

DEPARTMENT OF THE ARMY

FISCAL YEAR (FY) 2004 / 2005 BIENNIAL BUDGET ESTIMATES



OPERATION AND MAINTENANCE, ARMY

JUSTIFICATION BOOK

FEBRUARY 2003

VOLUME I

VOLUME I - JUSTIFICATION OF OMA ESTIMATES FOR FY 2004-2005

TABLE OF CONTENTS

	<u>Page</u>
Introductory Statement	1
O-1 OMA Funding by Budget Activity/Activity Group/Subactivity Group.....	15
OP-32 Appropriation Summary of Price/Program Growth.....	18
PB-31R Personnel Summary.....	21
PB-31D Summary of Funding Increases and Decreases.....	22
OP-5 Operation and Maintenance Detail by Subactivity Group(SAG)	
BUDGET ACTIVITY 1: OPERATING FORCES	
Divisions.....	111-1
Corps Combat Forces.....	112-1
Corps Support Forces.....	113-1
EAC Support Forces.....	114-1
Land Forces Operations Support.....	115-1
Force Readiness Operations Support.....	121-1
Land Forces Systems Readiness.....	122-1
Land Forces Depot Maintenance.....	123-1
Base Operations Support.....	131-1
Facilities Sustain & Restoration & Mod Prog.....	132-1
Management & Operational Headquarters.....	133-1
Unified Commands.....	134-1
Miscellaneous Activities.....	135-1
BUDGET ACTIVITY 2: MOBILIZATION	
Strategic Mobililty.....	211-1
Army Prepositioned Stocks.....	212-1
Industrial Preparedness.....	213-1
Facilities Sustain & Restoration & Mod Prog.....	214-1

ARMY

<u>FY 2002</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Estimate</u>	<u>(\$ in Millions)</u>		<u>FY 2004</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2005</u> <u>Estimate</u>
				<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>				
25,668.5	420.8	-2,263.1	23,826.2	468.9	670.2	24,965.3	672.7	152.1	25,790.1
*Includes funds from transfer accounts(e.g., Overseas Contingency Transfer Fund and Drug Interdiction and Counter drug Activities, Defense). The budget does not include cost of war funding contained in the Department's Defense Emergency Response Fund Congressional Justification Book.									

At its most fundamental level, war is a brutal contest of wills. Winning decisively means dominating the enemy. To be dominant, we must be trained fully and organized, maintained and equipped properly. Readiness remains the Army's top priority in fulfilling the nonnegotiable contract with the American people to fight and win the Nation's wars - decisively.

The FY 2004 President's Budget request contains an increase of \$1,139 million in the Operation and Maintenance accounts over the current FY 2003 estimate. This increase includes \$468.9 million for pricing adjustments (e.g. inflation, foreign currency and pay raises) and \$670.2 million of programmatic changes. In fact, after accounting for the mandatory pricing adjustments, the Army's operation and maintenance programs experience only a 2.8% increase in real growth from the FY 2003 estimate. It is important to note that this budget request does not include any funding requests associated with current Global War on Terrorism operations (Operation Noble Eagle / Operation Enduring Freedom) or other potential future operations.

Specific readiness initiatives in this budget are the Army's steadfast commitment to full funding of the ground Operating Tempo (OPTEMPO) requirements, as well as to make significant strides towards resolving depleted inventories of tactical repair parts and assemblies. In addition, the budget provides funding to maintain and improve our infrastructure at acceptable levels. In most cases, the Army has internally realigned resources to ensure our forces are trained, equipped and ready to fight. While the individual budget activities and subactivity groups will detail the specific changes, the five major changes are highlighted below.

1. Unit Training. The Army's OPTEMPO budget is its top priority. The Army remains committed to improving its training and unit readiness.

Ground OPTEMPO. The budget fully funds the Active Component ground OPTEMPO training strategy, encompassing actual miles driven for home station training (HST) and at the National Training Center (NTC) as well as

ARMY

virtual miles associated with using simulators such as the Close Combat Tactical Trainer (CCTT) and the Unit Conduct of Fire Trainer (UCOFT).

Air OPTEMPO. The Flying Hour Program is funded to achieve the historical execution level of 13.1 live flying of hours per aircrew per month versus the Combined Arms Training (CATS) requirement of 14.5 live flying of hours per aircrew per month. The Army is managing risk in Air OPTEMPO funding as the inhibitors that prevent the achievement of the CATS requirement are resolved. These inhibitors can generally be identified in two categories - aircraft availability (spares shortfalls and safety of flight issues) and pilot availability (flight school backlog).

Training Rotations. All scheduled training rotations are fully funded: ten brigade rotations (nine Active Component and one Army National Guard) through the National Training Center, 10 Brigade rotations (nine Active Component and one Army National Guard) through the Joint Readiness Training Center, and five brigade rotations through the Combat Maneuver Training Center. The Battle Command Training Program will conduct three corps warfighter exercises and train eight Active Component division command & staff groups.

2. Institutional Training. This budget focuses Army resources on providing professional, up-to-date training for soldiers and civilians in order to grow them into competent, self-aware, courageous leaders.

Recruit Training. To set the conditions for success in growing leaders, the Army must recruit a quality workforce now and in the future. We will continue to emphasize recruiting and advertising so that today's youth are aware of career opportunities in the Army. To ensure we can compete for America's best young people, we have increased funding for the U.S. Military Academy, Senior Reserve Officers Training, and the Recruiter Initiative Program.

Advanced Training. To train the force and develop future leaders, we have increased funding in Initial Entry Training, Professional Development, Off-Duty Voluntary Education, and Flight Training. We expect an additional 14,000 soldiers to seize the opportunity to continue their education through the Army University Access Online program (eArmyU). The eArmyU program provides soldiers post-secondary education opportunities via the eArmyU portal. This program also allows soldiers from the U.S., four U.S. territories, and 36 countries including Afghanistan, Bosnia, and Kuwait to access online classes.

Aviation Training. To produce better-trained Army aviators, we have made fundamental changes in our aviation training strategy. With the implementation of Flight School XXI (FSXXI), aviators will spend 27-40 additional hours training in advanced "go to war" aircraft. They also will receive enhanced aviator survival training based on lessons learned from post-Operation Desert Storm operations. The principal benefits of FSXXI are twofold -- it reduces time students spend in flight school and it increases the hours flown in the advanced "go to war" aircraft.

ARMY

3. Strategic Mobility Programs. A cornerstone for highly effective worldwide deployment capability.

Afloat Stocks. The afloat prepositioned fleet has 13 ships, including eight new Large, Medium Speed Roll-on/Roll-off ships. We are realigning and upgrading our brigade sets on land consistent with our Global Prepositioning Strategy.

Prepositioned Stocks. Wartime inventories in Europe are being reconfigured from three brigade sets into a tailored set to support European Command (EUCOM) contingency requirements. The excess stocks are being redistributed to fill shortages and increase readiness in critical Army Prepositioned Stock sets afloat in Southwest Asia and the Pacific.

Wartime Enhancements. We continue deployment-outload enhancements that include infrastructure improvements and unit deployment container acquisition.

4. Material Sustainment Programs. Supplying and maintaining equipment for soldiers is the key components of readiness. Over several years, the Army has experienced increased demands for repair parts, generally due to aging aircraft and ground equipment parts breaking more frequently, and increased execution of OPTEMPO miles and hours. This shortage of repair parts and assemblies has been addressed in this budget request.

Spares. In FY 2003, the Army has taken aggressive measures to replenish depleted inventory by realigning \$406 million in internal resources. The FY 2004 budget will continue this effort by allocating an additional \$252 million for the spares initiative. This is a major stride toward meeting supply availability, mission capability goals (especially for the CH-47D and UH-60 airframes and M1A1 Abrams tanks) and to ensure effective training and readiness.

Depot Programs. For other sustainment programs, the budget provides resourcing to continue the same level of effort provided last fiscal year for: Depot Maintenance, Second Destination Transportation, Supply Depot Operations, Army Prepositioned Stocks, and Sustainment Systems Technical Support.

Ammunition Management. The budget also supports the Army's Recapitalization Rebuild Program and the Conventional Ammunition Stockpile Management and Surveillance program remains consistent with Congressional directives.

5. Installations and Infrastructure. The four primary tasks of Army installations and facilities are force protection, defense of information infrastructure, training support and well-being of soldiers, families and civilians.

ARMY

Anti-terrorism and force protection programs. These programs mitigate the risk associated with terrorist and criminal threats against personnel, facilities and equipment. One of the significant challenges in the FY 2004 budget is the escalating anti-terrorism and force protection requirement. The Army has experienced a 53% increase in these requirements from FY 2003. The FY 04 budget provides mission essential critical funding for the modernization of physical security equipment, fencing, barriers and security forces and technicians.

Defense of Information Infrastructure. The Army recently activated the Network Enterprise Technology Command (NETCOM) to serve as the Army's single authority assigned to operate, manage and defend the Army's information infrastructure. NETCOM will improve the capability, performance, and security of our networks through centralization, consolidation, and standardization at every level for all Army networks including those of the Army National Guard and Army Reserve.

Training and Installation Support. The Installation Management Activity (IMA) is one of the Army's boldest business reengineering efforts to date. Installations are the operational and service support centers where our soldiers and civilians work, live and train. They are the hometowns for most of our soldiers and families and help us to fulfill our commitment to military retirees. The Army's intent is to streamline headquarters and resources, create more agile and responsive staff, reduce layers of review and approval, thereby enabling mission commanders to focus on their core warfighting tasks. The IMA, established on 1 October 2002, will provide a corporate structure focused on installation management. The seven regional directorates will oversee the day-to-day installation services, operations and well-being programs. This organization structure will establish equitable standards at all Army installations worldwide and improve the delivery of services to commanders, soldiers and their families.

Facilities Sustainment. In our past budgets, our sustainment, restoration and modernization programs were frequently underfunded. In FY 2002, commanders rated over 50% of our facilities and infrastructure in such poor condition that it adversely affected mission. In essence, we have a world-class army living and working in facilities that do not provide reciprocal quality. This budget provides resources on the Army's aging infrastructure. Accordingly, this budget request provides an additional \$141 million for the sustainment of facilities. This translates into funding 93% of facility sustainment requirements (\$1.7 billion).

In close, the Army is a proud steward of America's financial resources. As the stewards of these resources, we must effectively manage risk while maintaining our warfighting readiness through training, mobility, and sustainment programs. The FY 2004 budget request enables the Army to fulfill the non-negotiable contract with the American people to fight and decisively win the Nation's wars.

ARMY

Budget Activity 1: Operating Forces

<u>FY 2002</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Estimate</u>	<u>(\$ in Millions)</u>		<u>FY 2004</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2005</u> <u>Estimate</u>
				<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>				
13,218.5	286.8	-1,286.1	12,219.2	283.5	114.4	12,617.1	346.9	71.3	13,035.3

These funds support requirements for three activity groups: Land Forces, Land Forces Readiness, and Land Forces Readiness Support. These resources finance the day-to-day operations and readiness training activity levels of the Army's active combat forces. The Land Forces activity group provides resources for distinct facets of the operating forces (e.g. divisions, corps combat forces, corps support forces, and echelon above corps forces) and special force related training activities (i.e., Combat Training Centers (CTCs)). The Land Forces Readiness activity group supports key activities essential to operational readiness, such as depot maintenance, participation in joint exercises, and combat development. Lastly, the Land Force Readiness Support activity group provides for infrastructure maintenance and support, management headquarters, unified command support, and special activities of the operating forces to include contingency operations (CONOPS).

In FY 2004, the Army is implementing a new methodology for budgeting and reporting ground Operating Tempo (OPTEMPO) miles. Although the FY 2003 budget was not prepared using this methodology, the Army will report execution in this format. The ground OPTEMPO training strategy includes both actual miles driven (home station training (HST) and National Training Center (NTC)) and credit for virtual miles associated with using simulators such as the Close Combat Tactical Trainer (CCTT) and the Unit Conduct of Fire Trainer (UCOFT). The miles for FY 2004 are: HST - 749, NTC - 83, CCTT - 51, UCOFT - 30, for a total of 913 miles (average miles per tank). This new methodology incorporates the old methodology of 800 tank miles for HST (now displayed as HST and CCTT). As the Army completes the fielding of the CCTT in FY 2005 its HST live miles will decrease to 740 and virtual miles will increase to 60. The NTC miles will change annually due to the number of rotations per year and the different types of units scheduled to complete training at the NTC. For example, the NTC tank miles for FY 2003 are 103.

The Army is managing risk by offsetting increases in ground OPTEMPO with decreases in the Air OPTEMPO and the consumable repair parts programs. Air OPTEMPO is funded to its historical execution level of 13.1 hours per crew per month instead of the training strategy requirement of 14.5 hours per crew per month. Beginning in FY 2003 the Army's Air OPTEMPO is funded at historical execution levels (13.1 live flying hours per aircrew per month) and this funding level is continued into FY 2004. One of the causes of this lower

ARMY

execution level is lack of spare parts in the Supply Activities of the Working Capital Funds (WCF) making it difficult for units to keep aircraft mission ready, thus reducing the opportunities for crews to fly the required hours. The risk for this program is that more hours may be required to keep aircrews trained to the appropriate levels. The major program changes between FY 2003 and FY 2004 include the following:

In FY 2004, as part of the Transformation of Installation Management (TIM) business reengineering initiative, a comprehensive review of all Base Support accounts was performed which resulted in the transfer of \$127.7 million into Subactivity Group (SAG) 121. This transfer represents the proper realignment of manpower and the associated support costs from BASOPS to mission accounts. Additionally, \$107.6 million was realigned within Activity Group (AG) 11 for Direct Support (DS) Maintenance to properly align the repair part funding to the unit that actually own the equipment. Transfers out totaled \$435.6 million, with major realignments caused by TIM realignments (\$161 million). TIM realignments affecting Base Operation's will be discussed in greater detail under the Base Operation's section of this narrative. Other transfers included the realignment of funds (-\$58.8 million) to Other Procurement, Army (OPA) Appropriation in support of Combatant Commander's Command, Control, Communication, and Computers (C4) sustainment and improvements efforts and the -\$21.6 million realignment of funds to OPA for the purchase of Modern Burner Units. The transfer will help bridge the gap of critical shortfalls in C4 infrastructure.

Ground OPTEMPO is funded at the 913-tank mile requirement needed to support the critical ground training strategy. Although the overall OPTEMPO funding did not increase, the program did have some significant increases. Funding for Class IX (Repair Parts) increased \$96.8 million from FY 2003 to FY 2004. This increase primarily reflects the higher cost to repair Depot Level Repairables (DLRs) and the impact of updating the three-year moving average for ground systems when FY 1998 was dropped and FY 2001 is added. In addition, we experienced a higher cost to repair DLRs, which is driven by the higher maintenance standards being implemented in the National Maintenance Program (NMP). The Direct Support Maintenance (Plus) increase of \$29.9 million reflects the change in repair policy driven by the Army's plan to eliminate costly local repair of the Abrams Gas Turbine 1500 (AGT 1500) Engine. This program will improve the overall engine reliability and system readiness. Other increases to OPTEMPO include Contractor Logistics Support (\$51.1 million), which reflect the increased costs of sustaining new and existing training aids and devices and some weapon system components such as the Javelin, the Improved Target Acquisition System (ITAS) and the Sentinel Radar System.

The funding in Activity Group 11 reflects the impact of the Army's commitment to enhance long term cost effectiveness while increasing repair part durability. The National Maintenance Program (NMP) establishes a single maintenance standard for all components repaired within the Army. As the single sustainment maintenance program for the Army, the NMP establishes two categories of Army maintenance management: National and Field. The focus of the national category of management is sustainment readiness. Class IX components are repaired and returned to the Army Working Capital Fund (AWCF) Supply Business. Beginning in FY 2004, repairs will be accomplished by an approved national maintenance provider, (i.e., organic depots,

ARMY

contractor facilities, or below depot maintenance activities) to an overhaul standard. The national standard is defined as maintenance that restores equipment to a completely serviceable condition with a measurable (expected) life. The NMP is critical to the Army's Recapitalization strategy. The NMP will be the source of components repaired to the Army's single overhaul standard for all planned recapitalization programs. In addition, the NMP will be the sustainment vehicle to ensure that the gains in end-item reliability and reductions in Operations & Support (O&S) costs are sustained throughout the life cycle of the end-item. Once the standards are fully implemented, the Army will be supporting all operational forces with Class IX components repaired to a higher standard with greater reliability. The increase in Mean Time Between Failure (MTBF) will result in a decrease in future O&S costs by reducing the frequency of failure and replacement. The Army does not expect to realize the impact of demand reductions until FY 2006 and beyond. As such, the Army considers the NMP program to be a long-term sustainment program that requires up front investment to provide long-term savings.

The Depot Maintenance Program increased by \$160 million from FY 2003 to FY 2004. While both the funding level and requirements increased in FY 2004, proportionately the Army continues to fund the depot maintenance program at 72% of requirements in FY 2004 as it did in FY 2003.

Other readiness increases include an increase of \$33.4 million for Military Training Specific Allotment program due primarily from cost methodology and policy changes. An increase of \$91.9 million in FY 2004 is estimated for additional mission and responsibility in Guantanamo Bay. Army is now executive agent for the U.S. Coast Guard coastal security mission at Guantanamo Bay, Cuba. Critical Training Enablers increased by \$8.3 million, however Army is managing risk in this area by funding critical training enablers at 74% of requirements in FY 2004, a decrease of 17% from FY 2003 due to a 24% increase in requirements.

Major decreases resulted from savings (-\$60M) generated from the deletion of a one time exercise performed in FY 2003 (SBCT Deployment Exercise) and -\$10 million reduction in the Army Model & Simulation - SMART program due to the completion of updates and improvements made in FY 2003. Army is managing risk in Consumable Repair Parts (-\$147.8 million), Integrated Training Area Management critical training enabler (-\$13.6 million), and the fixed wing aircraft (\$-2.8 million). Decreases of -\$10.6 million for Army Wide information systems support to Major Commands, and -\$7.8 million for Antiterrorism/Force Production Security Staff were due to one-time Congressional plus-ups in FY 2003. An additional OPTEMPO decrease (-\$6.6 million) is for savings associated with the increased Mean Time Between Failures (MTBF) projected as a result of the recapitalization program.

ARMY

Budget Activity 2: Mobilization

<u>FY 2002</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Estimate</u>	<u>(\$ in Thousands)</u>		<u>FY 2004</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2005</u> <u>Estimate</u>
				<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>				
599.0	24.5	-123.0	500.5	30.9	7.4	538.8	13.6	79.5	631.9

The FY 2004 budget request of \$538.8 million supports funding requirements for four Subactivity Groups: Strategic Mobility; Army Prepositioned Stocks; Industrial Preparedness; and Sustainment, Restoration and Modernization (SRM). Strategic Mobility includes a fleet of 12 ships leased to store Army Prepositioned Stocks (two brigade sets), Combat Support/Combat Service Support (CS/CSS) unit sets, an aggressive Sea Emergency Deployment Readiness Exercise (SEDREs) program, and force projection modeling/studies of strategic mobility issues. The Army Prepositioned Stocks (APS) program represents the Army's capability to deploy soldiers from the Continental United States (CONUS), Europe, Southwest Asia, Korea, Japan, and Hawaii to conflicts anywhere in the world. Industrial Preparedness includes the transfer of the Industrial Mobilization Capacity (IMC) program to Army Working Capital Fund (AWCF). It also includes industrial analysis to help the Army obtain end item and repair part support. SRM is the Army's deployment-outload infrastructure improvement program. These improvements facilitate movement of personnel and equipment from CONUS bases to/through air and seaports of embarkation for rapid deployment to meet Army/Defense timelines.

Army Mobility Operations remains the cornerstone of the Army's deployment capability. The FY 2004 Budget submission continues our efforts to maintain and improve the Army's immediate response capability to enemy threats. Specifically, this budget improves Combatant Commanders mission capabilities, maintains the readiness of initial deployed forces to conflicts, and maintains the capability of AWCF facilities to support soldiers during potential conflicts.

The Army changed the composition of its leased ships fleet by initiating the Army Watercraft Restructuring Plan (AWRP). AWRP places watercraft assets under the control of the Central Command (CENTCOM) and Pacific Command (PACOM). This causes an increase of \$34.6 million for the care of supplies in storage of watercraft assets. This initiative enhances the Combatant Commanders mobility within their respective areas of operation to effectively achieve their missions. The composition of the ships fleet reduced from 15 to 13 in FY 2003 and from 13 to 12 in FY 2004 resulting in a \$17 million decrease in ship leases. The ships in FY 2004 consist of 8 Large Medium Speed Roll-on/Roll-off and 4 Container ships.

ARMY

We continued our investment in war reserve secondary items to sustain First-to-Fight units. Purchases include weapon system sustainment parts, medical materiel, chemical, and biological defense sustainment materiel. The \$105.4 million programmed funding maintains approximately a 52 percent sustainment equipment fill rate for APS. This funding will be transferred to the AWCF to support its obligation authority.

The Army is also in the completion phase of reconfiguring prepositioned stocks in Europe. This causes a net reduction of \$11.3 million in prepositioned stocks-land requirements. This initiative started in FY02. Excess equipment and supporting supplies were redistributed to fill shortages in critical APS sets in the Pacific, Southwest Asia, and afloat

Finally, OMA financed 100 percent of IMC requirements. The \$113.9 million programmed in this budget pays a portion of the fixed overhead costs (utilities, facility maintenance, and repair) to operate AWCF facilities. Arsenals and depots will retain the capacity to replenish equipment during wartime surges in demand. This funding is in compliance with Congressional and Department of Defense directives and are being realigned to the AWCF.

ARMY

Budget Activity 3: Training and Recruiting

<u>FY 2002</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Estimate</u>	<u>(\$ in Millions)</u>		<u>FY 2004</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2005</u> <u>Estimate</u>
				<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>				
4,235.7	79.1	-158.2	4,156.6	40.4	187.6	4,384.6	87.0	278.6	4,750.2

The FY 2004 budget request of \$4,385 million for the Training and Recruiting budget activity supports the requirements for three activity groups: Accession Training; Basic Skill and Advanced Training; and Recruiting, Other Training and Education. Accession Training, produces trained soldiers and officers to meet force structure requirements. The second activity group, Basic Skill and Advanced Training, produces technically competent leaders. The third activity group, Recruiting, Other Training and Education ensures we can recruit quality soldiers and provide continuing education for soldiers and civilians.

The FY 2004 budget request supports our ability to recruit and train the force, enhance the Army's transformation through the Training and Doctrine Command's aviation training program, and provide educational opportunities for soldiers and civilians. The institutional training base directly supports the Army's readiness and the War on Terrorism by providing technically competent leaders that will be able to respond as required to defend the American people, our national interests and our homeland.

For the third consecutive year, the Army has met its accession mission. This is a trend that hasn't been seen since the mid-1990s. This is directly attributable to the Army's focus on programs such as Recruiting, Advertising, Senior Reserve Officer Training Corps (ROTC) and Junior ROTC. The Army has made its recruiters more mobile by providing them laptops, which allows them to track the status of leads, review availability of MOSs and assignments, and initiate paperwork in the recruit's home. The FY 2004 budget increase of \$6.2 million allows for replacement of 2,686 of these laptops.

Senior ROTC trains over 70% of the Army's officers. It is imperative that our cadre receives quality training in recruiting, salesmanship, retention and scholarship allocation. It is equally important that our curriculum is updated to ensure cadets receive core skills needed to enter an Army geared towards transformation. The Army recognizes the importance of providing quality training to our cadre and cadets and supports this program by providing an increase of \$7.4 million.

Junior ROTC's mission is "to motivate young people to be better citizens". JROTC does not impose an obligation to serve in the military; however, a by-product of this program may be an interest in military

ARMY

service. About 42% of the JROTC graduates choose to enter a senior ROTC program, one of the service academies, or serve in the active or reserve force. The Army is committed to this program and has provided an increase of \$31 million, which allows us to correct instructors pay and offer this valuable program at 45 more high schools.

Institutional training is key to maintaining a trained and ready force. The largest component of institutional training is the Army's Training and Doctrine Command (TRADOC). This command has been seriously under-funded over the past decade and this FY 2004 Budget continues the Army's efforts that began in FY 2001 to reverse this decline. Evidence of this can be seen throughout the budget in Recruit Training, One Station Unit Training, and Flight Training.

One Station Unit Training (OSUT) is a program that assigns a soldier to the same command for both basic combat training and advanced individual training. This aspect of OSUT saves the Army resources by not moving soldiers from one installation to another. The FY 2004 budget adds \$18.4 million to support an increase in the number of soldiers assigned to OSUT, the initial issuance of new and improved clothing and equipment items to soldiers, and the increase in equipment maintenance cost.

The Budget supports the implementation of Flight School XXI (FSXXI), a strategic element of aviation transformation. FSXXI produce better-trained graduates with significantly more hours of training in their go-to-war modernized aircraft. FSXXI results in shorter courses allowing students to graduate and report to units earlier. The use of older, legacy aircraft (UH-1, OH58A/C) to train combat skills can eventually be eliminated. Avoiding increasingly expensive maintenance bills as the fleet ages and repair parts become harder to acquire. FSXXI also includes Survival, Evasion, Resistance & Escape (SERE), Dunker (Underwater Emergency Evacuation) and Helicopter Emergency Egress Device (HEED) training. The FY 2004 budget increase of \$97 million is evidence that the Army understands and accepts its responsibility of preparing future force aviators who are prepared to fight on unknown battlefields in the defense of freedom.

