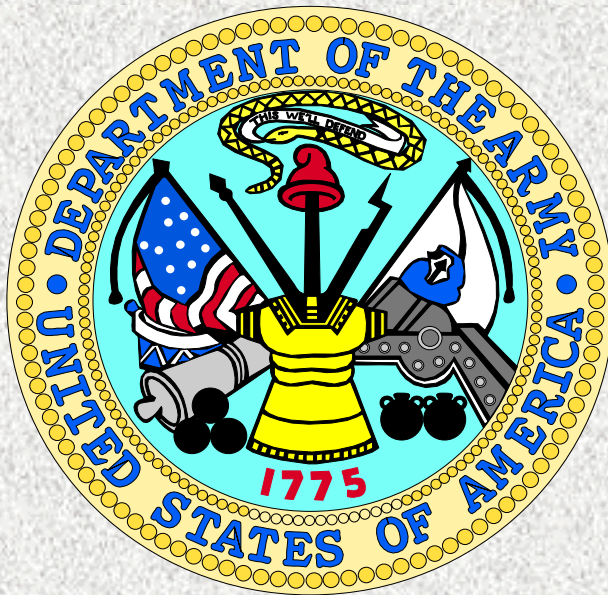


FY 03 President's Budget Highlights



**Assistant Secretary of the Army for
Financial Management and Comptroller
February 2002**

The Army Budget

- This document will be available on the Assistant Secretary of the Army, Financial Management and Control (ASA FM&C) Home Page in February 2002. See address in block below.
- Number totals on some charts may not add due to rounding.
- Questions concerning the source or interpretation of the information in this booklet may be directed to the Budget Formulation Division, Army Budget Office (SAFM-BUC-F), at Commercial (703) 692-5766 or DSN 222-5766.

The FM World Wide Web home page is located at the following address:

<http://www.asafm.army.mil>

**This Document will be under Budget/Publications,
Tabs B, G and H**

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FY 2003...

The FY 03 budget supports the elements of The Army Vision – People, Readiness, and Transformation.

People. The Army is committed to ensuring it retains and recruits the soldiers necessary to keep us the best army in the world. The FY03 budget mans the force – end strength of 480,000 Active Component, 350,000 Army National Guard, and 205,000 Army Reserve soldiers and it incorporates the redesign effort for the Army's institutional force structure to provide trained and ready forces necessary to man the Interim Brigade Combat structure.

Readiness. The FY03 budget request funds our most critical readiness requirements and maintains our current facility enhancements at an acceptable level. FY03 funding improves on FY02 levels and maintains a stable training base to develop quality leaders and soldiers. The budget supports a reasonable and executable ground and air OPTEMPO program as well as supporting The Army's Strategic Mobility Program, key to improving The Army's deployability.

Transformation. The budget supports the three pillars of transformation: Legacy, Interim and Objective Forces. In the FY03 budget, we invested 97 percent of our Science and Technology resources toward the design and development of the Objective Force and enabling technologies. Modernization efforts in FY03 for Comanche, Crusader, TUAV, and the IAV are fully funded. The Army's recapitalization effort focuses resources on 17 systems including the AH-64 Apache, UH-60 Black Hawk, and CH-47 Chinook helicopters; the M1 Abrams tank; and the M2 Bradley fighting vehicle.

The FY 03 Budget provides for:

- Acceleration of transformation: Buys the Third Interim Brigade Combat Team and Advances Work on the Objective Force
- Active Army End Strength of 480K
- Army National Guard End Strength of 350K
- Army Reserve End Strength of 205K
- Pay Raise of 4.1% for Military and 2.6% for Civilians
- OMA OPTEMPO (800 Total M1 Abrams Tank Home Station miles) and the Flying Hour Program (14.5 hours)
- New Recruiting Initiatives
- Quality of Life Improvements
- Revitalization and Privatization of Family Housing



Military Personnel (Strength in 000s)



	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Active Component*	480	480	480
Officer	(76)	(75)	(76)
Enlisted	(400)	(401)	(400)
Cadet	(4)	(4)	(4)
Reserve Component*			
Selected Reserve	557	555	555
USAR	(206)	(205)	(205)
ARNG	(351)	(350)	(350)
IRR-USAR	152	145	144
Inactive National Guard	4	4	4

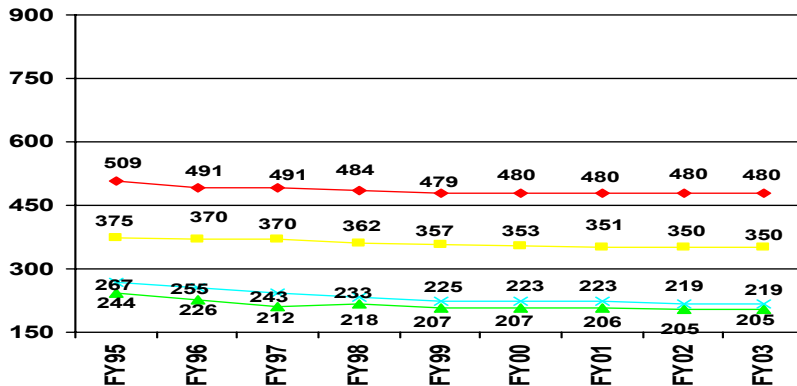
*May not add due to rounding

The Total Army consists of the following Components:

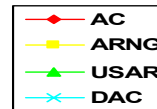
- **Active Component** *Forms the nucleus of the initial forces for combat*
- **Reserve Component** *Reinforces/augments active forces, individual replacements*
- **Civilian Component** *Provides critical support and sustainment*

Personnel End Strength FY95-FY03

(000s)



<u>DELTA FY95 - FY03</u>	
AC	-6%
ARNG	-7%
USAR	-16%
DA CIV	-18%



**...Our success depends
on the whole team -
our soldiers, civilians,
veterans...**



**General Eric K. Shinseki
Chief of Staff, U.S. Army**

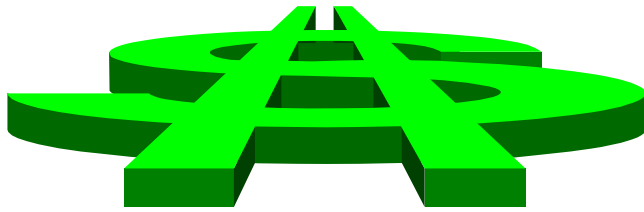
Civilian Component End Strength (000s)

