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UNITED STATES DEPARTMENT OF DEFENSE
FISCAL YEAR 2015 BUDGET AMENDMENT

OVERVIEW

OVERSEAS CONTINGENCY OPERATIONS

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OVERSEAS CONTINGENCY OPERATIONS (OCO)

FY 2014 – FY 2015 SUMMARY

Amendments to the FY 2015 President's Budget provide \$58.6 billion in DoD OCO funding to support Operation ENDURING FREEDOM (OEF), related follow-on activities, and other critical missions in the Middle East; to enhance the ability of our partners to counter terrorism through the Counterterrorism Partnerships Fund (CTPF); and to provide temporary support to bolster the security of our North Atlantic Treaty Organization (NATO) allies and European partner states through the European Reassurance Initiative (ERI). These specific activities replace the \$79.4 billion placeholder included in the Budget submitted in March 2014.

The request supports activities including:

- Continuing the responsible drawdown of forces in Afghanistan, including costs to return/retrograde equipment;
- Sustaining and professionalizing the Afghan National Security Forces (ANSF), which will assume full responsibility for security across Afghanistan following the end of the International Security Assistance Force (ISAF) combat mission on December 31, 2014;
- Repairing and replacing equipment to reset U.S. military forces, including small sums for equipment still returning after service in Iraq;
- Sustaining the fight against transnational terrorists who seek to undermine the United States and its allies; and
- Carrying out support activities, such as intelligence support to military operations and support to partner nations.

Presuming that the Afghanistan government signs a Bilateral Security Agreement with the United States and a Status of Forces Agreement with NATO, the United States will provide 9,800 troops in 2015 for NATO's Resolute Support Mission, focused on training, advising, and assisting the Afghan forces and carrying out counterterrorism operations against the remnants of al Qaeda in coordination with Afghan forces. By the end of 2015, the U.S. presence will be reduced to half that number and consolidated in Kabul and on Bagram Airfield. The DoD OCO funding request summarized in **Figure 1** supports these missions and force levels.

Supporting our Deployed Troops

- FY 2014 – FY 2015 Summary
- Force Level Budget Assumptions
- Overseas Contingency Operations Budget Request
- Sustaining the Afghan National Security Forces
- Counterterrorism Partnerships Fund
- European Reassurance Initiative

Figure 1. OCO Funding by Military Operation

(Dollars in Billions)

Operation	FY 2014 Enacted*	FY 2015 Request
Operation ENDURING FREEDOM (OEF) and Related Missions	84.5	53.4
Iraq Activities	0.8	0.3
Counterterrorism Partnerships Fund (CTPF)	--	4.0
European Reassurance Initiative (ERI)	--	0.9
DoD OCO	85.3	58.7
Prior Year Cancellation**	--	-0.1
Adjusted DoD OCO	85.3	58.6

* FY 2014 Enacted includes base budget amounts transferred by the Congress to OCO and congressional non-war adds

** From Kiowa Warrior WRA in Aircraft Procurement, Army, FY 2014/16

Overview – FY 2015 Defense Budget

In addition, the OCO request supports two new presidential initiatives, with dedicated transfer accounts for each. The CTPF, proposed by the President at West Point on May 28, 2014, will support a transition to a more sustainable and partnership-focused approach to counterterrorism with a flexible mechanism that allows DoD and the Federal Government as a whole to respond more nimbly to evolving terrorist threats from South Asia to the Sahel. The ERI, proposed by the President in Warsaw on June 3, will reassure allies of the U.S. commitment to their security and territorial integrity as members of the NATO Alliance, provide near-term flexibility and responsiveness to the evolving concerns of our allies and partners in Europe, especially Central and Eastern Europe, and help increase the capability and readiness of U.S. allies and partners.

FORCE LEVEL BUDGET ASSUMPTIONS

Figure 2 displays the force levels assumed in the Department's FY 2015 OCO budget, expressed as annual average troop strength. Force levels in Afghanistan continue to decrease toward the end of FY 2014, consistent with the transition to an Afghan lead. The FY 2015 annual average strength is based on the President's decision to continue redeploying troops through the first quarter of the fiscal year, reaching a level of 9,800 at the end of December 2014, coinciding with the end of the ISAF combat mission in Afghanistan.

Figure 2. U.S. Force Level Assumptions in DoD OCO Budget

(Annual Average Troop Strength)

Force	FY 2013 Actual	FY 2014 Estimated	FY 2015 Request
Afghanistan	62,763	37,234	11,661
In-Theater Support	64,417	61,071	63,309
Subtotal OEF	127,180	98,305	74,970
In CONUS*/Other Mobilization	26,139	20,275	16,093
Total Force Levels	153,319	118,580	91,063

*In-CONUS = In the Continental United States

OVERSEAS CONTINGENCY OPERATIONS BUDGET REQUEST

Funding in the FY 2015 OCO request by operational support category is captured in **Figure 3**, followed by brief explanations.

Although the number of U.S. troops in Afghanistan will decline over the course of FY 2015, some war-related support costs will not decline as quickly as the forces themselves. These include:

- Continued costs to support a significant portion of DoD's forward presence around the Middle East – the bases, ships and aircraft outside Afghanistan that support OEF and other important missions – which will not substantially diminish in FY 2015;
- Oversight, logistics support (including contractor costs), base closure activities and associated environmental remediation, disposal of unexploded ordnance, and returning/retrograding equipment to the United States;
- Costs to repair and replace equipment and munitions as DoD resets the force;
- Continued high demand for higher-end Intelligence, Surveillance, and Reconnaissance (ISR) assets; and
- Reimbursements to Pakistan and other nations that support U.S. military operations and the Afghanistan war.

