	812	826
1107N	080	4A4G	ADMINISTRATION (SEE NOTE 9)		7,957	9,422
1107N	090	4A6G	RECRUITING AND ADVERTISING	7,913	7,964	8,690
TOTAL SERVICEWIDE SUPPORT				26,338	28,658	31,355
BASE SUPPORT						
1107N	100	B5S4	BASE OPERATING SUPPORT	4,899	4,477	4,610
TOTAL BASE SUPPORT				4,899	4,477	4,610
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES				31,237	33,135	35,965
Total Operation & Maintenance, Marine Corps Reserve				322,336	207,745	208,637

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR FSRM FUNDING FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 9: FOR FY 2006, \$8.8 MILLION EXECUTION FOR SAG 'ADMINISTRATION' ERRONEOUSLY RECORDED TO SAG 'SPECIAL SUPPORT'.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

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				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
3400F Operation & Maintenance, Air Force						
 BUDGET ACTIVITY 01: OPERATING FORCES						
AIR OPERATIONS						
3400F	010	011A	PRIMARY COMBAT FORCES	4,937,418	3,672,892	4,260,831
3400F	020	011B	PRIMARY COMBAT WEAPONS	321,950	268,980	279,759
3400F	030	011C	COMBAT ENHANCEMENT FORCES	673,907	580,068	673,384
3400F	040	011D	AIR OPERATIONS TRAINING (OJT, MAINTAIN SKILLS)	1,353,719	1,466,239	1,502,472
3400F	050	011E	COMBAT COMMUNICATIONS	2,067,717	1,539,640	1,839,006
3400F	060	011M	DEPOT MAINTENANCE	2,130,492	1,939,599	2,277,479
3400F	070	011R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	1,328,578	922,322	1,041,719
3400F	080	011Z	BASE SUPPORT	3,663,366	1,986,520	2,202,105
			TOTAL AIR OPERATIONS	16,477,147	12,376,260	14,076,755
 COMBAT RELATED OPERATIONS						
3400F	090	012A	GLOBAL C3I AND EARLY WARNING	1,264,250	1,102,369	1,318,235
3400F	100	012B	NAVIGATION/WEATHER SUPPORT	228,329	236,593	258,712
3400F	110	012C	OTHER COMBAT OPS SPT PROGRAMS	978,198	604,522	776,893
3400F	120	012D	JCS EXERCISES	31,983	29,151	27,261
3400F	130	012E	MANAGEMENT/OPERATIONAL HQ	438,934	240,677	327,494
3400F	140	012F	TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	334,051	350,430	485,784
			TOTAL COMBAT RELATED OPERATIONS	3,275,745	2,563,742	3,194,379
 SPACE OPERATIONS						
3400F	150	013A	LAUNCH FACILITIES	328,424	302,642	321,465
3400F	160	013B	LAUNCH VEHICLES	71,122	53,264	51,072
3400F	170	013C	SPACE CONTROL SYSTEMS	207,560	229,596	233,190
3400F	180	013D	SATELLITE SYSTEMS	61,975	78,186	87,993
3400F	190	013E	OTHER SPACE OPERATIONS	287,119	291,667	329,184
3400F	200	013R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	165,230	136,291	184,632
3400F	210	013Z	BASE SUPPORT	541,633	568,643	645,518
			TOTAL SPACE OPERATIONS	1,663,063	1,660,289	1,853,054
			 TOTAL, BA 01: OPERATING FORCES	 21,415,955	 16,600,291	 19,124,188
 BUDGET ACTIVITY 02: MOBILIZATION						

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

MOBILITY OPERATIONS

3400F	220	021A	AIRLIFT OPERATIONS	4,901,285	2,810,537	2,932,076
3400F	230	021B	AIRLIFT OPERATIONS C3I	59,499	43,078	49,152
3400F	240	021D	MOBILIZATION PREPAREDNESS	229,700	199,945	190,395
3400F	250	021E	PAYMENTS TO TRANSPORTATION BUSINESS AREA			300,000
3400F	260	021M	DEPOT MAINTENANCE	421,992	325,429	337,741
3400F	270	021R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	189,436	178,044	214,720
3400F	280	021Z	BASE SUPPORT	624,473	600,340	656,828
			TOTAL MOBILITY OPERATIONS	6,426,385	4,157,373	4,680,912
			TOTAL, BA 02: MOBILIZATION	6,426,385	4,157,373	4,680,912

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
3400F Operation & Maintenance, Air Force						
 BUDGET ACTIVITY 03: TRAINING AND RECRUITING						
ACCESSION TRAINING						
3400F	290	031A	OFFICER ACQUISITION	85,101	80,448	85,528
3400F	300	031B	RECRUIT TRAINING	8,019	6,037	11,704
3400F	310	031D	RESERVE OFFICERS TRAINING CORPS (ROTC)	87,816	90,909	98,631
3400F	320	031R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	65,734	43,247	69,047
3400F	330	031Z	BASE SUPPORT	84,461	80,274	92,671
			TOTAL ACCESSION TRAINING	331,131	300,915	357,581
 BASIC SKILLS AND ADVANCED TRAINING						
3400F	340	032A	SPECIALIZED SKILL TRAINING	363,432	338,601	378,009
3400F	350	032B	FLIGHT TRAINING	787,908	818,543	911,673
3400F	360	032C	PROFESSIONAL DEVELOPMENT EDUCATION	184,666	172,101	173,051
3400F	370	032D	TRAINING SUPPORT	116,897	86,437	96,679
3400F	380	032M	DEPOT MAINTENANCE	9,997	12,521	14,309
3400F	390	032R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	290,606	135,778	182,756
3400F	400	032Z	BASE SUPPORT	617,299	588,329	621,550
			TOTAL BASIC SKILLS AND ADVANCED TRAINING	2,370,805	2,152,310	2,378,027
 RECRUITING AND OTHER TRAINING AND EDUCATION						
3400F	410	033A	RECRUITING AND ADVERTISING	154,477	127,216	138,895
3400F	420	033B	EXAMINING	3,906	3,704	4,820
3400F	430	033C	OFF-DUTY AND VOLUNTARY EDUCATION	189,172	184,997	189,568
3400F	440	033D	CIVILIAN EDUCATION AND TRAINING	130,426	130,911	133,167
3400F	450	033E	JUNIOR ROTC	59,999	57,623	70,798
			TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION	537,980	504,451	537,248
 TOTAL, BA 03: TRAINING AND RECRUITING				3,239,916	2,957,676	3,272,856
 BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
LOGISTICS OPERATIONS						
3400F	460	041A	LOGISTICS OPERATIONS	992,499	862,709	812,935
3400F	470	041B	TECHNICAL SUPPORT ACTIVITIES	562,343	619,457	650,478
3400F	480	041C	SERVICEWIDE TRANSPORTATION	375,471	167,795	274,722
3400F	490	041M	DEPOT MAINTENANCE	49,719	47,673	66,246
3400F	500	041R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	267,312	251,092	290,267
3400F	510	041Z	BASE SUPPORT	1,073,483	1,088,385	1,133,524
			TOTAL LOGISTICS OPERATIONS	3,320,827	3,037,111	3,228,172

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

SERVICEWIDE ACTIVITIES

3400F	520	042A	ADMINISTRATION	310,971	253,231	221,139
3400F	530	042B	SERVICE-WIDE COMMUNICATIONS	506,141	484,651	578,644
3400F	540	042C	PERSONNEL PROGRAMS	325,532	217,340	229,575
3400F	550	042F	ARMS CONTROL	45,336	38,447	39,300
3400F	560	042G	OTHER SERVICEWIDE ACTIVITIES	1,427,446	723,107	845,771
3400F	570	042H	OTHER PERSONNEL SUPPORT	38,762	35,936	36,195
3400F	580	042I	CIVIL AIR PATROL	34,945	24,803	23,753

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
3400F Operation & Maintenance, Air Force						
3400F	590	042R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	35,804	17,245	29,772
3400F	600	042Z	BASE SUPPORT	367,330	292,387	308,771
			TOTAL SERVICEWIDE ACTIVITIES	3,092,267	2,087,147	2,312,920
SECURITY PROGRAMS						
3400F	610	043A	SECURITY PROGRAMS	1,552,794	1,396,485	1,001,198
			TOTAL SECURITY PROGRAMS	1,552,794	1,396,485	1,001,198
SUPPORT TO OTHER NATIONS						
3400F	620	044A	INTERNATIONAL SUPPORT	59,075	18,899	35,387
			TOTAL SUPPORT TO OTHER NATIONS	59,075	18,899	35,387
			TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES	8,024,963	6,539,642	6,577,677
BUDGET ACTIVITY 30: ADJUSTMENT						
CONTINUING RESOLUTION ADJUSTMENT						
3400F	630	540	FSRM, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-173,000	
			TOTAL CONTINUING RESOLUTION ADJUSTMENT		-173,000	
			TOTAL, BA 30: ADJUSTMENT		-173,000	
			Total Operation & Maintenance, Air Force	39,107,219	30,081,982	33,655,633