	FY01	FY02	FY03
OMA	123	120	120
OMAR	11	11	11
OMNG	26	26	26
RDTE	17	16	17
MCA	6	6	6
Family Housing	1	1	1
DWCF	<u>21</u>	<u>21</u>	<u>20</u>
Total Direct Hire	205	201	201
OMA	17	17	17
Other	<u>1</u>	<u>1</u>	<u>1</u>
Total Indirect Hire	18	18	18
*Total Civilians	223	219	219

*May not add due to rounding

FUNDING PROFILE

The Army's budget request for Fiscal Year 2003 supports The Army Vision – People, Readiness, and Transformation – and the strategic guidance to transform to a full spectrum force while ensuring warfighting readiness. It reflects a balanced program that allows The Army to remain trained and ready and gives America's soldiers the tools necessary to fight and win the war against terrorism. This budget ensures The Army will remain a key instrument of national policy. It will be a force that can not only fight and win our nation's wars, but also provide options to shape the global environment – as it has for over 226 years.



Army TOA

Fiscal Years 2001, 2002 and 2003 Summary (\$M)

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
<u>Military Personnel, Army</u>	22,713	23,713	27,088
<u>Operation and Maintenance, Army</u>	22,765	21,987	24,581
<u>Procurement</u>	10,905	10,568	12,280
Aircraft	(1,541)	(1,971)	(2,061)
Missiles	(1,309)	(1,072)	(1,642)
WTCV	(2,450)	(2,178)	(2,248)
Ammunition	(1,170)	(1,192)	(1,159)
Other Procurement	(4,434)	(4,155)	(5,169)
<u>Research, Dev, Test & Evaluation</u>	6,263	7,053	6,919
<u>Military Construction, Army</u>	961	1,779	1,477
<u>Environmental Restoration, Army</u>	0	387	396
<u>Army Family Housing</u>	1,208	1,386	1,405
Operations	(980)	(1,077)	(1,122)
Construction	(228)	(309)	(283)
<u>Reserve Components</u>			
<u>National Guard</u>			
Personnel	4,031	4,044	5,131
Operations	3,413	3,733	4,137
Construction	285	400	102
<u>Army Reserve</u>			
Personnel	2,519	2,675	3,400
Operations	1,601	1,753	1,923
Construction	109	166	58
<u>BRAC ****</u>	282	164	165
<u>Chemical Demilitarization</u>	978	1,098	1,490
<u>Defense Working Capital Fund, A</u>	12	167	425
Total *	78,047	81,075	90,978

* Totals May Not Add Due to Rounding

Soldiers: On Point for the Nation



Military Personnel (MILPERS)

- Funding mans the force – end strength of 480,000 Active Component, 350,000 Army National Guard, and 205,000 Army Reserve soldiers – and provides them with better pay and incentives.
- Budgeted pay raise at 4.1% allows for targeted raises by grade and years of service in FY03.
- Increases in housing allowances reduces out-of-pocket expenses for military personnel from 11.3 percent in FY02 to 7.5 percent in FY03 and puts The Army on track for eliminating average out-of-pocket costs entirely by FY05 for those soldiers and families living on the economy.

The Army

-- is People



Military Personnel, Army

Military Personnel, Army (MPA) (\$M)

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Pay, Officer	6,263	6,616	7,161
Pay, Enlisted	13,780	14,528	17,181
Pay, Cadet	42	47	47
Subsistence	1,349	1,394	1,422
PCS-Travel	1,150	1,000	1,141
Other MILPERS Costs	<u>129</u>	<u>128</u>	<u>136</u>
Total*	22,713	23,713	27,088

*Totals may not add due to rounding

National Guard Personnel, Army (\$M)

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Paid Drill Strength	1,857	1,935	2,660
School Training	170	194	230
Special Training	190	84	142
Admin Spt	1,623	1,773	2,033
Education Benefits	42	58	66
Counterdrug Prgm*	148		
Total Direct Program**	4,031	4,044	5,131
Retired Pay Accrual	(438)	(493)	(516)
Total (Less Retired Pay Accrual)**	3,593	3551	4615

*Received in year of execution

**May not add due to rounding

...We are The Army -- totally integrated, with a unity of purpose...

General Eric K. Shinseki

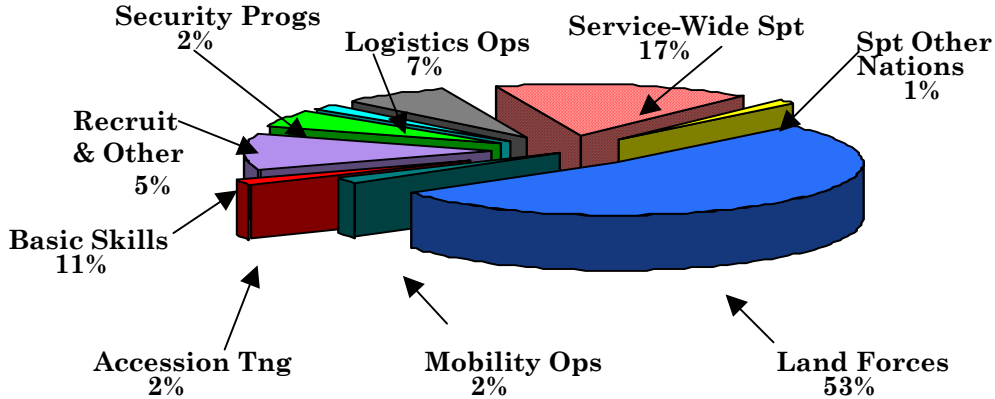
Chief of Staff, U.S. Army

Reserve Personnel, Army (\$M)