Overview – FY 2015 Defense Budget

Figure 3. OCO Functional/Mission Category Breakout

(Dollars in Billions)

OCO Budget	FY 2014 Enacted ^{1/}	FY 2015 Request
Operations/Force Protection in Afghanistan	26.2	11.0
In-Theater Support (Outside of Afghanistan)	19.9	18.1
Joint Improvised Explosive Device (IED) Defeat	0.9	0.4
Afghanistan Security Forces Fund (ASFF)	4.7	4.1
Afghanistan Infrastructure Fund (AIF)	0.2	--
Commander's Emergency Response Program (CERP)	<0.1	<0.1
Support for Coalition Forces	1.7	1.7
Unexploded Ordnance Removal	--	0.3
Task Force for Business Stability Operations (TFBSO)	0.1	<0.1
Office of Security Cooperation – Iraq (OSC-I)	0.2	0.1
Investment/Equipment Reset	8.8	9.2
Temporary Military End Strength	4.7	2.4
Non-DoD and Other Classified ^{2/}	17.8	6.5
Counterterrorism Partnerships Fund (CTPF)	--	4.0
European Reassurance Initiative (ERI)	--	0.9
Total OCO	85.3	58.7
Prior-Year Cancellation	--	-0.1
Total OCO including Prior-Year Cancellation	85.3	58.6

^{1/} Reflects Total Obligation Authority provided in the Consolidated Appropriations Act, 2014 (PL 113-76)

^{2/} Includes non-war amounts provided by Congress and certain classified activities

Numbers may not add due to rounding

Operations/Force Protection in Afghanistan (\$11.0 billion): This category of incremental cost includes the full spectrum of military operations requirements for U.S. personnel operating in Afghanistan:

- Personnel special pays and subsistence for deployed forces;
- Personnel pay for mobilized forces;
- Operating tempo (ground vehicles/equipment, combat aviation, Special Operations Forces);
- Communications;
- Pre-deployment training;
- Transportation cost to sustain and support the forces, to include the retrograde of U.S. equipment from Afghanistan;
- Various classes of supplies;
- Deployment and redeployment of combat and support forces;
- Life support and sustainment; and
- Additional body armor, personal protective gear, and maintenance costs for operating Mine Resistant Ambush Protected (MRAP) and other vehicles for operating forces.

In-Theater Support (\$18.1 billion): Funds requested in this category provide for critical combat and other support for personnel in Afghanistan but from units and forces operating outside Afghanistan.

- This category also includes funding to support other operations conducted outside Afghanistan such as OEF-Horn of Africa and OEF-Philippines.
- The types of cost incurred for in-theater operations are similar to those outlined in the “Operations/Force Protection” category. However, this category also includes incremental costs for afloat and air expeditionary forces, engineers, fire support, and other capabilities located elsewhere in the U.S. Central Command region, which support operations in Afghanistan and other important missions. It also includes support for some activities operating from the United States (such as remote piloted aircraft and reach back ISR).

Joint Improvised Explosive Device (IED) Defeat (\$0.4 billion): These funds will be used to develop, procure, and field measures to defeat IEDs threatening U.S. and coalition forces, closing the gap between the enemy’s innovation cycles by developing and delivering counter-IED as quickly as possible for use by the Joint and Coalition Forces.

Afghanistan Security Forces Fund (ASFF) (\$4.1 billion): This request funds the sustainment, operations and professionalization of the 352,000-strong ANSF; see **Figure 4**. The request funds sustainment of the Afghan National Army, Afghan National Police (including the Afghan Local Police or ALP), and the Afghan Air Force (including the Special Mission Wing). The request also supports further developing the capacity of the Afghan Ministries of Defense and Interior to sustain and command and control their forces.

Figure 4. ASFF Resources and ANSF Strength

	ASFF (<i>\$ in Billions</i>)		ANSF Strength (<i>in Thousands</i>)		
	FY 2014 Enacted	FY 2015 Request	Feb 2014 Actual	FY 2014 Goal	FY 2015 Goal
Afghan National Army (ANA)	3.7	2.9	188.0	195.0	195.0
Afghan National Police (ANP)	1.0	1.2	152.7	157.0	157.0
Related Activities	<0.1	<0.1	--	--	--
Total ASFF	4.7	4.1	340.7	352.0	352.0
Training and Sustainment	2.5	4.0			
Investment in Enabling Capabilities	2.2	0.1			
Total ASFF	4.7	4.1	340.7	352.0	352.0

Numbers may not add due to rounding and do not include the Afghan Local Police (ALP)

Commander’s Emergency Response Program (CERP) (\$0.015 billion): This program provides military commanders with an important tool for the continuing counterterrorism mission in Afghanistan. The funds requested will enable DoD to enhance force protection through the use of small-scale, good-will measures near U.S. forces and locations, as well as condolence payments for loss of life or property damage.

Support for Coalition Forces (\$1.7 billion): Amounts requested finance coalition, friendly forces, and a variety of support requirements for key foreign partners who wish to participate in U.S. military operations but lack financial means. Such support reduces the burden on our forces and is critical to our success.

Task Force for Business Stability Operations (TFBSO) (<\$0.01 billion): The funds requested for the TFBSO will support the responsible transfer of tasks and the drawdown and closure of the organization in FY 2015.