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO FSRM FUNDING FOR THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
3740F Operation & Maintenance, Air Force Reserve						
BUDGET ACTIVITY 01: OPERATING FORCES						
AIR OPERATIONS						
3740F	010	011A	PRIMARY COMBAT FORCES	1,536,008	1,737,364	1,709,952
3740F	020	011G	MISSION SUPPORT OPERATIONS	100,762	87,132	99,253
3740F	030	011M	DEPOT MAINTENANCE	334,650	341,514	399,573
3740F	040	011R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	161,097	59,849	83,405
3740F	050	011Z	BASE SUPPORT	313,900	275,374	276,854
			TOTAL AIR OPERATIONS	2,446,417	2,501,233	2,569,037
TOTAL, BA 01: OPERATING FORCES				2,446,417	2,501,233	2,569,037
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE ACTIVITIES						
3740F	060	042A	ADMINISTRATION	70,458	67,134	70,152
3740F	070	042J	RECRUITING AND ADVERTISING	21,099	17,028	22,704
3740F	080	042K	MILITARY MANPOWER AND PERS MGMT (ARPC)	20,506	21,359	22,995
3740F	090	042L	OTHER PERS SUPPORT (DISABILITY COMP)	6,814	5,760	6,505
3740F	100	042M	AUDIOVISUAL	840	663	684
			TOTAL SERVICEWIDE ACTIVITIES	119,717	111,944	123,040
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES				119,717	111,944	123,040
BUDGET ACTIVITY 30: ADJUSTMENT						
CONTINUING RESOLUTION ADJUSTMENT						
3740F	110	540	FSRM, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-9,989	
			TOTAL CONTINUING RESOLUTION ADJUSTMENT		-9,989	
TOTAL, BA 30: ADJUSTMENT					-9,989	
Total Operation & Maintenance, Air Force Reserve				2,566,134	2,603,188	2,692,077

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO FSRM FUNDING FOR THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

				Total Obligation Authority (Dollars in Thousands)		
				FY 2006	FY 2007	FY 2008
				-----	-----	-----
3840F Operation & Maintenance, Air National Guard						
BUDGET ACTIVITY 01: OPERATING FORCES						
AIR OPERATIONS						
3840F	010	011F	AIRCRAFT OPERATIONS	2,935,955	3,184,351	3,049,334
3840F	020	011G	MISSION SUPPORT OPERATIONS	645,852	503,912	540,633
3840F	030	011M	DEPOT MAINTENANCE	576,518	595,228	587,485
3840F	040	011R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION (SEE NOTE 2)	189,593	255,322	285,227
3840F	050	011Z	BASE SUPPORT	510,529	488,999	525,149
			TOTAL AIR OPERATIONS	4,858,447	5,027,812	4,987,828
TOTAL, BA 01: OPERATING FORCES				4,858,447	5,027,812	4,987,828
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES						
SERVICEWIDE ACTIVITIES						
3840F	060	042A	ADMINISTRATION	16,948	29,144	30,716
3840F	070	042J	RECRUITING AND ADVERTISING	19,755	9,890	23,421
			TOTAL SERVICEWIDE ACTIVITIES	36,703	39,034	54,137
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES				36,703	39,034	54,137
BUDGET ACTIVITY 30: ADJUSTMENT						
CONTINUING RESOLUTION ADJUSTMENT						
3840F	080	540	FSRM, CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 4)		-80,200	
			TOTAL CONTINUING RESOLUTION ADJUSTMENT		-80,200	
TOTAL, BA 30: ADJUSTMENT					-80,200	
Total Operation & Maintenance, Air National Guard				4,895,150	4,986,646	5,041,965

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 2: FSRM FUNDING FOR FY 2007 REFLECTS FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 4: REFLECTS ADJUSTMENT TO FSRM FUNDING FOR THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

			Total Obligation Authority (Dollars in Thousands)		
			FY 2006	FY 2007	FY 2008
			-----	-----	-----
0100D Operation & Maintenance, Defense-Wide					
BUDGET ACTIVITY 01: OPERATING FORCES					
0100D	010	JOINT CHIEFS OF STAFF (SEE NOTE 3)	588,595	573,886	597,309
0100D	020	SPECIAL OPERATIONS COMMAND	3,675,666	2,765,027	3,277,640
TOTAL, BA 01: OPERATING FORCES			4,264,261	3,338,913	3,874,949
BUDGET ACTIVITY 03: TRAINING AND RECRUITING					
0100D	030	DEFENSE ACQUISITION UNIVERSITY (SEE NOTE 3)	109,421	103,657	104,596
0100D	040	NATIONAL DEFENSE UNIVERSITY (SEE NOTE 3)	76,779	83,198	91,099
TOTAL, BA 03: TRAINING AND RECRUITING			186,200	186,855	195,695
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES					
0100D	050	AMERICAN FORCES INFORMATION SERVICE (SEE NOTE 3)	160,287	148,661	149,631
0100D	060	CIVIL MILITARY PROGRAMS	104,727	132,866	107,347
0100D	090	DEFENSE BUSINESS TRANSFORMATION AGENCY	19,585	149,408	148,028
0100D	100	DEFENSE CONTRACT AUDIT AGENCY	390,296	388,060	396,578
0100D	110	DEFENSE FINANCE AND ACCOUNTING SERVICE	1,232	448	432
0100D	120	DEFENSE INFORMATION SYSTEMS AGENCY (SEE NOTE 3)	1,160,139	980,893	945,594
0100D	140	DEFENSE LEGAL SERVICES	39,415	35,185	36,350
0100D	150	DEFENSE LOGISTICS AGENCY (SEE NOTE 3)	371,439	320,491	299,778
0100D	160	DEFENSE POW/MIA OFFICE	15,801	16,031	16,400
0100D	170	DEFENSE TECHNOLOGY SECURITY AGENCY	20,975	21,682	23,671
0100D	180	DEFENSE THREAT REDUCTION AGENCY (SEE NOTE 3)	315,342	311,437	333,548
0100D	190	DEPARTMENT OF DEFENSE EDUCATION AGENCY (SEE NOTE 3)	1,968,470	1,780,297	1,833,431
0100D	200	DOD HUMAN RESOURCES ACTIVITY	414,273	367,808	376,292
0100D	210	DEFENSE CONTRACT MANAGEMENT AGENCY (SEE NOTE 3)	1,038,314	1,030,008	1,044,139
0100D	220	DEFENSE SECURITY COOPERATION AGENCY (SEE NOTE 3)	1,323,164	145,081	673,400
0100D	230	DEFENSE SECURITY SERVICE (SEE NOTE 3)	345,139	292,131	372,457
0100D	250	OFFICE OF ECONOMIC ADJUSTMENT	101,204	140,018	57,176
0100D	260	OFFICE OF THE SECRETARY OF DEFENSE	854,249	796,738	1,093,742
0100D	270	WASHINGTON HEADQUARTERS SERVICES (SEE NOTE 3)	469,285	443,540	439,277
0100D	999	OTHER PROGRAMS	9,377,590	8,978,626	10,156,363
TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES			18,490,926	16,479,409	18,503,634
Total Operation & Maintenance, Defense-Wide			22,941,387	20,005,177	22,574,278

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 3: THE CONTINUING RESOLUTION FOR THE FSRM PORTIONS OF THE DEFENSE-WIDE AGENCIES/ACTIVITIES BUDGETS FOR FY 2007 IS EQUAL TO THE FY 2007 PRESIDENT'S BUDGET AMOUNTS.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
 FY 2008/2009 President's Budget
 Exhibit O-1A

		Total Obligation Authority (Dollars in Thousands)			
		FY 2006	FY 2007	FY 2008	
		-----	-----	-----	
0107D Office of the Inspector General					
BUDGET ACTIVITY 01: OPERATION & MAINTENANCE					
0107D	010	OFFICE OF THE INSPECTOR GENERAL	205,855	214,071	214,995
TOTAL, BA 01: OPERATION & MAINTENANCE			205,855	214,071	214,995
BUDGET ACTIVITY 03: PROCUREMENT					
0107D	020	OFFICE OF THE INSPECTOR GENERAL	1,427	2,384	1,000
TOTAL, BA 03: PROCUREMENT			1,427	2,384	1,000
Total Office of the Inspector General			207,282	216,455	215,995
5394D Use of Proceeds from Cash Equalization Payments from Acq.					
BUDGET ACTIVITY 20: UNDISTRIBUTED					
5394D	010	USE OF PROCEEDS FROM CASH EQUAL. PAYMENTS	18,227		
TOTAL, BA 20: UNDISTRIBUTED			18,227		
Total Use of Proceeds from Cash Equalization Payments from Acq.			18,227		

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

0130D Defense Health Program		Total Obligation Authority (Dollars in Thousands)		
		FY 2006	FY 2007	FY 2008
		-----	-----	-----
BUDGET ACTIVITY 01: OPERATION & MAINTENANCE				
0130D	010	DEFENSE HEALTH PROGRAM (SEE NOTE 5)		
		20,266,071	20,249,163	20,182,381
TOTAL, BA 01: OPERATION & MAINTENANCE		20,266,071	20,249,163	20,182,381
BUDGET ACTIVITY 02: RDT&E				
0130D	020	DEFENSE HEALTH PROGRAM (SEE NOTE 5)		
		566,286	130,603	134,482
TOTAL, BA 02: RDT&E		566,286	130,603	134,482
BUDGET ACTIVITY 03: PROCUREMENT				
0130D	030	DEFENSE HEALTH PROGRAM (SEE NOTE 5)		
		387,218	396,355	362,261
TOTAL, BA 03: PROCUREMENT		387,218	396,355	362,261
BUDGET ACTIVITY 30: ADJUSTMENT				
0130D	040	CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 6)		
			249,000	
TOTAL, BA 30: ADJUSTMENT			249,000	
Total Defense Health Program		21,219,575	21,025,121	20,679,124

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 5: THE DHP APPROPRIATION FOR FY 2007 REFLECTS THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 6: THE DHP APPROPRIATION IS ADJUSTED TO REFLECT THE CONTINUING RESOLUTION.