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Paid Drill Strength	1,188	1,275	1,769
IMA/Mob. Training	13	17	18
Admin/Spt (incl AGRs)	880	956	1,097
School Training	97	100	101
Special Training	116	94	121
Education Benefits	41	36	51
Other Training	184	197	242
Total Direct Program*	2,519	2,675	3,400
Retired Pay Accrual	(276)	(302)	(317)
Total (Less Retired Pay Accrual)	2,243	2,373	3,083

*Totals may not add due to rounding

Operation & Maintenance, Army



FY 03 OMA Total \$24,581M

The Operation and Maintenance budget maintains readiness objectives by funding air and ground operating tempo (OPTEMPO), institutional training, mobilization operations, sustainment of equipment and facilities, as well as recruiting and advertising efforts. The FY03 budget supports ground OPTEMPO at combined mileage of 800 M1 Tank training miles (homestation) and a flying hour program of 14.5 hours per active aircrew. The O&M budget funds critical training enablers and the ongoing Bosnia and Kosovo operations. BASOPS and SRM are funded at 89% of requirements and provides full funding for all known statutory and regulatory environmental requirements. The budget supports operation and maintenance requirements of the Army transformation.

OMA by Budget Activity & Group (\$M)

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
BA 1: Operating Forces			
Land Forces	3,358	3,301	3,732
Land Forces Readiness	2,420	2,261	2,831
Land Forces Readiness Support	<u>5,980</u>	<u>5,698</u>	<u>6,343</u>
Subtotal	11,758	11,260	12,906
BA 2: Mobilization			
Mobility Operations	<u>556</u>	<u>586</u>	<u>544</u>
Subtotal	556	586	544
BA 3: Training & Recruiting			
Accession Tng	427	439	486
Basic Skill & Advanced Tng	2,370	2,510	2,691
Recruiting & Other Tng & Ed	<u>964</u>	<u>1,089</u>	<u>1,202</u>
Subtotal	3,761	4,038	4,379
BA 4: Admin & Svc-Wide Activities			
Security Programs	513	518	572
Log Operations	1,588	1,881	1,825
Svc-Wide Support	4,322	3,481	4,091
Spt of Other Nations	<u>267</u>	<u>223</u>	<u>264</u>
Subtotal	6,690	6,103	6,752
*Grand Total	22,765	21,987	24,581



O&M, National Guard/Army Reserve

OMNG (\$M)

	FY01	FY02	FY03
BA 1: Operating Forces	3,172	3,509	3,880
BA 4: Admin & Svc-Wide Activities	241	224	257
Total*	3,413	3,733	4,137

OMAR (\$M)

	FY01	FY02	FY03
BA 1: Operating Forces	1,411	1,551	1,688
BA 4: Admin & Svc-Wide Activities	190	202	235
Total*	1,601	1,753	1,923

*Totals may not add due to rounding

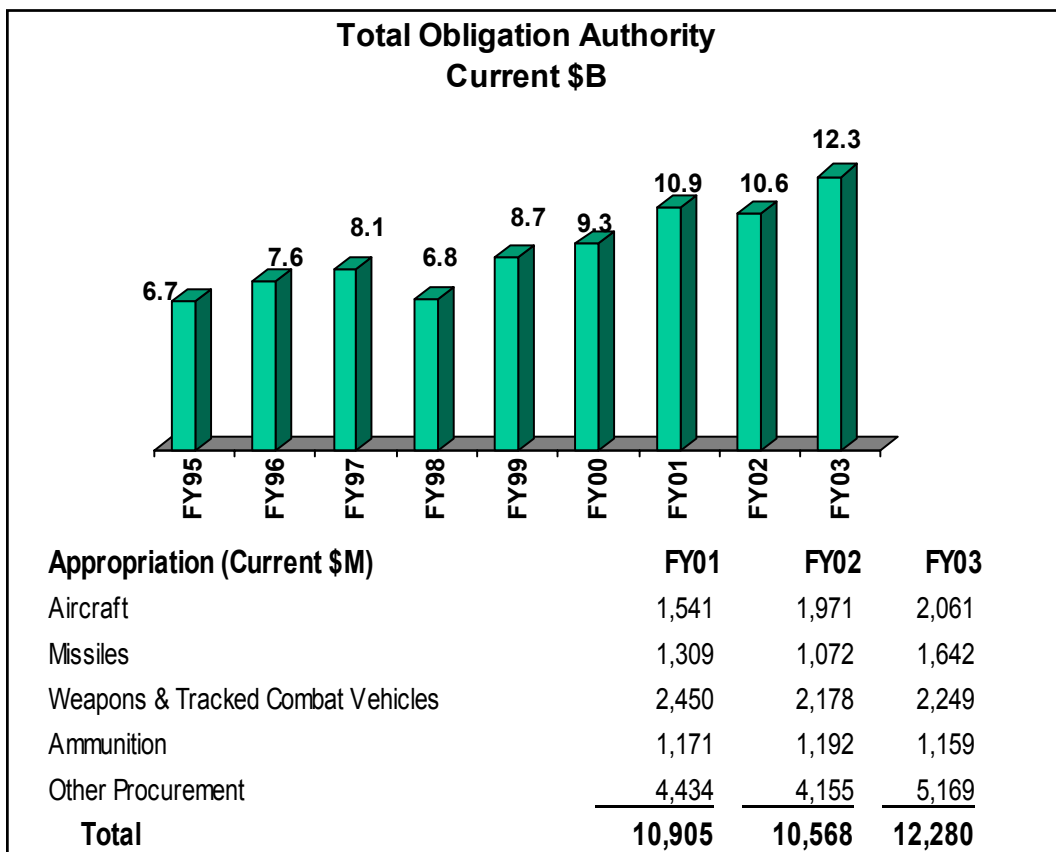
Research, Development and Acquisition

As The Army continues its Transformation, funding an affordable, fully integrated modernization and recapitalization program is essential to provide decisive and comprehensive full-spectrum land component capabilities supporting of the National Military Strategy. To accomplish this goal, The Army has:

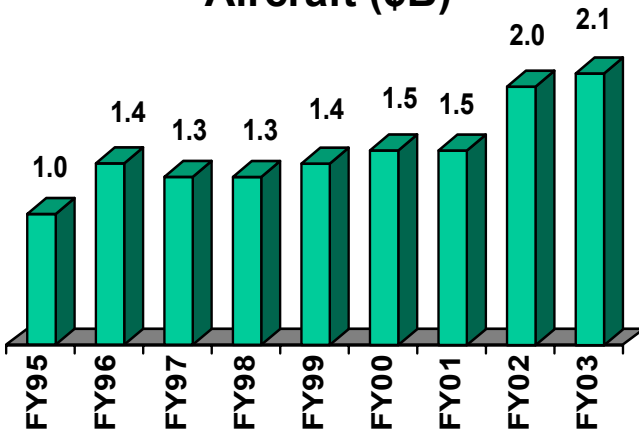
- Accelerated the research and development of the Future Combat Systems (FCS), a strategically responsive, networked system-of-systems that will ensure overwhelming lethality, survivability, strategic, and tactical mobility. These capabilities will provide the Army a full spectrum force system with substantially improved deployability.
- Provided funding to purchase Interim Armored Vehicles (IAV) for a third Interim Brigade Combat Team.
- Accelerated selected procurement programs to improve strategic responsiveness, increase lethality of light forces and recapitalize legacy systems.
- Restructured or divested programs that did not meet the Army vision to provide resources for the Army Transformation.

Procurement

The FY 03 budget continues the momentum of Army transformation by funding procurement of the Interim Armored Vehicle (IAV) and continuing the Abrams engine improvement program. The Army also continues to fund upgrades for the Abrams Tank and Bradley Fighting Vehicle directly supporting battlefield digitization; continues procurement of Brilliant Anti-Armor Submunition (BAT); multi-year procurement for Javelin and Longbow Hellfire; and provides funding for MLRS Launchers and Improved Target Acquisition System for TOW. The budget also funds modification from basic Apache helicopters to the Longbow Apache configuration armed with an improved radar guided Hellfire missile possessing fire-and-forget capability. The budget funds procurement of 12 Black Hawk helicopters in FY 03. Critical Combat Service Support programs such as the Family of Medium Tactical Vehicles (FMTV) and Family of Heavy Tactical Vehicles (FHTV) were significantly increased. Satellite communication systems, including the Defense Satellite Communication System (DSCS), Super High Frequency (SHF) Tri-Band Advanced Range Terminal, Enhanced Manpack Ultra High Frequency (UHF) Terminal (Spitfire), and NAVSTAR Global Positioning System (GPS) were funded along with other communication and command and control programs such as Digitization Appliques, All-Source Analysis System (ASAS), Maneuver Control System (MCS), and the Army Global Command and Control System (GCCS-A). The Army Other Support Equipment program has significant increases in Physical Security Equipment, Tactical Bridging, EOD Equipment, Combat Service Support Equipment, Generators, and Training Equipment.



Aircraft (\$B)



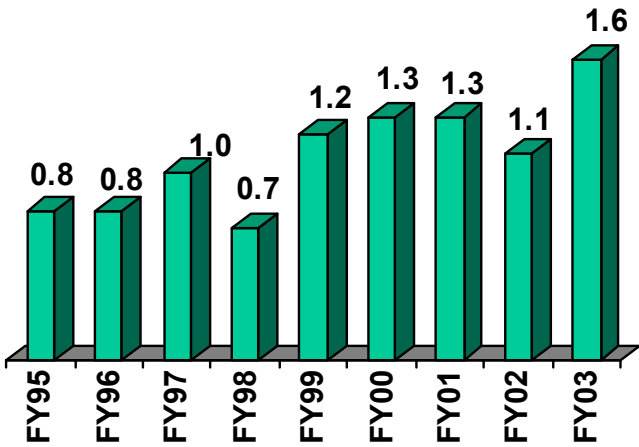
Aircraft

	FY01		FY02		FY03	
	QTY	\$M	QTY	\$M	QTY	\$M
Aircraft						
Utility F/W (MR) Aircraft	1	8	1	45		
UH-60 Black Hawk (MYP)	18	211	12	200	12	180
TH-67 Training Helicopter	17	24	15	25		
Modifications						
Guardrail/ARL		29		26		30
AH-64		45		38		94
CH-47 Cargo Helicopter Mods (MYP)		182		269		403
Longbow Apache		756		911		896
UH-60 Mods		25		68		42
Kiowa Warrior		42		42		42
Airborne Avionics		52		78		97
ASE Mods (SIRFC)		5				
Other Mods		25		55		89
Spares & Repair Parts		5		7		8
Support Equipment & Facilities						
Aircraft Survivability Equip		10		38		
Airborne Cmd & Control						28
Air Traffic Control		73		58		64
Common Ground Equipment		12		19		18
Airborne Communications		15		20		44
Other Support Equipment		22		72		26
Total*		1541		1971		2061

*Totals may not add due to rounding

Missiles

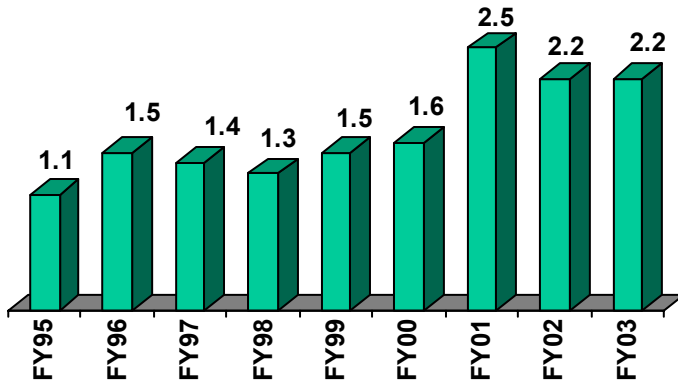
(\$B)



Missiles

Missiles	FY01		FY02		FY03	
	QTY	\$M	QTY	\$M	QTY	\$M
Patriot PAC-3					72	472
Stinger			346	34	160	31
Avenger	6	30		12		
Hellfire	2200	283	2200	240	1797	184
Javelin	2776	318	4139	412	1725	251
LOSAT				9	144	18
MLRS Rockets		6			5646	45
MLRS Launchers	66	197	35	137	35	142
HIMARS					34	128
ATACMS	100	95	12	25		9
ATACMS Blk II	34	215	6	61		50
Modifications						
Patriot		23		25		151
Stinger		33		6		1
Avenger		7		12		
ITAS/TOW		64		61		60
MLRS		10		14		32
Spares & Repair Parts		21		15		56
Support Equipment & Facilities						
Air Defense Targets		2		3		3
Production Base Support		3		3		3
Other		2		3		6
Total*		1309		1072		1642