It's also significant to note that TRADOC received FY 2003 one-time increases to support TRADOC's institutional training transformation. The Budget also reflects a transfer of \$68 million for Transformation of Installation Management (TIM). This transfer represents the proper realignment of Mission and Base Support personnel and support costs.

The Army made difficult sacrifices in order to fund these programs. Accordingly, the Army is managing risk in the Distance Learning Program, Training Development, Training Support, and Civilian Education & Training.

ARMY

Budget Activity 4: Administration and Servicewide Activities

<u>FY 2002</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2003</u> <u>Estimate</u>	<u>(\$ in Millions)</u>		<u>FY 2004</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2005</u> <u>Estimate</u>
				<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>				
7,615.3	30.4	-695.8	6,949.9	114.0	360.9	7,424.8	225.2	-277.3	7,372.7

The FY 2004 budget request of \$7,424.8 million for the Administration and Servicewide Activities Budget Activity supports the requirements for four activity groups: Security Programs, Logistics Operations, Servicewide Support, and Support of Other Nations. These resources finance the administration, logistics, communications, and other servicewide support functions required to secure, equip, deploy, transport, sustain and support Army forces.

The Security Programs budget supports intelligence and security efforts through the National Foreign Intelligence Program, Joint Military Intelligence Program, Security and Intelligence Activities, Personnel Security Investigations, and Arms Control Treaty Implementation.

Logistics Operations activity group resources movement of Army materiel worldwide, and manages end items, ammunition, and logistics support activities.

The Servicewide Support activity group supports Army Management Headquarters Activities, the Army Claims program, telecommunications, information systems, personnel programs, and base support.

Support of Other Nations activity group fulfills our commitment to the North Atlantic Treaty Organization and supports Combatant Commander's security cooperation strategies.

The FY 2004 budget request supports our ability to fight and win the war on terrorism, defend the American people and the homeland, maintain high morale and readiness, create the Objective Force (Army of the future), and streamline and revitalize the way we operate. Due to the events of September 11, 2001, there has been a shift in funding priorities to enhance our force protection and anti-terrorism capability. The Army is continuing its efforts regarding the Transformation of the Army to the Objective Force, while maintaining its investment in People and Readiness. Three major transfers are reflected in Budget Activity 4 for both FY 2003 from the FY 2003 President's Budget and from this new FY 2003 base to FY 2004:

ARMY

Effective October 1, 2002 (FY 03), Army initiated a major realignment to the Servicewide Support Activities to create the Network Enterprise and Technology Command (NETCOM) under the Chief, Information Officer, G6. Missions, resources, and personnel assets were transferred, making NETCOM the Army's single authority assigned to operate, manage, and defend the Army's information infrastructure (infostructure). Consolidating the infostructure will improve the capacity, performance, and security of all Army networks including those of the Army National Guard and Army Reserve. This realignment reflects the Army strategy to achieve a network-centric, knowledge-based force in support of Army transformation.

Additionally, effective October 1, 2002, the Army Contracting Agency (ACA) was formed to centralize all contracting processes into one organization. ACA will act as the single coordinating element to deploy contracting operational support to the warfighting commands. Two regional service-contracting centers and one Electronic-Commerce Center for non-tactical/strategic information technology and commercial items will be established. This realignment divides the CONUS contracting structure along geographical lines and is complimentary to the Transformation of Installation Management. The additional realignment of resources from FY 2003-2004 reflects the refinement of the initial implementation and the realignment of the operational dollars.

The Program Executive Officer and Program Manager reorganization was the third major transfer. Consolidating all acquisition programs under one chain of authority within the Army eliminated the duplication of efforts in two major Army Commands.

To achieve these and other Army initiatives associated with the Transformation of the Army and to meet the intent of OSD planning guidance, the Army developed a balanced program across all three components of its Vision. In support of the overall Army plan, program increases have been applied to several functional programs. For example, in the FY04 budget, SPARES was increased by \$366 million to support OPTEMPO requirements. Second Destination Transportation was increased by \$31.5 million due to a change in pricing methodology which increases visibility and accountability of costs. Personnel Transformation was increased (\$16 million), and Information Technology was increased (\$19.5 million) due to an increase in service level for Command and Control and contingency operations. Ammunition Management was also increased by (\$16 million) to support the annual call forward and retrograde program for the European and Pacific theaters, maintenance of conventional ammunition Priority one stocks, and readiness inspections to evaluate the serviceability of stocks. Reserve Component Equipment Modernization was increased by (\$31 million) to purchase the required sets, kits, and outfits to field the AH-64 Apache, OH-58 Kiowa, CH-47 Chinook, and UH-60 Black Hawk helicopters.

However, in order to accomplish these Army priorities based on affordability, the Army made a conscious decision to accept risk in several of its functional programs. Due to resource constraints, the Army accepted risk in association with End Item Materiel Management programs (\$-45.2 million), Base Communications (\$-11.4 million), and Classified Programs (\$-5.5 million). Due to efficiencies, Personnel

ARMY

Security Investigations was reduced (\$-41.3 million). The risk assumed in each of these programs is consistent with the overall risk assumed in all other Army programs.

DEPARTMENT OF THE ARMY
 Operation and Maintenance, Army
 O-1 Exhibit
 FY 2004/2005 BIENNIAL BUDGET ESTIMATES

<u>ACCOUNT/BA/AG/SAG</u>	(Dollars in Thousands)			
	FY 2002	FY 2003	FY 2004	FY 2005
BUDGET ACTIVITY 01: Operating Forces				
<u>Land Forces</u>	3,642,956	3,850,866	3,915,023	3,883,910
Divisions	1,430,044	1,426,706	1,506,922	1,461,582
Corps Combat Forces	371,878	434,233	478,563	486,773
Corps Support Forces	412,677	367,939	383,755	369,828
EAC Support Forces	551,440	439,303	467,026	470,254
Land Forces Operations Support	876,917	1,182,685	1,078,757	1,095,473
<u>Land Forces Readiness</u>	2,539,842	2,707,583	3,065,299	3,225,066
Force Readiness Operations Support	1,295,038	1,423,450	1,568,900	1,642,128
Land Forces Systems Readiness	501,388	480,585	488,918	489,833
Land Forces Depot Maintenance	743,416	803,548	1,007,481	1,093,105
<u>Land Forces Readiness Support</u>	7,035,675	5,660,752	5,636,789	5,926,330
Base Operations Support	2,645,237	2,785,882	2,651,539	2,778,364
Facilities Sustain & Restoration & Mod Prog	911,644	1,089,539	1,094,309	1,217,219
Management & Operational Headquarters	245,874	241,374	243,033	248,139
Unified Commands	89,417	107,162	85,115	86,908
Miscellaneous Activities	3,143,503	1,436,795	1,562,793	1,595,700
Total Budget Activity 01:	13,218,473	12,219,201	12,617,111	13,035,306
BUDGET ACTIVITY 02: Mobilization				
<u>Mobility Operations</u>	599,031	500,476	538,846	631,928
Strategic Mobililty	381,237	342,074	378,432	368,031
Army Prepositioned Stocks	142,752	139,254	145,728	252,007
Industrial Preparedness	61,533	8,698	7,753	8,436
Facilities Sustain & Restoration & Mod Prog	13,509	10,450	6,933	3,454
Total Budget Activity 02:	599,031	500,476	538,846	631,928

DEPARTMENT OF THE ARMY
 Operation and Maintenance, Army
 O-1 Exhibit
 FY 2004/2005 BIENNIAL BUDGET ESTIMATES

<u>ACCOUNT/BA/AG/SAG</u>	(Dollars in Thousands)			
	FY 2002	FY 2003	FY 2004	FY 2005
BUDGET ACTIVITY 03: Training and Recruiting				
<u>Accession Training</u>	449,469	471,827	507,406	547,933
Officer Acquisition	81,450	86,969	89,853	91,952
Recruit Training	19,307	18,423	22,977	23,387
One Station Unit Training	21,009	20,061	39,106	37,077
Senior Reserve Officers' Training Corps	187,578	206,321	214,264	245,872
Base Operations Support	91,458	83,656	80,110	83,688
Facilities Sustain & Restoration & Mod Prog	48,667	56,397	61,096	65,957
<u>Basic Skill and Advanced Training</u>	2,652,759	2,515,926	2,638,407	2,838,525
Specialized Skill Training	316,517	367,014	306,272	337,921
Flight Training	440,946	408,412	499,040	457,001
Professional Development Education	117,115	127,098	142,038	164,113
Training Support	517,901	410,478	478,903	573,729
Base Operations Support	1,017,537	864,010	819,604	918,600
Facilities Sustain & Restoration & Mod Prog	242,743	338,914	392,550	387,161
<u>Recruiting and Other Training and Education</u>	1,133,457	1,168,810	1,238,822	1,363,754
Recruiting and Advertising	449,321	451,827	468,035	483,583
Examining	76,313	79,674	83,269	82,809
Off-Duty and Voluntary Education	182,013	201,635	226,011	309,273
Civilian Education and Training	81,240	92,021	92,536	101,119
Junior Reserve Officers' Training Corps	92,043	97,061	129,978	136,628
Base Operations Support	252,527	246,592	238,993	250,342
Total Budget Activity 03:	4,235,685	4,156,563	4,384,635	4,750,212

DEPARTMENT OF THE ARMY
 Operation and Maintenance, Army
 O-1 Exhibit
 FY 2004/2005 BIENNIAL BUDGET ESTIMATES

<u>ACCOUNT/BA/AG/SAG</u>	(Dollars in Thousands)			
	FY 2002	FY 2003	FY 2004	FY 2005
BUDGET ACTIVITY 04: Administration and Servicewide Activities				
<u>Security Programs</u>	580,071	649,675	591,622	606,190
Security programs	580,071	649,675	591,622	606,190
<u>Logistics Operations</u>	2,223,389	2,110,342	2,542,275	1,879,542
Servicewide Transportation	692,451	620,576	661,551	634,739
Central Supply Activities	460,259	516,760	491,835	478,758
Logistic Support Activities	678,648	676,920	1,058,760	502,174
Ammunition Management	392,031	296,086	330,129	263,871
<u>Servicewide Support</u>	4,544,759	3,941,903	4,024,999	4,628,868
Administration	818,767	585,442	664,135	684,097
Servicewide Communications	539,284	621,531	623,102	621,129
Manpower Management	153,958	196,124	210,202	227,443
Other Personnel Support	234,421	197,787	198,716	214,640
Other Service Support	1,210,301	621,503	707,558	650,803
Army Claims	103,553	108,518	116,691	115,042
Real Estate Management	59,319	47,397	50,173	51,313
Base Operations Support	1,171,524	1,326,821	1,194,134	1,364,249
Facilities Sustain & Restoration & Mod Prog	253,632	236,780	260,288	313,186
Commissary Operations	0	0	0	386,966
<u>Support of Other Nations</u>	267,079	248,007	265,854	258,088
Support of NATO Operations	215,538	193,850	207,125	198,753
Miscellaneous Support of Other Nations	51,541	54,157	58,729	59,335
Total Budget Activity 04:	7,615,298	6,949,927	7,424,750	7,372,688
Total Oper. & Maint., Army:	25,668,487	23,826,167	24,965,342	25,790,134

February 2003

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

APPN: OMA Totals		FY 2002					FY 2003					FY 2004					FY 2005						
Line Item	Line Description	FY Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY Program	
0101	EXEC, GEN, SPEC SCHEDULE	4690151	0	3.42%	160413	-137429	4713135	0	-1.33%	-62908	-87256	4562971	0	2.68%	122451	-67583	4617839						
0103	WAGE BOARD	489340	0	3.36%	16459	-54967	450832	0	-7.58%	-34178	-26983	389671	0	2.21%	8624	-7895	390400						
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	67622	-9552	5.29%	3579	9689	71338	12011	2.63%	1874	-2370	82853	7070	2.12%	1756	912	92591						
0105	SEPARATION LIABILITY (FNDH)	1246	0	0.00%	0	343	1589	0	0.00%	0	-175	1414	0	0.00%	0	32	1446						
0106	BENEFITS TO FORMER EMPLOYEES	1759	0	0.00%	0	-231	1528	0	0.00%	0	-233	1295	0	0.00%	0	12	1307						
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	33532	0	0.00%	0	-12187	21345	0	0.00%	0	-2965	18380	0	0.00%	0	-6970	11410						
0110	UNEMPLOYMENT COMPENSATION	16250	0	0.00%	0	2585	18835	0	0.00%	0	-2198	16637	0	0.00%	0	421	17058						
0111	DISABILITY COMPENSATION	75996	0	0.00%	0	18793	94789	0	0.00%	0	11243	106032	0	0.00%	0	-627	105405						
0199	TOTAL CIV PERSONNEL COMP	5375896	-9552	3.36%	180451	-173404	5373391	12011	-1.77%	-95212	-110937	5179253	7070	2.56%	132831	-81698	5237456						
0308	TRAVEL OF PERSONS	1111389	0	1.10%	12224	-216192	907421	0	1.50%	13610	-12346	908685	0	1.60%	14536	6105	929326						
0399	TOTAL TRAVEL	1111389	0	1.10%	12224	-216192	907421	0	1.50%	13610	-12346	908685	0	1.60%	14536	6105	929326						
0401	DFSC FUEL	161542	0	-16.00%	-25844	20000	155698	0	8.30%	12922	-6098	162522	0	3.30%	5361	5650	173533						
0402	SERVICE FUEL	34414	0	-16.00%	-5502	13431	42343	0	8.30%	3515	-3822	42036	0	3.30%	1384	678	44098						
0411	ARMY MANAGED SUPPLIES & MATERIALS	2186886	0	9.20%	201194	-84000	2304080	0	4.50%	103682	396710	2804472	0	1.50%	42065	-654647	2191890						
0412	NAVY MANAGED SUPPLIES & MATERIALS	1685	0	9.60%	162	1395	3242	0	6.10%	194	-181	3255	0	4.00%	130	0	3385						
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	3271	0	10.30%	337	-1302	2306	0	18.30%	421	-261	2466	0	10.30%	252	-290	2428						
0415	DLA MANAGED SUPPLIES & MATERIALS	1054481	0	3.50%	36899	-160064	931316	0	-2.90%	-27005	-112515	791796	0	1.50%	11877	20092	823765						
0416	GSA MANAGED SUPPLIES & MATERIALS	147495	0	1.10%	1615	11801	160911	0	1.50%	2409	23088	186408	0	1.60%	2979	37535	226922						
0417	LOCALLY PROCURED DOD CENTRALLY	830	0	1.10%	8	34681	35519	0	1.50%	533	16829	52881	0	1.60%	847	6823	60551						
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	3590604	0	5.82%	208869	-164058	3635415	0	2.66%	96671	313750	4045836	0	1.60%	64895	-584159	3526572						
0502	ARMY EQUIPMENT	54513	0	9.20%	5009	58898	118420	0	4.50%	5325	2916	126661	0	1.50%	1897	-4180	124378						
0503	NAVY EQUIPMENT	269	0	9.60%	25	676	970	0	6.10%	60	-313	717	0	4.00%	30	-58	689						
0505	AIR FORCE EQUIPMENT	573	0	10.30%	59	687	1319	0	18.30%	241	-100	1460	0	10.30%	149	-160	1449						
0506	DLA EQUIPMENT	55813	0	3.50%	1948	31668	89429	0	-2.90%	-2593	4178	91014	0	1.50%	1365	4508	96887						
0507	GSA MANAGED EQUIPMENT	123322	0	1.10%	1352	3270	127944	0	1.50%	1914	31034	160892	0	1.60%	2572	-9810	153654						
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	234490	0	3.58%	8393	95199	338082	0	1.46%	4947	37715	380744	0	1.58%	6013	-9700	377057						
0601	ARMY (ORDNANCE)	220698	0	-27.00%	-59589	35806	196915	0	1.40%	2755	-7693	191977	0	10.10%	19390	-24475	186892						
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	466985	0	5.30%	24749	15131	506865	0	8.30%	42070	103459	652394	0	2.00%	13047	27719	693160						
0603	DLA DISTRIBUTION DEPOT (ARMY ONLY)	8801	0	4.20%	370	512	9683	0	1.50%	145	1892	11720	0	1.60%	187	-2970	8937						
0610	NAVAL AIR WARFARE CENTER	757	0	4.80%	36	-793	0	0	-2.30%	0	0	0	0	2.10%	0	0	0						
0613	NAVAL AVIATION DEPOTS	28	0	8.80%	2	-18	12	0	-2.40%	0	1	13	0	2.40%	0	1	14						
0615	NAVY INFORMATION SERVICE (CANCELLED)	1572	0	1.10%	17	-1589	0	0	1.50%	0	0	0	0	1.60%	0	0	0						
0620	FLEET AUXILIARY FORCE (NAVY TRANS)	65	0	12.60%	8	-71	2	0	1.70%	0	0	2	0	0.60%	0	0	2						
0630	NAVAL RESEARCH LABORATORY	25	0	3.40%	1	-26	0	0	1.10%	0	0	0	0	3.00%	0	0	0						
0631	NAVAL FACILITIES ENGINEERING SERVICE	470	0	17.70%	83	-553	0	0	1.50%	0	0	0	0	2.50%	0	0	0						
0633	DEFENSE PUBLICATION & PRINTING SERVICE	52477	0	6.20%	3252	1590	57319	0	-2.00%	-1139	1764	57944	0	0.30%	168	-124	57988						
0634	NAVAL PUBLIC WORK CENTERS: UTILITIES	877	0	1.10%	10	-107	780	0	-8.00%	-62	64	782	0	2.60%	20	-18	784						
0635	NAVAL PUBLIC WORK CENTERS: PUBLIC WORKS	2204	0	2.70%	60	-1124	1140	0	-2.60%	-29	59	1170	0	2.60%	30	-20	1180						
0637	NAVAL SHIPYARDS	44	0	-0.30%	0	-16	28	0	-3.60%	-1	-27	0	0	4.60%	0	0	0						
0640	MARINE CORPS DEPOT MAINTENANCE	11	0	11.20%	1	8483	8495	0	11.40%	968	-238	9225	0	3.50%	322	-343	9204						
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	17424	0	-1.00%	-174	4671	21921	0	1.50%	328	1171	23420	0	1.60%	376	-3066	20730						
0648	ARMY INFORMATION SERVICES (CANCELLED)	31747	0	1.10%	349	-8629	23467	0	1.50%	352	-23819	0	0	1.60%	0	0	0						
0649	AIR FORCE INFORMATION SERVICES	50	0	9.50%	5	-55	0	0	8.70%	0	0	0	0	1.60%	0	0	0						
0661	DEPOT MAINTENANCE (AIR FORCE): ORGANIC	19	0	13.80%	3	-1	21	0	19.10%	4	-2	23	0	9.40%	2	0	25						

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

APPN: OMA Totals																	
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0662	DEPOT MAINTENANCE (AIR FORCE): CONTRACT	2840	0	4.50%	129	-2524	445	0	-7.50%	-33	106	518	0	4.50%	23	-7	534
0671	COMMUNICATIONS SERVICES (DISA) TIER 2	26646	0	1.10%	292	4262	31200	0	0.00%	0	4013	35213	0	1.60%	563	-2091	33685
0672	PENTAGON RES MAINTENANCE REVOLVING	95831	0	-6.40%	-6133	9861	99559	0	-14.60%	-14536	113395	198418	0	27.00%	53573	-3744	248247
0673	DEFENSE FINANCING & ACCOUNTING SERVICE	471439	0	-4.50%	-21214	14305	464530	0	14.20%	65962	-39949	490543	0	4.30%	21094	68118	579755
0675	DEFENSE REUTILIZATION AND MARKETING SERV	63	0	0.00%	0	-63	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0676	DEFENSE COMMISSARY OPERATIONS	0	0	1.10%	0	0	0	0	1.50%	0	0	0	0	1.60%	0	386966	386966
0677	COMMUNICATIONS SERVICES (DISA) TIER 1(CA	14905	0	0.00%	0	40940	55845	0	0.00%	0	-50351	5494	0	0.00%	0	3629	9123
0678	DEFENSE SECURITY SERVICE	105775	0	7.90%	8357	-29514	84618	0	3.00%	2538	-40417	46739	0	0.00%	0	1958	48697
0679	COST REIMBURSABLE PURCHASES	110897	0	1.10%	1220	-4561	107556	0	1.50%	1613	-12834	96335	0	1.60%	1540	-22563	75312
0680	BUILDINGS MAINTENANCE FUND	9353	0	1.10%	103	-115	9341	0	1.50%	140	-139	9342	0	1.60%	149	-148	9343
0682	INDUSTRIAL MOBILIZATION CAPACITY	49182	0	1.10%	541	-49723	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	1691185	0	-2.81%	-47522	36079	1679742	0	6.02%	101075	50455	1831272	0	6.03%	110484	428822	2370578
0701	AMC CARGO (FUND)	0	0	11.00%	0	762	762	0	1.70%	13	937	1712	0	0.60%	10	-43	1679
0703	AMC SAAM/JCS EXERCISES	263577	0	0.04%	105	-195443	68239	0	-1.30%	-887	-3559	63793	0	1.60%	1021	-808	64006
0705	AMC CHAN NEL CARGO	618402	0	11.00%	68023	-507993	178432	0	1.70%	3034	-15312	166154	0	0.60%	997	-23536	143615
0707	AMC TRAINING	823	0	-1.90%	-16	-768	39	0	2.70%	1	-7	33	0	1.00%	0	2	35
0708	MSC CHARTERED CARGO	34948	0	37.40%	13071	-17479	30540	0	-42.70%	-13040	-460	17040	0	4.80%	818	-3318	14540
0715	MSC APF (ARMY, DLA & AIR FORCE PREPO)	217003	0	11.70%	25389	-37992	204400	0	8.20%	16761	-20119	201042	0	-0.50%	-1005	-4635	195402
0716	MSC SURGE SEALIFT (FSS & LMSR)	4044	0	-8.70%	-352	-3692	0	0	-5.40%	0	0	0	0	-0.10%	0	0	0
0717	MTMC GLOBAL POV	3714	0	-14.70%	-544	1438	4608	0	15.60%	719	-3	5324	0	4.60%	244	37	5605
0718	MTMC LINER OCEAN TRANSPORTATION	149838	0	-8.40%	-12586	6806	144058	0	-2.60%	-3745	-11304	129009	0	-2.20%	-2838	1739	127910
0719	MTMC CARGO OPERATIONS (PORT HANDLING)	35741	0	-38.30%	-13688	23710	45763	0	20.00%	9152	-3655	51260	0	4.20%	2153	-6095	47318
0721	MTMC (PORT HANDLING)	106414	0	-38.30%	-40757	27313	92970	0	20.00%	18594	11645	123209	0	4.20%	5175	-13679	114705
0725	MTMC (OTHER) (CANCELLED)	9	0	1.10%	0	-9	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0771	COMMERCIAL TRANSPORTATION	458555	0	1.10%	5037	8792	472384	0	1.50%	7083	59799	539266	0	1.60%	8625	-1821	546070
0799	TOTAL TRANSPORTATION	1893068	0	2.31%	43682	-694555	1242195	0	3.03%	37685	17962	1297842	0	1.17%	15200	-52157	1260885
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	327081	-43390	2.74%	8964	-41851	250804	78942	2.81%	7047	-30790	306003	88232	3.35%	10256	-265	404226
0902	SEPARATION LIABILITY (FNIH)	806	0	0.00%	0	-806	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0912	RENTAL PAYMENTS TO GSA (SLUC)	140699	0	2.10%	2956	-134	143521	0	1.70%	2439	9615	155575	0	1.50%	2334	-2198	155711
0913	PURCHASED UTILITIES	441605	0	1.10%	4856	82203	528664	0	1.50%	7927	-79283	457308	0	1.60%	7316	41580	506204
0914	PURCHASED COMMUNICATIONS	269000	0	1.10%	2954	3554	275508	0	1.50%	4131	4520	284159	0	1.60%	4547	-1871	286835
0915	RENTS (NON -GSA)	301284	0	1.10%	3313	20649	325246	0	1.50%	4879	97931	428056	0	1.60%	6848	50619	485523
0917	POSTAL SERVICES (U.S.P.S.)	19893	0	0.00%	0	6706	26599	0	0.00%	0	1088	27687	0	0.00%	0	641	28328
0920	SUPPLIES/MATERIALS (NON FUND)	1162665	1953	1.10%	12810	-42693	1134735	-2071	1.50%	16982	90252	1239898	-2534	1.60%	19791	10567	1267722
0921	PRINTING AND REPRODUCTION	27105	0	1.10%	294	-14550	12849	0	1.50%	192	-80	12961	0	1.60%	205	-342	12824
0922	EQUIPMENT MAINTENANCE BY CONTRACT	1278127	-697	1.10%	14043	179616	1471089	-451	1.50%	22060	59315	1552013	-1412	1.60%	24810	-74850	1500561
0923	FACILITY MAINTENANCE BY CONTRACT	1669121	-13175	1.10%	18211	141571	1815728	18037	1.50%	27505	-33765	1827505	17806	1.60%	29524	118473	1993308
0925	EQUIPMENT PURCHASES (NON FUND)	757391	0	1.10%	8323	8964	774678	0	1.50%	11616	175514	961808	0	1.60%	15386	37625	1014819
0926	OTHER OVERSEAS PURCHASES	0	0	1.10%	0	1	1	0	1.50%	0	0	1	0	1.60%	0	0	1
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	1569	0	1.10%	16	-1266	319	0	1.50%	5	1	325	0	1.60%	6	-8	323
0928	SHIP MAINTENANCE BY CONTRACT	11003	0	1.10%	121	2169	13293	0	1.50%	199	-8032	5460	0	1.60%	87	-4164	1383
0929	AIRCRAFT REWORKS BY CONTRACT	15664	0	1.10%	172	-4298	11538	0	1.50%	173	15409	27120	0	1.60%	434	-2705	24849
0930	OTHER DEPOT MAINTENANCE	284967	0	1.10%	3134	-65562	222539	0	1.50%	3337	47645	273521	0	1.60%	4376	33668	311565
0932	MGMT & PROFESSIONAL SPT SVCS	220178	0	1.10%	2418	-131558	91038	0	1.50%	1362	966	93366	0	1.60%	1493	-1579	93280
0933	STUDIES, ANALYSIS, & EVALUATIONS	59239	0	1.10%	652	-39878	20013	0	1.50%	298	1504	21815	0	1.60%	349	89	22253
0934	ENGINEERING & TECHNICAL SERVICES	111704	0	1.10%	1225	-126	112803	0	1.50%	1692	-1603	112892	0	1.60%	1809	-513	114188
0937	LOCALLY PURCHASED FUEL	87816	0	-16.00%	-14051	9144	82909	0	8.30%	6874	-8340	81443	0	3.30%	2685	2829	86957