OPERATION AND MAINTENANCE PERSONNEL (O-1A)

Department of Defense
FY 2008/2009 President's Budget
Exhibit O-1A

			Total Obligation Authority (Dollars in Thousands)		
			FY 2006	FY 2007	FY 2008
			-----	-----	-----
Transfer Accounts					
0105D	010	DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE		1,137,491	936,822
0810A	020	ENVIRONMENTAL RESTORATION, ARMY (SEE NOTE 7)		402,848	434,879
0810N	030	ENVIRONMENTAL RESTORATION, NAVY (SEE NOTE 7)		304,409	300,591
0810N	040	CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 8)		-2,889	
0810F	050	ENVIRONMENTAL RESTORATION, AIR FORCE (SEE NOTE 7)		424,089	458,428
0810F	060	CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 8)		-22,410	
0810D	070	ENVIRONMENTAL RESTORATION, DEFENSE (SEE NOTE 7)		18,431	12,751
0810D	080	CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 8)		14,000	
0811D	090	ENVIRONMENTAL RESTORATION FORMERLY USED SITES (SEE NOTE 7)		262,772	250,249
0811D	100	CONTINUING RESOLUTION ADJUSTMENT (SEE NOTE 8)		-9,011	
0118D	110	OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND			5,000
Total Transfer Accounts				2,529,730	2,398,720
Miscellaneous Appropriations					
2091A	120	AFGHANISTAN SECURITY FORCES FUND	1,908,133		
2092A	130	IRAQ SECURITY FORCES FUND	3,007,000		
1236N	140	PAYMENT TO KAHO'OLAWA ISLAND FUND	3		
0104D	150	US COURT OF APPEALS FOR THE ARMED FORCES, DEFENSE	10,854	11,673	11,971
0838D	160	SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS, DEFENSE	4,790		
4965D	170	EMERGENCY RESPONSE FUND	6,057		
0833D	180	EMERGENCY RESPONSE FUND, DEFENSE	44,878		
0141D	190	IRAQ FREEDOM FUND		80,708	
0819D	200	OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID	120,789	62,947	103,300
0134D	210	FORMER SOVIET UNION (FSU) THREAT REDUCTION	454,937	370,615	348,048
Total Miscellaneous Appropriations			5,557,441	525,943	463,319

NOTE 1: COLUMN FY 2006 INCLUDES SUPPLEMENTAL FUNDING.

NOTE 7: THE ENVIRONMENTAL RESTORATION APPROPRIATIONS FOR FY 2007 REFLECT THE FY 2007 PRESIDENT'S BUDGET AMOUNT.

NOTE 8: THE ENVIRONMENTAL RESTORATION APPROPRIATIONS ARE ADJUSTED TO REFLECT THE CONTINUING RESOLUTION.

PERFORMANCE ASSESSMENT RATING TOOLS (PART)

Operation and Maintenance

Performance Assessment Rating Tools (PART)

Due to OMB approved 2006 PART exhibits not being available for incorporation in budget justification material, please refer to the Expectmore.gov website for remarks regarding PART programs and plans for performance improvement.

PERFORMANCE CRITERIA

Operation and Maintenance

Performance Criteria

This Appendix consolidates copies of the performance criteria contained in the other Operation and Maintenance justification materials for the following areas:

Army Land Forces Operations
Marine Corps Combat Ready Days
Army/ National Guard / Reserve Air Operations
Air Force Air Operations
Navy / Reserve Air Operations
Navy / Reserve Ship Operations
Army Depot Maintenance
Air Force Depot Maintenance
Navy Depot Maintenance
Facilities, Sustainment, Restoration, Modernization, and Demolition
Defense Health

PERFORMANCE CRITERIA

Army – Operating Forces/Land Forces – Maneuver Units

Maneuver Pacing Items: Major equipment items that are keys to a unit’s capability to perform its doctrinal mission. Quantities represent the average number of items per year. The quantity changes from year to year reflect the ongoing transformation of the Army from a Force XXI structure to a Modular structure. For example: an Armor Brigade had one mechanized infantry and two tank battalions (total of 88 tanks). Now, that same Armor Brigade (now Heavy Brigade Combat Team) will have one mechanized infantry and one tank battalion (total of 58 tanks). As units convert every year until FY 2009 the numbers of major items of equipment will continue to rise and/or fall. FY 2006 actual column includes the Supplemental funding. FY 2007 “Normalized Current Estimate” does not include Supplemental funds.

Divisions

		<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
A. <u>Tracked Combat Vehicles*</u>				
Abrams Tank System	M1A1	578	507	494
	M1A2	435	426	549
Bradley Fighting Vehicle System	M2A2	969	778	920
	M2A3	396	387	400
	M3A2	309	244	311
	M3A3	177	177	177
Stryker Infantry Combat Vehicle (ICV)	ICV	0	1	1843
B. <u>Aircraft</u>				
Kiowa Warrior	OH-58D	184	240	**
Chinook	CH-47D	108	108	**
	CH-47F	0	24	**
Longbow Apache	AH-64D	351	336	**
Black Hawk	UH-60A	156	152	**
	UH-60L	352	400	**
Airplane (Fixed Wing)	C-12	5	0	**
Jet Airplane (Fixed Wing)	UC-35	3	0	**
C. <u>Combat Support Pacing Item*</u>				
105MM Towed Howitzer	105(T)	256	256	272
155MM Self-Propelled (SP) Howitzer	M109A6	262	240	278
155MM Towed Howitzer	155(T)	6	0	48
Armored Vehicle Launch Bridge (AVLB)	M60	60	24	27

PERFORMANCE CRITERIA

Multiple Launch Rocket System	MLRS	48	0	0
Bradley Fire Support Team Vehicle	BFSTV	156	145	165
C. <u>Combat Support Pacing Item (Cont'd)*</u>		<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Track Armored Recovery Vehicle	M88	487	429	484
Short Range Air Defense Weapon System	Avenger	0	0	36
Linebacker	M6	0	0	24
Armored Personnel Carrier (APC)	M113A3	1006	858	826
Armored Combat Earthmover	M9	186	121	112
D. <u>Maneuver Battalions/Squadrons</u> *				
Air Defense Battalion		0	0	0
Armor Battalion		7	6	4
Armor Cavalry Squadron		2	1	3
Armor Cavalry Squadron (Light)		0	0	0
Brigade Combat Team – Heavy Battalion		27	28	30
Brigade Combat Team – Light Battalion		32	34	34
Brigade Combat Team – Reconnaissance Squadron		29	29	31
Field Artillery Battalion		37	34	41
Infantry Battalion (Mechanized)		9	6	5
Infantry Battalion (Air Assault)		0	0	0
Infantry Battalion (Airborne)		1	0	0
Infantry Battalion (Light)		1	0	0
SBCT-Infantry		0	0	18
SBCT-Reconnaissance, Surveillance and Target Acquisition (RSTA)		0	0	6
Total Maneuver Battalions/Squadrons		145	138	172
E. <u>Aviation Battalions</u>				
Air Cavalry Squadron		1	0	**
Assault Battalion		9	11	**
Attack Battalion (AH-64)		15	14	**
Reconnaissance/Attack Battalion (OH-58)		6	8	**
General Support Aviation Battalion (GSAB)		11	11	**

PERFORMANCE CRITERIA

Total for Aviation Battalions	42	44	**
F. <u>Combat Support Battalions</u> *			
Engineer Battalion	6	2	1
Military Intelligence Battalion	4	2	1
Signal Battalion	5	1	0
Total for Combat Support Battalions	15	5	2
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
G. <u>Ground OPTEMPO Measures (All Land Forces)</u>			
Average Tank Miles Budgeted ¹	615	428	582
Average Tank Miles Executed ²	666		
Percent of Tank Miles Executed	108%		
Ground OPTEMPO (\$000) Budgeted	3,053,268	2,633,264	3,938,683
Ground OPTEMPO (\$000) Executed ³	3,190,979		
Percent of Ground OPTEMPO Funds Executed	105%		
H. <u>Ground OPTEMPO Measures (Maneuver Units)</u> ¹			
Ground OPTEMPO (\$000) Budgeted	523,500	407,876	887,030
Ground OPTEMPO (\$000) Executed ³	774,134		
Percent of Ground OPTEMPO Funds Executed	148%		
I. <u>Air OPTEMPO Measures (Maneuver Units)</u>			
Flying Hours Budgeted (000)	129	148	**
Total Hours Flown (000) ²	117		
Percent of Hours Flown	91%		
Flying Hour (\$000) Budgeted	298,295	384,560	**
Flying Hour (\$000) Executed ³	262,843		
Percent of Flying Hour Funds Executed	88%		

Notes:

1 Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater).