WTCV (\$B)

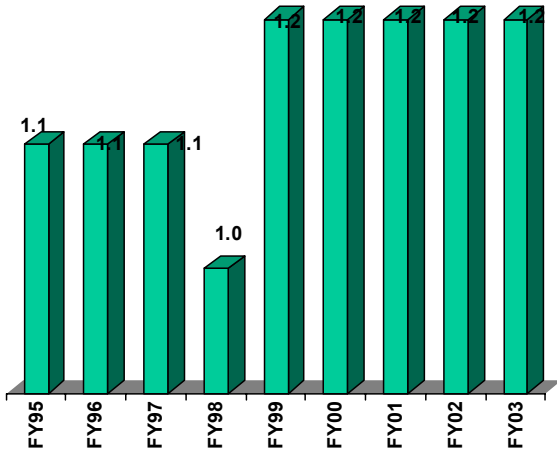


Weapons & Tracked Combat Vehicles (WTCV)

	FY01		FY02		FY03	
	QTY	\$M	QTY	\$M	QTY	\$M
Tracked Combat Vehicles- Tng Devices						
Abrams		16		17		18
Bradley*	157	469	142	401	138	405
Heavy Assault Bridge(Wolverine)		1				
Interim Armored Vehicle (IAV)	447	928	303	658	332	812
Mods of Tracked Combat Veh						
Carrier Mods 113		54		48		60
FIST Vehicle Mod		32		7		8
BFVS Mod		64		54		35
Howitzer M109A6 Paladin		8		5		17
Improved Recovery Vehicle (IRV)	29	76	20	58	16	50
Heavy Assault Bridge (HAB)		76		8		
Armored Vehicle Launch Bridge				4		10
M1 Abrams Mod & Retrofit		57		93		191
SEP M1A2	16	58	25	99	31	124
Abrams Upgrade		463		586		376
Other				9	3	3
Weapons & Other Combat Vehicles						
Armored Machine Gun 7.62 M240	1306	12	716	8	2217	21
Machine Gun, 5.56mm (SAW)	4280	17				
M16 Rifle	9296	5	3060	2	5631	3
Grenade Launcher, MK-19-3	811	16	1510	29	669	17
Sniper Rifle XM107, Cal .50	0	0	150	2	600	9
Carbine M4, 5.56mm	16215	11	2800	2	12505	9
81mm Mortar (ROLL)				3	138	10
Howitzer, 155mm, Lt Wt				1		
Modifications of Weapons and Other Combat Vehicles						
	0	32	0	17	0	22
Spares and Repair Parts						
	0	26		37	0	25
Support Equipment & Facilities						
	0	29	0	30	0	23
Total		2450		2178		2248

*Bradley quantities include both A20DS and A3 vehicles

Ammunition (\$B)



Ammunition

Ammunition (\$M)

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
Small Arms	253	219	285
Mortars	122	118	86
Tank	149	184	212
Artillery	102	145	210
Artillery Fuzes	74	56	69
Mines/Countermine	35	15	25
Rockets	161	139	30
Other	48	55	81
Miscellaneous	59	91	48
Production Base Support	<u>167</u>	<u>170</u>	<u>113</u>
Total	1170	1192	1159

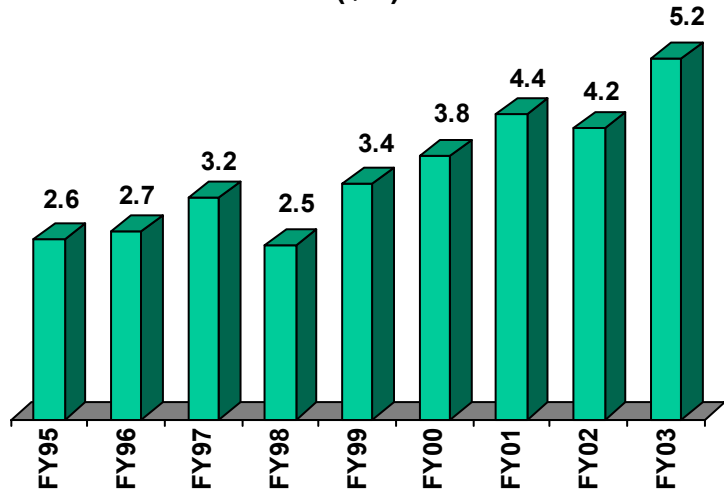
Training/War Reserve Breakout (\$M)

Training	835	782	813
War Reserve	137	180	202
Non-Hardw are	32	60	31
Production Base	<u>167</u>	<u>170</u>	<u>113</u>
Total*	1170	1192	1159

*Totals may not add due to rounding



Other Procurement Army (OPA) (\$B)



Other Procurement, Army (OPA)

	<u>FY01</u>		<u>FY02</u>		<u>FY03</u>	
	QTY	\$M	QTY	\$M	QTY	\$M
Tactical & Support Vehicles						
Wheeled Vehicles (HMMWV)	1236	135	1250	149	2064	197
Family of Med Tactical Veh	2269	465	2464	464	3574	681
Family of Hvy Tactical Veh		206		162		243
All Other Vehicles & Trailers		<u>255</u>		<u>239</u>		<u>367</u>
Subtotal		1061		1014		1488
Communication & Electronic Equip						
Joint Communications		21		19		6
Satellite Communications		162		168		202
C3 System		10		13		21
Combat Communications		362		272		227
Intel Communications		1		2		2
Information Security		89		64		49
Long Haul Communications		14		23		48
Base Communications		203		322		448
Elect Equip--NFIP		23		31		22
Elect Equip--TIARA		268		227		230
Elect Equip--Electronic Warfare (EW)		18		4		2
Elect Equip--TAC SURV		340		292		359
Elect Equip--Tactical C-2		400		335		404
Elect Equip--Automation		320		273		244
Elect Equip--Audio Visual Sys (AV)		<u>6</u>		<u>9</u>		<u>9</u>
Subtotal		2237		2054		2273