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

APPN: OMA Totals																	
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	938909	0	1.10%	10327	-380142	569094	0	1.50%	8539	-15759	561874	0	1.60%	8987	9790	580651
0988	GRANTS	29517	0	1.10%	324	-26427	3414	0	1.50%	51	1102	4567	0	1.60%	73	-762	3878
0989	OTHER CONTRACTS	3270238	-40831	1.10%	35511	-667444	2597474	34341	1.50%	39481	82300	2753596	31592	1.60%	44559	224477	3054224
0991	FOREIGN CURRENCY VARIANCE	184774	0	1.10%	2033	-186807	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0998	OTHER COSTS	161500	0	1.10%	1775	2790	166065	0	1.50%	2494	-35802	132757	0	1.60%	2127	3763	138647
0999	OTHER PURCHASES	11771855	-96140	1.02%	120381	-1146175	10649921	128798	1.59%	169283	373708	11321710	133684	1.66%	188002	444864	12088260
9999	GRAND TOTAL	25668487	-105692	2.05%	526478	-2263106	23826167	140809	1.38%	328059	670307	24965342	140754	2.13%	531961	152077	25790134

DEPARTMENT OF THE ARMY
 FY 2004/2005 BIENNIAL BUDGET ESTIMATES
 OPERATION AND MAINTENANCE, ARMY
 PERSONNEL SUMMARY

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (E/S) (Total)</u>	415,739	414,289	414,343	414,349	54	6
Officer	63,402	65,079	65,118	65,207	39	89
Enlisted	352,337	349,210	349,225	349,142	15	-83
<u>Civilian End Strength (Total)</u>	142,529	139,381	138,612	137,128	-769	-1,484
U.S. Direct Hire	117,401	114,909	114,158	112,995	-751	-1,163
Foreign National Direct Hire	7,610	7,722	7,744	7,596	22	-148
Total Direct Hire	125,011	122,631	121,902	120,591	-729	-1,311
Foreign National Indirect Hire	17,518	16,750	16,710	16,537	-40	-173
<u>Active Military Average Strength (A/S) (Total)</u>	409,999	415,015	414,317	414,347	-698	30
Officer	62,873	64,241	65,099	65,163	858	64
Enlisted	347,126	350,774	349,218	349,184	-1,556	-34
<u>Civilian Full-Time Equivalent (FTE's) (Total)</u>	140,599	137,138	136,666	135,583	-472	-1,083
U.S. Direct Hire	115,628	113,088	112,664	111,746	-424	-918
Foreign National Direct Hire	8,373	7,605	7,610	7,523	5	-87
Total Direct Hire	124,001	120,693	120,274	119,269	-419	-1,005
Foreign National Indirect Hire	16,598	16,445	16,392	16,314	-53	-78

Personnel Summary Explanation:

Military - Force Structure Adjustments

Civilian - Manpower and Workyear Alignment to Match Dollars

Exhibit PB-31R Personnel Summary
 February 2003
 Ms. Enna Roulier/703-695-5605

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

FY 2003 President's Budget Request	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
	12,905,865	544,464	4,379,032	6,751,694	24,581,055
1) Congressional Adjustments					
a) Distributed Adjustments					
(1) Administration (SAGs: 431)	0	0	0	(17,000)	(17,000)
(2) Airborne Barracks - Fort Benning, Georgia (SAGs: 132 326)	2,000	0	0	0	2,000
(3) AIT/RIED Sierra Army Depot (SAGs: 423)	0	0	0	1,000	1,000
(4) All Terrain Military Vehicle (SAGs: 111)	2,900	0	0	0	2,900
(5) Alternate National Command Center (SAGs: 121)	44,000	0	0	0	44,000
(6) Army Air Battle Captain Program (SAGs: 314)	0	0	1,400	0	1,400
(7) Army Chapel Renovation (SAGs: 434)	0	0	0	3,400	3,400
(8) Army Conservation and Ecosystem Mgmt (SAGs: 131 438)	0	0	0	3,400	3,400
(9) Army Enterprise Architecture (SAGs: 432)	0	0	0	(6,000)	(6,000)
(10) Army Information Systems (SAGs: 432)	0	0	0	(6,000)	(6,000)
(11) Army Language Program (SAGs: 121 321)	0	0	19,500	0	19,500
(12) Battle Space Character (SAGs: 411)	0	0	0	2,000	2,000
(13) Biometrics Support (SAGs: 432)	0	0	0	9,500	9,500
(14) Camera Assisted Monitoring System (CAMS) (SAGs: 115)	4,000	0	0	0	4,000
(15) Chaplain Building Strong and Ready Families (SAGs: 434)	0	0	0	1,000	1,000
(16) CINC Antiterrorism/Force Protection Staff (SAGs: 134)	9,400	0	0	0	9,400
(17) Collaboration Planning/Enablers (SAGs: 432)	0	0	0	2,500	2,500
(18) Continuity of Operations (SAGs: 411)	0	0	0	2,000	2,000
(19) Contract Recruiting Companies (SAGs: 331)	0	0	(5,000)	0	(5,000)
(20) Contractor Linguists Interrogation (SAGs: 121 321)	0	0	5,000	0	5,000
(21) Contractor Linguists Tactical Intelligence and Related Activities (TIARA) (SAGs: 121 321)	0	0	9,400	0	9,400
(22) Corrosion Prevention and Control Program at CCAD and Fort Hood (SAGs: 121 423)	1,500	0	0	0	1,500
(23) Critical Infrastructure Protection Continental United States Support (SAGs: 431 432)	0	0	0	1,100	1,100
(24) Defense Language Institute Net (SAGs: 324)	0	0	1,000	0	1,000
(25) DoD Monterey Bay Center Furniture & Equipment (SAGs: 325)	0	0	1,000	0	1,000
(26) Electronic Maintenance System (EMS) Interactive Program (SAGs: 423)	0	0	0	1,000	1,000
(27) Expendable Light Air Mobility Shelter (SAGs: 111)	2,500	0	0	0	2,500
(28) Fort Irwin Facility and Road Improvements (SAGs: 132)	6,000	0	0	0	6,000
(29) Fort Knox Distance Learning (SAGs: 324)	0	0	2,100	0	2,100
(30) Fort Lewis Online Technology Pilot Program Training (SAGs: 334)	0	0	1,000	0	1,000
(31) Fort Lewis SRM, Vancouver Barracks Preservation (SAGs: 132)	3,700	0	0	0	3,700
(32) Fort Richardson Bldg. 802 Repairs (SAGs: 132 439)	0	0	0	3,900	3,900
(33) Fort Wainwright, Utilidors (SAGs: 132 439)	0	0	0	8,500	8,500
(34) Hunter Unmanned Aerial Vehicle (UAV) (SAGs: 122 321)	6,000	0	0	0	6,000
(35) Hydration on the Move System (SAGs: 111)	1,000	0	0	0	1,000
(36) Information Dominance (SAGs: 411)	0	0	0	1,000	1,000
(37) Innovative Safety Management (SAGs: 438)	0	0	0	2,500	2,500
(38) Integrated Training Area Management (ITAM) Program at Army National Training Center (NTC) (SAGs: 121)	1,000	0	0	0	1,000
(39) Joint Military Intelligence Program - Continental United States (CONUS) Support (SAGs: 432)	0	0	0	5,000	5,000

Exhibit PB-31D Summary of Increases and Decreases
February 2003

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
(40) Logistics & Technology Program (SAGs: 423)	0	0	0	1,000	1,000
(41) Management & Operational Headquarters Growth (SAGs: 133)	(2,000)	0	0	0	(2,000)
(42) Manpower Management (SAGs: 433)	0	0	0	(3,000)	(3,000)
(43) Military Police Joint Training (SAGs: 321)	0	0	1,700	0	1,700
(44) Military Traffic Management Command (MTMC) DRMEC Demo Project Including RAPID (SAGs: 421)	0	0	0	2,000	2,000
(45) Modular General Purpose Tent System (SAGs: 111)	1,200	0	0	0	1,200
(46) Modular Lightweight Load Equipment (SAGs: 111)	3,600	0	0	0	3,600
(47) Nuclear Posture Review-Information Security Systems (SAGs: 121 135)	15,000	0	0	0	15,000
(48) Other Contracts Unjustified Program Growth (SAGs: 131)	(5,000)	0	0	0	(5,000)
(49) Other Service Support (SAGs: 435)	0	0	0	(10,000)	(10,000)
(50) Physical Security Equipment (SAGs: 121)	76,900	0	0	0	76,900
(51) Pulse Technology Army Battery Management (SAGs: 422)	0	0	0	3,200	3,200
(52) Real Estate Management (SAGs: 437)	0	0	0	(2,000)	(2,000)
(53) Restoration and Modernization of Dining Facilities (SAGs: 326)	0	0	2,300	0	2,300
(54) Rock Island Bridge Repairs (SAGs: 439)	0	0	0	1,700	1,700
(55) SCOLA Language Training (SAGs: 321)	0	0	1,000	0	1,000
(56) Second Destination Transportation (SAGs: 421)	0	0	0	(18,000)	(18,000)
(57) Security and Investigation Backlog (SAGs: 411)	0	0	0	10,000	10,000
(58) Security, Communication and Information Operations (SAGs: 135 336)	0	0	2,300	0	2,300
(59) Servicewide Communications (SAGs: 432)	0	0	0	(22,000)	(22,000)
(60) Stryker Brigade Combat Team (SBCT) Implementation (SAGs: 122 423)	42,500	0	0	0	42,500
(61) Studies, Analysis and Headquarters Growth (SAGs: 122)	(10,000)	0	0	0	(10,000)
(62) Tanana River Bridge Study (SAGs: 131 439)	0	0	0	1,275	1,275
(63) Training and Doctrine Command (TRADOC) Transformation (SAGs: 321 324)	0	0	(15,000)	0	(15,000)
(64) U.S. Army, Pacific (USARPAC) C4I PACMERS (SAGs: 134)	4,300	0	0	0	4,300
(65) U.S. Army, Pacific (USARPAC) Command, Control, Communications and Computers (C4) Shortfalls (SAGs: 134)	5,100	0	0	0	5,100
(66) U.S. Army, South (USARSO) Headquarters (SAGs: 131)	(1,000)	0	0	0	(1,000)
(67) Worker Safety Pilot Program Expansion - Fort Bragg, NC and Watervliet, NY (SAGs: 438)	0	0	0	2,500	2,500
(68) Yukon Training Infrastructure and Access Upgrades (SAGs: 132 439)	0	0	0	1,700	1,700
Total Distributed Adjustments	214,600	0	27,700	(12,825)	229,475
b) Undistributed Adjustments					
(1) Anti-Corrosion Programs (SAGs: 423)	0	0	0	1,000	1,000
(2) Balkans Contingency Operations Cost Reduction (SAGs: 135)	(50,000)	0	0	0	(50,000)
(3) Civil Service Retirement System (CSRS) Accrual Reversal (Multiple SAGs)	(188,494)	(3,967)	(160,275)	(259,646)	(612,382)
(4) Classified Programs (SAGs: 411)	0	0	0	42,153	42,153
(5) Eighth U.S. Army (EUSA) Command and Control (SAGs: 122)	(4,700)	0	0	0	(4,700)
(6) Federal Employees Compensation Act (FECA) Surcharge (Multiple SAGs)	(4,447)	(545)	(1,629)	(2,178)	(8,799)
(7) Memorial Events (SAGs: 435)	0	0	0	800	800
(8) Pacific Command (PACOM) Infrastructure Modernization Program (SAGs: 122)	(620)	0	0	0	(620)
(9) Pacific Command (PACOM) Infrastructure Modernization Program - Transfer to Other Procurement, Army (OPA) (SAGs: 121)	(41,800)	0	0	0	(41,800)
(10) Repairs at Fort Baker (SAGs: 132)	2,500	0	0	0	2,500

Exhibit PB-31D Summary of Increases and Decreases
February 2003

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
(11) U.S. Army, Pacific (USARPAC) Communication Equipment Fielding - Transfer to Other Procurement, Army (OPA) (SAGs: 122)	(3,200)	0	0	0	(3,200)
(12) Undistributed Adjustment (Multiple SAGs)	(3,789)	(466)	(1,388)	(1,857)	(7,500)
(13) Unobligated Balance (Multiple SAGs)	(26,535)	(1,853)	(9,264)	(12,348)	(50,000)
(14) Utilities Privatization (SAGs: 131 325 438)	(5,206)	0	(2,034)	(1,760)	(9,000)
Total Undistributed Adjustments	(326,291)	(6,831)	(174,590)	(233,836)	(741,548)

c) Adjustments to Meet Congressional Intent

(1) Airborne Barracks - Fort Benning, Georgia (SAGs: 132 326)	(2,000)	0	2,000	0	0
(2) Army Conservation and Ecosystem Mgmt (SAGs: 131 438)	3,400	0	0	(3,400)	0
(3) Congressional SRM Alignment (Multiple SAGs)	(14,711)	(11,473)	25,682	502	0
(4) Contractor Linguists Interrogation (SAGs: 121 321)	5,000	0	(5,000)	0	0
(5) Contractor Linguists Tactical Intelligence and Related Activities (TIARA) (SAGs: 121 321)	9,400	0	(9,400)	0	0
(6) Corrosion Prevention and Control Program at CCAD and Fort Hood (SAGs: 121 423)	(1,500)	0	0	1,500	0
(7) Fort Richardson Bldg. 802 Repairs (SAGs: 132 439)	3,900	0	0	(3,900)	0
(8) Fort Wainwright, Utilidors (SAGs: 132 439)	8,500	0	0	(8,500)	0
(9) Hunter Unmanned Aerial Vehicle (UAV) (SAGs: 122 321)	(5,000)	0	5,000	0	0
(10) Nuclear Posture Review-Information Security Systems (SAGs: 121 135)	0	0	0	0	0
(11) Physical Security Equipment (SAGs: 121)	(76,900)	0	0	0	(76,900)
(12) Security, Communication and Information Operations (SAGs: 135 336)	2,300	0	(2,300)	0	0
(13) Stryker Brigade Combat Team (SBCT) Implementation (SAGs: 122 423)	(27,506)	0	0	27,506	0
(14) Tanana River Bridge Study (SAGs: 131 439)	1,275	0	0	(1,275)	0
(15) Yukon Training Infrastructure and Access Upgrades (SAGs: 132 439)	1,700	0	0	(1,700)	0
Total Adjustments to Meet Congressional Intent	(92,142)	(11,473)	15,982	10,733	(76,900)

d) General Provisions

(1) FY 03 Appropriation Language for repairs at Fort Baker (SAGs: 132)	(2,500)	0	0	0	(2,500)
(2) Section 8082 - Foreign Currency Fluctuations (Multiple SAGs)	(86,221)	(1,488)	643	(14,934)	(102,000)
(3) Section 8100 - Business Process Reforms/Management Efficiencies (Multiple SAGs)	(13,145)	(1,617)	(4,815)	(6,423)	(26,000)
(4) Section 8103 - Government Purchase Card Savings (Multiple SAGs)	(12,130)	(1,494)	(4,445)	(5,931)	(24,000)
(5) Section 8113 - Excess Carryover (SAGs: 123)	(48,000)	0	0	0	(48,000)
(6) Section 8133 - Travel (Multiple SAGs)	(8,039)	(247)	(4,029)	(1,685)	(14,000)
(7) Section 8135 - Revised Economic Assumptions (Multiple SAGs)	(70,205)	(3,313)	(26,191)	(34,877)	(134,586)
Total General Provisions	(240,240)	(8,159)	(38,837)	(63,850)	(351,086)

FY 2003 Appropriated Amount	12,461,792	518,001	4,209,287	6,451,916	23,640,996
------------------------------------	-------------------	----------------	------------------	------------------	-------------------

2. Fact-of-Life Changes

a) Functional Transfers

1. Transfers In

(1) Army Contract Agency (ACA) Reorganization (Multiple SAGs)	0	0	0	46,259	46,259
(2) Central Clearance Facility (CCF) Realignment (SAGs: 411 433 434 438)	0	0	0	6,195	6,195

Exhibit PB-31D Summary of Increases and Decreases
February 2003

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
(3) Deputy Chief of Staff for Operations Contracts (SAGs: 431 435)	0	0	0	1,305	1,305
(4) Field Operating Activities Realignment (SAGs: 431)	0	0	0	1,257	1,257
(5) Ft Greely Base Support (SAGs: 131)	10,700	0	0	0	10,700
(6) Network Enterprise and Technology Command (NETCOM) Stand-Up (Multiple SAGs)	15,396	0	0	9,013	24,409
(7) Partnership for Youth Success (PAYS) (SAGs: 331 434)	0	0	0	210	210
(8) Personnel Electronic Records Management (SAGs: 432 434)	0	0	0	7,960	7,960
(9) Personnel Security Screening Program (PSSP) (SAGs: 331 433)	0	0	3,300	0	3,300
(10) Program Executive Office/Program Manager (PEO/PM) Realignment (SAGs: 432)	0	0	0	4,252	4,252
(11) Transformation of Installation Management (TIM) (Multiple SAGs)	28,655	0	6,890	8,441	43,986
(12) U.S. Army Publication Agency Information Management Realignment (SAGs: 431 432)	0	0	0	1,383	1,383
(13) USARPAC C4 Information Infrastructure (SAGs: 121 122)	2,666	0	0	0	2,666
Total Transfers In	57,417	0	10,190	86,275	153,882
2. Transfers Out					
(1) Army Contract Agency (ACA) Reorganization (Multiple SAGs)	(32,809)	0	(5,594)	(7,856)	(46,259)
(2) Central Clearance Facility (CCF) Realignment (SAGs: 411 433 434 438)	0	0	0	(6,195)	(6,195)
(3) Deputy Chief of Staff for Operations Contracts (SAGs: 431 435)	0	0	0	(1,305)	(1,305)
(4) Field Operating Activity Realignment (SAGs: 435 436)	0	0	0	(1,257)	(1,257)
(5) Fort Greely Base Support (SAGs: 132 326 439)	(6,296)	0	(2,621)	(1,783)	(10,700)
(6) Network Enterprise and Technology Command (NETCOM) Stand-Up (Multiple SAGs)	(17,854)	(87)	(2,006)	(4,462)	(24,409)
(7) Partnership For Youth Success (PaYS) (SAGs: 331 434)	0	0	(210)	0	(210)
(8) Personnel Electronic Records Management (SAGs: 432 434)	0	0	0	(7,960)	(7,960)
(9) Personnel Security Screening Program (PSSP) (SAGs: 331 433)	0	0	0	(3,300)	(3,300)
(10) Program Executive Office Reorganization (SAGs: 431)	0	0	0	(4,252)	(4,252)
(11) Transformation of Installation Management (TIM) (Multiple SAGs)	(41,895)	0	0	(2,091)	(43,986)
(12) U.S. Army Publication Agency Information Management Realignment (SAGs: 431 432)	0	0	0	(1,383)	(1,383)
(13) USARPAC C4 Information Infrastructure (SAGs: 121 122)	(2,666)	0	0	0	(2,666)
Total Transfers Out	(101,520)	(87)	(10,431)	(41,844)	(153,882)
b) Technical Adjustments					
1. Increases					
(1) Demolition of Excess Facilities (SAGs: 132 316 326 439)	0	0	0	15,584	15,584
Total Increases	0	0	0	15,584	15,584
2. Decreases					
(1) Demolition of Excess Facilities (SAGs: 132 316 326 439)	0	0	(15,584)	0	(15,584)
Total Decreases	0	0	(15,584)	0	(15,584)
c) Emergent Requirements					

Exhibit PB-31D Summary of Increases and Decreases
February 2003

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
1. One-Time Costs					
(1) Military Training Specific Allotment (MTSA) Pilot Program (Multiple SAGs)	(17,994)	0	18,859	(865)	0
Total One-Time Costs	(17,994)	0	18,859	(865)	0
2. Program Growth					
(1) Army Language Program (SAGs: 121 321)	2,383	0	0	0	2,383
(2) Army Management Headquarters Activities Realignment (SAGs: 431)	0	0	0	5,308	5,308
(3) Army Material Command Realignment (SAGs: 121)	1,664	0	0	0	1,664
(4) Army War College/Heritage Center (SAGs: 323)	0	0	1,280	0	1,280
(5) Aviation Transformation Plan (Multiple SAGs)	1,757	0	0	0	1,757
(6) Business Initiatives Council (SAGs: 431)	0	0	0	2,825	2,825
(7) Central Supply Activities (SAGs: 422)	0	0	0	539	539
(8) Combatant Commander Support (SAGs: 121 134)	11,443	0	0	0	11,443
(9) Contingency Operations (CONOPS) Support (Multiple SAGs)	0	0	12,600	64,615	77,215
(10) Defense Language Proficiency Test (SAGs: 333)	0	0	155	0	155
(11) Defense Messaging System (DMS) (SAGs: 122)	1,069	0	0	0	1,069
(12) Deployment Outload (SAGs: 214)	0	10,450	0	0	10,450
(13) Depot Maintenance (SAGs: 123)	60,141	0	0	0	60,141
(14) Flying Hour Program (Multiple SAGs)	0	0	13,962	0	13,962
(15) Force Management School (SAGs: 431)	0	0	0	1,000	1,000
(16) Ground OPTEMPO (Multiple SAGs)	39,000	0	0	0	39,000
(17) Headquarter, U.S. Army Garrison, Japan (SAGs: 333)	0	0	269	0	269
(18) Logistics Support Activities (SAGs: 423)	0	0	0	15,386	15,386
(19) NASCAR Advertising (SAGs: 331)	0	0	3,307	0	3,307
(20) Operation Enduring Freedom Support (SAGs: 435)	0	0	0	650	650
(21) Realignment Task Force Initiatives (SAGs: 432)	0	0	0	4,779	4,779
(22) Second Destination Transportation (SAGs: 421)	0	0	0	9,800	9,800
(23) Spares (SAGs: 423)	0	0	0	292,000	292,000
(24) Spares Rebaselining Correction (SAGs: 438)	0	0	0	176,000	176,000
(25) Special Skills Training (SAGs: 321)	0	0	7,965	0	7,965
(26) Strategic Readiness System (SAGs: 431)	0	0	0	7,400	7,400
(27) Stryker Brigade Combat Team (SBCT) Implementation (SAGs: 122 423)	20,000	0	0	0	20,000
(28) Transformation of Installation Management (TIM) (Multiple SAGs)	14,954	0	927	0	15,881
(29) United States Military Academy (USMA) (SAGs: 311)	0	0	5,000	0	5,000
Total Program Growth	152,411	10,450	45,465	580,302	788,628
3. Program Reductions					
(1) Active Component support to Reserve Component (SAGs: 121)	(13,231)	0	0	0	(13,231)
(2) Air OPTEMPO (SAGs: 111 112 113 114)	(51,674)	0	0	0	(51,674)
(3) Army Language Program (SAGs: 121 321)	0	0	(2,383)	0	(2,383)
(4) Army Management Headquarters Reduction (SAGs: 133)	(498)	0	0	0	(498)
(5) Army Watercraft Restructing Plan (SAGs: 211)	0	(18,124)	0	0	(18,124)
(6) Aviation Transformation Plan (Multiple SAGs)	(16,258)	0	0	(139)	(16,397)
(7) Command and Control (SAGs: 122 135)	(4,489)	0	0	0	(4,489)
(8) Contingency Operations (CONOPS) Support (Multiple SAGs)	(78,387)	0	0	0	(78,387)