2 Execution is for more station training only for both tank miles and flying hours.

3 Some supplemental dollars included in SAG execution.

* From FY 2007 to FY 2008, Maneuver Units SAG reflects changes in the Modular Support Brigades and Echelons Above Brigades SAGs.

** In FY 2008, these aviation assets are combined in to one SAG for better visibility as a total Army capability.

PERFORMANCE CRITERIA

Army – Operating Forces/Land Forces – Modular Support Brigades

Maneuver Pacing Items: Major equipment items that are keys to a unit’s capability to perform its doctrinal mission. Quantities represent the average number of items per year. The quantity changes from year to year reflect the ongoing transformation of the Army from a Force XXI structure to a Modular structure. For example: an Armor Brigade had one mechanized infantry and two tank battalions (total of 88 tanks). Now, that same Armor Brigade (now Heavy Brigade Combat Team) will have one mechanized infantry and one tank battalion (total of 58 tanks). As units convert every year until FY 2009 the numbers of major items of equipment will continue to rise and/or fall. FY 2006 actual column includes the Supplemental funding. FY 2007 “Normalized Current Estimate” does not include the Supplemental funds.

<u>Division</u>		<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
A.	<u>Combat Vehicles</u> *			
	Abrams Tank System	M1A1 28	28	0
		M1A2 123	123	0
	Bradley Fighting Vehicle System	M2A2 37	34	0
		M2A3 13	13	0
		M3A2 125	125	0
	Stryker Infantry Combat Vehicle (ICV)	ICV 1503	1842	0
B.	<u>Aircraft</u>			
	Kiowa Warrior	OH-58D 54	30	**
	Chinook	CH-47D 14	12	**
	Longbow Apache	AH-64D 16	24	**
	Black Hawk	UH-60A 24	50	**
		UH-60L 66	36	**
	Airplane (Fixed Wing)	C-12 0	10	**
	Jet Airplane (Fixed Wing)	UC-35 0	6	**
C.	<u>Combat Support Pacing Item</u>			
	105MM Towed Howitzer	105(T) 24	24	0
	155MM Self-Propelled (SP) Howitzer	M109A6 54	54	36
	155MM Towed Howitzer	155(T) 102	66	18
	Armored Vehicle Launch Bridge (AVLB)	M60 19	19	0
	Multiple Launch Rocket System	MLRS 252	234	144

PERFORMANCE CRITERIA

Bradley Fire Support Team Vehicle	BFSTV	12	15	3	
Track Armored Recovery Vehicle	M88	109	100	44	
Short Range Air Defense Weapon System	Avenger	92	108	0	
Linebacker	M6	12	0	0	
C.					
	<u>Combat Support Pacing Item (Cont'd)</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	
	Armored Personnel Carrier (APC)	M113A3	61	58	2
	Armored Combat Earthmover	M9	6	6	0
	Patriot Launcher	Patriot	144	144	0
D.					
	<u>Maneuver Battalions/Squadrons</u>				
	Air Defense Battalion		7	7	0
	Armor Cavalry Squadron		3	3	0
	Brigade Combat Team – Heavy Battalion		0	0	0
	Brigade Combat Team – Light Battalion		2	0	0
	Brigade Combat Team – Recon Sqdn		1	1	0
	Field Artillery Battalion		26	27	16
	Infantry Battalion (Airborne)		1	1	0
	Infantry Battalion (Light)		2	4	0
	SBCT-Infantry BN		15	18	0
	SBCT-Reconnaissance, Surveillance and Target Acquisition (RSTA)		5	6	0
	Total for Maneuver Battalions/Squadrons		62	67	16
E.					
	<u>Aviation Battalions</u>				
	Air Cav Sqdn		2	2	**
	Assault Battalion		1	0	**
	Attack Battalion (AH-64)		0	0	**
	Command Aviation Battalion		1	0	**
	GSAB		0	2	**
	Total for Aviation Battalions		4	4	**
F.					
	<u>Combat Support Battalions</u>				
	Engineer Battalion		0	0	0

PERFORMANCE CRITERIA

Military Intelligence Bn	0	0	4
Total for Combat Support Battalions	0	0	4
	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
G. <u>Ground OPTEMPO Measures (Modular Support Brigades)</u>¹			
Ground OPTEMPO (\$000) Programmed	371,213	298,768	93,630
Ground OPTEMPO (\$000) Executed	304,209		
Percent of Ground OPTEMPO Funds Executed	96%		
H. <u>Air OPTEMPO Measures (Modular Support Brigades)</u>			
Flying Hours Programmed (000)	20	41	**
Total Hours Flown (000) ²	17		
Percent of Hours Flown	85%		
Flying Hour (\$000) Programmed	39,111	76,736	**
Flying Hour (\$000) Executed	14,069		
Percent of Flying Hour Funds Executed	36%		

Notes:

- 1 Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater). See Subactivity Group 111 (Divisions) for all Land Forces Tank Mile Metrics.
- 2 Execution is for home station training only.
- * From FY2007 to FY 2008, Modular Support Brigades SAG reflects changes in the Maneuver Units and Echelons Above Brigades SAGs.
- ** In FY 2008, these aviation assets are combined in to one SAG for better visibility as a total Army capability.

PERFORMANCE CRITERIA

Army – Operating Forces/Land Forces – Echelons Above Brigade

Maneuver Pacing Items: Major equipment items that are keys to a unit’s capability to perform its doctrinal mission. Quantities represent the average number of items per year. The quantity changes from year to year reflect the ongoing transformation of the Army from a Force XXI structure to a Modular structure. For example: an Armor Brigade had one mechanized infantry and two tank battalions (total of 88 tanks). Now, that same Armor Brigade (now Heavy Brigade Combat Team) will have one mechanized infantry and one tank battalion (total of 58 tanks). As units convert every year until FY 2009 the numbers of major items of equipment will continue to rise and/or fall. FY 2006 actual column includes the Supplemental funding. FY 2007 “Normalized Current Estimate” does not include the Supplemental funds.

<u>Division</u>		<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
A. Combat Vehicles *				
Abram Tank System	M1A1	0	0	28
Bradley Fighting Vehicle System	M2A2	0	0	34
Stryker ICV	ICV	0	0	8
B. <u>Aircraft</u> *				
Black Hawk	UH-60A	12	0	0
Aerial Reconnaissance Low	RC-7	0	0	9
Airplane (Fixed Wing)	C-12	0	0	5
Quick Look (Fixed Wing)	RC-12	30	30	39
C. <u>Combat Support Pacing Items</u> *				
105MM Towed Howitzer	105(T)	0	3	3
155MM Self-Propelled (SP) Howitzer	M109A6	0	0	0
Armored Vehicle Launch Bridge (AVLB)	M60	48	60	70
Track Armored Recovery Vehicle	M88	34	43	59
Short Range Air Defense Weapon System	Avenger	0	0	216
Armored Personnel Carrier (APC)	M113A3	145	266	398
Heavy Assault Bridge	Wolverine	12	12	12
Armored Combat Earthmover	M9	55	65	65
Patriot Launcher	Patriot	0	0	312
D. <u>Maneuver Battalions/Squadrons</u> *				

PERFORMANCE CRITERIA

Air Defense Bn	0	0	15
BCT-Maneuver Bn (Hvy)	0	0	0
Field Artillery Bn	0	0	0
D. <u>Maneuver Battalions/Squadrons (Cont'd) *</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Infantry Bn (Airborne)	0	0	1
Infantry Bn (Light)	0	0	4
E. <u>Combat Support Battalions *</u>			
Engineer Battalion	14	17	24
Medical Battalion	2	5	8
Military Intelligence Battalion	10	9	16
Signal Battalion	8	5	30
Total for Combat Support Battalions	34	36	78
D. <u>Ground OPTEMPO Measures (Echelons Above Brigade)¹</u>			
Ground OPTEMPO (\$000) Programmed	282,103	251,068	693,513
Ground OPTEMPO (\$000) Executed ³	320,427		
Percent of Ground OPTEMPO Funds Executed	114%		
E. <u>Air OPTEMPO Measures (Echelons Above Brigade)</u>			
Flying Hours Programmed (000)	14	17	34
Total Hours Flown (000) ²	16		
Percent of Hours Flown	114%		
Flying Hour (\$000) Programmed	5,764	3,613	10,432
Flying Hour (\$000) Executed ³	8,809		
Percent of Flying Hour Funds Executed	153%		

Notes:

- 1 Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater). See Subactivity Group 111 (Divisions) for all Land Forces Tank Mile Metrics.
- 2 Execution is for home station training only.

PERFORMANCE CRITERIA

3 Some supplemental dollars included in SAG execution.

* From FY 2007 to FY 2008, Echelons Above Brigades SAG reflects changes in the Maneuver Units, Modular Support Brigades and Theater Level Assets SAGs.