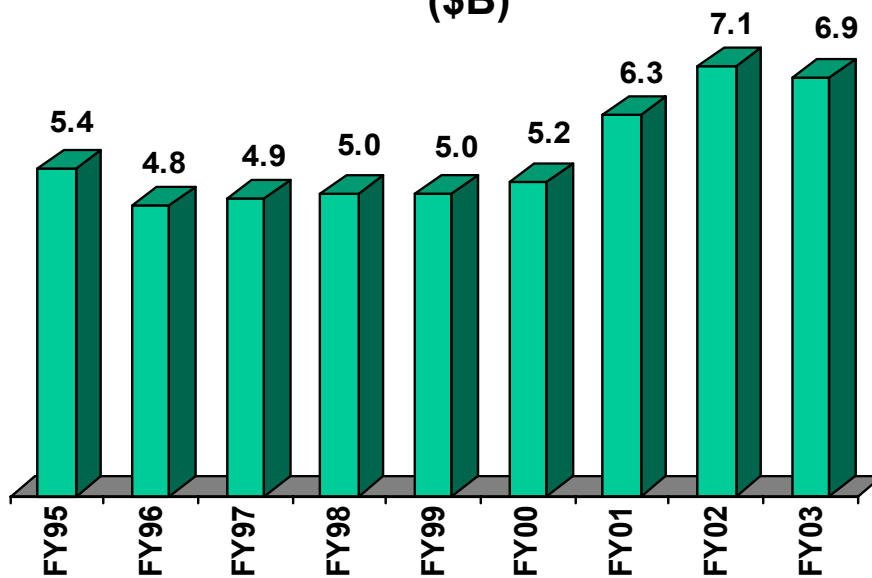
Other Procurement, Army (OPA) (CONTINUED)

CONTINUED OPA 3	FY01	FY02	FY03
Other Support Equipment	\$M	\$M	\$M
Smoke Generators	20	23	26
Bridging Equipment	57	73	109
Engineer Equip (Non-Construct)	14	23	34
Combat Service Spt Equipment	81	57	90
Petroleum Equipment	31	33	55
Water Equipment	30	39	18
Medical Equipment	38	24	21
Maintenance Equipment	20	19	19
Construction Equipment	80	125	122
Rail Float Containerization Equip	63	35	33
Generators	91	62	79
Materiel Handling Equipment	75	65	74
Training Equipment	272	202	255
Test Meas & Diag Equipment	123	113	101
Other Support Equipment	<u>103</u>	<u>151</u>	<u>310</u>
Subtotal	1098	1044	1346
Initial Spares			
Tactical Support Vehicles	34	41	59
Communications and Electronics	<u>1</u>	<u>1</u>	<u>1</u>
Other Support Equipment	35	42	60
Subtotal			
Total*	4434	4155	5169

*Totals may not add due to rounding



Research, Development, Test & Evaluation (RDTE) (\$B)



The Army RDTE Program includes an accelerated Science and Technology Program to address the Army Vision and to ensure timely development and transition of technology into weapon systems and system upgrades. It also explores alternative concepts for Future Combat Systems to enable a deployable, lethal, survivable Objective Force starting in 2010. Alternatives to anti-personnel landmines and submunitions used in mixed anti-tank systems are being pursued and the Joint Tactical Radio System is being accelerated. FY03 budget includes funding for continued development of the Comanche, Crusader, and Brilliant Anti-Armor Submunition (BAT). Additionally, the FY03 budget continues to support the development of the Family of Interim Armored Vehicles (IAV), the recapitalization and upgrade of the UH-60 Black Hawk helicopter, and the Global Combat Support System – Army (GCSS-A) which integrates and consolidates many legacy logistic management systems.

Budget Activities (Current \$M)

BA		<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
1	Basic Research	205	232	237
2	Applied Research	815	910	642
3	Advanced Technology Dev	811	910	736
4	Demonstration/Validation	898	879	776
5	Eng & Manufacturing Dev	1784	2201	2797
6	RDTE Management Support	891	795	806
7	Operational Systems Dev	<u>859</u>	<u>1126</u>	<u>925</u>
	Total*	6263	7053	6919

*Totals may not add due to rounding

Research, Development, Test & Evaluation (RDTE) (CONTINUED)

Technology Base (Current \$M)		<u>FY01</u>	<u>FY02</u>	<u>FY03</u>
BA 1	Basic Research	205	232	237
BA 2	Applied Research	<u>815</u>	<u>910</u>	<u>642</u>
	Subtotal	1020	1142	879
BA 3	Advanced Tech Development			
	Warfighter Advanced Technology	21	62	50
	Medical	217	174	17
	Aviation	27	38	45
	Weapons & Munitions	56	35	67
	Cbt Veh & Auto	168	226	236
	Command, Control & Communication	28	33	5
	Missile & Rocket Adv Technology	48	75	88
	Landmine Warfare & Barrier	20	26	24
	Night Vision	42	49	36
	Military HIV Research	6	6	0
	Air Defense/Precision Strike	21	32	31
	Adv Tactical Computer Sci & Sensor Tech	17	16	22
	Other	<u>140</u>	<u>138</u>	<u>115</u>
	Subtotal	811	910	736
BA 4	Demonstration & Validation			
	Landmine Warfare & Barrier	18	20	20
	Army Missile Defense System Integration	94	70	7
	Artillery System Dem/Val	342	444	247
	Soldier Support & Survivability	13	17	21
	Aviation - Adv Dev	10	13	9
	CSSCS Eval and Analysis	14	9	9
	Medical Systems-Adv Dev	15	20	10
	Armament Enhancement	263	101	124
	Logistics & Engineering	6	6	11
	Scamp Blk II	0	1	118
	Other	<u>123</u>	<u>177</u>	<u>200</u>
	Subtotal	898	878	776
BA 5	Engineering & Manufacturing Dev			
	Comanche	591	781	910
	Electronic Warfare Development	64	54	23
	Night Vision	29	27	32
	Non-System Tng Devices-Eng Dev	71	29	44
	BAT/ATACMS	98	123	190
	Combat ID	7	3	2
	Engineer Mobility Equipment Developmen	0	9	8
	Joint Tactical Radio	60	75	66
	ASAS	46	44	42
	TENCAP	58	60	57
	CATT	18	14	8
	Other	742	982	1415
	Subtotal	1784	2201	2797