Office of Security Cooperation – Iraq (OSC-I) (\$0.14 billion): The situation in Iraq remains highly volatile, and the OSC-I is DoD’s cornerstone for achieving the long-term U.S. goal of building partnership capacity in the Iraqi Security Forces (ISF). The OSC-I conducts the full range of traditional security cooperation activities such as joint exercise planning, combined arms training, conflict resolution, multilateral peace operations, senior level visits and other forms of bilateral engagement. Additionally, the OSC-I conducts security cooperation activities in support of the ISF to include providing: counterterrorism training, institutional training; ministerial and service level advisors; logistic and operations capacity building; intelligence integration; and interagency collaboration. The OSC-I is the critical Defense component of the U.S. Mission Iraq and a foundational element of our long-term strategic partnership with Iraq.

Investment/Equipment Reset (\$9.2 billion): The request funds the replenishment, replacement, and repair of equipment and munitions expended, destroyed, damaged, or worn out due to prolonged use in combat operations. Combat losses include an Air Force C-130J, MQ-9 Reaper, and a Navy H-1 helicopter. The replacement of major reset items that will be repaired or replaced include helicopters, fixed wing aircraft, trucks, other tactical vehicles, MRAP vehicles, radios, and various combat support equipment. Munitions that will be replenished include missiles, such as the Laser Maverick, Standoff Precision Guided Munitions (SOPGM), and Hellfire as well as ammunition for all the Military Services. Upon returning from war zones, units restore their equipment to a condition that enables them to conduct training exercises, achieve required readiness levels, and prepare for future deployments. As personnel and equipment return from theater to their home stations, the need for Equipment Reset will continue beyond FY 2015.

Temporary Military End Strength (\$2.4 billion): The OCO request includes about \$2.4 billion for Army and Marine Corps active duty end strength above the FY 2015 base levels requested by the Services – 490,000 and 182,700, respectively. The OCO funding will be used to support strength above these levels as we divest the end strength developed to fight the wars in Iraq and Afghanistan.

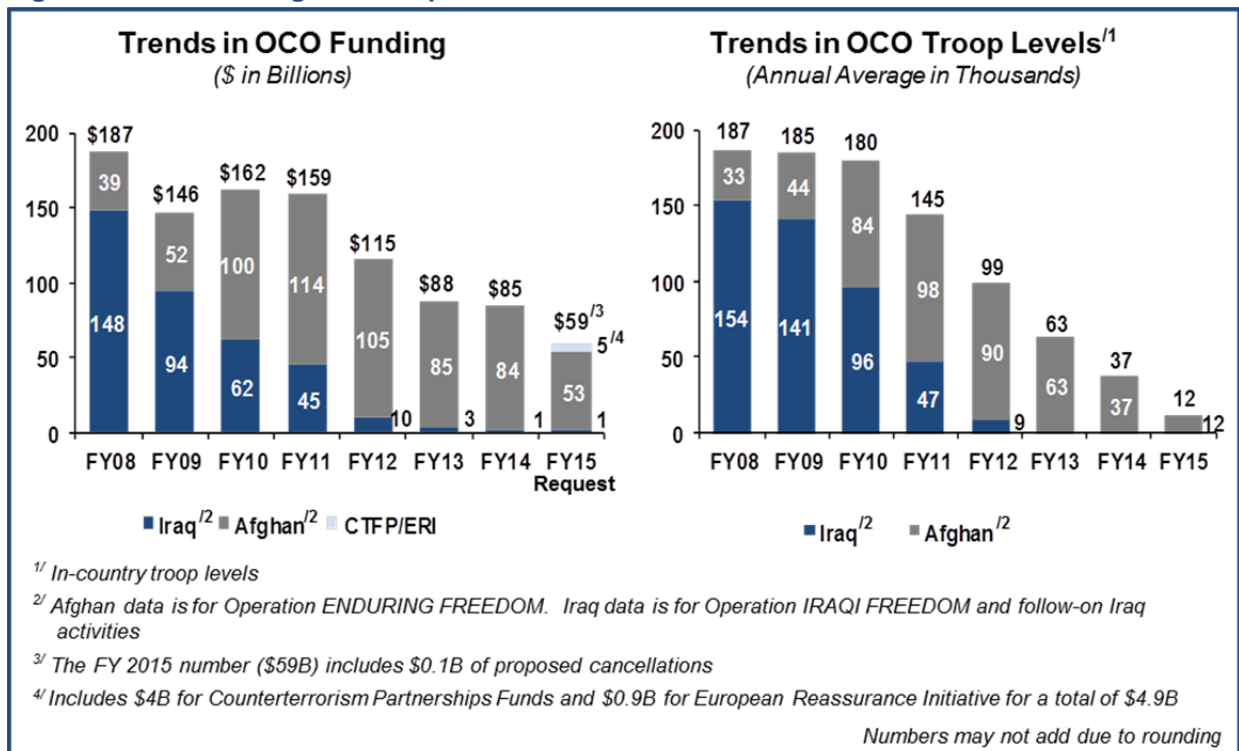
Figure 5. OCO Temporary Military Strength

OCO Temporary Strength	FY 2013 Actual	FY 2014 Estimated	FY 2015 Request
Army – End Strength	39,043	20,400	--
Army – Average Strength	44,604	30,755	12,412
Marine Corps – End Strength	13,557	6,700	1,400
Marine Corps – Average Strength	16,036	10,418	3,469

Other (\$6.5 billion): Requirements supporting this portion of the OCO request, including a Military Construction project, are classified; additional details will be provided under separate cover.