Exhibit PB-31D Summary of Increases and Decreases
February 2003

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
(9) Flying Hour Program (Multiple SAGs)	0	0	(58)	0	(58)
(10) Force Development (SAGs: 122)	(311)	0	0	0	(311)
(11) Land Forces Readiness Operations Support (SAGs: 122)	(12,932)	0	0	0	(12,932)
(12) Manpower Management (SAGs: 433)	0	0	0	(8,054)	(8,054)
(13) Miscellaneous Support of Other Nations (SAGs: 442)	0	0	0	(125)	(125)
(14) Operation Readiness Realignment (SAGs: 121)	(6,846)	0	0	0	(6,846)
(15) Real Estate Management (SAGs: 437)	0	0	0	(239)	(239)
(16) Reconfiguration of Army Prepositioned Stocks in Europe (SAGs: 212)	0	(7,385)	0	0	(7,385)
(17) Transformation of Installation Management (TIM) (Multiple SAGs)	(267,077)	0	(97,989)	(124,740)	(489,806)
(18) Transition Center (SAGs: 132)	(2,100)	0	0	0	(2,100)
Total Program Reductions	(453,803)	(25,509)	(100,430)	(133,297)	(713,039)
FY 2003 Baseline Funding	12,098,303	502,855	4,157,356	6,958,071	23,716,585
3. Reprogrammings/Supplemental					
a) Anticipated Supplemental					
b) Reprogrammings					
1. Increases					
(1) Ground OPTEMPO (Multiple SAGs)	153,000	0	0	0	153,000
Total Increases	153,000	0	0	0	153,000
2. Decreases					
(1) Classified Programs (SAGs: 411)	0	0	0	(1,159)	(1,159)
(2) Defense Property Accountability System (DPAS) (SAGs: 435)	0	0	0	(2,381)	(2,381)
(3) Employer Support of the Guard and Reserve - Leases (SAGs: 438)	0	0	0	(244)	(244)
(4) Foreign Currency Fluctuation (Multiple SAGs)	(32,102)	(2,379)	(793)	(4,360)	(39,634)
Total Decreases	(32,102)	(2,379)	(793)	(8,144)	(43,418)
Revised FY 2003 Current Estimate	12,219,201	500,476	4,156,563	6,949,927	23,826,167
4. Price Change	283,540	30,914	40,447	112,526	467,427
5. Functional Transfers					
a) Transfers In					
(1) Army Marketing Program (SAGs: 331 336)	0	0	5,899	0	5,899
(2) Aviation Maintenance (SAGs: 111 112 113 115)	30,679	0	0	0	30,679
(3) Civilian Personnel Operations Systems Modernization program (SAGs: 432 433)	0	0	0	3,667	3,667
(4) Community and Family Support Center (CFSC) (SAGs: 434 438)	0	0	0	26,451	26,451
(5) Defense Satellite Communications System (SAGs: 432)	0	0	0	6,641	6,641
(6) Direct Support Maintenance (Multiple SAGs)	107,583	0	0	0	107,583
(7) Environmental Cleanup (SAGs: 131)	3,400	0	0	0	3,400
(8) Field Force Engineering (SAGs: 213 437)	0	0	0	326	326
(9) Financial Management Modernization (SAGs: 431)	0	0	0	2,000	2,000

Exhibit PB-31D Summary of Increases and Decreases
February 2003

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
(10) Global Combat Support System-Army (GCSS-A) (SAGs: 432)	0	0	0	6,650	6,650
(11) Information Services Decapitalization (SAGs: 131 432 438)	0	0	0	2,795	2,795
(12) Information Technology Agency (SAGs: 431)	0	0	0	17,100	17,100
(13) International Military Education Training (IMET) (SAGs: 325)	0	0	1,190	0	1,190
(14) Joint Logistics Warfighter (JWLI) Initiative (SAGs: 432)	0	0	0	2,500	2,500
(15) Network Enterprise and Technology Command (NETCOM) Stand-Up (Multiple SAGs)	0	0	0	7,316	7,316
(16) Nuclear Arms Control (SAGs: 432)	0	0	0	9,844	9,844
(17) Other Modernization Fielding (SAGs: 122)	15,051	0	0	0	15,051
(18) Pentagon Reservation Maintenance Revolving Fund (SAGs: 438)	0	0	0	33,900	33,900
(19) Program Executive Office Enterprise Information Systems (SAGs: 431 432)	0	0	0	3,844	3,844
(20) Single Stock Fund (Multiple SAGs)	23,425	0	10,600	463	34,488
(21) Transfer of The Atlantic Area Responsibility (SAGs: 134 435)	1,862	0	0	2	1,864
(22) Transformation of Installation Management (TIM) (Multiple SAGs)	127,685	0	67,968	82,070	277,723
(23) U.S. Army Criminal Investigation Command (USACIC) (SAGs: 114 324 435)	14,207	0	0	0	14,207
Total Transfers In	323,892	0	85,657	205,569	615,118
b) Transfers Out					
(1) Apache Logistics Support (SAGs: 435)	0	0	0	(3,798)	(3,798)
(2) Army Family Housing (SAGs: 131)	(5,000)	0	0	0	(5,000)
(3) Army Marketing Program (SAGs: 331 336)	0	0	(5,899)	0	(5,899)
(4) Army Physical Fitness Resource Institute (SAGs: 323)	0	0	(369)	0	(369)
(5) Aviation Maintenance (SAGs: 111 112 113 115)	(30,679)	0	0	0	(30,679)
(6) Civilian Personnel Operations Systems Modernization Program (SAGs: 432 433)	0	0	0	(3,667)	(3,667)
(7) Combat Service Equipment (SAGs: 121)	(21,554)	0	0	0	(21,554)
(8) Communication Infrastructure (SAGs: 121 122 131 432)	(74,302)	0	0	(1,163)	(75,465)
(9) Community and Family Support Center (CFSC) (SAGs: 434 438)	0	0	0	(26,451)	(26,451)
(10) Defense Agencies Study (SAGs: 435)	0	0	0	(1,200)	(1,200)
(11) Defense Continuity Program Office (DCPO) (SAGs: 432)	0	0	0	(1,100)	(1,100)
(12) Defense Property Accountability System (DPAS) (SAGs: 435)	0	0	0	(2,424)	(2,424)
(13) Direct Support Maintenance (Multiple SAGs)	(107,583)	0	0	0	(107,583)
(14) Employer Support of the Guard and Reserve - Leases (SAGs: 438)	0	0	0	(248)	(248)
(15) Enhanced Mobile Satellite System (EMSS) (SAGs: 432)	0	0	0	(12,400)	(12,400)
(16) Field Force Engineering (SAGs: 213 437)	0	(326)	0	0	(326)
(17) Industrial Mobilization Capacity (SAGs: 213)	0	(113,900)	0	0	(113,900)
(18) Information Services Decapitalization (SAGs: 131 432 438)	(1,795)	0	0	(1,000)	(2,795)
(19) Joint Computer Aided Acquisition and Logistics Support Program (SAGs: 432)	0	0	0	(19,100)	(19,100)
(20) Longbow Crew Trainer (SAGs: 121)	(5,700)	0	0	0	(5,700)
(21) National Defense University (SAGs: 323)	0	0	(126)	0	(126)
(22) Personnel Security Investigation (SAGs: 331)	0	0	(3,185)	0	(3,185)
(23) Program Executive Office Enterprise Information Systems (SAGs: 431 432)	0	0	0	(3,844)	(3,844)
(24) Resource DeCA Operations (SAGs: 43A)	0	0	0	(376,435)	(376,435)
(25) Single Stock Fund (Multiple SAGs)	(23,425)	0	(10,600)	(463)	(34,488)
(26) Tier-One Telecommunications (SAGs: 432)	0	0	0	(45,200)	(45,200)
(27) Transformation of Installation Management (TIM) (Multiple SAGs)	(161,148)	0	(84,134)	(32,441)	(277,723)

Exhibit PB-31D Summary of Increases and Decreases
February 2003

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
(28) U.S. Army Criminal Investigation Command (USACIC) (SAGs: 114 324 435)	0	0	(747)	(13,460)	(14,207)
(29) War Reserve Secondary Items (SAGs: 212)	0	(105,400)	0	0	(105,400)
Total Transfers Out	(431,186)	(219,626)	(105,060)	(544,394)	(1,300,266)

6. Program Increases

a) Annualization of New FY 2003 Program

b) One-Time FY 2004 Costs

(1) Additional Compensable Day in FY 2004 (Multiple SAGs)	5,936	138	3,419	6,052	15,545
(2) North Atlantic Treaty Organization (NATO) Defense Ministerial (SAGs: 441)	0	0	0	10,000	10,000

Total One-Time FY 2004 Costs	5,936	138	3,419	16,052	25,545
-------------------------------------	--------------	------------	--------------	---------------	---------------

c) Program Growth in FY 2004

(1) Ammunition Management (SAGs: 424)	0	0	0	15,965	15,965
(2) Anti-Terrorism/Force Protection (SAGs: 131)	117,351	0	0	0	117,351
(3) Army Communication Transformation Initiatives (SAGs: 431)	0	0	0	7,133	7,133
(4) Army Enterprise Architecture (SAGs: 432)	0	0	0	4,150	4,150
(5) Army Family Team Building (AFTB) (SAGs: 131)	3,352	0	0	0	3,352
(6) Army Management Headquarters Administration (SAGs: 431)	0	0	0	2,863	2,863
(7) Army Prepositioned Stocks (Ammunition) in the Pacific (SAGs: 212)	0	636	0	0	636
(8) Army Prepositioned Stocks (Non-Ammunition) in CONUS (SAGs: 212)	0	4,807	0	0	4,807
(9) Army Prepositioned Stocks in Southwest Asia (SAGs: 212)	0	5,478	0	0	5,478
(10) Army Records Management Information Programs (SAGs: 432)	0	0	0	6,000	6,000
(11) Army Recruit Info Support System (SAGs: 331)	0	0	6,180	0	6,180
(12) Army Tuition Assistance Program (SAGs: 333)	0	0	19,079	0	19,079
(13) Army War College (AWC) (SAGs: 323)	0	0	2,433	0	2,433
(14) Army Watercraft Assets (SAGs: 211)	0	34,577	0	0	34,577
(15) Boy Scouts (SAGs: 434)	0	0	0	3,255	3,255
(16) Business Initiative Investment Fund (SAGs: 438)	0	0	0	2,000	2,000
(17) Civilian Injury Compensation (SAGs: 436)	0	0	0	6,799	6,799
(18) Corps of Engineers Military to Civilian Conversion (SAGs: 431)	0	0	0	831	831
(19) Critical Training Enablers (SAGs: 121)	8,267	0	0	0	8,267
(20) Decapitalization of Information Systems (SAGs: 432)	0	0	0	7,500	7,500
(21) Demolition of Excess Facilities (SAGs: 132 316 326 439)	18,600	0	5,600	6,800	31,000
(22) Depot Maintenance - Aircraft (SAGs: 123)	53,241	0	0	0	53,241
(23) Depot Maintenance - Automotive (SAGs: 123)	29,017	0	0	0	29,017
(24) Depot Maintenance - Combat Vehicle (SAGs: 123)	8,503	0	0	0	8,503
(25) Depot Maintenance - Communications/Electronics (SAGs: 123)	26,069	0	0	0	26,069
(26) Depot Maintenance - Construction Equipment (SAGs: 123)	2,130	0	0	0	2,130
(27) Depot Maintenance - Missiles (SAGs: 123)	55,576	0	0	0	55,576
(28) Direct Support Maintenance (Plus) Phase-out (SAGs: 111 112 115)	29,912	0	0	0	29,912
(29) Electronic Military Personnel Office (SAGs: 432)	0	0	0	2,000	2,000
(30) Facilities Sustainment (SAGs: 132 326 439)	74,487	0	47,541	19,169	141,197
(31) Financial Operations (SAGs: 435)	0	0	0	17,000	17,000
(32) Flight Training/Fort Rucker Operations (SAGs: 322)	0	0	97,902	0	97,902

Exhibit PB-31D Summary of Increases and Decreases
February 2003

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
(33) Flying Hour Program (Multiple SAGs)	10,533	0	0	0	10,533
(34) Ground OPTEMPO Demand Adjustment (Multiple SAGs)	96,772	0	0	0	96,772
(35) Guantanamo Bay (SAGs: 135)	91,906	0	0	0	91,906
(36) Historic Properties Improvement Program (SAGs: 131 132)	1,551	0	0	0	1,551
(37) Improved Target Acquisition System (ITAS) Contractor Logistics Support (CLS) (SAGs: 115)	4,910	0	0	0	4,910
(38) Industrial Mobilization Capacity (SAGs: 213)	0	113,900	0	0	113,900
(39) Information Technology Agency (SAGs: 431)	0	0	0	19,482	19,482
(40) Intern Program (SAGs: 334)	0	0	4,754	0	4,754
(41) Javelin Contractor Logistics Support (CLS) (SAGs: 115)	2,974	0	0	0	2,974
(42) Junior Reserve Officers Training Corps (JROTC) (SAGs: 335)	0	0	31,453	0	31,453
(43) Land Information Warfare Operations (SAGs: 432)	0	0	0	4,179	4,179
(44) Leases (Real Estate Leases) (SAGs: 131 325 438)	0	0	0	16,003	16,003
(45) Logistics Support Activities (SAGs: 423)	0	0	0	1,036	1,036
(46) Long Haul Communications (SAGs: 122)	9,498	0	0	0	9,498
(47) Longbow Apache - Contractor Support (SAGs: 122)	19,114	0	0	0	19,114
(48) Major Command Mission Automated Database Programs Sustainment (SAGs: 432)	0	0	0	3,200	3,200
(49) Manpower Management (SAGs: 433)	0	0	0	11,904	11,904
(50) Mass Transportation Subsidy (SAGs: 435)	0	0	0	4,000	4,000
(51) Medical Potency & Dated Supply Readiness (SAGs: 211)	0	348	0	0	348
(52) Military Entrance Processing Command (MEPCOM) Integrated Resource System (SAGs: 332)	0	0	1,771	0	1,771
(53) Military Personnel Service Center (SAGs: 435)	0	0	0	5,202	5,202
(54) Military Specific Training Allotment (SAGs: 121)	33,431	0	0	0	33,431
(55) Modernization & Force Structure (SAGs: 111)	12,620	0	0	0	12,620
(56) National Army Museum Program (SAGs: 434)	0	0	0	4,155	4,155
(57) One Station Unit Training (OSUT) (SAGs: 313)	0	0	18,420	0	18,420
(58) Pentagon Renovation & Reservation Facility (SAGs: 438)	0	0	0	64,960	64,960
(59) Pentagon Telecommunications Center (SAGs: 431)	0	0	0	9,705	9,705
(60) Personnel Transformation Initiative (SAGs: 431 434)	0	0	0	16,035	16,035
(61) Post Production Software Support (PPSS) (SAGs: 123)	26,050	0	0	0	26,050
(62) Professional Military Education School - National Defense University (SAGs: 323)	0	0	10,385	0	10,385
(63) Program Executive Office/Program Manager (PEO/PM) (SAGs: 435)	0	0	0	4,990	4,990
(64) Public Affairs (SAGs: 435)	0	0	0	2,396	2,396
(65) Real Estate Management (SAGs: 437)	0	0	0	1,132	1,132
(66) Recruit Training (SAGs: 312)	0	0	4,250	0	4,250
(67) Reserve Component Equipment Modernization (SAGs: 121 435)	0	0	0	31,000	31,000
(68) Resource DeCA Operations (SAGs: 43A)	0	0	0	376,435	376,435
(69) Second Destination Transportation (SAGs: 421)	0	0	0	31,515	31,515
(70) Security Matters (SAGs: 131)	5,795	0	0	0	5,795
(71) Senior Reserve Officer Training Corps (SAGs: 314)	0	0	7,368	0	7,368
(72) Sentinel Contractor Logistics Support (CLS) (SAGs: 115)	5,705	0	0	0	5,705
(73) Spares (SAGs: 423)	0	0	0	366,000	366,000
(74) Special Operation Forces Support (SAGs: 112)	12,910	0	0	0	12,910
(75) Standardization and Interoperability Programs (SAGs: 121 442)	4,880	0	0	2,909	7,789

Exhibit PB-31D Summary of Increases and Decreases
February 2003

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
(76) Stryker Brigade Combat Team (SBCT) Certification Exercise (CERTEX) (SAGs: 115)	8,186	0	0	0	8,186
(77) Supply Depot Operations (SDO) (SAGs: 422)	0	0	0	4,537	4,537
(78) Tactical Support - Maintenance of Tactical Equipment (SAGs: 324)	0	0	11,177	0	11,177
(79) Tactical Unmanned Aerial Vehicle (TUAV) (SAGs: 111 112 114)	10,305	0	0	0	10,305
(80) Training Aides, Devices, Simulations, and Simulators (TADSS) (SAGs: 115)	37,512	0	0	0	37,512
(81) Training Transformation (T2) / Joint National Training Capability (JNTC) (SAGs: 115)	10,682	0	0	0	10,682
(82) Transformation of Installation Management (TIM) (Multiple SAGs)	0	0	62,889	0	62,889
(83) Unaccompanied Personnel (SAGs: 132)	6,801	0	0	0	6,801
(84) Unaccounted for Service Members from Previous Conflicts (SAGs: 434)	0	0	0	8,926	8,926
(85) United States Military Academy (USMA) (SAGs: 311)	0	0	920	0	920
(86) USMA Competitive Sustainment Level (CSL) (SAGs: 316)	0	0	5,576	0	5,576
(87) War Reserve Secondary Items (SAGs: 212)	0	105,400	0	0	105,400
Total Program Growth in FY 2004	838,640	265,146	337,698	1,091,166	2,532,650

7. Program Decreases

a) One-Time FY 2003 Costs

(1) AIT/RFID Sierra Army Depot (SAGs: 423)	0	0	0	(1,000)	(1,000)
(2) Anti-Corrosion Costs (SAGs: 423)	0	0	0	(1,000)	(1,000)
(3) Antiterrorism/Force Protection Officers (SAGs: 134)	(7,760)	0	0	0	(7,760)
(4) Army Air Battle Captain Program (SAGs: 314)	0	0	(1,400)	0	(1,400)
(5) Army Language Program (SAGs: 121 321)	0	0	(19,500)	0	(19,500)
(6) Army-Wide Information System Support to Unified Commands (SAGs: 134)	(10,586)	0	0	0	(10,586)
(7) Battle Space Character (SAGs: 411)	0	0	0	(2,000)	(2,000)
(8) Classified Programs - Congressional Adjustment (SAGs: 411)	0	0	0	(42,153)	(42,153)
(9) Continuity of Operations (SAGs: 411)	0	0	0	(2,000)	(2,000)
(10) Corrosion Prevention & Control Program at Corpus Christi Army Depot & Ft Hood (SAGs: 423)	0	0	0	(1,500)	(1,500)
(11) DLI Language Net (SAGs: 324)	0	0	(1,000)	0	(1,000)
(12) EMS Point to Point Wiring & Signal Tracing (SAGs: 423)	0	0	0	(1,000)	(1,000)
(13) Fort Knox Distance Learning (SAGs: 324)	0	0	(2,100)	0	(2,100)
(14) Fort Lewis Online Technology Pilot Program Training (SAGs: 334)	0	0	(1,000)	0	(1,000)
(15) Hunter Unmanned Aerial Vehicle (UAV) (SAGs: 122 321)	0	0	(5,000)	0	(5,000)
(16) Information Dominance (SAGs: 411)	0	0	0	(1,000)	(1,000)
(17) Logistics & Technology Program (SAGs: 423)	0	0	0	(1,000)	(1,000)
(18) Logistics Support Activities (SAGs: 423)	0	0	0	(15,361)	(15,361)
(19) Military Police MCFTF Joint Training (SAGs: 321)	0	0	(1,700)	0	(1,700)
(20) Military Traffic Management Command (MTMC) DRMEC Demo Project Including RAPID (SAGs: 421)	0	0	0	(2,000)	(2,000)
(21) Military Training Specific Allotment (MTSA) Pilot Program (Multiple SAGs)	0	0	(18,979)	0	(18,979)
(22) Pulse Technology Army Battery Management (SAGs: 422)	0	0	0	(3,200)	(3,200)
(23) SCOLA Language Program (SAGs: 321)	0	0	(1,000)	0	(1,000)
(24) Stryker Brigade Combat Team (SAGs: 423)	0	0	0	(27,506)	(27,506)
(25) Training and Doctrine Command (TRADOC) Transformation (SAGs: 321 324)	0	0	(41,709)	0	(41,709)

Exhibit PB-31D Summary of Increases and Decreases
February 2003

**OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES**

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
Total One-Time FY 2003 Costs	(18,346)	0	(93,388)	(100,720)	(212,454)
b) Annualization of FY 2003 Program Decreases					
c) Program Decreases in FY 2004					
(1) 1st Information Operations Command (SAGs: 121)	(6,422)	0	0	0	(6,422)
(2) Airborne Reconnaissance Low (ARL) (SAGs: 114)	(13,318)	0	0	0	(13,318)
(3) Army Arms Control Program (SAGs: 411)	0	0	0	(496)	(496)
(4) Army Civilian Education and Training Program (SAGs: 334)	0	0	(5,655)	0	(5,655)
(5) Army Model & Simulation - SMART and Advanced Concepts Requirements (SAGs: 122)	(9,682)	0	0	0	(9,682)
(6) Army Prepositioned Stocks (Non-Ammunition) in the Pacific (SAGs: 212)	0	(1,719)	0	0	(1,719)
(7) Army Prepositioned Stocks Afloat (SAGs: 211)	0	(16,966)	0	0	(16,966)
(8) Army Prepositioned Stocks in Europe (SAGs: 212)	0	(11,314)	0	0	(11,314)
(9) Base Communications (Multiple SAGs)	(9,773)	0	(16,512)	(11,454)	(37,739)
(10) Business Reengineering Initiatives (SAGs: 133)	(4,681)	0	0	0	(4,681)
(11) Classified Programs (SAGs: 411)	0	0	0	(5,515)	(5,515)
(12) Combat Development Core (SAGs: 122)	(4,990)	0	0	0	(4,990)
(13) Combat Support Medical (SAGs: 122)	(14,134)	0	0	0	(14,134)
(14) Combat Training Centers (CTC) (SAGs: 115)	(13,117)	0	0	0	(13,117)
(15) Combatant Commanders Headquarters Activities (SAGs: 134)	(4,307)	0	0	0	(4,307)
(16) Consumable Repair Parts (Multiple SAGs)	(147,804)	0	(7,887)	0	(155,691)
(17) Contingency Operations (CONOPS) (SAGs: 135)	(1,975)	0	0	0	(1,975)
(18) Deployment Outload (SAGs: 214)	0	(3,674)	0	0	(3,674)
(19) Depot Maintenance - Aircraft (SAGs: 123)	(19,192)	0	0	0	(19,192)
(20) Depot Maintenance - Communications/Electronics (SAGs: 123)	(6,116)	0	0	0	(6,116)
(21) Depot Maintenance - Ships (SAGs: 123)	(8,034)	0	0	0	(8,034)
(22) Document Automation and Production Service (DAPS) (SAGs: 435)	0	0	0	(1,100)	(1,100)
(23) End Item Materiel Management (SAGs: 422)	0	0	0	(45,224)	(45,224)
(24) Fixed Wing Life Cycle Contractor Support (SAGs: 122)	(2,819)	0	0	0	(2,819)
(25) Flying Hour Program (Multiple SAGs)	(12,465)	0	0	0	(12,465)
(26) Historic Properties Improvement Program (SAGs: 131 132)	(1,551)	0	0	0	(1,551)
(27) Industrial Preparedness Operation (SAGs: 213)	0	(812)	0	0	(812)
(28) Leases (Real Estate Leases) (SAGs: 131 325 438)	(19,200)	0	(9,000)	0	(28,200)
(29) Oman Access Fee and Bahrain Lease in Southwest Asia (SAGs: 211)	0	(1,251)	0	0	(1,251)
(30) Personnel Security Investigations (PSI) (SAGs: 411)	0	0	0	(41,294)	(41,294)
(31) Power Projection Outload (SAGs: 211)	0	(2,466)	0	0	(2,466)
(32) Recapitalization (SAGs: 111 112)	(6,605)	0	0	0	(6,605)
(33) Reserve Officer Training Corps Enhanced Skills (SAGs: 314)	0	0	(1,647)	0	(1,647)
(34) Restoration and Modernization (SAGs: 132)	(117,575)	0	0	0	(117,575)
(35) Spares Rebaselining Correction (SAGs: 438)	0	0	0	(176,000)	(176,000)
(36) Stryker Brigade Combat Team (SBCT) Deployment Exercise (SAGs: 111 115)	(60,000)	0	0	0	(60,000)
(37) Support of North Atlantic Treaty Organization (NATO) Operations (SAGs: 441)	0	0	0	(7,936)	(7,936)
(38) Test Measurement and Diagnostic Equipment (TMDE) (SAGs: 123)	(7,705)	0	0	0	(7,705)
(39) Traditional Combatant Commanders Activities	(3,580)	0	0	0	(3,580)
(40) Transformation Installation Management (SAGs: 131 438)	(104,113)	0	0	(16,357)	(120,470)
(41) Unmanned Aerial Vehicle (UAV) - Hunter UAV (SAGs: 122)	(5,408)	0	0	0	(5,408)

Exhibit PB-31D Summary of Increases and Decreases
February 2003

OPERATION AND MAINTENANCE, ARMY
SUMMARY OF INCREASES AND DECREASES

(\$ in Thousands)

	<u>BA1</u>	<u>BA2</u>	<u>BA3</u>	<u>BA4</u>	<u>TOTAL</u>
Total Program Decreases in FY 2004	(604,566)	(38,202)	(40,701)	(305,376)	(988,845)
FY 2004 Budget Request	12,617,111	538,846	4,384,635	7,424,750	24,965,342

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces
Subactivity Group: Divisions

I. Description of Operations Financed:

DIVISIONS - The Sub Activity Group (SAG) finances the training and operations of the active Army's 10 fighting divisions plus all organic forces associated with these divisions. The active Army's 10 fighting divisions are composed of 6 heavy, 1 airborne, 1 air assault, and 2 light divisions. The SAG includes only the costs specifically identified and measured to these units and does not include non-divisional assets.