Army – Operating Forces/Land Forces – Theater Level Assets

Maneuver Pacing Items: Major equipment items that are keys to a unit’s capability to perform its doctrinal mission. Quantities represent the average number of items per year. The quantity changes from year to year reflect the ongoing transformation of the Army from a Force XXI structure to a Modular structure. For example: an Armor Brigade had one mechanized infantry and two tank battalions (total of 88 tanks). Now, that same Armor Brigade (now Heavy Brigade Combat Team) will have one mechanized infantry and one tank battalion (total of 58 tanks). As units convert every year until FY 2009 the numbers of major items of equipment will continue to rise and/or fall. FY 2006 actual column includes the Supplemental funding. FY 2007 “Normalized Current Estimate” does not include the Supplemental funds.

<u>Division</u>		<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
A. <u>Aircraft</u>				
Chinook	CH-47D	16	4	**
Black Hawk	UH-60A	44	20	**
	UH-60L	8	8	**
Airborne Reconnaissance Low (ARL)	RC-7	9	9	**
Airplane (Fixed Wing)	C-12	17	11	1
Jet Airplane (Fixed Wing)	C-20	3	0	**
	C-37	2	0	**
	UC-35	9	3	**
Quick Look (Fixed Wing)	RC-12	9	9	**
Utility Helicopter	UH-1	2	2	2
B. <u>Combat Support Pacing Item</u> *				
105MM Towed Howitzer	105(T)	3	0	0
Tracked Armored Recovery Vehicle	M88	5	4	3
Short Range Air Defense Weapon System	Avenger	108	108	0
Armored Personnel Carrier (APC)	M113A3	2	28	0
Patriot Launcher	Patriot	168	168	0

PERFORMANCE CRITERIA

C. Maneuver Battalions/Squadrons

Air Defense Battalion	8	8	**
Total for Maneuver Battalions/Squadrons	8	8	**

D. Aviation Battalions

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Command Aviation Battalion	1	1	**
Aviation – GSAB	2	0	**
Total for Aviation Battalions	3	1	**

E. Combat Support Battalions *

Engineer Battalion	1	4	1
Medical Battalion	2	2	0
Military Intelligence Battalion	11	12	0
Signal Battalion	26	26	0
Total for Combat Support Battalions	40	44	1

F. Ground OPTEMPO Measures (Theater Level Assets)¹

Ground OPTEMPO (\$000) Programmed	729,747	653,208	771,074
Ground OPTEMPO (\$000) Executed ³	859,969		
Percent of Ground OPTEMPO Funds Executed	118%		

G. Air OPTEMPO Measures (Theater Level Assets)

Flying Hours Programmed (000)	38	29	1
Total Hours Flown (000) ^{2,4}	20		
Percent of Hours Flown	53%		
Flying Hour (\$000) Programmed	37,794	23,745	426
Flying Hour (\$000) Executed ⁴	26,371		
Percent of Flying Hour Funds Executed	70%		

Notes:

1. Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater). See Subactivity Group 111 (Divisions) for all Land Forces Tank Mile Metrics.
2. Execution is for home station training only.

PERFORMANCE CRITERIA

3. Some supplemental dollars included in SAG execution.
4. Fifty-four percent of under executed hours are fixed wing (FW) aircraft. Flying Hour Program only pays for fuel for FW aircraft, approximately \$300 per hour
 - * From FY 2007 to FY 2008, Theater Level Assets SAG reflects changes in the Maneuver Units, Modular Support Brigades and Echelons Above Brigades SAGs.
 - ** In FY 2008, these aviation assets are combined in to one SAG for better visibility as a total Army capability.

Army – Operating Forces/Land Forces – Aviation Assets ^

Maneuver Pacing Items: Major equipment items that are keys to a unit’s capability to perform its doctrinal mission. Quantities represent the average number of items per year. The quantity changes from year to year reflect the ongoing transformation of the Army from a Force XXI structure to a Modular structure. As units convert every year until FY 2009 the numbers of major items of equipment will continue to rise and/or fall. FY 2006 actual column includes the Supplemental funding. FY 2007 “Normalized Current Estimate” does not include the Supplemental funds.

<u>Division</u>		<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
A. <u>Aircraft</u>				
Kiowa Warrior	OH-58D	*	*	270
Chinook	CH-47D	*	*	112
	CH47F	*	*	36
Longbow Apache	AH-64D	*	*	360
Attack Recon Helicopter	ARH	*	*	0
Black Hawk	UH-60A	*	*	200
	UH-60L	*	*	422
	UH-60M	*	*	40
Airplane (Fixed Wing)	C-12	*	*	15
Jet Airplane (Fixed Wing)	UC-35	*	*	9
B. <u>Aviation Battalions</u>				
Air Cav Sqdn		*	*	2
Assault Battalion		*	*	11

PERFORMANCE CRITERIA

Attack/Recon Bn	AH-64	*	*	14
Attack/Recon Sqdn	OH-58	*	*	8
Command Aviation Battalion		*	*	1
Aviation – GSAB		*	*	13
Total for Aviation Battalions		0	0	49

C. Ground OPTEMPO Measures (Aviation Assets)

Ground OPTEMPO (\$000) Programmed	*	*	206,580
Ground OPTEMPO (\$000) Executed	*		
Percent of Ground OPTEMPO Funds Executed	*		

D. Air OPTEMPO Measures (Aviation Assets)

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Flying Hours Programmed (000)	*	*	238
Total Hours Flown (000)	*		
Percent of Hours Flown	*		
Flying Hour (\$000) Programmed	*	*	641,591
Flying Hour (\$000) Executed	*		
Percent of Flying Hour Funds Executed	*		

Notes:

^ This is a new SAG beginning in FY 2008.

* In FY 2006 and FY 2007, these assets were budgeted in Maneuver Units, Modular Support Brigades, Echelons Above Brigade, and Theater Level Assets SAGs.

PERFORMANCE CRITERIA

Army – Operating Forces/Land Forces – Land Forces Operations Support

<u>Combat Training Centers (CTC)</u>	<u>FY 2006</u> ¹	<u>FY 2007</u>	<u>FY 2008</u>
<u>GROUND</u> *			
Throughput (<i>Inventory Numbers – Active Component only except Battle Command Training Program (BCTP)</i>) ²			
BCTP (Divisions/Corps) ²	7/3	7/3	7/3
Joint Multi-National Readiness Center (JMRC) (Battalions) ³	16	21	33
Joint Readiness Training Center (JRTC) (Battalions) ³	33	41	41
National Training Center (NTC) (Battalions) ³	29	41	41
Rotations (<i>Number of Rotations</i>)			
BCTP (Divisions/Corps) ²	7/3	7/3	7/3
JMRC (Brigades)	4	5 ⁴	8 ⁴
JRTC (Brigades)	8	10	10
NTC (Brigades)	7	10	10

Notes:

- 1 FY 2006 JRTC and NTC rotations not at capacity as a result of variations of OIF/OEF schedule
- 2 BCTP division numbers reflect 2 ARNG Divisions each FY
- 3 Number of battalions increase based on security force / combat patrol missions; includes all battalions trained for maneuver missions
- 4 FY 2007 JMRC rotations 4 fixed and 1 Exportable Training Capability (ETC) and FY 2008 / FY 2009 4 fixed and 4 ETC.

PERFORMANCE CRITERIA

Marine Corps – Combat Ready Days

Combat Ready Day-Equipment and Training: This measure represents one Status of Resources & Training System (SORTS) reportable unit reporting an equipment rating of R1 or R2 and a training rating of T1 or T2 for one day. The % Achieved represents the percentage of units throughout the USMC (both Active and Reserve Components) that have achieved this desired SORTS rating.

	FY 2006		FY 2007		FY 2008
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Estimate</u>	<u>Estimate</u>
Funds Allocated to Training and Equipment Maintenance (\$M)	n/a	566,234	n/a	579,857	784,038
Combat Ready Days-Equipment and Training (CRED-ET)	n/a	84,112	n/a	96,000	99,000
Cost Per CRED-ET (\$000)	n/a	6.732	n/a	6.040	7.920
Total Possible CRED-ETs	n/a	113,047	n/a	113,047	113,047
% Achieved	n/a	74%	n/a	85%	88%

PERFORMANCE CRITERIA

Army National Guard – Air Operations

The ARNG Flying Hour Program provides training for fixed and rotary wing air crew members, aviation units, and supported combined arms teams to achieve and sustain designated combat readiness. Significant Force Structure changes (equipment and personnel) have occurred as a result of the Army Aviation Transformation and Modernization Plan. Modernizing ARNG Aviation Systems has resulted in increased funding requirements as well as significant reductions of legacy systems.