This FY 2015 OCO request (**Figure 6**) for \$58.6 billion is down substantially from requests in recent years. Past OCO budgets or supplementals have been as high as \$187 billion.

Figure 6. OCO Funding and Troop Level Trends



SUSTAINING THE AFGHAN NATIONAL SECURITY FORCES

The U.S. presence in Afghanistan aims to defeat al Qaeda and its affiliates, contribute to regional and international peace and stability, and enhance the ability of Afghanistan to deter threats against its sovereignty, security, and territorial integrity. Our long-term strategy for achieving these aims relies on the ability of the Afghan government to provide sufficient security across the country. The FY 2015 OCO request continues to build Afghan capacity to provide for its own security and, by extension, support long-term U.S. national security objectives in the region. The ASFF request for FY 2015 continues to support 352,000 ANSF personnel as well as 30,000 Afghan Local Police, who operate under the supervision of the Afghan Ministry of Interior.

Previous ASFF requests invested in rapidly generating forces, equipping those forces, and building physical infrastructure. The FY 2015 ASFF request marks a significant shift, as 97 percent of the request funds sustainment, professionalization, and operations while only 3 percent funds additional equipment and infrastructure. Now that the force has been fielded and equipped and the infrastructure build is nearly complete, the Coalition is able to assess more accurately the cost to sustain the ANSF than was possible in the past. Accordingly, the FY 2015 ASFF request reflects refined manpower, sustainment, training, and infrastructure requirements that have reduced the total annual cost to sustain the ANSF.

Military Achievements and Challenges

In 2014, the Afghan military and police forces have prevented the insurgency from attaining any of their strategic objectives, sustained the gains made in the 2013 fighting season, and successfully secured the presidential and provincial council elections on April 5, 2014. The ANSF capabilities have continued to expand while insurgent territorial influence and kinetic

capabilities remained static during and since the 2013 fighting season. The ANSF and Afghan election institutions laid the groundwork for a successful election, registering millions of voters and securing thousands of polling sites. Despite the insurgents' intent to disrupt the election process, ANSF layered security operations prevented high-profile attacks across the country, and voter turnout was high.

The ANSF plans and executes virtually all combat missions independently. The ANSF, with modest ISAF operational assistance, has emerged as a competent force over the last year, demonstrating tactical superiority over the Taliban and preventing insurgents from achieving their stated objectives. The overall operational effectiveness of the Afghan National Army (ANA) continues to improve. Fielding of the ANA is almost complete: the ANA is scheduled to receive all its initial issue of equipment by July 2014, and the last unit will complete training in January 2015. The Afghan National Police (ANP) has continued to improve at conducting limited, independent policing operations and coordinating operations with other ANSF elements. Fielding and initial equipping of all ANP units, including the Afghan Uniformed Police, the Afghan Border Police, and the Afghan National Civil Order Police, has been completed.

Post-2014, the ANSF will continue to face a resilient insurgency and will attempt to regain lost ground and influence, which resulted from attacks on the ANSF, high-profile attacks, assassinations, the emplacement of IEDs, and insider attacks against coalition advisors. The ANSF will remain highly dependent on international funding and continued coalition ministerial and institutional level advising to preserve security gains of the last 2 years. Long-term operational success of the ANSF will depend on development of logistics, aviation, intelligence, and special operations capabilities and on development of key ministerial functions crucial to sustaining the ANSF, such as programming, planning, budgeting, financial management, acquisition, and human resources management.

Political and Economic Achievements and Challenges

The ANSF advances create conditions for security and stability, which produces an environment in which Afghans (and the international community) want to invest in additional development efforts. This budget request supports continued development of Afghan's security sector, which is critical to providing the stability required for economic development and effective governance. The Afghan government's ability to provide and deliver basic services and economic opportunities to its citizens has a direct correlation to both building public confidence in the Afghan government and strengthening security efforts by offering a counter-narrative to the Taliban.

Afghanistan's national institutions continue to improve their ability to provide constitutional, stable, effective, and responsive governance, but sizeable challenges remain. Corruption and centralization of spending and service delivery authority at the ministries in Kabul limits the efficiency of service delivery at the provincial and district levels. Efforts to decentralize are slowed by limited human capacity and delays to structural reforms in the central government.

COUNTERTERRORISM PARTNERSHIPS FUND

The proposed Counterterrorism Partnerships Fund (CTPF) builds on existing tools and authorities to respond to a range of terrorist threats and crisis response scenarios. The CTPF will have three broad purposes: (1) to provide counterterrorism (CT) support to partner nations, including capacity-building and enabling support; (2) to provide support to Syria and its neighbors through a Regional Stabilization Initiative; and (3) to help DoD respond to unexpected crises.

The CTPF is set up to permit DoD – consistent with guidance from an interagency process and appropriate notification to Congress – to transfer funds to other accounts for execution. To illustrate potential uses of CTPF dollars, a preliminary allocation follows. These amounts could change based on world events and resulting needs.