Cost drivers are the unit size and the level of training activity necessary to meet assigned readiness levels. Size is expressed in the number of battalions or squadrons while training levels are expressed as operating tempo (OPTEMPO) in terms of miles driven and hours flown for key items of equipment. A unit's OPTEMPO will vary according to assigned readiness levels, missions, equipment, and personnel.

Within this SAG the transformation strategy focuses on keeping the Stryker Brigades within the divisions fully funded and supporting the sustainment of legacy forces to optimal levels.

II. Force Structure Summary:

This Subactivity group's force structure reflects the active Army's divisions. These units include airborne, armored, infantry, air assault, and all other organic assigned subordinate brigades, battalions, companies, and other subordinate units.

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Divisions

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Divisions	1,430,044	1,425,204	1,435,388	1,426,706	1,506,922	1,461,582
Total	1,430,044	1,425,204	1,435,388	1,426,706	1,506,922	1,461,582

B. <u>Reconciliation Summary:</u>	CHANGE	CHANGE	CHANGE
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	1,425,204	1,426,706	1,506,922
Congressional Adjustments (Distributed)	11,200		
Congressional Adjustments (Undistributed)	0		
Adjustments to Meet Congressional Intent	0		
General Provisions	-1,016		
SUBTOTAL APPROPRIATED AMOUNT	1,435,388		
Fact-of-Life Changes	-55,242		
SUBTOTAL BASELINE FUNDING	1,380,146		
Anticipated Supplemental	0		
Reprogramming	46,560		
Price Change		36,378	25,691
Functional Transfers		82,727	0
Program Changes		-38,889	-71,031
CURRENT ESTIMATE	1,426,706	1,506,922	1,461,582

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Divisions

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....\$1,425,204

1. Congressional Adjustments

a) Distributed Adjustments

1) Expendable Light Air Mobility Shelter	\$	2,500
2) All Terrain Military Vehicle	\$	2,900
3) Hydration on the Move System	\$	1,000
4) Modular General Purpose Tent System	\$	1,200
5) Modular Lightweight Load Equipment	\$	3,600

Total Distributed Adjustments\$ 11,200

b) General Provisions

Section 8082 - Foreign Currency Fluctuations	\$	-1,016
--	----	--------

Total General Provisions\$ -1,016

FY 2003 Appropriated Amount.....\$1,435,388

2. Fact-of-Life Changes

Emergent Requirements

Program Reductions

a) Aviation Transformation Plan	\$	-10,894
Delay in execution of the Aviation Transformation Plan for 101st Air Assault Division reduced flying hours required for AH-64D and UH-60L aircraft in the division.		

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Divisions

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

Emergent Requirements (Continued)

Program Reductions (Continued)

b) Air OPTEMPO\$ -44,348

The Army is managing risk. This reduces the Aircrew OPTEMPO funding to the historical execution level of 13.1 hours, per crew, per month versus the Combined Arms Training Strategy (CATS) requirement of 14.5 hours, per crew, per month. The Army continues to pursue solutions to inhibitors of aircraft availability (spares and safety of flight) and pilot availability (flight school backlog).

Total Emergent Requirements\$ -55,242

FY 2003 Baseline Funding.....\$1,380,146

3. Reprogrammings/Supplemental

Reprogrammings

1) Increases

Ground OPTEMPO\$ 46,990

Increase fully funds the Combined Arms Training Strategy (CATS) requirements.

2) Decreases

Foreign Currency Fluctuation\$ -430

Total Reprogrammings\$ 46,560

Revised FY 2003 Current Estimate.....\$1,426,706

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Divisions

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Price Change.....\$ 36,378

5. Functional Transfers

Transfers In

1) Aviation Maintenance\$ 23,763
 Realigns Aviation Maintenance funding from Sub Activity Group (SAG) 115 Land Forces Operations Support into SAG 111 Divisions. The movement aligns funding to the appropriate SAG.

2) Direct Support Maintenance\$ 58,964
 Transfer of repair part dollars from the tactical maintenance program in Sub Activity Group (SAG) 115 Land Forces Operating Support to SAG 111 Divisions. Under the Transformation of Installation Management (TIM) program the repair part dollars from the tactical maintenance program in SAG 115 is transferred to the maintenance program of the unit who owns the equipment. The unit receiving the service will now reimburse the TDA maintenance activity for the support.

Total Transfers In\$ 82,727

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 3
 There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Divisions

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004

- | | |
|--|-----------|
| 1) Modernization & Force Structure | \$ 12,620 |
| Provides for the increased cost of maintaining and operating M2A2/M2A3 Bradley Fighting Vehicles fielded to the 1st, 2nd and 4th Infantry and 1st Armored Divisions. The upgrades provide increased digital command and control capabilities, significantly increased situational awareness, and enhanced lethality and survivability. | |
| 2) Direct Support Maintenance (Plus) Phase-out | \$ 29,730 |
| This increase reflects the change in repair policy driven by the Army's plan to eliminate costly local repair of the Abrams Gas Turbine 1500 (AGT 1500) Engine. The program improves engine reliability and system readiness. Over the long term, system Operations & Support (O&S) costs are expected to decrease. The program, known as the DS Conversion Program, eliminates the direct support (DS) repair of the AGT 1500 and requires units to buy the AGT 1500 Tank engine from the Army Working Capital Fund vice local repair. The conversion schedule begins in FY 2003 with the 4th Infantry Division (Fort Hood) and the 3rd Armored Cavalry Regiment (Fort Carson) followed by the remaining active Divisions in FY 2004 and FY 2005. | |
| 3) Tactical Unmanned Aerial Vehicle (TUAV) | \$ 4,900 |
| Reflects the cost to operate, sustain and maintain the TUAV as it is fielded to Army units. The TUAV is being fielded to tactical units to provide the commanders a significant low-threat, day or night, observation capability providing near-real time battlefield information. This increase sustains four additional TUAVs fielded to the 82nd Airborne Division, 1st Armored Division, and the 1st and 3rd Infantry Divisions. The | |

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Divisions

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- 3) Tactical Unmanned Aerial Vehicle (TUAV) (Continued)
increase funds the purchase of consumable and reparable repair parts, fuel, contractor labor for below depot maintenance, and logistic and technical support.

- 4) Ground OPTEMPO Demand Adjustment\$ 58,748
The growth reflects the increase in demands and costs. The demand increase is driven by improved OPTEMPO execution over the last three years as the Army continues to achieve its ground OPTEMPO Combined Arms Training Strategy (FY1999 - 657 miles, FY2000 - 764 miles, FY2001 - 849 miles). The cost increase results from implementing the National Maintenance Program (NMP), which improves maintenance standards. The higher standard causes growth in the unit price for a Class IX item due to better repair actions. The investment in NMP is expected to improve the reliability of CLASS IX items and weapons systems readiness.

Total Program Increases\$ 106,001

7. Program Decreases

Program Decreases in FY 2004

- 1) Flying Hour Program\$ -12,465
(FY 2003 Base: \$338,763) The program decrease reflects the continued funding of Air OPTEMPO at historical levels of execution (13.1 hours, per crew, per month versus the Combined Army Training Strategy (CATS) of 14.5 hours, per crew, per month) and the decreased costs associated with the full implementation of the Aviation Transformation

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Divisions

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases (Continued)

Program Decreases in FY 2004 (Continued)

- 1) Flying Hour Program (Continued)
Plan. The divisional aircraft and pilot changes under the Aviation Transformation Plan for the 101st AASLT Division will be completed in FY 2004. This change reduces AH-64As, AH-64Ds, CH-47Ds, UH-60As, and UH-60Ls aircraft and pilots in three AH-64D Attack Battalions, three Assault Battalions, one Medical Company and the CH-47D Heavy Lift Battalion in the 101st with the associated decrease in flight hours.

- 2) Consumable Repair Parts\$ -81,031
The Army is managing risk. This decrease is associated with an anticipated reduction in orders for consumable repair parts. The Army identified projected growth in consumable repair parts due to updating the three-year moving average. Specifically, the Army removed FY1998 demand data and included FY2001 demand data. In FY1998, the Army was not fully executing its Ground OPTEMPO Combined Arms Training Strategy (CATS) mile requirements; while in FY2001, significant improvement was made in the execution of the ground OPTEMPO miles. Since FY2001 was the first year the Army dramatically improved its ground OPTEMPO program (i.e. miles executed), the projected demand increase was suppressed to historical levels of execution. The Army will assess execution year data to validate this decision.

- 3) Stryker Brigade Combat Team (SBCT) Deployment Exercise\$ -44,800
(FY 2003 Base: \$44,800) This decrease results from not extending the US Forces Command (USFORSCOM) exercise into FY 2004. The exercise demonstrated the 96 hour deployment capability of the newly formed SBCT. This was a one-time program that was not extended beyond FY 2003.

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Divisions

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases (Continued)

Program Decreases in FY 2004 (Continued)

4) Recapitalization\$ -6,594

The program reduction reflects the savings associated with the increased Mean Time Between Failures (MTBF) projected as a result of the recapitalization program. The focus of the program is a single repair standard across the Army that will bring the repaired components back to a near zero time, zero hour condition. Additionally, in FY 2003 all repair facilities will be certified to the International Organization for Standardization (ISO 9000) certification standard. The certification helps the facilities meet the stated repair standard. This increased standard performed by certified repair facilities is projected to increase the time the component is in service without failure.

Total Program Decreases\$ -144,890

FY 2004 Budget Request.....\$1,506,922

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Divisions

IV. Performance Criteria and Evaluation Summary:

Maneuver Pacing Items: Those major equipment items that are key to a unit's capability to perform its doctrinal mission. For example, a tank in a tank battalion. Quantities represent the average number of items per year.

Divisions

		<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. <u>Tracked Combat Vehicles</u>					
Abrams Tank System	M1A1	1016	884	884	884
	M1A2	404	464	450	450
Bradley Fighting Vehicle System	M2A2	1125	1103	1124	1036
	M2A3	102	248	276	364
	M3A2	164	164	164	164
	M3A3	82	82	82	82
Stryker ICV	ICV	293	586	586	586
B. <u>Aircraft</u>					
Kiowa Warrior	OH-58D	256	248	248	248
Chinook	CH-47D	48	48	42	42
Apache	AH-64A	72	60	54	18
Longbow Apache	AH-64D	144	120	108	144
Black Hawk	UH-60A	79	20	0	0
	UH-60L	319	306	288	288
Black Hawk Quick Fix	EH-60A	12	0	0	0

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Divisions

IV. Performance Criteria and Evaluation Summary (Continued):

<u>C. Combat Support Pacing Items</u>		<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
105MM Towed Howitzer	M119A1	198	180	180	180
155MM Self-Propelled (SP) Howitzer	M109A6	306	306	306	306
Bradley Fire Support Team Vehicle	BFSTV	60	60	90	144
155MM Towed Howitzer	M198	28	40	40	40
AVLB (Armored Vehicle Launch Bridge)	M60	192	144	132	132
Multiple Launch Rocket System (MLRS)	M270	84	84	84	84
Tracked Armored Recovery Vehicle	M88	467	444	409	393
	M88A2	91	111	136	136
Short Range Air Defense Weapon System	Avenger	372	372	378	378
Linebacker	M6	72	72	80	80
Armored Personnel Carrier (APC)	M113A3	994	930	967	922
Heavy Assault Bridge	Wolverine	12	60	72	72
Armored Combat Earthmover (ACE)	M9	291	282	285	276
<u>D. Maneuver Battalions/ Squadrons</u>					
Air Defense Battalion		11	11	11	11
Armor Battalion		27	26	26	26
Armor Cavalry Squadron		6	6	6	6
Armor Cavalry Squadron (Light)		2	2	2	2
Field Artillery Battalion		35	35	35	35
Infantry Battalion (-Mechanized)		23	23	23	23
Infantry Battalion (Air Assault)		11	11	11	11
Infantry Battalion (Airborne)		9	9	9	9
Infantry Battalion (Light)		14	12	12	12
Stryker Brigade Combat Team - Infantry		3	6	6	6
Stryker Brigade Combat Team - RSTA		1	2	2	2
Total Maneuver Battalions/Squadrons		142	143	143	143

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Divisions

IV. Performance Criteria and Evaluation Summary (Continued):

<u>E. Aviation Battalions</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Air Cavalry Squadron (OH-58)	1	1	1	1
Assault Battalion	7	7	7	7
Attack Battalion (AH-64)	9	9	9	9
Attack Battalion (OH-58)	3	3	3	3
Command Aviation Battalion	1	1	1	1
General Support Aviation Battalion	5	5	5	5
Heavy Lift Battalion (CH-47)	1	1	1	1
Reconnaissance Squadron (OH-58)	1	1	1	1
Total Aviation Battalions	28	28	28	28
<u>F. Command Support Battalions</u>				
Engineer Battalion	21	21	21	21
Military Intelligence Battalion	10	10	10	10
Signal Battalion	10	10	10	10
Total Command Support Battalions	41	41	41	41
<u>G. Average Operating Aircraft</u>				
Flying Hours (000)	203	195	193	193
Flying Hour \$	347,994	348,185	361,150	366,453
\$ Per Hour	1,714	1,786	1,871	1,899

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Divisions

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	158,520	150,598	150,180	149,395	-418	-785
Officer	16,456	14,920	14,763	14,733	-157	-30
Enlisted	142,064	135,678	135,417	134,662	-261	-755
<u>Civilian End Strength (Total)</u>	10	0	32	32	32	0
U.S. Direct Hire	10	0	5	5	5	0
Foreign National Direct Hire	0	0	27	27	27	0
Total Direct Hire	10	0	32	32	32	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	155,088	154,559	150,388	149,787	-4,171	-601
Officer	15,908	15,688	14,841	14,748	-847	-93
Enlisted	139,180	138,871	135,547	135,039	-3,324	-508
<u>Civilian Full-Time Equivalent (Total)</u>	33	0	31	31	31	0
U.S. Direct Hire	15	0	5	5	5	0
Foreign National Direct Hire	0	0	26	26	26	0
Total Direct Hire	15	0	31	31	31	0
Foreign National Indirect Hire	18	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	111	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	695	0	0.00%	0	-695	0	0	0.00%	12	521	533	C	2.25%	12	3	548
0103	WAGE BOARD	112	0	0.00%	0	-112	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	5	0	0.00%	0	-5	0	206	0.00%	1E	569	794	121	2.14%	17	-1	931
0199	TOTAL CIV PERSONNEL COMP	812	0	0.00%	0	-812	0	206	0.00%	31	1090	1327	121	2.19%	2E	2	1479
0308	TRAVEL OF PERSONS	68880	0	1.10%	757	-17400	52237	0	1.50%	784	-329	52692	C	1.60%	84C	279Z	56327
0399	TOTAL TRAVEL	68880	0	1.10%	757	-17400	52237	0	1.50%	784	-329	52692	C	1.60%	84C	279Z	56327
0401	DFSC FUEL	53853	0	-16.00%	-8616	12650	57887	0	8.30%	480E	-2570	60122	C	3.30%	1984	386E	65972
0402	SERVICE FUEL	4084	0	-16.00%	-653	4970	8401	0	8.30%	697	-1580	7518	C	3.30%	24E	53E	8302
0411	ARMY MANAGED SUPPLIES & MATERIALS	686260	0	9.20%	63136	-33685	715711	0	4.50%	3220E	15987	763906	C	1.50%	1145E	-3389C	741474
0412	NAVY MANAGED SUPPLIES & MATERIALS	153	0	9.60%	15	893	1061	0	6.10%	6E	-54	1072	C	4.00%	4C	9E	1210
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	392	0	10.30%	40	17	449	0	18.30%	8Z	-70	461	C	10.30%	47	-3E	472
0415	DLA MANAGED SUPPLIES & MATERIALS	297780	0	3.50%	10422	-12039	296163	0	-2.90%	-858E	-12996	274578	C	1.50%	411E	-5153C	227164
0416	GSA MANAGED SUPPLIES & MATERIALS	14350	0	1.10%	157	11547	26054	0	1.50%	391	6690	33135	C	1.60%	53C	52E	34190
0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	4309	4309	0	1.50%	6E	7889	12263	C	1.60%	19E	247E	14938
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	1056872	0	6.10%	64501	-11338	1110035	0	2.68%	29724	13296	1153055	C	1.62%	1862E	-7795E	1093722
0502	ARMY EQUIPMENT	9022	0	9.20%	829	35618	45469	0	4.50%	2047	4095	51611	C	1.50%	774	-323C	49152
0503	NAVY EQUIPMENT	3	0	9.60%	0	102	105	0	6.10%	7	-2	110	C	4.00%	E	-2	113
0505	AIR FORCE EQUIPMENT	28	0	10.30%	3	128	159	0	18.30%	2E	-23	165	C	10.30%	1E	-1E	166
0506	DLA EQUIPMENT	11375	0	3.50%	398	19456	31229	0	-2.90%	-90E	2635	32958	C	1.50%	49E	-167	33286
0507	GSA MANAGED EQUIPMENT	13385	0	1.10%	147	2789	16321	0	1.50%	24E	3617	20183	C	1.60%	32C	-1091	19415
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	33813	0	4.07%	1377	58093	93283	0	1.52%	142Z	10322	105027	C	1.54%	161C	-450E	102132
0633	DEFENSE PUBLICATION & PRINTING SERVICE	773	0	6.20%	48	1796	2617	0	-2.00%	-5C	75	2639	C	0.30%	E	9E	2745
0640	MARINE CORPS DEPOT MAINTENANCE	0	0	11.20%	0	2439	2439	0	11.40%	277	-191	2525	C	3.50%	8E	-124	2489
0699	TOTAL INDUSTRIAL FUND PURCHASES	773	0	6.21%	48	4235	5056	0	4.43%	224	-116	5164	C	1.86%	9E	-2E	5234
0719	MTMC CARGO OPERATIONS (PORT HANDLING)	6	0	-38.30%	-2	-4	0	0	20.00%	C	0	0	C	4.20%	C	C	0
0771	COMMERCIAL TRANSPORTATION	45135	0	1.10%	496	-1723	43908	0	1.50%	65E	-532	44035	C	1.60%	704	344Z	48181
0799	TOTAL TRANSPORTATION	45141	0	1.09%	494	-1727	43908	0	1.50%	65E	-532	44035	C	1.60%	704	344Z	48181
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	341	0	0.00%	0	-341	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0913	PURCHASED UTILITIES	1365	0	1.10%	15	-1250	130	0	1.50%	2	0	132	C	1.60%	2	14	148
0914	PURCHASED COMMUNICATIONS	3725	0	1.10%	42	-3767	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0917	POSTAL SERVICES (U.S.P.S.)	11	0	0.00%	0	70	81	0	0.00%	C	-4	77	C	0.00%	C	-7	70
0920	SUPPLIES/MATERIALS (NON FUND)	52770	0	1.10%	581	-18318	35033	0	1.50%	52E	2365	37923	C	1.60%	607	2961	41491
0921	PRINTING AND REPRODUCTION	624	0	1.10%	7	134	765	0	1.50%	11	-31	745	C	1.60%	12	-41	716
0922	EQUIPMENT MAINTENANCE BY CONTRACT	36238	-1048	1.10%	388	-2412	33166	1138	1.50%	51E	10821	45641	122C	1.60%	75C	296Z	50576
0923	FACILITY MAINTENANCE BY CONTRACT	5509	0	1.10%	61	-1795	3775	0	1.50%	5E	4834	8665	C	1.60%	13E	-59E	8209
0925	EQUIPMENT PURCHASES (NON FUND)	22206	0	1.10%	243	-6340	16109	0	1.50%	241	3238	19588	C	1.60%	314	-37E	19527
0929	AIRCRAFT REWORKS BY CONTRACT	211	0	1.10%	2	-213	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0932	MGMT & PROFESSIONAL SPT SVCS	1877	0	1.10%	20	-1345	552	0	1.50%	E	-3	557	C	1.60%	E	-4	562
0933	STUDIES, ANALYSIS, & EVALUATIONS	3131	0	1.10%	34	-3017	148	0	1.50%	2	-2	148	C	1.60%	2	-2	148
0934	ENGINEERING & TECHNICAL SERVICES	361	0	1.10%	4	5897	6262	0	1.50%	94	-5	6351	C	1.60%	10Z	-2	6451
0937	LOCALLY PURCHASED FUEL	1641	0	-16.00%	-263	3658	5036	0	8.30%	417	-268	5185	C	3.30%	171	28E	5642

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	111	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	62790		0	1.10%	691	-63481	0	0	1.50%	0	0	0	0	1.60%	0	0	0	0
0989	OTHER CONTRACTS	20682		0	1.10%	227	-117	20792	0	1.50%	312	-860	20244	0	1.60%	320	10	20577	
0998	OTHER COSTS	10271		0	1.10%	113	-10046	338	0	1.50%	0	22	366	0	1.60%	0	10	390	
0999	OTHER PURCHASES	223753		-1048	0.97%	2165	-102683	122187	1138	1.79%	2190	20107	145622	1220	1.67%	2437	5220	154507	
9999	GRAND TOTAL	1430044		-1048	4.85%	69342	-71632	1426706	1344	2.46%	35034	43838	1506922	1340	1.62%	24347	-71031	1461582	

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces
Subactivity Group: Corps Combat Forces

I. Description of Operations Financed:

CORPS COMBAT FORCES - Finances the training and operation of all non-divisional combat units plus all organic assets associated with these forces. The supporting units include corps level aviation, field artillery, and air defense units plus all separate combat units (e.g., 6th Infantry Brigade, Separate). This Subactivity group includes only the costs specifically identified and measured to these units and does not include divisional or echelon above corps (EAC) assets.

Expenses financed in this Subactivity Group include the costs of consuming fuel, supplies, and repair parts during the execution of day-to-day unit training programs, travel and transportation costs associated with unit training operation and other special training activities, and costs to operate tactical headquarters.

Cost drivers are the unit size, the level of training activity, and assigned readiness levels. Size is expressed in the number of battalions or squadrons while training levels are expressed as operating tempo (OPTEMPO) in terms of miles driven and hours flown for key items of equipment. A unit's operating tempo will vary according to assigned readiness levels, missions, equipment, and personnel.

II. Force Structure Summary:

This Subactivity group's force structure reflects the active Army's corps combat assets. These units include aviation, field artillery, air defense, and separate non-divisional combat brigades and regiments.

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Combat Forces

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Corps Combat Forces	371,878	424,191	423,876	434,233	478,563	486,773
Total	371,878	424,191	423,876	434,233	478,563	486,773

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	424,191	434,233	478,563	
Congressional Adjustments (Distributed)	0			
Congressional Adjustments (Undistributed)	0			
Adjustments to Meet Congressional Intent	0			
General Provisions	-315			
SUBTOTAL APPROPRIATED AMOUNT	423,876			
Fact-of-Life Changes	-8,452			
SUBTOTAL BASELINE FUNDING	415,424			
Anticipated Supplemental	0			
Reprogramming	18,809			
Price Change		11,560	8,217	
Functional Transfers		23,234	0	
Program Changes		9,536	-7	
CURRENT ESTIMATE	434,233	478,563	486,773	

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Combat Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	424,191
1. Congressional Adjustments		
General Provisions		
Section 8082 - Foreign Currency Fluctuations	\$	-315
Total General Provisions	\$	-315
FY 2003 Appropriated Amount.....	\$	423,876
2. Fact-of-Life Changes		
Emergent Requirements		
Program Reductions		
a) Aviation Transformation Plan	\$	-4,433
Delay in execution of the Aviation Transformation Plan for 4/2 Regimental Aviation Squadron delayed receipt of AH-64D, unit retains current aircraft (OH- 58 and UH-60).		
b) Air OPTEMPO	\$	-4,019
The Army is managing risk. This reduces the Aircrew OPTEMPO funding to the historical execution level of 13.1 hours, per crew, per month versus the Combined Arms Training Strategy (CATS) requirement of 14.5 hours, per crew, per month. The Army continues to pursue solutions to inhibitors of aircraft availability (spares and safety of flight) and pilot availability (flight school backlog).		
Total Emergent Requirements	\$	-8,452
Total Fact-of-Life Changes	\$	-8,452

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Combat Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2003 Baseline Funding.....	\$ 415,424
3. Reprogrammings/Supplemental	
Reprogrammings	
1) Increases	
Ground OPTEMPO	\$ 18,962
Increase fully funds the Combined Arms Training Strategy (CATS) requirements.	
2) Decreases	
Foreign Currency Fluctuation	\$ -153
Total Reprogrammings	\$ 18,809
Revised FY 2003 Current Estimate.....	\$ 434,233
4. Price Change.....	\$ 11,560
5. Functional Transfers	
Transfers In	
1) Aviation Maintenance	
Realigns Aviation Maintenance funding from Sub Activity Group (SAG) 115 Land Forces Operations Support into SAG 112 Corps Combat Forces. The movement aligns funding to the appropriate SAG.	\$ 4,526
2) Direct Support Maintenance	
Transfer of repair part dollars from the tactical maintenance program in Sub Activity Group (SAG) 115 Land Forces Operating Support to SAG 112 Corps Combat Forces.	\$ 18,708

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Corps Combat Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers (Continued)

Transfers In (Continued)

2) Direct Support Maintenance (Continued)

Under the Transformation of Installation Management (TIM) program the repair part dollars from the tactical maintenance program in SAG 115 is transferred to the maintenance program of the unit who owns the equipment. The unit receiving the service will now reimburse the TDA maintenance activity for the support.