PROGRAM DATA	FY 2006 Actuals	Change	FY 2007 Estimate	Change	FY 2008 Estimate
Inventory (Primary Aircraft Authorized End of FY)					
Rotary Wing-Incl MTOE, TDA, Counterdrug	1,413	-6.0	1,407	-34	1,373
Fixed Wing					
Fixed Wing – Training	0	0	0	0	0
Fixed Wing – Other (OSA, Jets, RDT&E)	114	0	114	+2	116
Total	1,527	-6.0	1,521	-32.0	1,489
Inventory (Total Aircraft Inventory End of FY)					
Rotary Wing-Incl MTOE, TDA, Counterdrug	1,413	-6.0	1,407	-34.0	1,373
Fixed Wing					
Fixed Wing – Training	0	0	0	0	0
Fixed Wing – Other (OSA, Jets, RDT&E)	114	0	114	+2	116
Total	1,527	-6.0	1,521	-32.0	1,489
Flying Hours (000s)					
Rotary Wing-Incl Counterdrug	232.0	-76.0	156.0	+40	196.0
Fixed Wing	48.0	-26.0	22.0	-2.0	20.0
Crew Ratio (Avg)					
Rotary Wing	0.5	0.0	0.5	0.0	0.5
Fixed Wing	3.5	+0.6	4.1	-0.8	3.3
OPTEMPO (\$M)					
Rotary Wing-Incl Counterdrug	293.6	-69.7	223.9	41.1	265.0
Fixed Wing	73.1	13.0	86.1	-13.7	72.4

PERFORMANCE CRITERIA

<u>PROGRAM DATA</u>	<u>FY 2006 Actuals</u>	<u>Change</u>	<u>FY 2007 Estimate</u>	<u>Change</u>	<u>FY 2008 Estimate</u>
OPTEMPO (Hrs/Crew/Month)					
Rotary Wing	9.2	-1.9	7.3	0.3	7.6
Fixed Wing-Hrs/Aviator/Month	8.5	1.2	9.7	0.6	10.3
Primary Mission Readiness (%)					
Rotary Wing	75%	0%	75%	0%	75%
Fixed Wing	80%	0%	80%	0%	80%

PERFORMANCE CRITERIA

Army Reserve - Air Operations

The Army Reserve Flying Hour Program resources aviation training and operational requirements throughout the Army Reserve. Included are funds for fuel, consumable repair parts and depot level repair parts to maintain the fleet. The program supports both unit training and operations. Army Reserve fixed wing and rotary wing units are included early in Force Packages I and II and support the requirements of the Combatant Commanders. Army Reserve fixed wing aircraft are an integral part of the military operational mission support airlift system on a daily basis.

	FY 2006		FY2007		FY2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Primary Aircraft Authorized (PAA)- Rotary Wing</u>	112.0	+6	118.0	+2	120.0
<u>Total Aircraft Inventory (TAI) - Rotary Wing</u>	120.0	+6	118.0	+2	120.0
<u>O&M Funded Flying Hours (000) - Rotary Wing</u>	9.6	+2	11.6	+1.3	12.9
<u>OPTEMPO (Hrs/Crew/Month) - Rotary Wing*</u>	8.7	-3.3	5.4	+1.4	6.8
*Based on assigned aviators OPTEMPO is 9.0					
<u>OPTEMPO - Rotary Wing (\$ in millions)</u>	29.5	+10.5	40.0	+5.3	45.3
<u>Primary Mission Readiness (%)</u>	100%		100%		100%

PERFORMANCE CRITERIA

	FY 2006		FY2007		FY2008
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Primary Aircraft Authorized (PAA) - Fixed Wing</u>	40	0	40	0	40
<u>Total Aircraft Inventory (TAI) - Fixed Wing</u>	40	0	40	0	40
<u>O&M Funded Flying Hours (000) - Fixed Wing</u>	26.4	+0.9	27.3	-0.9	26.4
<u>Crew Ratio (Average)</u>	1.0	0	1.0	0	1.0
<u>OPTEMPO (Avg Aircraft Hrs/Month) - Fixed Wing</u>	55.0	+1.9	56.9	-1.9	55.0
<u>OPTEMPO - Fixed Wing (\$ in millions)</u>	7.6	-0.9	6.7	+0.3	7.0
<u>Primary Mission Readiness (%)</u>	100.0%	0%	100.0%	0%	100.0%
Total Air OPTEMPO (\$ in millions)	37.1	+9.6	46.7	+5.6	52.3
Total Flying Hours (000)	36.0	+2.9	38.9	+0.4	39.3

PERFORMANCE CRITERIA

Air Force – Air Operations

The Air Force Air Operations funding provides the resources that support combat forces. These activities provide for the operational flying requirements of bomber, fighter, mobility, and training forces stationed in the United States as well as overseas. Also included are resources supporting: land based intercontinental ballistic missiles; air launched strategic and tactical missiles; electronic warfare and defense suppression missions; combat command, control, and communications; combat aircrew training; and associated combat related base support. Financing provides for the operating tempo, organizational and depot level maintenance, training, engineering support, logistical support, and base support to operate, maintain, and deploy aviation forces in support of the national military strategy. The Air Operations activity is subdivided into the following categories:

	(\$ in millions)						
	<u>FY 2006</u> <u>Actual</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
Air Operations							
Primary Combat Forces	4,937.4	+618.0	-1,882.5	3,672.9	+186.6	+401.3	4,260.8
Primary Combat Weapons	321.9	+11.0	-63.9	269.0	+7.4	+3.4	279.8
Combat Enhancement Forces	673.9	+29.4	-123.2	580.1	+17.5	+75.8	673.4
Air Operations Training	1,353.7	+139.1	-26.6	1,466.2	+73.8	-37.5	1,502.5
Combat Communications	2,067.7	+114.0	-642.1	1,539.6	+50.4	+249.0	1,839.0
Combat Related Operations							
Global C3I & Early Warning	1,264.3	+40.4	-202.3	1,102.4	+32.4	+183.4	1,318.2
Other Combat Ops Spt Programs	978.2	+39.9	-413.6	604.5	+18.3	+154.1	776.9
Mobility Operations							
Airlift Operations	4,901.3	+503.4	-2,594.2	2,810.5	+250.3	-128.7	2,932.1
Basic Skills and Advanced Training							
Flight Training	787.9	+91.5	-60.9	818.5	+31.7	+61.5	911.7
Service-wide Activities							
Arms Control	45.3	+2.5	-9.4	38.4	+1.3	-0.4	39.3
Security Programs							
Security Programs	1,552.8	+46.8	-203.1	1,396.5	+36.6	-431.9	1,001.2
DPEM							
Depot Maintenance (All Air Force)	<u>2,612.2</u>	<u>-34.5</u>	<u>-252.5</u>	<u>2,325.2</u>	<u>+24.1</u>	<u>+346.5</u>	<u>2,695.5</u>
Total	21,496.6	+1,601.5	-3,797.2	16,623.8	+730.4	+876.2	18,230.7

PERFORMANCE CRITERIA

<u>Program Data</u>	FY 2006	<u>Change</u>	FY 2007	<u>Change</u>	FY 2008
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>
Primary Aircraft Authorized (PAA)					
Bomber	123	0	123	-16	107
Fighter/Attack	1,362	-78	1,284	-21	1,263
Trainer	928	+35	963	63	1,026
Airlift	336	-3	333	-3	330
Tanker	228	0	228	-10	218
Other	<u>456</u>	<u>-33</u>	<u>423</u>	<u>+34</u>	<u>457</u>
Total	3,433	-79	3,354	+47	3,401
Total Aircraft Inventory (TAI)					
Bomber	168	-21	147	-20	127
Fighter/Attack	1,564	-52	1,515	-53	1,462
Trainer	1,295	-30	1,265	-4	1,261
Airlift	387	-37	350	+2	352
Tanker	256	-5	251	-7	244
Other	<u>416</u>	<u>+105</u>	<u>521</u>	<u>+22</u>	<u>543</u>
Total	4,089	-40	4,049	-60	3,989
Flying Hours (000)	1,203	-21	1,182	-98	1,084
ICBM Inventory					
Minuteman III	500	-	500	-50	450
Air Expeditionary Forces (AEF)	10	-	10	-	10
Crew Ratio (Average per Aircraft)					
Bombers	1.35	-0.01	1.34	-	1.34
Fighters	1.28	+0.01	1.29	-	1.29

PERFORMANCE CRITERIA

<u>Program Data</u>	<u>FY 2006</u> <u>Actual</u>	<u>Change</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2008</u> <u>Estimate</u>
OPTEMPO (Hrs/Crew/Month)					
Bombers	20.8	-4.3	16.5	-1	15.5
Fighters	16	+0.7	16.7	-2.3	14.4
Primary Mission Capable (%) *					
Bombers	67.2	-1.7	65.5	-	-
Fighters	76.8	-0.8	76.0	-	-

* Currently there is no approved Air Force method to reliably forecast Mission Capable rates.

PERFORMANCE CRITERIA

Navy – Air Operations

Active Navy Air Operations fund the operating tempo, intermediate, organizational and depot level maintenance, fleet training, engineering support, and logistical support to operate, maintain, and deploy aviation forces in support of the national military strategy. Navy Air Operations is subdivided into the following categories:

	<u>FY 2006 Actual</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Primary Authorized Aircraft (PAA) (EOY) ^{1/}	3,028	-40	2,988	+49	3,037
Total Aircraft Inventory (TAI) (EOY) ^{2/}	3,698	+86	3,784	+41	3,825
Total Flying Hours (000's)	857,762	-155,128	702,634	+47,359	749,993
Tactical Fighter Wings	10	0	10	0	10
Average Crew Ratio	1.5	0	1.5	0	1.5
Hours Per Crew Per Month (H/C/M)	22.6	-5.1	17.5	+1.2	18.7
Average T-rating	T-2.3		T-2.7		T-2.5
Naval Aviation Installations					
CONUS	15	0	15	0	15
Overseas	8	0	8	0	8

1/ FY 2006 PAA represent actual inventory for operating aircraft and pipeline.