Counterterrorism Support (\$2.5 billion)

Many strategically important states are particularly vulnerable to a range of destabilizing forces, including terrorism. In response, the Department has developed a two-track framework for allocating CTPF dollars for specific mitigating efforts: (1) expanding our efforts to provide direct support to partners in those countries and regions where terrorist threats pose the greatest challenge to U.S., allied, and partner security interests; and (2) augmenting U.S. military capabilities needed to sustain a higher-level of partnership activity globally and enabling partners to perform their own security operations. The overall goal of this category of CTPF would be to increase the ability of partner forces in these countries to conduct CT operations within their own borders, prevent the spillover of terrorist presence and activities from neighboring states, and participate in multinational CT operations to degrade terrorist threats. This funding category also provides adequate resources to enhance critical capabilities of U.S. special operations forces (SOF) and conventional forces that are in greatest demand, especially given the ongoing efforts to recover and reset from the extended conflicts in Iraq and Afghanistan. For example, CTPF would fund additional ISR capabilities, with a focus on ISR investments that are particularly well-suited to CT environments.

Direct Partner Support. This category of support focuses on direct partner support in order to establish and maintain a network of partners on the front lines of the terrorist threat. This assistance could include near-term training, equipping, advising, operational support, and longer-term capacity-building efforts in coordination with the Department of State.

For example, the President has publicly acknowledged the importance of supporting Yemen in its struggle against al Qaeda on the Arabian Peninsula (AQAP). Using CTPF dollars, DoD could reinforce efforts to expand CT training for Yemeni SOF and conventional units, including providing equipment, and improving training facilities, as well as addressing mobility and transportation issues so that Yemeni forces can more effectively prosecute their offensive against AQAP.

As the U.S. military footprint decreases in Afghanistan, regional partners, such as Pakistan and Uzbekistan, will take on increasing responsibility for preventing al Qaeda from reconstituting its safe haven and operational base in South and Central Asia, but also to counter terrorist groups that pose a threat to regional stability. As an example in South and Central Asia, DoD could use CTPF dollars to provide CT-specific training and equipment to Pakistani forces to augment the fight against terrorist threats emanating from within its borders.

In Africa, where offshoots of al Qaeda – or groups inspired by it – have found fertile soil, DoD has categorized its investments regionally and by threat source. In North Africa and the Sahel, Ansar al-Sharia (AAS), al Qaeda in the Islamic Maghreb (AQIM), and Boko Haram (BH) have taken advantage of stretched, poorly trained, and under-resourced security forces to launch attacks that undermine government control in various states. The CTPF could be used for investments in the states most affected by these terrorist groups (e.g., AAS and/or AQIM in Libya, Tunisia, Morocco, or Mauritania; BH in Nigeria, Niger, Chad, or Cameroon) by enhancing CT training, interoperability, and operational infrastructure; enhancing border/maritime security and expeditionary capabilities; and addressing mobility and transportation requirements.

In the Horn of Africa, comparable challenges exist for partner nation security forces in responding to threats posed by al Shabaab, the violent extremist group that has expanded

beyond its original base in Somalia to conduct terrorist attacks against neighboring states. The DoD could tailor security cooperation programs with countries in this region (e.g., Somalia, Kenya, Ethiopia, Djibouti) to address similar capability shortfalls as in North Africa and the Sahel, with a particular focus on enhancing the CT skill sets and equipment of forces from these countries participating in the African Union Mission in Somalia.

From recent experience in Iraq and Afghanistan, the Department has identified several common shortfalls in transportation and logistical capabilities of partner nation forces to participate in multinational operations against CT threats or other crisis response scenarios. The DoD would propose to address these gaps by committing CTPF monies to cover “global lift and sustain” costs of partners, which could include European and other allies conducting CT operations in these regions, when those allies’ participation in an operation that advances U.S. security interests and/or relieves pressure on U.S. forces by enabling partners to assume a greater operational burden. The DoD would also seek to enhance partner CT capacity at the institutional and ministerial levels.

Augmenting U.S. Capability to Support Partners in CT Operations. The Department would also use the CTPF to enhance selected DoD capabilities, which can provide essential support to partner force operations. Potential applications of funding for this category could include:

- Significant increases in ISR funding, including the purchase of secure intelligence dissemination systems for partner-nations and other ISR-related initiatives
- Rotary-wing and maritime support to fund helicopter lift squadrons in the Persian Gulf
- Leasing of Maritime Support Vessels as platforms that permit alternative launch points for SOF forces responding to contingencies beyond the range of existing staging sites
- Support for naval CT enablers, such as communications and logistics support at austere locations within the U.S. Central Command’s area of responsibility and the Horn of Africa, where there are no established base support functions

Under its preliminary allocations, DoD could also provide additional funds to cover increased SOF mission costs and the deployment of greater numbers of conventional forces to engage with partner nation forces to combat terrorism. In addition, the Department could fund an assortment of other enablers, including counter IED efforts, contracted personnel recovery operations in Africa, and increased SOF deployments and support facilities overseas to help fill a gap in U.S. CT/crisis response capabilities oriented toward Africa, the Levant, Iraq, and other areas threatened by terrorism.

Syria Regional Stabilization Initiative (\$1.0 billion)

In response to the turmoil generated by the Syrian conflict and its destabilizing repercussions across the Levant and Middle East, DoD would provide greater support to Syria’s neighbors – Iraq, Lebanon, Jordan, and Turkey – as we work together to confront the growing challenges presented by the Islamic State of Iraq and the Levant, al-Nusra Front, and other violent extremist groups. The CTPF dollars could be used to strengthen these states’ capacity to conduct and manage stability operations; enhance these countries’ border security; and expand multilateral exercise and engagement activities in the region.