Total Transfers In\$ 23,234

6. Program Increases

Program Growth in FY 2004

1) Tactical Unmanned Aerial Vehicle (TUAV)\$ 1,176

Reflects the cost to operate, sustain and maintain the TUAV as it is fielded to Army units. The TUAV is being fielded to tactical units to provide the commanders a significant low-threat, day or night, observation capability providing near-real time battlefield information. This increase sustains one additional TUAV fielded to the 3rd Armored Cavalry Regiment. The increase funds the purchase of consumable and reparable repair parts, fuel, contractor labor for below depot maintenance, and logistic and technical support.

2) Ground OPTEMPO Demand Adjustment\$ 13,508

The growth reflects the increase in demands and costs. The demand increase is driven by improved OPTEMPO execution over the last three years as the Army continues to achieve its ground OPTEMPO Combined Arms Training Strategy (FY1999 - 657 miles, FY2000 - 764 miles, FY2001 -

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Combat Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

Program Growth in FY 2004 (Continued)

- 2) Ground OPTEMPO Demand Adjustment (Continued)
849 miles). The cost increase results from implementing the National Maintenance Program (NMP), which improves maintenance standards. The higher standard causes growth in the unit price for a Class IX item due to better repair actions. The investment in NMP is expected to improve the reliability of CLASS IX items and weapons systems readiness.
- 3) Direct Support Maintenance (Plus) Phase-out\$ 182
This increase reflects the change in repair policy driven by the Army's plan to eliminate costly local repair of the Abrams Gas Turbine 1500 (AGT 1500) Engine. The program improves engine reliability and system readiness. Over the long term, system Operations & Support (O&S) costs are expected to decrease. The program, known as the DS Conversion Program, eliminates the direct support (DS) repair of the AGT 1500 and requires units to buy the AGT 1500 Tank engine from the Army Working Capital Fund vice local repair. The conversion schedule begins in FY 2003 with the 4th Infantry Division (Fort Hood) and the 3rd Armored Cavalry Regiment (Fort Carson) followed by the remaining active Divisions in FY 2004 and FY 2005.
- 4) Flying Hour Program\$ 1,949
(FY 2003 Base: \$170,703) The program growth reflects the continued funding of Air OPTEMPO at historical levels of execution (13.1 hours, per crew, per month versus the Combined Army Training Strategy (CATS) of 14.5 hours, per crew, per month) and the implementation of the Aviation Transformation Plan. The growth is due to the increased cost to maintain AH-64D vice AH-64A helicopters. The

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Combat Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

Program Growth in FY 2004 (Continued)

- 4) Flying Hour Program (Continued)
offset in growth is the reduction in the number of aircraft. In FY2004, the 4/3 Regimental Aviation Squadron converts from 16 AH-64A to 9 AH-64D Longbows and reduces their fleet of UH-60Ls from 15 to 8. Two AH-64A Attack Battalions (one in Eighth US Army (EUSA) and the other in US Army Europe (USAREUR)) will each convert 21 aircraft to AH-64D Longbows.
- 5) Special Operation Forces Support\$ 12,910
This increase enables US Special Operations Command (USSOCOM) to assume a more active role as an operational or supported combatant command while continuing the USSOCOM role as a resource or supporting command. Specifically, this funding will cover Army-common equipment sustainment costs and base operating support for the activation and operation of additional personnel for following Special Operation units: 112th Signal Battalion, one MH-47 battalion, two General Support Civil Affairs companies, six Regional PSYOP Companies (two Active and four Reserve), augmentation of two Chemical Recon Detachments, additional snipers and medics for the Ranger Regiment, two additional Active Component Special Operations Support companies, Reserve Component headquarters personnel for the 528th Special Operations Support Battalion, all seven Special Forces Groups, the US Army John F. Kennedy Special Warfare Center and School, and various Army Special Operations Forces command and control elements.
- Total Program Increases\$ 29,725

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Corps Combat Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases

Program Decreases in FY 2004

1) Recapitalization\$ -11

The program reduction reflects the savings associated with the increased Mean Time Between Failures (MTBF) projected as a result of the recapitalization program. The focus of the program is a single repair standard across the Army that will bring the repaired components back to a near zero time, zero hour condition. Additionally, in FY 2003 all repair facilities will be certified to the International Organization for Standardization (ISO 9000) certification standard. The certification helps the facilities meet the stated repair standard. This increased standard performed by certified repair facilities is projected to increase the time the component is in service without failure.

2) Consumable Repair Parts\$ -20,178

The Army is managing risk. This decrease is associated with an anticipated reduction in orders for consumable repair parts. The Army identified projected growth in consumable repair parts due to updating the three-year moving average. Specifically, the Army removed FY1998 demand data and included FY2001 demand data. In FY1998, the Army was not fully executing its Ground OPTEMPO Combined Arms Training Strategy (CATS) mile requirements; while in FY2001, significant improvement was made in the execution of the ground OPTEMPO miles. Since FY2001 was the first year the Army dramatically improved its ground OPTEMPO program (i.e. miles executed), the projected demand increase was suppressed to historical levels of execution. The Army will assess execution year data to validate this decision.

Total Program Decreases\$ -20,189

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Combat Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2004 Budget Request.....\$ 478,563

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Combat Forces

IV. Performance Criteria and Evaluation Summary:

Maneuver Pacing Items: Those major equipment items that are key to a unit's capability to perform its doctrinal mission. For example, a tank in a tank battalion. Quantities represent the average number of items per year.

Corps Combat Forces

		<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. <u>Tracked Combat Vehicles</u>					
Abrams Tank System	M1A2	123	123	123	123
Bradley Fighting Vehicle System	M2A2	15	15	21	21
	M3A2	125	125	125	125
Stryker ICV	ICV	0	293	293	586
B. <u>Aircraft</u>					
Kiowa Warrior	OH-58D	56	48	48	48
Chinook	CH-47D	56	49	49	49
Apache	AH-64A	112	79	21	0
Longbow Apache	AH-64D	48	63	114	135
Black Hawk	UH-60A	55	24	16	16
	UH-60L	61	77	70	70
C. <u>Combat Support Pacing Items</u>					
105MM Towed Howitzer	M119A1	18	0	0	0
155MM Self Propelled (SP) Howitzer	M109A6	72	72	72	72
155MM Towed Howitzer	M198	78	84	84	60
Multiple Launch Rocket System (MLRS)	M270	225	225	225	243
High Mobility Artillery Rocket System (HIMARS)	HIMARS	3	3	3	3
Bradley Fire Support Team Vehicle	BFSTV	0	12	12	12
Tracked Armored Recovery Vehicle	M88	94	94	94	98
	M88A2	5	5	5	5
Patriot	Patriot	240	240	240	240

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Corps Combat Forces

IV. Performance Criteria and Evaluation Summary (Continued):

Combat Support Pacing Items (Continued)

		<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Short Range Air Defense Weapon System	Avenger	32	32	32	32
Linebacker	M6	8	8	0	0
Armored Personnel Carrier (APC)	M113A3	91	91	91	91
Armored Vehicle Launched Bridge (AVLB)	M60	39	39	39	39
Armored Combat Earthmover (ACE)	M9	24	24	24	24

D. Maneuver Battalions/Squadrons

Infantry Battalion (Airborne)	2.5	3	3	3
Infantry Battalion (Light)	5	2	2	2
Stryker Brigade Combat Team (RSTA)	0	1	1	2
Stryker Brigade Combat Team (Infantry)	0	3	3	6
Armored Cavalry Squadrons	3	3	3	3
Armored Cavalry Squadrons (Light)	3	3	3	0
Field Artillery Battalions	19	19	19	20
Air Defense Battalions	5	6	6	6
Total Maneuver Battalions/Squadrons	37.5	40	40	42

E. Aviation Battalions

Assault Battalion	1	1	1	1
Attack Battalion (AH-64)	6	6	6	6
Regimental Aviation Squadron	1	1	2	2
Regimental Aviation Squadron (LT)	1	1	0	0
Command Aviation Battalion	4	4	1	1
<u>Total Aviation Battalions</u>	13	13	10	10

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Corps Combat Forces

IV. Performance Criteria and Evaluation Summary (Continued):

F. Command Support Battalions

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Engineer Battalion	2	2	2	2
Total Command Support Battalions	2	2	2	2

G. Average Operating Aircraft

Flying Hours (000)	83	77	75	75
Flying Hour \$	167,893	175,579	191,455	196,049
\$ Per Hour	2,023	2,280	2,553	2,614

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Combat Forces

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	36,400	37,991	38,196	39,320	205	1,124
Officer	4,011	4,191	4,237	4,390	46	153
Enlisted	32,389	33,800	33,959	34,930	159	971
<u>Civilian End Strength (Total)</u>	0	0	0	0	0	0
U.S. Direct Hire	0	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	0	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	36,068	37,195	38,093	38,757	898	664
Officer	3,972	4,101	4,214	4,313	113	99
Enlisted	32,096	33,094	33,879	34,444	785	565
<u>Civilian Full-Time Equivalent (Total)</u>	0	0	0	0	0	0
U.S. Direct Hire	0	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	0	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	112	Totals															
Line	Line		Foreign	Price	Price		Foreign	Price	Price	Program		Foreign	Price	Price	Program		
Item	Description	FY 2002	Curr	Growth	Growth	Program	Curr	Growth	Growth	Growth	FY 2004	Curr	Growth	Growth	Growth	FY 2005	
		Program	Adjust	Percent	Amount	Growth	Adjust	Percent	Amount	Program	Program	Adjust	Percent	Amount	Program	Program	
0101	EXEC, GEN, SPEC SCHEDULE	233	0	0.00%	0	-233	0	0.00%	0	0	0	0	0.00%	0	0	0	
0103	WAGE BOARD	107	0	0.00%	0	-107	0	0.00%	0	0	0	0	0.00%	0	0	0	
0199	TOTAL CIV PERSONNEL COMP	340	0	0.00%	0	-340	0	0.00%	0	0	0	0	0.00%	0	0	0	
0308	TRAVEL OF PERSONS	17458	0	1.10%	192	2055	19705	0	1.50%	296	-44	19957	0	1.60%	316	-166	20110
0399	TOTAL TRAVEL	17458	0	1.10%	192	2055	19705	0	1.50%	296	-44	19957	0	1.60%	316	-166	20110
0401	DFSC FUEL	15787	0	-16.00%	-2525	-841	12421	0	8.30%	1032	1345	14798	0	3.30%	486	153	15439
0402	SERVICE FUEL	9901	0	-16.00%	-1584	717	9034	0	8.30%	751	-828	8957	0	3.30%	296	-183	9070
0411	ARMY MANAGED SUPPLIES & MATERIALS	173456	0	9.20%	15958	28646	218060	0	4.50%	9812	22984	250857	0	1.50%	3762	-1244	253376
0412	NAVY MANAGED SUPPLIES & MATERIALS	133	0	9.60%	13	-146	0	0	6.10%	0	0	0	0	4.00%	0	0	0
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	118	0	10.30%	12	-130	0	0	18.30%	0	0	0	0	10.30%	0	0	0
0415	DLA MANAGED SUPPLIES & MATERIALS	71714	0	3.50%	2509	6704	80927	0	-2.90%	-2346	-13913	64666	0	1.50%	970	-7046	58590
0416	GSA MANAGED SUPPLIES & MATERIALS	3232	0	1.10%	35	7233	10500	0	1.50%	157	6138	16795	0	1.60%	266	3332	20397
0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	4534	4534	0	1.50%	66	1851	6454	0	1.60%	106	946	7507
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	274341	0	5.26%	14418	46717	335476	0	2.82%	9472	17577	362527	0	1.62%	5891	-4036	364379
0502	ARMY EQUIPMENT	1108	0	9.20%	102	2188	3398	0	4.50%	152	102	3652	0	1.50%	54	-252	3453
0503	NAVY EQUIPMENT	2	0	9.60%	0	-1	1	0	6.10%	0	1	2	0	4.00%	0	-1	1
0505	AIR FORCE EQUIPMENT	50	0	10.30%	5	-46	9	0	18.30%	2	-2	9	0	10.30%	0	2	11
0506	DLA EQUIPMENT	2959	0	3.50%	103	-689	2373	0	-2.90%	-66	1192	3496	0	1.50%	52	821	4370
0507	GSA MANAGED EQUIPMENT	1924	0	1.10%	22	-107	1839	0	1.50%	27	552	2418	0	1.60%	36	576	3035
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	6043	0	3.84%	232	1345	7620	0	1.47%	112	1845	9577	0	1.52%	146	1147	10870
0633	DEFENSE PUBLICATION & PRINTING SERVICE	73	0	6.20%	5	626	704	0	-2.00%	-14	144	834	0	0.30%	2	236	1071
0640	MARINE CORPS DEPOT MAINTENANCE	0	0	11.20%	0	1090	1090	0	11.40%	124	61	1275	0	3.50%	44	34	1353
0648	ARMY INFORMATION SERVICES (CANCELLED)	19	0	1.10%	0	-19	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	92	0	5.43%	5	1697	1794	0	6.13%	110	205	2109	0	2.18%	46	266	2424
0771	COMMERCIAL TRANSPORTATION	8913	0	1.10%	98	-153	8858	0	1.50%	134	1639	10631	0	1.60%	170	786	11587
0799	TOTAL TRANSPORTATION	8913	0	1.10%	98	-153	8858	0	1.51%	134	1639	10631	0	1.60%	170	786	11587
0913	PURCHASED UTILITIES	0	0	1.10%	0	7	7	0	1.50%	0	-1	6	0	1.60%	0	0	6
0914	PURCHASED COMMUNICATIONS	913	0	1.10%	9	-922	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0917	POSTAL SERVICES (U.S.P.S.)	31	0	0.00%	0	-4	27	0	0.00%	0	-1	26	0	0.00%	0	-2	23
0920	SUPPLIES/MATERIALS (NON FUND)	13546	0	1.10%	148	-2455	11239	0	1.50%	166	572	11980	0	1.60%	191	2406	14576
0921	PRINTING AND REPRODUCTION	44	0	1.10%	0	-44	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	3077	-443	1.10%	29	8564	11227	435	1.50%	176	6709	18547	435	1.60%	302	-1786	17496
0923	FACILITY MAINTENANCE BY CONTRACT	2605	0	1.10%	28	-2633	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0925	EQUIPMENT PURCHASES (NON FUND)	13160	0	1.10%	144	2466	15770	0	1.50%	237	4828	20835	0	1.60%	334	1446	22615
0929	AIRCRAFT REWORKS BY CONTRACT	1541	0	1.10%	17	-1558	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0932	MGMT & PROFESSIONAL SPT SVCS	28	0	1.10%	0	-18	10	0	1.50%	0	0	10	0	1.60%	0	0	10
0934	ENGINEERING & TECHNICAL SERVICES	0	0	1.10%	0	163	163	0	1.50%	2	-2	163	0	1.60%	2	-2	163
0937	LOCALLY PURCHASED FUEL	1289	0	-16.00%	-207	109	1191	0	8.30%	96	81	1370	0	3.30%	46	-20	1395
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	23827	0	1.10%	262	-23755	334	0	1.50%	6	112	451	0	1.60%	7	32	490
0989	OTHER CONTRACTS	3844	0	1.10%	42	16760	20646	0	1.50%	306	-762	20193	0	1.60%	322	-72	20443
0998	OTHER COSTS	786	0	1.10%	9	-629	166	0	1.50%	2	12	181	0	1.60%	4	1	186

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	112	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description		Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
0999	OTHER PURCHASES		64691	-443	0.74%	481	-3949	60780	435	1.64%	996	11548	73762	436	1.64%	1210	1996		77403
9999	GRAND TOTAL		371878	-443	4.15%	15426	47372	434233	435	2.56%	11125	32770	478563	436	1.63%	7782	-7		486773

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces
Subactivity Group: Corps Support Forces

I. Description of Operations Financed:

CORPS SUPPORT FORCES - The Subactivity Group (SAG) finances the training and operations of corps support assets whose mission is to support operations required to establish and sustain a corps' war-fighting capability. The supporting units include engineer, medical, signal, finance, personnel, military police, military intelligence, and corps support command units. The SAG includes only the costs specifically identified and measured to these units. This subactivity does not include divisional or echelon above corps (EAC) assets.

Expenses financed in this Subactivity Group include the costs of consuming fuel, supplies, and repair parts during the execution of day-to-day unit training programs, travel and transportation costs associated with unit training operation and other special training activities, and costs to operate corps unit headquarters.

Cost drivers are the unit size, the level of training activity, and assigned readiness levels. Size is expressed in the number of battalions or squadrons while training levels are expressed as operating tempo (OPTEMPO) in terms of miles driven and hours flown for key items of equipment. A unit's OPTEMPO will vary according to assigned readiness levels.

II. Force Structure Summary:

This SAG's force structure reflects the Active Army's TOE corps support assets. These units include engineer, medical, signal, finance, personnel, military police, military intelligence, corps support command, and other related corps support units.

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Support Forces

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Corps Support Forces	412,677	361,001	360,329	367,939	383,755	369,828
Total	412,677	361,001	360,329	367,939	383,755	369,828

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	361,001	367,939	383,755
Congressional Adjustments (Distributed)	0		
Congressional Adjustments (Undistributed)	0		
Adjustments to Meet Congressional Intent	0		
General Provisions	-672		
SUBTOTAL APPROPRIATED AMOUNT	360,329		
Fact-of-Life Changes	-2,633		
SUBTOTAL BASELINE FUNDING	357,696		
Anticipated Supplemental	0		
Reprogramming	10,243		
Price Change		6,958	7,188
Functional Transfers		22,514	0
Program Changes		-13,656	-21,115
CURRENT ESTIMATE	367,939	383,755	369,828

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	361,001
1. Congressional Adjustments		
General Provisions		
Section 8082 - Foreign Currency Fluctuations	\$	-672
Total General Provisions	\$	-672
FY 2003 Appropriated Amount.....	\$	360,329
2. Fact-of-Life Changes		
a) Functional Transfers		
Transfers Out		
Network Enterprise and Technology Command (NETCOM) Stand- Up	\$	-291
This Transfer represents the realignment of NETCOM functions and missions to the appropriate Sub Activity Group.		
Total Functional Transfers	\$	-291
b) Emergent Requirements		
Program Reductions		
a) Aviation Transformation Plan	\$	-931
Full implementation of the Aviation Transformation Plan in FY2003 for Corps Support Forces decreased the number of UH-60A and RC-12 flying hours required.		

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

Program Reductions (Continued)

b) Air OPTEMPO\$ -1,411

The Army is managing risk. This reduces the Aircrew OPTEMPO funding to the historical execution level of 13.1 hours, per crew, per month versus the Combined Arms Training Strategy (CATS) requirement of 14.5 hours, per crew, per month. The Army continues to pursue solutions to inhibitors of aircraft availability (spares and safety of flight) and pilot availability (flight school backlog).

Total Emergent Requirements\$ -2,342

Total Fact-of-Life Changes\$ -2,633

FY 2003 Baseline Funding.....\$ 357,696

3. Reprogrammings/Supplemental

Reprogrammings

1) Increases

Ground OPTEMPO\$ 10,554

Increase fully funds the Combined Arms Training Strategy (CATS) requirements.

2) Decreases

Foreign Currency Fluctuation\$ -311

Total Reprogrammings\$ 10,243

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Corps Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

Revised FY 2003 Current Estimate.....\$ 367,939

4. Price Change.....\$ 6,958

5. Functional Transfers

Transfers In

1) Aviation Maintenance\$ 2,390
 Realigns Aviation Maintenance funding from Sub Activity Group (SAG) 115 Land Forces Operations Support into SAG 113 Corps Support Forces. The movement aligns funding to the appropriate SAG.

2) Direct Support Maintenance\$ 20,124
 Transfer of repair part dollars from the tactical maintenance program in Sub Activity Group (SAG) 115 Land Forces Operating Support to SAG 113 Corps Support Forces. Under the Transformation of Installation Management (TIM) program the repair part dollars from the tactical maintenance program in SAG 115 is transferred to the maintenance program of the unit who owns the equipment. The unit receiving the service will now reimburse the TDA maintenance activity for the support.

Total Transfers In\$ 22,514

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 4
 There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004

1) Ground OPTEMPO Demand Adjustment\$ 10,898

The growth reflects the increase in demands and costs. The demand increase is driven by improved OPTEMPO execution over the last three years as the Army continues to achieve its ground OPTEMPO Combined Arms Training Strategy (FY1999 - 657 miles, FY2000 - 764 miles, FY2001 - 849 miles). The cost increase results from implementing the National Maintenance Program (NMP), which improves maintenance standards. The higher standard causes growth in the unit price for a Class IX item due to better repair actions. The investment in NMP is expected to improve the reliability of CLASS IX items and weapons systems readiness.

2) Flying Hour Program\$ 347

(FY 2003 Base: \$51,931) The program growth reflects the continued funding of Air OPTEMPO at historical levels of execution (13.1 hours, per crew, per month versus the Combined Army Training Strategy (CATS) of 14.5 hours, per crew, per month) and the implementation of the Aviation Transformation Plan. The Aviation Transformation Plan provides for the increase of pilots (one in each of three Aero Medical companies) in the US Army Europe (USAREUR) and an increase of one RC-12 in FY2004.

Total Program Increases\$ 11,249

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Corps Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases

Program Decreases in FY 2004

Consumable Repair Parts\$ -24,905

The Army is managing risk. This decrease is associated with an anticipated reduction in orders for consumable repair parts. The Army identified projected growth in consumable repair parts due to updating the three-year moving average. Specifically, the Army removed FY1998 demand data and included FY2001 demand data. In FY1998, the Army was not fully executing its Ground OPTEMPO Combined Arms Training Strategy (CATS) mile requirements; while in FY2001, significant improvement was made in the execution of the ground OPTEMPO miles. Since FY2001 was the first year the Army dramatically improved its ground OPTEMPO program (i.e. miles executed), the projected demand increase was suppressed to historical levels of execution. The Army will assess execution year data to validate this decision.

Total Program Decreases\$ -24,905

FY 2004 Budget Request.....\$ 383,755

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Support Forces

IV. Performance Criteria and Evaluation Summary:

Maneuver Pacing Items: Those major equipment items that are key to a unit's capability to perform its doctrinal mission. For example, a tank in a tank battalion. Quantities represent the average number of items per year.