2/ TAI includes ACTIVE and RESERVE Primary Active Inventory (PAI), backup, attrition and reconstitution reserve aircraft for Atlantic Fleet, Pacific Fleet, Marine Corps, European Command, Reserve Forces, Education and Training command, and Air Systems Command.

PERFORMANCE CRITERIA

Navy Reserve – Air Operations

	<u>FY 2006 Actual</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>	<u>Program Change</u>	<u>FY 2008 Estimate</u>
Primary Authorized Aircraft (EOY PAA) ^{1/}	370	-9	361	-33	328
Total Aircraft Inventory (TAI) ^{2/}	3,698	+86	3,784	+30	3,814
Total Flying Hours (000's)	125,372	+2,371	127,743	-3,244	124,499
Tactical Fighter Wings	1		1		1
Hours Per Crew Per Month (H/C/M)	13.2	-1	11.8	+1	12.9
Average T-rating	T-2.4		T-2.8		T-2.6

1/ FY 2005 PAA represent actual inventory for operating aircraft and pipeline.

2/ TAI includes ACTIVE and RESERVE Primary Active Inventory (PAI), backup, attrition and reconstitution reserve aircraft for Atlantic Fleet, Pacific Fleet, Marine Corps, European Command, Reserve Forces, Education and Training command, and Air Systems Command.

PERFORMANCE CRITERIA

Navy – Ship Operations

	FY 2006		
	<u>Actual</u>	<u>FY 2007</u>	<u>FY 2008</u>
Ship Years Supported	257	251	252
Optempo (Days Underway Per Quarter)			
Deployed	55	37	45
Non-Deployed	26	24	22
Ship Operating Months Supported			
Deployed	547	487	484
Non-Deployed	1,985	1,888	1,898
Ship Steaming Days Per Quarter			
Deployed	2,271	1,529	1,732
Non-Deployed	3,860	4,106	3,776
Underway Steaming Hours (000)			
Deployed	218,016	146,784	166,792
Non-Deployed	277,920	295,650	271,872
Barrels of Fossil Fuel Required (000)	10,219	8,945	8,736
Nuclear Material Consumption (\$000)	9,246	8,306	8,970
MSC Charter Inventory	41	43	44
Per Diem Days Chartered			
Full Operating Status	14,024	13,840	15,716
Reduced Operating Status	1,460	425	366

PERFORMANCE CRITERIA

Army – Depot Maintenance

Type of Maintenance	<u>Prior Year (FY 2006)</u>				<u>Current Year (FY 2007)</u>		<u>Budget Year (FY 2008)</u>	
	<u>Budget</u>		<u>Actual Inductions</u>		<u>Budget</u>		<u>Budget</u>	
	Qty	(\$ in M)	Qty	(\$ in M)	Qty	(\$ in M)	Qty	(\$ in M)
Aircraft	688	272.0	1,844	533.2	7,055	193.4	53	168.9
Combat Vehicles	199	140.3	4,752	1,015.2	699	205.0	113	140.4
Commo-Electronics	8,953	81.9	12,011	109.9	8,637	128.3	13,806	57.3
Missiles	263	134.0	3,994	303.7	760	148.0	199	103.7
Other	1,070	58.3	335,710	1,233.7	27,034	123.7	18,284	113.1
Software	0	99.8	0	135.2	0	176.3	0	221.5
Depot Maintenance Total	11,173	786.3	358,311	3,330.9	44,185	974.7	32,455	804.9

PERFORMANCE CRITERIA

Air Force – Depot Maintenance

Depot Purchased Equipment Maintenance (DPEM) supports the front-line fighters, bombers, missiles, airlifters, refuelers, trainers, and rescue and recovery aircraft used within the Air Force. DPEM consists of all organic and contract depot level maintenance.

A. Organic Depot Maintenance

<u>Type of Maintenance</u>	<u>Budget</u>		<u>FY 2006</u>				<u>Budget</u>		<u>FY 2007</u>		<u>Carry-In</u>	<u>FY 2008</u>	
	<u>Qty</u>	<u>(\$ in M)</u>	<u>Actual Inductions</u>		<u>Completions</u>		<u>Qty</u>	<u>(\$ in M)</u>	<u>Estimated Inductions</u>		<u>Qty</u>	<u>Budget</u>	
			<u>Qty</u>	<u>(\$ in M)</u>	<u>Prior Yr</u>	<u>Cur Yr</u>			<u>Qty</u>	<u>(\$ in M)</u>		<u>Qty</u>	<u>(\$ in M)</u>
<u>Commodity: Aircraft</u>^{1/}	606	1,185.6	684	1,113.3	678	714	603	1,117.9	603	1,120.2	172	625	1,235.7
Airframe Maintenance	170	927.9	214	861.8	235	209	144	866.0	144	891.1	75	149	917.0
Engine Maintenance	436	257.7	470	251.6	443	505	459	251.9	459	229.2	97	476	318.6
<u>Commodity: Other</u>^{1/}	0	268.5	n/a	n/a	n/a	n/a	0	247.7	n/a	n/a	n/a	0	250.4
Missiles	0	42.8	n/a	n/a	n/a	n/a	0	35.2	n/a	n/a	n/a	0	35.2
Software	0	159.2	n/a	n/a	n/a	n/a	0	139.8	n/a	n/a	n/a	0	139.4
Other Major End Items	0	21.3	n/a	n/a	n/a	n/a	0	20.9	n/a	n/a	n/a	0	40.5
Non-Material Support Division													
Exchangeables	0	19.9	n/a	n/a	n/a	n/a	0	23.6	n/a	n/a	n/a	0	28.8
Other	0	25.3	n/a	n/a	n/a	n/a	0	28.2	n/a	n/a	n/a	0	6.5
Depot Quarterly Surcharge	0	0.0	n/a	n/a	n/a	n/a	0	0.0	n/a	n/a	n/a	0	0.0
<u>Depot Maintenance Total</u>^{1/}	606	1,454.1	684	1,113.3	678	714	603	1,365.6	603	1,120.2	172	625	1,486.1

PERFORMANCE CRITERIA

Air Force – Depot Maintenance

B. Contract Depot Maintenance

<u>Type of Maintenance</u>	<u>Budget</u>		<u>Prior Year (FY 2006)</u>				<u>Current Year (FY 2007)</u>				<u>Budget Year (FY 2008)</u>		
	<u>Qty</u>	<u>(\$ in M)</u>	<u>Actual Inductions</u>		<u>Completions</u>		<u>Qty</u>	<u>(\$ in M)</u>	<u>Estimated Inductions</u>		<u>Qty</u>	<u>Budget</u>	
			<u>Qty</u>	<u>(\$ in M)</u>	<u>Prior Yr</u>	<u>Cur Yr</u>			<u>Qty</u>	<u>(\$ in M)</u>		<u>Qty</u>	<u>(\$ in M)</u>
<u>Commodity: Aircraft</u>^{1/}	122	\$465.8	188	\$289.6	177	152	83	\$333.9	83	\$210.3	75	81	\$446.2
Airframe Maintenance	37	383.3	39	232.5	35	33	24	253.6	24	148.5	22	23	381.4
Engine Maintenance	85	82.5	149	57.0	142	119	59	80.3	59	61.8	53	53	64.8
<u>Commodity: Other</u>^{1/}	0	692.2	n/a	n/a	n/a	n/a	0	625.8	n/a	n/a	n/a	0	736.8
Missiles	0	10.3	n/a	n/a	n/a	n/a	0	12.1	n/a	n/a	n/a	0	11.6
Software	0	414.7	n/a	n/a	n/a	n/a	0	386.7	n/a	n/a	n/a	0	464.9
Other Major End Items	0	144.1	n/a	n/a	n/a	n/a	0	112.6	n/a	n/a	n/a	0	141.1
Non-Material Support Division													
Exchangeables	0	122.0	n/a	n/a	n/a	n/a	0	114.4	n/a	n/a	n/a	0	119.3
Other	0	1.1	n/a	n/a	n/a	n/a	0	0.0	n/a	n/a	n/a	0	0.0
Depot Quarterly Surcharge	0	0.0	n/a	n/a	n/a	n/a	0	0.0	n/a	n/a	n/a	0	0.0
DEPOT MAINTENANCE TOTAL^{1/}	122	\$1,158.1	188	289.6	177	152	83	\$959.6	83	210.3	75	81	1,183.0

^{1/}Commodity totals match the commodity totals on the OP-30 exhibit.

PERFORMANCE CRITERIA

Navy – Ship Depot Maintenance

Activity Goal: To provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, to renovate assets (recapitalization), and to ensure equipment is at or above fully mission requirements.

Description of Activity: Depot Maintenance programs fund the overhaul, repair, and maintenance of aircraft and other equipment. Depot Maintenance is performed at both public (DoD) and private (contractor) facilities.