Additional funds could be used to provide assistance to the Syrian opposition. The request includes a proposed authority to train and equip vetted elements of the Syrian armed opposition to help defend the Syrian people, stabilize areas under opposition control and facilitate the provision of essential services, counter terrorist threats, and promote conditions for a negotiated settlement.

Crisis Response (\$0.5 billion)

Finally, unforeseen contingencies have a preliminary allocation of \$0.5 billion. The uncertain situation in Iraq is just one situation that underscores the importance of reserving funds that can be allocated based on unforeseen needs. A crisis response fund would facilitate flexibility and speed in responding to this or other contingencies (after appropriate congressional notification), and would allow DoD to maintain balance between responding to emergency requirements and being ready to respond to future contingencies.

Figure 7. Preliminary Allocations for Counterterrorism Partnerships Fund Categories

(Dollars in Millions)

Categories	FY 2015 Estimated
Counterterrorism Support	2,500
Syria Regional Stabilization Initiative	1,000
Crisis Response	500
Total	4,000

EUROPEAN REASSURANCE INITIATIVE

Through the ERI, DoD seeks to reassure our NATO allies and bolster the security and capacity of our partners. As the President has stated, the United States, along with its NATO allies, will continue to take actions that increase the capability, readiness, and responsiveness of NATO forces to address any threat or destabilizing action. With ERI funding, DoD would also seek to help shore up the defenses of NATO members, as well as other non-NATO partners in the region, that feel most threatened by Russia’s actions against Ukraine.

The DoD would pursue several lines of effort to accomplish the purposes of this initiative, including: (1) increased U.S. military presence in Europe; (2) additional bilateral and multilateral exercises and training with allies and partners; (3) improved infrastructure to allow for greater responsiveness; (4) enhanced prepositioning of U.S. equipment in Europe; and (5) intensified efforts to build partner capacity for newer NATO members and other partners such as Georgia, Moldova, and Ukraine. The ERI would be established as a fund that would permit DoD – after appropriate notice to Congress – to transfer funds to those initiatives that are deemed to be of the highest priority. After appropriate congressional notification, ERI funds would be transferred to traditional DoD accounts for execution of the approved initiatives. The numbers below represent preliminary allocations of funds.

Increasing the presence of U.S. forces in Europe through stepped-up rotations and potential deferral of some previously-planned force reductions. These actions would provide a tangible measure of reassurance to NATO allies and partners and demonstrate through unambiguous actions that the U.S. security commitment to Europe remains unshakable. All the Military Services are working with U.S. European Command to develop options. The Army would explore augmented presence through the rotation of U.S.-based units from the Armored Brigade Combat Team currently allocated to the NATO Response Force (NRF). For FY 2015, the Air Force is considering sustaining its current F-15C presence in Europe and once again augmenting NATO’s Baltic Air Policing mission. The Navy would expand its presence in the Black and Baltic Seas, as would the Marine Corps through its Black Sea Rotational Force. As a preliminary estimate, DoD would allocate about \$440 million for these activities.

Additional U.S. forces in Europe would enable more extensive U.S. participation in exercises and training activities with NATO and non-NATO partner countries, improving readiness and

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interoperability as well as highlighting the determination of participants to resist coercive or provocative measures from any source. The DoD would propose increased levels of U.S. forces taking part in various European-based exercises, including Allied Spirit II, which focuses on ground force multinational interoperability, and Joint Warrior, which hones maritime security capabilities through counter-piracy and combat drills. The DoD would also seek funding to enable allies and partners to fully participate and benefit from these exercises. As a preliminary estimate, DoD would allocate about \$75 million for these activities.

A key enabler for training and combat operations is sufficiently robust infrastructure at key locations to support military activities. The DoD would pursue, subject to final agreement with host nations, selective improvements mostly to air fields in Eastern and Central Europe, but there could also be improvements at training ranges and operations centers. These steps would expand NATO's flexibility and contingency options and give concrete expressions of support to U.S. allies and partners. As a preliminary estimate, DoD would allocate about \$250 million for these activities.

The DoD would also use ERI funds to enhance prepositioning of U.S. equipment in Europe. Initiatives could include added air equipment in Eastern European nations, improved prepositioning facilities for Marine equipment in Norway, and weapons/ammunition storage capabilities. As a preliminary estimate, DoD would allocate about \$125 million for these activities.

Another important focus in Europe would be efforts to build partner capacity in some of the newer NATO allies and with non-NATO partners such as Georgia, Moldova, and Ukraine. Providing these countries with the capability and capacity to defend themselves and to enable their participation as full operational partners within NATO is an important complement to other U.S. lines of effort. More formidable defense capabilities will also strengthen deterrence against aggressive actions by Russia or from other sources. The DoD efforts, along with State Department contributions, would focus on filling critical operational gaps, such as border security and air/maritime domain awareness, as well as building stronger institutional oversight of the defense establishments in these countries. The preliminary allocation of funds for these efforts is about \$110 million, split between DoD (roughly \$35 million for NATO allies and non-NATO partners) and the Department of State (\$75 million for non-NATO partners).