Corps Support Forces

		<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. <u>Aircraft</u>					
Black Hawk	UH-60A	150	117	117	117
Quick Look (Fixed Wing)	RC-12	31	30	31	31
B. <u>Combat Support Pacing Items</u>					
Tracked Armored Recovery Vehicle	M88	2	2	2	2
	M88A2	9	9	9	9
C. <u>Command Support Battalions</u>					
Medical Battalion		2	2	2	2
Signal Battalion		9	9	9	9
Engineer Battalion		7	7	7	7
Military Intelligence		9	9	9	9
Total Command Support Battalions		27	27	27	27
D. <u>Average Operating Aircraft</u>					
Flying Hours (000)		47	45	46	46
Flying Hour \$		48,962	53,339	60,076	61,803
\$ Per Hour		1,042	1,185	1,306	1,344

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Corps Support Forces

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	69,519	70,037	69,782	69,946	-255	164
Officer	6,539	6,427	6,414	6,453	-13	39
Enlisted	62,980	63,610	63,368	63,493	-242	125
<u>Civilian End Strength (Total)</u>	0	0	31	31	31	0
U.S. Direct Hire	0	0	18	18	18	0
Foreign National Direct Hire	0	0	13	13	13	0
Total Direct Hire	0	0	31	31	31	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	68,514	69,778	69,909	69,863	131	-46
Officer	6,666	6,483	6,420	6,433	-63	13
Enlisted	61,848	63,295	63,489	63,430	194	-59
<u>Civilian Full-Time Equivalent (Total)</u>	0	0	31	31	31	0
U.S. Direct Hire	0	0	18	18	18	0
Foreign National Direct Hire	0	0	13	13	13	0
Total Direct Hire	0	0	31	31	31	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	113	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	118	0	0.00%	0	-118	0	0	0.00%	30	1223	1253	0	2.39%	30	3	1286
0103	WAGE BOARD	1	0	0.00%	0	-1	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	0	0	0.00%	0	0	0	102	0.00%	0	285	396	60	2.02%	0	1	465
0199	TOTAL CIV PERSONNEL COMP	119	0	0.00%	0	-119	0	102	0.00%	30	1508	1649	60	2.30%	30	4	1751
0308	TRAVEL OF PERSONS	23665	0	1.10%	261	414	24340	0	1.50%	360	113	24819	0	1.60%	390	-1120	24086
0399	TOTAL TRAVEL	23665	0	1.10%	261	414	24340	0	1.50%	360	113	24819	0	1.60%	390	-1120	24086
0401	DFSC FUEL	10142	0	-16.00%	-1624	580	9098	0	8.30%	754	-962	8890	0	3.30%	290	127	9310
0402	SERVICE FUEL	2017	0	-16.00%	-322	419	2114	0	8.30%	170	34	2323	0	3.30%	77	0	2408
0411	ARMY MANAGED SUPPLIES & MATERIALS	103841	0	9.20%	9554	13435	126830	0	4.50%	5707	5291	137828	0	1.50%	2067	-14970	124916
0412	NAVY MANAGED SUPPLIES & MATERIALS	109	0	9.60%	11	392	512	0	6.10%	30	-70	472	0	4.00%	21	-32	461
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	119	0	10.30%	12	359	490	0	18.30%	80	-65	514	0	10.30%	50	-40	521
0415	DLA MANAGED SUPPLIES & MATERIALS	101563	0	3.50%	3555	-3323	101795	0	-2.90%	-2952	-18066	80777	0	1.50%	1210	-5720	76259
0416	GSA MANAGED SUPPLIES & MATERIALS	5113	0	1.10%	57	2187	7357	0	1.50%	110	4420	11887	0	1.60%	192	-1121	10958
0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	7086	7086	0	1.50%	100	3763	10955	0	1.60%	170	442	11573
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	222904	0	5.04%	11243	21135	255282	0	1.57%	4010	-5655	253646	0	1.61%	4080	-21320	236406
0502	ARMY EQUIPMENT	3892	0	9.20%	358	1133	5383	0	4.50%	240	1546	7172	0	1.50%	100	460	7746
0503	NAVY EQUIPMENT	0	0	9.60%	0	50	50	0	6.10%	4	-9	45	0	4.00%	2	-0	42
0505	AIR FORCE EQUIPMENT	0	0	10.30%	0	337	337	0	18.30%	61	-40	358	0	10.30%	37	-12	383
0506	DLA EQUIPMENT	5397	0	3.50%	189	-581	5005	0	-2.90%	-140	-540	4319	0	1.50%	60	1434	5818
0507	GSA MANAGED EQUIPMENT	4485	0	1.10%	50	2883	7418	0	1.50%	112	3999	11529	0	1.60%	184	51	11764
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	13774	0	4.33%	597	3822	18193	0	1.51%	274	4956	23423	0	1.69%	390	1934	25753
0610	NAVAL AIR WARFARE CENTER	757	0	4.80%	36	-793	0	0	-2.30%	0	0	0	0	2.10%	0	0	0
0615	NAVY INFORMATION SERVICE (CANCELLED)	88	0	1.10%	1	-89	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0633	DEFENSE PUBLICATION & PRINTING SERVICE	444	0	6.20%	27	-355	116	0	-2.00%	0	-7	109	0	0.30%	0	0	109
0634	NAVAL PUBLIC WORK CENTERS: UTILITIES	60	0	1.10%	1	-61	0	0	-8.00%	0	0	0	0	2.60%	0	0	0
0635	NAVAL PUBLIC WORK CENTERS: PUBLIC WORKS	27	0	2.70%	1	-28	0	0	-2.60%	0	0	0	0	2.60%	0	0	0
0637	NAVAL SHIPYARDS	5	0	-0.30%	0	-5	0	0	-3.60%	0	0	0	0	4.60%	0	0	0
0640	MARINE CORPS DEPOT MAINTENANCE	0	0	11.20%	0	2593	2593	0	11.40%	290	-113	2776	0	3.50%	97	-271	2602
0662	DEPOT MAINTENANCE (AIR FORCE): CONTRACT	2691	0	4.50%	122	-2813	0	0	-7.50%	0	0	0	0	4.50%	0	0	0
0671	COMMUNICATIONS SERVICES (DISA) TIER 2	120	0	1.10%	1	-121	0	0	0.00%	0	0	0	0	1.60%	0	0	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	4192	0	4.51%	189	-1672	2709	0	10.93%	290	-120	2885	0	3.36%	97	-271	2711
0707	AMC TRAINING	159	0	-1.90%	-3	-156	0	0	2.70%	0	0	0	0	1.00%	0	0	0
0719	MTMC CARGO OPERATIONS (PORT HANDLING)	3	0	-38.30%	-1	-2	0	0	20.00%	0	0	0	0	4.20%	0	0	0
0771	COMMERCIAL TRANSPORTATION	6575	0	1.10%	72	-3533	3114	0	1.50%	40	1057	4217	0	1.60%	67	140	4430
0799	TOTAL TRANSPORTATION	6737	0	1.01%	68	-3691	3114	0	1.48%	40	1057	4217	0	1.59%	67	140	4430
0913	PURCHASED UTILITIES	35	0	1.10%	0	-35	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0914	PURCHASED COMMUNICATIONS	2701	0	1.10%	31	-2732	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0917	POSTAL SERVICES (U.S.P.S.)	37	0	0.00%	0	-18	19	0	0.00%	0	-4	15	0	0.00%	0	4	19
0920	SUPPLIES/MATERIALS (NON FUND)	22899	0	1.10%	252	-9818	13333	0	1.50%	200	361	13894	0	1.60%	221	-420	13689
0921	PRINTING AND REPRODUCTION	571	0	1.10%	4	-575	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	22218	-927	1.10%	233	-8680	12844	812	1.50%	204	6066	19926	854	1.60%	330	340	21462

DEPARTMENT OF THE ARMY
FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET

Oper. & Maint., Army
OP32 EXHIBIT (\$ 000)

SAG:	113	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
0923	FACILITY MAINTENANCE BY CONTRACT	1294	0	0	1.10%	14	-1308	0	0	1.50%	C	0	0	C	1.60%	C	C	C	0
0925	EQUIPMENT PURCHASES (NON FUND)	14048	0	0	1.10%	155	-2635	11568	0	1.50%	174	151	11893	C	1.60%	192	-14	C	12071
0929	AIRCRAFT REWORKS BY CONTRACT	120	0	0	1.10%	1	-121	0	0	1.50%	C	0	0	C	1.60%	C	C	C	0
0932	MGMT & PROFESSIONAL SPT SVCS	649	0	0	1.10%	6	-650	5	0	1.50%	C	0	5	C	1.60%	C	C	C	5
0933	STUDIES, ANALYSIS, & EVALUATIONS	172	0	0	1.10%	2	-174	0	0	1.50%	C	0	0	C	1.60%	C	C	C	0
0934	ENGINEERING & TECHNICAL SERVICES	120	0	0	1.10%	2	-122	0	0	1.50%	C	0	0	C	1.60%	C	C	C	0
0937	LOCALLY PURCHASED FUEL	290	0	0	-16.00%	-46	161	405	0	8.30%	33	62	500	C	3.30%	16	-8	C	508
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	25220	0	0	1.10%	278	-25498	0	0	1.50%	C	0	0	C	1.60%	C	C	C	0
0989	OTHER CONTRACTS	48325	0	0	1.10%	531	-23822	25034	0	1.50%	376	258	25668	C	1.60%	410	-556	C	25523
0998	OTHER COSTS	2587	0	0	1.10%	27	-1521	1093	0	1.50%	17	105	1215	C	1.60%	19	180	C	1414
0999	OTHER PURCHASES	141286	-927	0	1.05%	1490	-77548	64301	812	1.56%	1004	6999	73116	854	1.63%	1191	-470	C	74691
9999	GRAND TOTAL	412677	-927	0	3.36%	13848	-57659	367939	914	1.64%	6044	8858	383755	914	1.63%	6274	-21116	C	369828

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces
Subactivity Group: EAC Support Forces

I. Description of Operations Financed:

ECHELON ABOVE CORPS FORCES - The Subactivity Group (SAG) finances the Operation of Echelon Above Corps (EAC) Forces, separate from divisional and corps units, that directly support operations within the specified theater. Includes peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to these units. EAC Forces funding supports aviation, engineer, medical, and signal theater assets.

Expenses financed in this Subactivity Group include the costs of consuming fuel, supplies, and repair parts during the execution of day-to-day unit training programs, travel and transportation costs associated with unit training operation and other special training activities, and costs to operate echelons above corps unit headquarters.

Cost drivers are the size of the combat force and the level of training activity necessary to remain combat ready. Size is expressed in the number of battalions or squadrons, and training levels are expressed as operating tempo (OPTEMPO) in terms of miles driven or hours flown.

II. Force Structure Summary:

This Subactivity Group's force structure is composed of echelon above corps assets. These units include Theater Aviation, Theater Engineer, Theater Medical, Theater Signal, Theater Level Finance and Personnel, Theater Military Intelligence, Theater Logistics, Theater Defense, and other units that support the theater forces.

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: EAC Support Forces

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
EAC Support Forces	551,440	405,752	402,742	439,303	467,026	470,254
Total	551,440	405,752	402,742	439,303	467,026	470,254

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	405,752	439,303	467,026
Congressional Adjustments (Distributed)	0		
Congressional Adjustments (Undistributed)	-68		
Adjustments to Meet Congressional Intent	0		
General Provisions	-2,942		
SUBTOTAL APPROPRIATED AMOUNT	402,742		
Fact-of-Life Changes	154		
SUBTOTAL BASELINE FUNDING	402,896		
Anticipated Supplemental	0		
Reprogramming	36,407		
Price Change		12,100	12,137
Functional Transfers		23,994	0
Program Changes		-8,371	-8,909
CURRENT ESTIMATE	439,303	467,026	470,254

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: EAC Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	405,752
1. Congressional Adjustments		
a) Undistributed Adjustments		
Civil Service Retirement System (CSRS) Accrual Reversal	\$	-68
Total Undistributed Adjustments	\$	-68
b) General Provisions		
Section 8082 - Foreign Currency Fluctuations	\$	-2,942
Total General Provisions	\$	-2,942
FY 2003 Appropriated Amount.....	\$	402,742
2. Fact-of-Life Changes		
a) Functional Transfers		
Transfers In		
Network Enterprise and Technology Command (NETCOM) Stand- Up	\$	480
This Transfer represents the realignment of NETCOM functions and missions to the appropriate Sub Activity Group.		
Total Functional Transfers	\$	480

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: EAC Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements

1) Program Growth

Aviation Transformation Plan	\$	1,570
<p>Full implementation of the Aviation Transformation Plan in FY2003 for EAC Support Forces increased the number of UH-60A pilots for medical units in Eighth US Army (EUSA) and for the US Army Europe (USAREUR) Theater Aviation Battalion.</p>		

2) Program Reductions

Air OPTEMPO	\$	-1,896
<p>The Army is managing risk. This reduces the Aircrew OPTEMPO funding to the historical execution level of 13.1 hours, per crew, per month versus the Combined Arms Training Strategy (CATS) requirement of 14.5 hours, per crew, per month. The Army continues to pursue solutions to inhibitors of aircraft availability (spares and safety of flight) and pilot availability (flight school backlog).</p>		

Total Emergent Requirements	\$	-326
-----------------------------------	----	------

Total Fact-of-Life Changes	\$	154
----------------------------------	----	-----

FY 2003 Baseline Funding.....	\$	402,896
-------------------------------	----	---------

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: EAC Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Reprogrammings/Supplemental

Reprogrammings

1) Increases

Ground OPTEMPO\$ 37,818
 Increase fully funds the Combined Arms Training
 Strategy (CATS) requirements.

2) Decreases

Foreign Currency Fluctuation\$ -1,411

Total Reprogrammings\$ 36,407

Revised FY 2003 Current Estimate.....\$ 439,303

4. Price Change.....\$ 12,100

5. Functional Transfers

Transfers In

1) Direct Support Maintenance\$ 9,787

Transfer of repair part dollars from the tactical
 maintenance program in Sub Activity Group (SAG) 115 Land
 Forces Operating Support to SAG 114 EAC Support Forces.
 Under the Transformation of Installation Management (TIM)
 program the repair part dollars from the tactical
 maintenance program in SAG 115 is transferred to the
 maintenance program of the unit who owns the equipment.
 The unit receiving the service will now reimburse the TDA
 maintenance activity for the support.

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: EAC Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers (Continued)

Transfers In (Continued)

2) U.S. Army Criminal Investigation Command (USACIC)\$ 14,207
This transfer reflects a movement of 3 companies in USACIC from a Table of Distribution and Allowances (TDA) organization to a Table of Organization and Equipment (TOE) organization, to better support the Army's overall warfighting mission. The transfer specifically moves both military personnel and the mission of criminal investigations, logistics security, information assurance and domestic threat intelligence. The transfer is from Budget Activity (BA) 4 Subactivity Group 435 to BA1 Subactivity Group 114.

Total Transfers In\$ 23,994

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 80
There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

1) Flying Hour Program\$ 2,320
(FY 2003 Base: \$74,392) The program growth reflects the continued funding of Air OPTEMPO at historical levels of execution (13.1 hours, per crew, per month versus the Combined Army Training Strategy (CATS) of 14.5 hours, per crew, per month) and the implementation of the Aviation

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: EAC Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

1) Flying Hour Program (Continued)

Transformation Plan. The growth is due to the increased number of aircraft and pilots. The growth is offset by the reduced cost of flying hours for UH-60L vice UH-60A. The Aviation Transformation Plan provides for an increase in the US Army Europe (USAREUR) Theater Aviation Battalion by 6 UH-60A and 12 pilots. It also converts eight UH-60As to UH-60Ls in US Army South (USARSO) and reduces Eighth US Army (EUSA) Theater Aviation Battalion by 3 UH-60A but increases the number of pilots by four.

2) Tactical Unmanned Aerial Vehicle (TUAV)\$ 4,229

Reflects the cost to operate, sustain and maintain the TUAV as it is fielded to Army units. The TUAV is being fielded to tactical units to provide the commanders a significant low-threat, day or night, observation capability providing near-real time battlefield information. This increase sustains three additional TUAVs fielded to Stryker Brigade Combat Teams (SBCT). The increase funds the purchase of consumable and repairable repair parts, fuel, contractor labor for below depot maintenance, and logistic and technical support.

3) Ground OPTEMPO Demand Adjustment\$ 9,480

The growth reflects the increase in demands and costs. The demand increase is driven by improved OPTEMPO execution over the last three years as the Army continues to achieve its ground OPTEMPO Combined Arms Training Strategy (FY1999 - 657 miles, FY2000 - 764 miles, FY2001 - 849 miles). The cost increase results from implementing the National Maintenance Program (NMP), which improves maintenance standards. The higher standard causes growth

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: EAC Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- 3) Ground OPTEMPO Demand Adjustment (Continued)
in the unit price for a Class IX item due to better repair actions. The investment in NMP is expected to improve the reliability of CLASS IX items and weapons systems readiness.

Total Program Increases\$ 16,109

7. Program Decreases

Program Decreases in FY 2004

- 1) Airborne Reconnaissance Low (ARL)\$ -13,318
(FY 2003 Base: \$43,797) This reflects a reduction to the ARL support contract. In an ongoing effort to validate and accurately quantify projected requirements, the Army examined the support needs associated for this low density, two engine fixed wing aircraft. The ARL currently has a pilot shortfall, which is projected to continue into FY 2004. The pilot shortage prevents the ARL from fully executing their program. Funding that supports the non-OPTEMPO portion of this program was adjusted accordingly.
- 2) Consumable Repair Parts\$ -11,162
The Army is managing risk. This decrease is associated with an anticipated reduction in orders for consumable repair parts. The Army identified projected growth in consumable repair parts due to updating the three-year moving average. Specifically, the Army removed FY1998 demand data and included FY2001 demand data. In FY1998, the Army was not fully executing its Ground OPTEMPO

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: EAC Support Forces

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases (Continued)

Program Decreases in FY 2004 (Continued)

2) Consumable Repair Parts (Continued)

Combined Arms Training Strategy (CATS) mile requirements; while in FY2001, significant improvement was made in the execution of the ground OPTEMPO miles. Since FY2001 was the first year the Army dramatically improved its ground OPTEMPO program (i.e. miles executed), the projected demand increase was suppressed to historical levels of execution. The Army will assess execution year data to validate this decision.

Total Program Decreases\$ -24,480

FY 2004 Budget Request.....\$ 467,026

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: EAC Support Forces

IV. Performance Criteria and Evaluation Summary:

Maneuver Pacing Items: Those major equipment items that are key to a unit's capability to perform its doctrinal mission. For example, a tank in a tank battalion. Quantities represent the average number of items per year.

Echelon Above Corps Support Forces

		<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. <u>Aircraft</u>					
Chinook	CH-47D	52	46	46	46
Black Hawk	UH-60A	102	99	96	96
	UH-60L	0	0	8	8
Quick Look (Fixed Wing)	RC-12	9	9	9	9
Airplane (Fixed Wing)	C-12	19	19	17	17
Jet Airplane (Fixed Wing)	UC-35	8	9	10	11
Aerial Reconnaissance Low	RC-7	7	8	8	8
B. <u>Combat Support Pacing Items</u>					
105MM Towed Howitzer	M119A1	6	6	6	6
Tracked Armored Recovery Vehicle	M88	0	0	8	6
PATRIOT	Patriot	160	160	160	160
C. <u>Aviation Battalions</u>					
Command Aviation Battalion		1	1	1	1
Theater Aviation Battalion		2	2	2	2
Heavy Lift Battalion (CH-47)		1	1	1	1
Total Aviation Battalions		4	4	4	4

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: EAC Support Forces

IV. Performance Criteria and Evaluation Summary (Continued):

D. Command Support Battalions

Air Defense Battalion	5	4	4	4
Engineer Battalion	1	1	1	1
Medical Battalion	3	2	2	2
Signal Battalion	7	7	9	9
Military Intelligence Battalion	8	8	9	9
Total Command Support Battalions	24	22	25	25

E. Average Operating Aircraft

Flying Hours (000)	66	67	69	69
Flying Hour \$	61,011	76,288	88,474	85,512
\$ Per Hour	924	1,139	1,282	1,239

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: EAC Support Forces

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	35,114	34,766	35,336	35,958	570	622
Officer	4,536	4,827	5,158	5,271	331	113
Enlisted	30,578	29,939	30,178	30,687	239	509
<u>Civilian End Strength (Total)</u>	0	7	463	463	456	0
U.S. Direct Hire	0	7	340	340	333	0
Foreign National Direct Hire	0	0	80	80	80	0
Total Direct Hire	0	7	420	420	413	0
Foreign National Indirect Hire	0	0	43	43	43	0
<u>Military Average Strength (Total)</u>	35,017	34,939	35,050	35,646	111	596
Officer	4,477	4,681	4,992	5,214	311	222
Enlisted	30,540	30,258	30,058	30,432	-200	374
<u>Civilian Full-Time Equivalent (Total)</u>	0	7	454	454	447	0
U.S. Direct Hire	0	7	334	334	327	0
Foreign National Direct Hire	0	0	78	78	78	0
Total Direct Hire	0	7	412	412	405	0
Foreign National Indirect Hire	0	0	42	42	42	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	114	Totals															
Line	Line		FY 2002	Foreign	Price	Price	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	
				Adjust	Percent	Amount	Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount		
0101	EXEC, GEN, SPEC SCHEDULE	770	0	2.47%	19	-192	597	103.52%	61E	24180	25395	C	2.48%	63C	47	26072	
0103	WAGE BOARD	0	0	0.00%	0	0	0	0.00%	E	173	178	C	1.69%	3	1	182	
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	0	0	0.00%	0	0	0	0.00%	5E	1953	2350	19E	2.26%	53	3	2605	
0105	SEPARATION LIABILITY (FNDH)	0	0	0.00%	0	0	0	0.00%	C	57	57	C	0.00%	C	2	59	
0199	TOTAL CIV PERSONNEL COMP	770	0	2.47%	19	-192	597	114.07%	681	26363	27980	19E	2.45%	68E	53	28918	
0308	TRAVEL OF PERSONS	45403	0	1.10%	500	-9652	36251	1.50%	54E	946	37742	C	1.60%	60C	-55C	37795	
0399	TOTAL TRAVEL	45403	0	1.10%	500	-9652	36251	1.50%	54E	946	37742	C	1.60%	60C	-55C	37795	
0401	DFSC FUEL	10872	0	-16.00%	-1739	3618	12751	8.30%	105E	2021	15830	C	3.30%	522	377	16729	
0402	SERVICE FUEL	2552	0	-16.00%	-407	2006	4151	8.30%	34E	316	4812	C	3.30%	15E	13	4984	
0411	ARMY MANAGED SUPPLIES & MATERIALS	120292	0	9.20%	11067	-42796	88563	4.50%	398E	-5483	87066	C	1.50%	1307	-6182	82191	
0412	NAVY MANAGED SUPPLIES & MATERIALS	273	0	9.60%	26	-205	94	6.10%	E	-4	96	C	4.00%	3	-E	93	
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	953	0	10.30%	98	-780	271	18.30%	5C	50	371	C	10.30%	37	-27	381	
0415	DLA MANAGED SUPPLIES & MATERIALS	118038	0	3.50%	4131	-40766	81403	-2.90%	-2361	-28591	50451	C	1.50%	757	-421	50787	
0416	GSA MANAGED SUPPLIES & MATERIALS	4235	0	1.10%	46	492	4773	1.50%	72	2644	7489	C	1.60%	12C	62E	8238	
0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	1969	1969	1.50%	3C	1697	3696	C	1.60%	5E	513	4268	
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	257215	0	5.14%	13222	-76462	193975	1.64%	318E	-27350	169811	C	1.75%	2964	-5104	167671	
0502	ARMY EQUIPMENT	7325	0	9.20%	674	2827	10826	4.50%	487	-194	11119	C	1.50%	167	-91E	10367	
0503	NAVY EQUIPMENT	49	0	9.60%	5	-54	0	6.10%	C	0	0	C	4.00%	C	C	0	
0505	AIR FORCE EQUIPMENT	131	0	10.30%	13	-144	0	18.30%	C	0	0	C	10.30%	C	C	0	
0506	DLA EQUIPMENT	4022	0	3.50%	140	-3182	980	-2.90%	-2E	1494	2446	C	1.50%	37	-7E	2408	
0507	GSA MANAGED EQUIPMENT	10513	0	1.10%	116	-8197	2432	1.50%	3E	2087	4555	C	1.60%	73	-187	4441	
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	22040	0	4.30%	948	-8750	14238	3.48%	49E	3387	18120	C	1.53%	277	-1181	17216	
0601	ARMY (ORDNANCE)	308	0	-27.00%	-83	90	315	1.40%	4	1	320	C	10.10%	32	-1E	334	
0633	DEFENSE PUBLICATION & PRINTING SERVICE	277	0	6.20%	17	371	665	-2.00%	-14	90	741	C	0.30%	2	33	776	
0662	DEPOT MAINTENANCE (AIR FORCE): CONTRACT	0	0	4.50%	0	5	5	-7.50%	C	-2	3	C	4.50%	C	1	4	
0679	COST REIMBURSABLE PURCHASES	481	0	1.10%	5	32	518	1.50%	7	376	901	C	1.60%	14	2E	943	
0699	TOTAL INDUSTRIAL FUND PURCHASES	1066	0	-5.72%	-61	498	1503	-0.20%	-3	465	1965	C	2.44%	4E	44	2057	
0703	AMC SAAM/JCS EXERCISES	2187	0	0.04%	0	-1144	1043	-1.30%	-14	51	1080	C	1.60%	1E	-3E	1060	
0707	AMC TRAINING	0	0	-1.90%	0	36	36	2.70%	1	-7	30	C	1.00%	C	2	32	
0717	MTMC GLOBAL POV	1	0	-14.70%	0	0	1	15.60%	C	0	1	C	4.60%	C	C	1	
0719	MTMC CARGO OPERATIONS (PORT HANDLING)	2	0	-38.30%	-1	-1	0	20.00%	C	0	0	C	4.20%	C	C	0	
0725	MTMC (OTHER) (CANCELLED)	1	0	1.10%	0	-1	0	1.50%	C	0	0	C	1.60%	C	C	0	
0771	COMMERCIAL TRANSPORTATION	2427	0	1.10%	26	-672	1781	1.50%	2E	1308	3115	C	1.60%	5C	147	3312	
0799	TOTAL TRANSPORTATION	4618	0	0.54%	25	-1782	2861	0.45%	13	1352	4226	C	1.61%	6E	111	4405	
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	0	0	0.00%	0	0	0	0.00%	3E	1253	1616	37C	3.28%	53	C	2039	
0902	SEPARATION LIABILITY (FNIH)	104	0	0.00%	0	-104	0	0.00%	C	0	0	C	0.00%	C	C	0	
0913	PURCHASED UTILITIES	393	0	1.10%	4	-245	152	1.50%	2	223	377	C	1.60%	E	8E	472	
0914	PURCHASED COMMUNICATIONS	7771	0	1.10%	86	-1991	5866	1.50%	8E	211	6165	C	1.60%	9E	20E	6466	
0917	POSTAL SERVICES (U.S.P.S.)	175	0	0.00%	0	-78	97	0.00%	C	24	121	C	0.00%	C	-1	120	
0920	SUPPLIES/MATERIALS (NON FUND)	27350	0	1.10%	301	-14226	13425	1.50%	201	-809	12817	C	1.60%	20E	-89E	12129	
0921	PRINTING AND REPRODUCTION	511	0	1.10%	6	-515	2	1.50%	C	0	2	C	1.60%	C	C	2	