Research, Development, Test & Evaluation (RDTE) (CONTINUED)

(Current \$M)	FY01	FY02	FY03
BA 6 RDTE Management Spt			
Major Test & Evaluation	42	50	54
Army Test Ranges/Facilities	120	113	144
Army Kwajalein Atoll	149	150	133
Support of Operation Testing	68	91	99
Programwide Activities	67	60	73
Army Test Tech & Sust Instr	39	35	43
Surviv/Lethal	38	35	39
DoD High Energy Laser Test Facility	36	23	14
Concept Experimentation	18	32	23
Army Evaluation Center	26	45	44
Other	<u>288</u>	<u>161</u>	<u>140</u>
Subtotal	891	795	806
BA 7 Operational Systems Development			
Cbt Vehicles Improvement Prgm	96	166	54
Horizontal Battlefield Digitization/FBCB2	62	56	65
Missile/Air Defense PIP	14	14	44
MLRS PIP	54	68	13
SATCOM Ground Environment	38	45	72
JLENS	26	32	29
AFATDS	35	37	38
Maneuver Control	47	40	44
Aircraft Mods/PIPs	98	145	202
RAPT		15	
Tactical Unmanned Aerial Vehicles	36	38	46
Global Combat Support System	69	84	72
Other	<u>284</u>	<u>386</u>	<u>246</u>
Subtotal	859	1126	925
TOTAL*	6263	7053	6919

*Totals may not add due to rounding



The Active Army Military Construction budget continues to focus on facilities that upgrade the quality of life of soldiers and the capabilities of Army installations as power projection platforms. New facilities include modern barracks, strategic mobility infrastructure, and facilities to support mission and training requirements. The FY03 MILCON total includes funding for facilities to support the Chemical Demilitarization program, which has been transferred from Defense to the Active Army.

Military Construction, Army (MILCON)

By Facility Categories (\$M)

	FY01	FY02	FY03
Operation & Training	93	357	262
Maintenance & Production	34	222	19
Research & Development	6	64	0
Supply & Administration	71	93	0
Troop Housing/Community Support	513	759	810
Utilities/Real Estate	105	124	54
Chemical Demilitarization	0	0	168
General Reduction/ Rescission	-16	-20	0
Minor Construction	21	19	20
Planning & Design	134	161	144
Total	961	1779	1477

By Region/Program (\$M)

United States	680	1359	983
Korea	108	122	138
Kwajalein Atoll	0	11	0
Europe	30	123	183
Japan	0	4	0
Puerto Rico	4	0	0
Qatar	0	0	9
General Reduction/ Rescission	-16	-20	0
Minor Construction	21	19	20
Planning & Design	134	161	144
Total	961	1779	1477



Military Construction, Army Reserve

The Army Reserve budget provides essential military construction resources to address its highest priorities: the critical needs of Force Support package units; the worst cases of facility deterioration; modernization of the total facilities inventory; and careful management of Army Reserve-operated installations. The program essence is straightforward: provide essential facilities to improve readiness and quality of life; preserve and enhance the Army's image across America; and conserve and protect the facilities' resources for which the Army Reserve is responsible.

Army Reserve Military Construction (by Facility Categories \$M)

	FY01	FY02	FY03
Operation and Training	59	121	33
Maintenance	35	35	15
Minor Construction	3	3	3
Planning & Design	12	9	7
Rescission	0	-2	0
Total	109	166	58



Military Construction, Army National Guard

The Army National Guard military construction budget continues the goal of providing state-of-the-art, community-based installations and training sites that facilitate communications, operations, training, and equipment sustainment from which to station, sustain, and deploy the force. The program focuses on six investment areas: ranges, training facilities, maintenance support shops, readiness centers, minor construction, and planning and design. These projects are mission-focused and are centered on the quality of life of our soldiers.

Army National Guard Military Construction (by Facility Categories \$M)

	FY01	FY02	FY03
Operation and Training	125	181	21
Maintenance & Production	76	172	33
Administrative	4	0	28
Infrastructure	17	0	0
Minor Construction	38	16	5
Planning & Design	26	36	15
Recission	<u>-1</u>	<u>-5</u>	<u>0</u>
Total	285	400	102

Army Family Housing (\$M)

	FY01	FY02	FY03
New/Replace Construction	164	80	28
Improvement	58	75	86
Planning & Design	6	11	16
DoD Family Housing Improvement Fund	<u>0</u>	<u>143</u>	<u>153</u>
Subtotal AFH Construction	228	309	283
Operation & Utilities	387	421	396
Maintenance	404	441	485
Leasing	178	195	215
Privatization	10	20	26
Foreign Currency	1	0	0
Subtotal AFH Operations	<u>980</u>	<u>1077</u>	<u>1122</u>
Total AFH*	1208	1386	1405

*Totals may not add due to rounding

Army Family Housing (AFH)

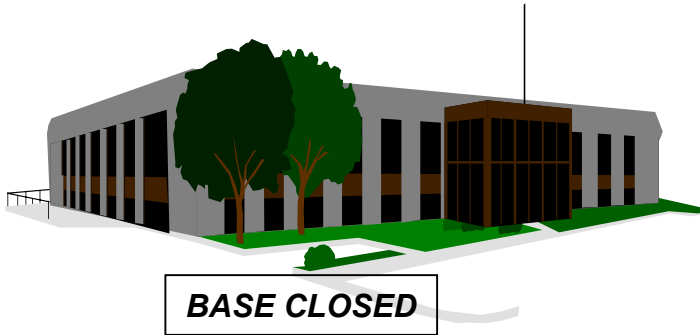
The Fiscal Year 2003 Army Family Housing budget supports quality of life by providing for the operation and maintenance of military family housing units worldwide. The Fiscal Year 2003 construction program reflects a shift of funding from New/Replacement Construction to DOD Family Housing Improvement Fund (privatization).