Figure 8. Preliminary Allocations for European Reassurance Initiative Categories

(Dollars in Millions)

Categories	FY 2015 Estimated
Increased U.S. military presence in Europe	440
Additional bilateral and multilateral exercises and training with allies and partners	75
Improved infrastructure to allow for greater responsiveness	250
Enhanced prepositioning of U.S. equipment in Europe	125
Intensified efforts to build partner capacity for newer NATO members and other partners	35
Total	925

RESOURCE EXHIBITS

Table 1. OCO Funding by Appropriation Title

<i>\$ in Thousands</i> OCO Budget	FY 2014 Enacted*	FY 2015 Request	Delta FY14 – FY15	Percent Change FY14 – FY15
Military Personnel	8,149,300	5,453,711	-2,695,589	-33%
Operation and Maintenance	69,682,894	42,067,160	-27,615,734	-40%
Procurement	7,112,381	6,027,560	-1,084,821	-15%
RDT&E	135,134	79,977	-55,157	-41%
Military Construction	--	46,000	46,000	--
Family Housing	--	--	--	--
Revolving and Management Funds	264,910	91,350	-173,560	-66%
Counterterrorism Partnerships Fund (CTPF)**	--	4,000,000	4,000,000	--
European Reassurance Initiative (ERI)**	--	925,000	925,000	--
Total OCO	85,344,619	58,690,758	-26,653,861	-31%
Prior-Year Cancellation***	--	-117,000	-117,000	--
Total OCO Adjusted	85,344,619	58,573,758	-26,770,861	-31%

* FY 2014 Enacted includes base budget amounts transferred by the Congress to OCO

** Requested in the Operation & Maintenance title as part of Defense-Wide

*** From Kiowa Warrior WRA in Aircraft Procurement, Army, FY 2014/16

Table 2. OCO Funding by Military Department

<i>\$ in Thousands</i> OCO Budget	FY 2014 Enacted*	FY 2015 Request	Delta FY14 – FY15	Percent Change FY14 – FY15
Army	45,917,732	25,832,617	-20,085,115	-44%
Navy	13,947,678	8,485,163	-5,462,515	-39%
Air Force	16,627,926	12,831,228	-3,796,698	-23%
Defense-Wide	8,851,283	6,616,750	-2,234,533	-25%
Counterterrorism Partnerships Fund (CTPF)**	--	4,000,000	4,000,000	--
European Reassurance Initiative (ERI)**	--	925,000	925,000	--
Total OCO	85,344,619	58,690,758	-26,653,861	-31%
Prior-Year Cancellation***	--	-117,000	-117,000	--
Total OCO Adjusted	85,344,619	58,573,758	-26,770,861	-31%

* FY 2014 Enacted includes base budget amounts transferred by the Congress to OCO

** Requested in the Operation & Maintenance title as part of Defense-Wide

*** From Kiowa Warrior WRA in Aircraft Procurement, Army, FY 2014/16

Overview – FY 2015 Defense Budget

Table 3. OCO Funding by Military Department and Appropriation Title

Department of the Army <i>\$ in Thousands</i> OCO Budget	FY 2014 Enacted*	FY 2015 Request	Delta FY14 – FY15	Percent Change FY14 – FY15
Military Personnel	5,877,714	3,937,471	-1,940,243	-33%
Operation and Maintenance	37,460,114	20,578,088	-16,882,026	-45%
Procurement	2,521,672	1,312,558	-1,209,114	-48%
RDT&E	13,500	4,500	-9,000	-67%
Military Construction	--	--	--	--
Family Housing	--	--	--	--
Revolving and Management Funds	44,732	--	-44,732	-100%
Total Department of the Army	45,917,732	25,832,617	-20,085,115	-44%

Numbers may not add due to rounding

Department of the Navy <i>\$ in Thousands</i> OCO Budget	FY 2014 Enacted*	FY 2015 Request	Delta FY14 – FY15	Percent Change FY14 – FY15
Military Personnel	1,411,373	783,824	-627,549	-44%
Operation and Maintenance	11,908,857	7,008,460	-4,900,397	-41%
Procurement	593,022	657,799	64,777	11%
RDT&E	34,426	35,080	654	2%
Military Construction	--	--	--	--
Family Housing	--	--	--	--
Revolving and Management Funds	--	--	--	--
Total Department of the Navy	13,947,678	8,485,163	-5,462,515	-39%

Numbers may not add due to rounding

Department of the Air Force <i>\$ in Thousands</i> OCO Budget	FY 2014 Enacted*	FY 2015 Request	Delta FY14 – FY15	Percent Change FY14 – FY15
Military Personnel	860,213	732,416	-127,797	-15%
Operation and Maintenance	12,801,473	8,275,650	-4,525,823	-35%
Procurement	2,868,740	3,818,162	949,422	33%
RDT&E	9,000	--	-9,000	-100%
Military Construction	--	--	--	--
Family Housing	--	--	--	--
Revolving and Management Funds	88,500	5,000	-83,500	-94%
Total Department of the Air Force	16,627,926	12,831,228	-3,796,698	-23%

Numbers may not add due to rounding

* FY 2014 Enacted includes base budget amounts transferred by the Congress to OCO

Overview – FY 2015 Defense Budget

Table 3. OCO Funding by Military Department and Appropriation Title (cont'd)

Defense-Wide <i>\$ in Thousands</i> OCO Budget	FY 2014 Enacted*	FY 2015 Request	Delta FY14 – FY15	Percent Change FY14 – FY15
Military Personnel	--	--	--	--
Operation and Maintenance	7,512,450	6,204,962	-1,307,488	-17%
Procurement	1,128,947	239,041	-889,906	-79%
RDT&E	78,208	40,397	-37,811	-48%
Military Construction	--	46,000	46,000	--
Family Housing	--	--	--	--
Revolving and Management Funds	131,678	86,350	-45,328	-34%
Subtotal Defense-Wide	8,851,283	6,616,750	-2,234,533	-25%
Counterterrorism Partnerships Fund (CTPF)**	--	4,000,000	4,000,000	--
European Reassurance Initiative (ERI)**	--	925,000	925,000	--
Total Defense-Wide	8,851,283	11,541,750	2,690,467	30%