	<u>Prior Year (FY 2006)</u>						<u>Current Year (FY 2007)</u>				<u>Budget Year (FY 2008)</u>		
	<u>Budget</u>		<u>Actual Inductions</u>		<u>Completions</u>		<u>Budget</u>		<u>Estimated Inductions</u>		<u>Carry-In</u>	<u>Budget</u>	
	Qty (\$ in M)		Qty (\$ in M)		Prior Yr	Cur Yr	Qty (\$ in M)		Qty (\$ in M)		Qty	Qty	(\$ in M)
Overhauls	4	412.5	3	466.8	0	2	4	239.1	3	230.2	4	4	379.4
Selected Restricted Availabilities	54	638.2	61	698.3	23	28	50	426.3	50	469.6	14	53	906.0
Planned Incremental Availabilities	3	446.6	4	679.4	3	3	4	388.4	4	386.6	2	3	423.6
Phased Maintenance Availabilities	15	166.5	19	253.7	12	3	12	131.0	11	144.4	7	9	210.0
Service Craft Overhauls	0	0	1	2.5	0	1	2	6.7	1	6.5	0	1	26.6
Emergent Repair Miscellaneous RA/TA	n/a	237.7	n/a	211.2	n/a	n/a	n/a	207.8	n/a	197.2	n/a	n/a	213.5
Continuous maintenance Reimbursable overhead	n/a	912.7	n/a	733.4	n/a	n/a	n/a	744.6	n/a	844.5	n/a	n/a	730.6
Non-depot/ Intermediate maintenance*	n/a	262.4	n/a	349.8	n/a	n/a	n/a	233.5	n/a	280.5	n/a	n/a	354.2
Buyout Funding for NWCF	n/a	155.4	n/a	258.5	n/a	n/a	n/a	564.2	n/a	395.7	n/a	n/a	416.3
Total	76	3,967.4	88	4,276.0	38	37	72	3,722.7	69	3,755.9	27	70	4,416.4

* May not add due to rounding. FY 2006 includes increase in funding associated with cost of war and supplemental funding. The Non-depot/Intermediate Maintenance detail includes Intermediate. Fleet Technical Support Center (FTSC), Repair Supervisor Shipbuilding (SUPSHIP), and Regional Support Group (RSG) Port Engineer requirements, which is all non-depot work.

PERFORMANCE CRITERIA

Navy – Aircraft Depot Maintenance

<u>Type of Maintenance</u>	<u>Prior Year (FY 2006)</u>						<u>Current Year (FY 2007)</u>				<u>Budget Year (FY 2008)</u>		
	<u>Budget</u>		<u>Actual Inductions</u>		<u>Completions</u>		<u>Budget</u>		<u>Estimated Inductions</u>		<u>Carry-In</u>	<u>Budget</u>	
	Qty	(\$inM)	Qty	(\$inM)	Prior Yr	Cur Yr	Qty	(\$inM)	Qty	(\$inM)	Qty	Qty	(\$inM)
Airframe Rework	834	548	721	660	320	472	623	518	630	516	404	694	583
Engine Rework	1,799	329	1,405	313	294	916	1,451	299	1,402	294	246	1,519	334
Software/Other		85		96				85		85			101
TOTAL	2,633	962	2,126	1,069	614	1,388	2,074	903	2,119	895	650	2,213	1,018

PERFORMANCE CRITERIA

Army – Facilities Restoration & Modernization

	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Estimate</u>
Facilities Sustainment (\$M)	1,862	1,753	1,856
Facilities Restoration & Modernization (\$M)	311	44	159
Demolition (Facility Reduction Program) (\$M)	<u>31</u>	<u>13</u>	<u>15</u>
Total	2,204	1,810	2,030

Increase in SRM funding will fund critical facility requirements and upgrade deteriorating facilities at 90 Army installations worldwide. The FY 2007 program maintains facilities sustainment at 90 percent of requirement.

PERFORMANCE CRITERIA

Air Force – Facilities Restoration & Modernization

	<u>FY 2006 Actual</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Estimate</u>
Sustainment (\$M)	1,414	1,497	1,737
Restoration and Modernization (\$M)	780	187	235
Demolition (\$M)	19	0	41
Total	2,214	1,684	2,013

The FY 2007 program achieves an 86 percent sustainment level and fund critical annual maintenance and repair activities.

PERFORMANCE CRITERIA

Navy – Facilities Restoration & Modernization

	<u>FY 2006 Actual</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Estimate</u>
Sustainment (\$M)	1,031	1,077	1,101
Restoration and Modernization (\$M)	506	75	77
Demolition (\$M)	40	52	68
Total	1,571	1,204	1,246

The FY 2007 program maintains facilities sustainment at 95 percent of requirement.

PERFORMANCE CRITERIA

Marine Corps – Facilities Restoration & Modernization

	<u>FY 2006 Actual</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Estimate</u>
Sustainment (\$M)	667	497	583
Restoration and Modernization (\$M)	74	15	117
Demolition (\$M)	5	5	7
Total	746	517	707

PERFORMANCE CRITERIA

Defense Health Program

President's Management Plan – Performance Metrics Requirements: The Defense Health Program (DHP) continues to refine existing performance measures and develop specific criterion to determine and measure outputs/outcomes as compared with initial goals. Currently, the DHP is using five performance measures to monitor overall program performance. These measures will be added to over time as new measures are developed. The current five measures are:

- **Beneficiary Satisfaction with Health Plan** – An increase in the satisfaction with the Health Plan indicates that actions being taken are improving the overall functioning of the plan from the beneficiary perspective. The goal is to improve overall satisfaction level to that of civilian plans using a standard survey instrument.
- **Inpatient Production Target (Relative Weighted Products)**– Achieving the production targets ensures that the initial plan for allocation of personnel and resources are used appropriately in the production of inpatient workload.
- **Outpatient Production Target(Relative Value Units)**– Achieving the production targets ensures that the initial plans for allocation of personnel and resources are used appropriately in the production of outpatient workload.
- **Primary Care Productivity** – In order to run a premier Health Maintenance Organization, the critical focus area is primary care. The primary care provider frequently represents the first medical interaction between the beneficiary and the HMO. In this role, the primary care provider is responsible for the majority of the preventive care to keep beneficiaries healthy and away from more costly specialty care.
- **Medical Cost Per Member Per Year – Annual Cost Growth** – The medical cost per member per year looks at the overall cost of the Prime enrollees for the DHP. This tracks all costs related to care delivered to enrollees. The objective is to keep the rate of cost growth for the treatment of TRICARE enrollees to a level at or below the civilian health care plans rate increases at the national level. Currently the measure provides insight to issues regarding unit cost, utilization management, and purchased care management. The metric has been enhanced to properly account for differences in population demographics and health care requirements of the enrolled population. Since enrollment demographics can vary significantly by Service, and across time, it is important to adjust the measure. For example, as increasing numbers of older individuals enroll, the overall average medical expense per enrollee would likely increase. Conversely, as younger, healthy active duty enroll, the overall average would likely decrease. Through the use of adjustment factors, a comparison across Services and across time is made more meaningful.

PERFORMANCE CRITERIA

Initial goals have been developed for each of these performance measures. The overall success of each area measured is discussed below:

- **Beneficiary Satisfaction with Health Plan** – Satisfaction with Health Care Plan scores for each quarter of FY2006 above the same quarter for FY2005. While the system did not achieve the goal for the first three quarters of the year, it did achieve the goal in the fourth quarter of the Fiscal Year. Continuous increases in enrollment and improvement in the score demonstrates real progress for the program.
- **Inpatient Production Target(Relative Weighted Products)**– For the first 9 months of FY 2006 production was 147K relative weighted products versus a goal of 154K relative weighted products. Part of the difference between current performance and the goal is related to the decrease in the number of returning wounded that requires specialty care at the Military Treatment Facilities. We will continue to monitor performance this coming year and take any necessary actions to improve performance.
- **Outpatient Production Target(Relative Value Units)**– During FY 2006, total Medical Treatment Facility production was 24.2 million relative value units versus a goal of 24.8 million relative value units. While the system did not achieve the goal as a whole, it was within 3 percentage points of the goal. We will continue to monitor performance this coming year, and take any necessary actions to improve performance.
- **Primary Care Productivity** – Improvements in productivity are continuing in FY 2006. While not all of the facilities have reported final data, the current achievement level is 15.6 relative value units per primary care provider per day versus a goal of 14.8 relative value units per primary care provider per day. Minimal adjustments may occur when data is complete, but it should still be above the FY 2006 goal. The FY 2006 goal was more realistic with annual improvement targets than prior years, and performance improvements seem to have been achieved. The objective is to move the Defense Health Program forward in a manner that requires significant improvements to the system.

Medical Per Member Per Year – Annual Cost Growth – Due to the nature of the data supporting this measure, data is only reported through the third quarter of FY 2006, and is projected to completion at that point. In general the data maturity for the measure requires about a six month lag to handle claims submission and processing issues for improved accuracy. For FY 2006, through the 3rd quarter, the annual cost growth is 7.9%, compared with the goal for the year of 9%. The 9% goal was established based on projected private sector health insurance cost growths. Current performance is slightly below the goal, and should continue to decrease as claims data becomes more complete and lower projection factors are needed. As long as the system continues to operate at its current performance level or slight improvement, the goal will likely be met for the year.