Army Family Housing New Construction

	<u>Units</u>	<u>(\$M)</u>
FY01		
Fort Wainwright, AL	75	24.0
Fort Huachuca, AZ	110	16.2
Fort Irwin, CA	24	4.7
Schofield Barracks, HI	72	15.5
Fort Campbell, KY	56	7.8
Fort Campbell, KY	128	20.0
Fort Detrick, MD	48	5.6
Fort Leonardwood, MO	24	4.2
Fort Bragg, NC	112	14.6
Fort Bragg, NC	48	7.4
Fort Jackson, SC	1	.3
Fort Bliss, TX	64	10.2
Fort Lee, VA	52	8.6
Camp Humphreys, KR	60	21.8
Fort Buchanan, PR	31	5.0
Total	905	165.8
FY02		
Fort Wainwright, AL	32	12.0
Fort Huachuca, AZ	72	10.8
Fort Leavenworth, KS	84	20.0
Fort Bliss, TX	76	13.6
Fort Sam Houston, TX	76	13.6
Camp Humphreys, KR	54	12.8
Total	388	80.4
FY03		
Fort Wainwright, AK	38	17.8
Yuma Proving Ground, AZ	33	6.1
Stuttgart, GE	1	1.0
Yongsan, KR	10	3.1
*Total	82	27.9

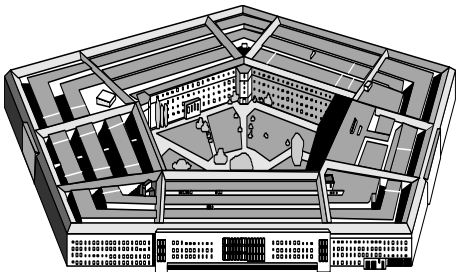
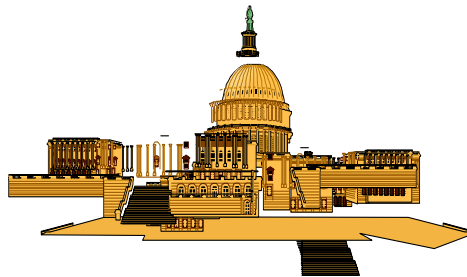
*Totals may not add due to rounding

Base Realignment & Closure (BRAC)



Closing military facilities permits us to invest in the forces and bases we keep to ensure their readiness and effectiveness. Closed installations are returned to the public or private sector where they contribute to the nation in new ways.

Congress enacted Defense Base Realignment and Closure (BRAC) Acts of 1988 (Public Law 100-526) and 1990 (Public Law 101-510), as amended, to reduce the number of military installations in the United States.



Closing and realigning Army installations has been a major part of the past decade's reshaping effort. As of 13 July 2001, closures (112) and realignments (27) of all four rounds of BRAC were complete. The FY2002 National Defense Authorization Act authorizes one additional round of base closings, to commence during FY2005.

Army BRAC Summary

Costs and Savings					
	BRAC 88	BRAC 91	BRAC 93	BRAC 95	TOTAL
Military Construction	577,395	558,830	91,222	510,634	1,738,081
Family Housing Construction	-	-	-	2,575	2,575
Family Housing Operations	541	1,357	-	665	2,563
Environment	541,108	451,316	87,147	1,265,168	2,344,739
Operations and Maintenance	185,078	283,689	91,774	564,628	1,125,169
Military Personnel	-	-	-	-	-
Other	38,197	73,333	14,809	25,110	151,449
Total One Time Costs	1,342,319	1,368,525	284,952	2,368,780	5,364,576
Homeowners Assistance Program	-	-	-	7,495	7,495
Financing Entry	-	-	-	(14,835)	(14,835)
Revenue (Land Sales)	(65,713)	(22,592)	(798)	(70,777)	(159,880)
Appropriation Request	1,276,606	1,345,933	284,154	2,290,663	5,197,356
Funding from Outside Account	43,023	106,756	26,080	62,098	237,957
Savings	(721,011)	(1,181,201)	(206,892)	(978,891)	(3,087,995)
Net Implementation Costs	598,618	271,488	103,342	1,373,870	2,347,318

- **The Army is now saving more money than it's spending on BRAC.**
- **Closing and realigning bases saves money that otherwise goes to unneeded overhead.**
- **These savings permit the Army to invest in remaining forces and infrastructure.**
- **We are dedicated to helping local communities realize rapid re-use of closed bases.**

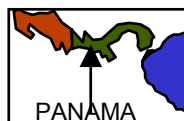
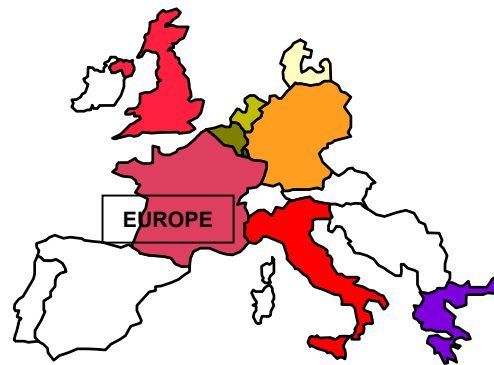
OVERSEAS BRAC

HIGHLIGHTS

- Since 1990 the Army has executed an aggressive overseas closure program.
- Announced closure of 680 overseas installations.
- Majority are in Europe.
- European closures are comparable to closing 12 of our largest installations combined!

Overseas Base Closures:

BELGIUM	3
FRANCE	21
GERMANY	586
GREECE	4
ITALY	4
NETHERLANDS	7
UNITED KINGDOM	5
TURKEY	6
KOREA	31
PANAMA	<u>13</u>
TOTAL	680



FY 2003 Summary

The budget for FY03 funds The Army at sufficient levels to support national defense, our critical role in the global war on terrorism and homeland security. It funds People programs that ensure continued manning of the force and its well being. The budget maintains The Army's warfighting readiness, and continues The Army Transformation to a full spectrum 21st century force.