Numbers may not add due to rounding

Total OCO	85,344,619	58,690,758	-26,653,861	-31%
Prior-Year Cancellation***	--	-117,000	-117,000	--
Total OCO Adjusted	85,344,619	58,573,758	-26,770,861	-31%

* FY 2014 Enacted includes base budget amounts transferred by the Congress to OCO

** Requested in the Operation & Maintenance title as part of Defense-Wide

*** From Kiowa Warrior WRA in Aircraft Procurement, Army, FY 2014/16

Overview – FY 2015 Defense Budget

Table 4. OCO Funding by Operation

<i>\$ in Thousands</i> OCO Budget	FY 2014 Enacted ^{1/}			FY 2015 Request			Delta FY14 – FY15	Percent Change FY14 – FY15
	OEF	Iraq Activities	Total	OEF	Iraq Activities	Total		
Operations/Force Protection in Afghanistan	26,171,296	--	26,171,296	11,232,895	--	10,982,895	-15,188,401	-58%
In-Theater Support (Outside of Afghanistan)	19,812,673	120,089	19,932,762	17,948,036	120,527	18,068,563	-1,864,199	-9%
Joint IED Defeat	879,225	--	879,225	379,000	--	379,000	-500,225	-57%
Afghan Security Forces Fund	4,726,720	--	4,726,720	4,109,333	--	4,109,333	-617,387	-13%
Afghan Infrastructure Fund	199,000	--	199,000	--	--	--	-199,000	-100%
Commander's Emergency Response Program	30,000	--	30,000	15,000	--	15,000	-15,000	-50%
Coalition Support	1,707,000	--	1,707,000	1,660,000	--	1,660,000	-47,000	-3%
Unexploded Ordnance Removal	--	--	--	--	--	250,000	--	--
Task Force for Business Stability Operations	121,300	--	121,300	5,000	--	5,000	-116,300	-96%
Office of Security Cooperation - Iraq	--	209,000	209,000	--	140,000	140,000	-69,000	-33%
Investment/Equipment Reset	8,357,677	473,847	8,831,524	9,245,098	148	9,245,246	413,722	5%
Counterterrorism Partnerships Fund (CTPF)	--	--	--	--	--	4,000,000	4,000,000	--
European Reassurance Initiative (ERI)	--	--	--	--	--	925,000	925,000	--
Army Temporary End Strength	4,094,382	--	4,094,382	2,071,741	--	2,053,979	-2,040,403	-50%
Marine Corps End Strength	568,714	--	568,714	295,372	--	295,372	-273,342	-48%
Non-DoD and Other Classified ^{2/}	3,706,378	19,000	17,873,696	2,744,149	--	6,561,370	-11,312,326	-63%
Total OCO	70,374,365	821,936	85,344,619	49,705,624	260,675	58,690,758	-26,903,861	-0.31
Prior-Year Cancellation ^{3/}	--	--	--	--	--	-117,000	--	--
Total OCO Adjusted	70,374,365	821,936	85,344,619	49,705,624	260,675	58,573,758	-26,903,861	-0.31

^{1/} FY 2014 Enacted includes base budget amounts transferred by the Congress to OCO

^{2/} Includes non-war amounts provided by Congress and certain classified activities

^{3/} From Kiowa Warrior WRA in Aircraft Procurement, Army, FY 2014/16

APPENDIX B: ACRONYM LIST

NOTE: This is not a comprehensive list of all acronyms used in the Overview.

Acronym	Definition
AAS	Ansar al-Sharia
AIF	Afghanistan Infrastructure Fund
ALP	Afghanistan Local Police
ANA	Afghanistan National Army
ANP	Afghanistan National Police
ANSF	Afghanistan National Security Forces
AQIM	Al Qaeda in the Islamic Maghreb
ASFF	Afghanistan Security Forces Fund
CERP	Commanders Emergency Response Fund
COCOM	Combatant Command
CONUS	Continental United States
CT	Counterterrorism
CTPF	Counterterrorism Partnerships Fund
DoD	Department of Defense
DoDEA	Department of Defense Education Activity
ERI	European Reassurance Initiative
FTE	Full-Time Equivalent
FY	Fiscal Year
IED	Improvised Explosive Device
IG	Inspector General
ISR	Intelligence Surveillance and Reconnaissance
JIEDDO	Joint Improvised Explosive Device Defeat Organization
MILCON	Military Construction
MRAP	Mine Resistant Ambush Protected
NATO	North Atlantic Treaty Organization
OCO	Overseas Contingency Operations
OEF	Operation Enduring Freedom
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPTEMPO	Operating Tempo
OSC-I	Office of Security Cooperation - Iraq
OSD	Office of the Secretary of Defense
OUSD(C)	Office of the Under Secretary of Defense (Comptroller)
OUSD(P&R)	Office of the Under Secretary of Defense (Personnel and Readiness)
SOPGM	Standoff Precision Guided Munitions
TFBSO	Task Force Business Stability Operation
USAFRICOM	United States Africa Command
USCENTCOM	United States Central Command
USMC	United States Marine Corps
USSOCOM	United States Special Operations Command
YRRP	Yellow Ribbon Reintegration Program