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	114	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0922	EQUIPMENT MAINTENANCE BY CONTRACT	37827	-1775	1.10%	397	69642	106091	3383	1.50%	164	-4	111113	347	1.60%	183	-125	115165
0923	FACILITY MAINTENANCE BY CONTRACT	28844	0	1.10%	317	-20972	8189	0	1.50%	122	2739	11050	0	1.60%	17	-10	11215
0925	EQUIPMENT PURCHASES (NON FUND)	22646	0	1.10%	248	-20596	2298	0	1.50%	34	2293	4625	0	1.60%	74	-61	4086
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	17	0	1.10%	0	-17	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0928	SHIP MAINTENANCE BY CONTRACT	95	0	1.10%	1	-96	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0930	OTHER DEPOT MAINTENANCE	180	0	1.10%	2	-182	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0932	MGMT & PROFESSIONAL SPT SVCS	9752	0	1.10%	107	-4381	5478	0	1.50%	82	231	5791	0	1.60%	9	71	5955
0933	STUDIES, ANALYSIS, & EVALUATIONS	2586	0	1.10%	28	-2114	500	0	1.50%	7	-7	500	0	1.60%	0	-0	500
0934	ENGINEERING & TECHNICAL SERVICES	3064	0	1.10%	33	295	3392	0	1.50%	51	16	3459	0	1.60%	5	1	3534
0937	LOCALLY PURCHASED FUEL	1663	0	-16.00%	-266	1586	2983	0	8.30%	24	-315	2916	0	3.30%	9	-1	2999
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	48848	0	1.10%	537	-36360	13025	0	1.50%	19	4502	17722	0	1.60%	284	787	18793
0988	GRANTS	1	0	1.10%	0	-1	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0989	OTHER CONTRACTS	28498	0	1.10%	313	-502	28309	0	1.50%	424	29	28762	0	1.60%	46	-68	28537
0998	OTHER COSTS	3	0	1.10%	1	67	71	0	1.50%	1	74	146	0	1.60%	2	3	180
0999	OTHER PURCHASES	220328	-1775	0.96%	2115	-30790	189878	3708	1.65%	313	10460	207182	384	1.66%	344	-228	212192
9999	GRAND TOTAL	551440	-1775	3.04%	16768	-127130	439303	4047	1.83%	805	15623	467026	4047	1.73%	809	-890	470254

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces
Subactivity Group: Land Forces Operations Support

I. Description of Operations Financed:

LAND FORCES OPERATIONS SUPPORT - This Sub Activity group (SAG) provides funding to conduct force related training at the Combat Training Centers (CTCs) which include 'dirt' CTCs - the National Training Center (NTC), Joint Readiness Training Center (JRTC), and the Combat Maneuver Training Center (CMTC), as well as the Battle Command Training Program (BCTP). This SAG funds the ground OPTEMPO for the Opposing Force (OPFOR) units at each of the CTCs, the deployment costs for the units training at the CTCs and the Deep Attack Center of Excellence (DACE), and contracts for the operation and maintenance of training devices used at the CTCs and DACE.

Beginning in FY2003 the Army will begin its Deep Attack Center of Excellence (DACE) rotations one in Continental US (CONUS) and one in Europe. Implementation of the DACE provides the Army's Deep Attack AH64 units with a "combat training center like" training experience to ensure their future readiness. The DACE will train a mixture of AC (Division and Corps) and RC (Corps) AH-64 Attack Battalions each year. In FY2004 there will be two rotations in CONUS (Western Area Aviation Training Site (WAATS)/NTC) and one in Europe (VICTORY STRIKE - in Poland). These rotations are also part of the DOD Joint National Training Capability (JNTC) and Training Transformation (T2) initiatives. As the DACE matures all commanders will have an opportunity to train in a CTC environment. Therefore, the need for more rotations is imperative. In FY2004 the Army will fund three rotations, increasing to six per year as the program develops. Six rotations a year enables the Army's attack aviation battalions to be trained to highest level possible.

Beginning in FY2004 funding for Direct Support/General Support (DS/GS) maintenance of tactical equipment performed by TDA installation maintenance organizations was realigned due to the Transformation of Installation Management (TIM) initiative. Under TIM the repair part dollars from the tactical maintenance program element in Sub Activity Group 115 Land Forces Operating Support is transferred to the program element of the unit who owns the equipment. The unit receiving the service will now reimburse the TDA maintenance activity for the support. Additionally, in FY2004 the aviation maintenance support funding is realigned to the appropriate SAGs. Funds are moved from this SAG to the Divisions, Corps Combat Forces, and Corps Support Forces SAGs. This SAG does not include funding for Depot Maintenance.

Cost driver is the level of training activity necessary to remain combat ready. The level of training activity is reflected in the throughput (inventory numbers) and the number of rotations at the CTCs (See Performance Criteria And Evaluation Summary).

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

I. Description of Operations Financed (Continued):

Within this SAG the transformation strategy focuses on certification of the Stryker Brigades and providing the Active and Reserve Component Legacy forces with quality force on force, "combat like conditions," training.

II. Force Structure Summary:

This Sub Activity Group's (SAG) force structure reflects the Operation of the Combat Training Centers (CTCs) and the Deep Attack Center of Excellence (DACE), the Opposing Force (OPFOR) units at each of the CTCs and the deployment of units to the CTCs, which is illustrated in the Performance Criteria and Evaluation Summary.

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Land Forces Operations Support	876,917	1,115,776	1,106,372	1,182,685	1,078,757	1,095,473
Total	876,917	1,115,776	1,106,372	1,182,685	1,078,757	1,095,473

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	1,115,776	1,182,685	1,078,757	
Congressional Adjustments (Distributed)	4,000			
Congressional Adjustments (Undistributed)	-9,988			
Adjustments to Meet Congressional Intent	0			
General Provisions	-3,416			
SUBTOTAL APPROPRIATED AMOUNT	1,106,372			
Fact-of-Life Changes	39,000			
SUBTOTAL BASELINE FUNDING	1,145,372			
Anticipated Supplemental	0			
Reprogramming	37,313			
Price Change		22,102	22,955	
Functional Transfers		-161,687	0	
Program Changes		35,657	-6,239	
CURRENT ESTIMATE	1,182,685	1,078,757	1,095,473	

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Land Forces Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....		\$1,115,776
1. Congressional Adjustments		
a) Distributed Adjustments		
Camera Assisted Monitoring System (CAMS)	\$ 4,000	
Total Distributed Adjustments		\$ 4,000
b) Undistributed Adjustments		
Civil Service Retirement System (CSRS) Accrual Reversal	\$ -9,988	
Total Undistributed Adjustments		\$ -9,988
c) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$ -3,413	
2) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -1	
3) Section 8135 - Revised Economic Assumptions	\$ -2	
Total General Provisions		\$ -3,416
FY 2003 Appropriated Amount.....		\$1,106,372

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Land Forces Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Emergent Requirements

Program Growth

Ground OPTEMPO\$ 39,000
 Increase fully funds the Combined Arms Training
 Strategy (CATS) requirements.

Total Emergent Requirements\$ 39,000

Total Fact-of-Life Changes\$ 39,000

FY 2003 Baseline Funding.....\$1,145,372

3. Reprogrammings/Supplemental

Reprogrammings

1) Increases

Ground OPTEMPO\$ 38,676
 Increase fully funds the Combined Arms Training
 Strategy (CATS) requirements.

2) Decreases

Foreign Currency Fluctuation\$ -1,363

Total Reprogrammings\$ 37,313

Revised FY 2003 Current Estimate.....\$1,182,685

4. Price Change.....\$ 22,102

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers

a) Transfers Out

1) Single Stock Fund	\$ -23,425
Transfer from Sub Activity Group (SAG) 115 Land Forces Operation Support to BASOPS accounts to support the Army's supply mission results from Transformation of Installation Management (TIM) initiative. Directorate of Logistic (DOL) reimbursable cost for services performed under the National Maintenance (NMP) and Single Stock Fund (SSF) convert funding from the Army Materiel Command (AMC) to direct funding under Installation Management Agency (IMA) supply operations.	
2) Aviation Maintenance	\$ -30,679
Realigns Aviation Maintenance funding from Sub Activity Group (SAG) 115 Land Forces Operations Support into SAGs 111 Divisions, 112 Corps Combat Forces, and 113 Corps Support Forces. The movement aligns funding to the appropriate SAG.	
3) Direct Support Maintenance	\$ -107,583
Transfer of repair part dollars from the tactical maintenance program in Sub Activity Group (SAG) 115 Land Forces Operating Support to SAG 111 Divisions, SAG 112 Corps Combat Forces, SAG 113 Corps Support Forces, and SAG 114 EAC Support Forces. Under the Transformation of Installation Management (TIM) program the repair part dollars from the tactical maintenance program in SAG 115 is transferred to the maintenance program of the unit who owns the equipment. The unit receiving the service will now reimburse the TDA maintenance activity for the support.	
Total Transfers Out	\$ -161,687

Budget Activity/Activity Group: Operating Forces/Land Forces
 Subactivity Group: Land Forces Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 395
 There will be an additional compensable workday in FY 2004.
 This results in an increase in civilian manpower costs due to
 a greater number of workdays in FY 2004 (262 days) as compared
 to FY 2003 (261 days).

b) Program Growth in FY 2004

1) Training Transformation (T2) / Joint National Training
 Capability (JNTC)\$ 10,682

Resources the Army to support T2/JNTC, which provides
 dynamic capabilities-based training for the Department of
 Defense in support of national security requirements
 across the full spectrum of service, joint, interagency,
 intergovernmental, and multinational operations. Develops
 a robust network for a live, virtual, and constructive
 training and mission rehearsal environment. Funding will
 support: National Simulation Center requirements to
 support a standard base architecture, contract labor and
 travel to support Digital Battlestaff Sustainment Trainer
 (DBST). Additionally, funds provide for added fiber optic,
 simulation and communication requirements; Observer
 Controller augmentees; Special Operations Forces (SOF)
 integration and a Joint Special Operations Task Force
 (JSOTF).

2) Training Aides, Devices, Simulations, and Simulators
 (TADSS)\$ 37,512

(FY 2003 Base: \$237,324) Provides funds to pay for
 government logistics contracts in support of new and
 existing TADSS to include the Aviation Trainers, Conduct

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- 2) Training Aides, Devices, Simulations, and Simulators (TADSS) (Continued)
of Fire Trainers, Warfighting Simulations, Army Transformation instrumentation, and Combat Training Center instrumentation.

- 3) Javelin Contractor Logistics Support (CLS)\$ 2,974
(FY 2003 Base: \$0) Javelin transitions from interim contractor support (ICS) in FY 2003 to life cycle contractor logistics support (LCCS) in FY 2004. LCCS reduces the costs of operating and maintaining the Javelin system and increases its readiness. Javelin CLS provides repair services to the Javelin command launch unit (CLU). The contractor provides parts, materials, repairs, labor and engineering support for the replacement and/or repair of equipment failures during normal operations and/or training. Javelin CLU density increases by more than 500 units in FY 2004 with the fielding of the 1st Armored Division, 11th Armored Cavalry Regiment, fourth Stryker Brigade Combat Team, 1st Infantry Division and several Special Forces groups.

- 4) Sentinel Contractor Logistics Support (CLS)\$ 5,705
(FY 2003 Base: \$0) Sentinel Radar System (Sentinel unique parts) moves to life cycle contractor logistics support (LCCS) in FY 2004. LCCS reduces the costs of operating and maintaining the Sentinel system and increases its readiness. The contractor provides parts, materials, repairs, labor and engineering support for the replacement and/or repair of equipment failures during normal operations and/or training. The CLS contract supports 87 Active Component Sentinel systems. The

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- 4) Sentinel Contractor Logistics Support (CLS) (Continued)
contractor provide LRU repair at a contractor facility,
vendor facility and/or a government depot (Tobyhanna Army
Depot).

- 5) Improved Target Acquisition System (ITAS) Contractor
Logistics Support (CLS)\$ 4,910
(FY 2003 Base: \$9,160) The increase reflects the
required Contractor Logistics Support (CLS) of new and
existing Tube launched Optically tracked Wire guided
missile (TOW) Improved Target Acquisition System (ITAS)
systems. CLS reduces the ITAS support bill and increases
its readiness. The funds provide for contractor labor,
materiel and parts necessary to repair any ITAS components
that fail during normal training or use, and for batteries
required to operate the system. The contractor provides a
forward repair facility located with the parent division
and Line Replaceable Unit (LRU) repair at a contractor
facility. The contractor provides parts, materials,
repairs, labor and engineering support. Fielded ITAS
density increases by 180 units with the fielding of the
101st Airborne Division in FY 2004.

- 6) Stryker Brigade Combat Team (SBCT) Certification Exercise
(CERTEX)\$ 8,186
(FY 2003 Base: \$0) The funding increase is to support
the incremental costs for the CERTEX. The CERTEX is a
multi-phased, asymmetrical battlefield exercise designed
to demonstrate the SBCT's full-spectrum, digital
capability to deploy quickly as it achieves initial
operating capability (IOC). It also showcases the SBCTs
flexibility to re-deploy to follow on locations as the

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

6) Stryker Brigade Combat Team (SBCT) Certification Exercise (CERTEX) (Continued)
mission changes. To achieve the IOC standard, there is a requirement for an increase in personnel and equipment to support a Combat Training Center (CTC) rotation. This addition will result in an incremental increase in cost over a normal CTC rotation for direct, indirect and training support items and contracts. The additional support items include firemarkers, Observer Controllers, Reconnaissance & Intelligence personnel, Multiple Integrated Laser Engagement System (MILES) equipment, wrap around simulation integration and expanded communication links.

7) Ground OPTEMPO Demand Adjustment\$ 4,138

The growth reflects the increase in demands and costs. The demand increase is driven by improved OPTEMPO execution over the last three years as the Army continues to achieve its ground OPTEMPO Combined Arms Training Strategy (FY1999 - 657 miles, FY2000 - 764 miles, FY2001 - 849 miles). The cost increase results from implementing the National Maintenance Program (NMP), which improves maintenance standards. The higher standard causes growth in the unit price for a Class IX item due to better repair actions. The investment in NMP is expected to improve the reliability of CLASS IX items and weapons systems readiness.

Total Program Growth in FY 2004\$ 74,107

Total Program Increases\$ 74,502

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases

Program Decreases in FY 2004

1) Stryker Brigade Combat Team (SBCT) Deployment Exercise	\$ -15,200
(FY 2003 Base: \$15,200) This decrease results from not extending the US Forces Command (USFORSCOM) exercise into FY 2004. The exercise demonstrated the 96 hour deployment capability of the newly formed SBCT. This was a one-time program that was not extended beyond FY 2003.	
2) Consumable Repair Parts	\$ -10,528
The Army is managing risk. This decrease is associated with an anticipated reduction in orders for consumable repair parts. The Army identified projected growth in consumable repair parts due to updating the three-year moving average. Specifically, the Army removed FY1998 demand data and included FY2001 demand data. In FY1998, the Army was not fully executing its Ground OPTEMPO Combined Arms Training Strategy (CATS) mile requirements; while in FY2001, significant improvement was made in the execution of the ground OPTEMPO miles. Since FY2001 was the first year the Army dramatically improved its ground OPTEMPO program (i.e. miles executed), the projected demand increase was suppressed to historical levels of execution. The Army will assess execution year data to validate this decision.	
3) Combat Training Centers (CTC)	\$ -13,117
Decrease is due to rotational schedule changes. US Army Pacific (USARPAC) deployment costs that include equipment transportation via ship to one Joint Readiness Training Center (JRTC) rotation and one National Training Center (NTC) rotation occur in FY2003 but not in FY2004.	
Total Program Decreases	\$ -38,845

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2004 Budget Request.....\$1,078,757

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

IV. Performance Criteria and Evaluation Summary:

<u>Land Forces Operations Support</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Combat Training Centers (CTC)				
Throughput (Inventory Numbers) ^a				
BCTP (Divisions/Corps) ^b	7/3	7/1	7/3	8/2
CMTC (Battalions)	12	13	14	9
JRTC (Battalions)	18	16	19	26
NTC (Battalions)	26	29	29	29
Rotations (Number of Rotations)				
BCTP (Divisions/Corps)	7/3	7/1	7/3	8/2
CMTC (Brigades)	4	4	4	3
JRTC (Brigades) ^{c,d}	10	9	10	10
NTC (Brigades) ^d	10	10	10	10
DACE Rotations (Number of Aviation Deep Attack Battalion Rotations) ^e				
CMTC (Victory Strike - Battalions)		2	2	2
WAATS (Battalions)		1	1	4
NTC (Battalions)		1	1	1

Notes:

- a. Represents maneuver battalion throughput at CMTC, JRTC, and NTC.
- b. FY02 included the CGSC Prairie Warrior Exercise, a Corps BCTP WFX equivalent.
- c. JRTC SBCT CERTEXs: FY03 - 3/2 (Ft. Lewis), FY04 - 1/25 (Hawaii), FY05 - 172nd (Alaska).
FY05: No KFOR rotation scheduled. Three 3rd BN rotations to include SBCT in FY03/04 and 05.
- d. JRTC and NTC annual rotations include nine Active component Brigades and one National Guard (NG) Enhanced Brigade (eSB).
- e. Aviation Deep Attack: Rotations IAW Army G3(Training) approved battalion rotation schedule. Final decision on CONUS location for aviation deep attack exercises pending FY03 WAATS Proof of Principle exercise scheduled for Jun 03.

- 1 Throughput and rotation numbers reflect the scheduled events, which may vary in the year of execution.
- 2 JRTC schedules include 1 USASOC rotation.
- 3 The number of division BCTP includes two NG divisions per year except FY02 where only one NG Division warfighter occurred.

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

BCTP: Battle Command Training Program
CMTC: Combat Maneuver Training Center
JRTC: Joint Readiness Training Center
NTC: National Training Center
DACE: Deep Attack Center of Excellence

Budget Activity/Activity Group: Operating Forces/Land Forces
Subactivity Group: Land Forces Operations Support

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	2,425	2,249	2,306	2,325	57	19
Officer	932	808	814	830	6	16
Enlisted	1,493	1,441	1,492	1,495	51	3
<u>Civilian End Strength (Total)</u>	3,527	2,720	2,619	2,622	-101	3
U.S. Direct Hire	1,639	1,485	1,452	1,455	-33	3
Foreign National Direct Hire	483	101	104	104	3	0
Total Direct Hire	2,122	1,586	1,556	1,559	-30	3
Foreign National Indirect Hire	1,405	1,134	1,063	1,063	-71	0
<u>Military Average Strength (Total)</u>	2,214	2,337	2,277	2,315	-60	38
Officer	855	870	811	822	-59	11
Enlisted	1,359	1,467	1,466	1,493	-1	27
<u>Civilian Full-Time Equivalent (Total)</u>	2,864	2,667	2,570	2,571	-97	1
U.S. Direct Hire	1,644	1,456	1,426	1,427	-30	1
Foreign National Direct Hire	184	99	102	102	3	0
Total Direct Hire	1,828	1,555	1,528	1,529	-27	1
Foreign National Indirect Hire	1,036	1,112	1,042	1,042	-70	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	115	Totals															
Line	Line		Foreign	Price	Price	Foreign	Price	Price	Price	Program	Foreign	Price	Price	Price	Program	FY 2005	
Item	Description	FY 2002	Curr	Growth	Growth	Curr	Growth	Growth	Growth	Growth	Curr	Growth	Growth	Growth	Growth	Program	
		Program	Adjust	Percent	Amount	Program	Program	Program	Program	Program	Adjust	Percent	Amount	Amount	Amount	Program	
0101	EXEC, GEN, SPEC SCHEDULE	39810	0	3.62%	1441	192	43177	0	2.49%	107	-3367	40886	0	2.69%	1101	-117	41870
0103	WAGE BOARD	54967	0	3.10%	1704	-1027	46397	0	2.76%	1281	-2344	45334	0	2.30%	1042	11	46387
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	3065	-253	3.03%	93	-66	2245	526	3.12%	7	9	2931	309	2.22%	65	2	3307
0105	SEPARATION LIABILITY (FNDH)	41	0	0.00%	0	2	43	0	0.00%	0	0	49	0	0.00%	0	2	51
0106	BENEFITS TO FORMER EMPLOYEES	82	0	0.00%	0	-3	44	0	0.00%	0	-11	33	0	0.00%	0	0	33
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	516	0	0.00%	0	-51	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0199	TOTAL CIV PERSONNEL COMP	98481	-253	3.29%	3238	-956	91906	526	2.64%	2427	-562	89233	309	2.47%	2208	-102	91648
0308	TRAVEL OF PERSONS	20452	0	1.10%	225	1188	32560	0	1.50%	48	339	36444	0	1.60%	583	3370	40397
0399	TOTAL TRAVEL	20452	0	1.10%	225	1188	32560	0	1.50%	48	339	36444	0	1.60%	583	3370	40397
0401	DFSC FUEL	2724	0	-16.00%	-436	61	2898	0	8.30%	241	-89	2247	0	3.30%	74	39	2360
0402	SERVICE FUEL	35	0	-16.00%	-6	132	1350	0	8.30%	112	-40	1059	0	3.30%	35	-497	597
0411	ARMY MANAGED SUPPLIES & MATERIALS	83504	0	9.20%	7682	51071	142257	0	4.50%	640	-34631	114028	0	1.50%	1710	1972	117710
0412	NAVY MANAGED SUPPLIES & MATERIALS	360	0	9.60%	34	16	560	0	6.10%	34	-4	590	0	4.00%	24	-14	600
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	604	0	10.30%	62	-66	0	0	18.30%	0	0	0	0	10.30%	0	0	0
0415	DLA MANAGED SUPPLIES & MATERIALS	94523	0	3.50%	3308	42321	140152	0	-2.90%	-406	-3381	102277	0	1.50%	1534	254	104065
0416	GSA MANAGED SUPPLIES & MATERIALS	2340	0	1.10%	25	1145	13824	0	1.50%	207	62	14660	0	1.60%	235	2445	17340
0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	534	5343	0	1.50%	8	156	6987	0	1.60%	112	2070	9169
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	184090	0	5.80%	10669	11162	306384	0	0.98%	3011	-67547	241848	0	1.54%	3724	6269	251841
0502	ARMY EQUIPMENT	3625	0	9.20%	334	-231	3728	0	4.50%	16	11	4006	0	1.50%	60	-277	3789
0503	NAVY EQUIPMENT	10	0	9.60%	1	687	698	0	6.10%	4	-314	427	0	4.00%	17	-42	402
0506	DLA EQUIPMENT	1611	0	3.50%	56	-57	1089	0	-2.90%	-32	511	1568	0	1.50%	23	31	1622
0507	GSA MANAGED EQUIPMENT	1240	0	1.10%	14	489	6149	0	1.50%	92	91	7159	0	1.60%	115	367	7641
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	6486	0	6.24%	405	477	11664	0	2.32%	271	122	13160	0	1.63%	215	79	13454
0601	ARMY (ORDNANCE)	29	0	-27.00%	-8	5	26	0	1.40%	0	2	55	0	10.10%	6	-5	56
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	3955	0	5.30%	210	-416	0	0	8.30%	0	0	0	0	2.00%	0	0	0
0603	DLA DISTRIBUTION DEPOT (ARMY ONLY)	52	0	4.20%	2	-54	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0633	DEFENSE PUBLICATION & PRINTING SERVICE	406	0	6.20%	25	398	4419	0	-2.00%	-8	-193	2396	0	0.30%	7	254	2657
0640	MARINE CORPS DEPOT MAINTENANCE	0	0	11.20%	0	237	2373	0	11.40%	271	5	2649	0	3.50%	93	18	2760
0648	ARMY INFORMATION SERVICES (CANCELLED)	30	0	1.10%	0	-3	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0662	DEPOT MAINTENANCE (AIR FORCE): CONTRACT	0	0	4.50%	0	44	440	0	-7.50%	-3	10	515	0	4.50%	23	-8	530
0699	TOTAL INDUSTRIAL FUND PURCHASES	4472	0	5.12%	229	2557	7258	0	2.07%	15	-179	5615	0	2.30%	129	259	6003
0703	AMC SAAM/JCS EXERCISES	1519	0	0.04%	1	627	2147	0	-1.30%	-2	27	2398	0	1.60%	38	61	2497
0707	AMC TRAINING	555	0	-1.90%	-11	-544	0	0	2.70%	0	0	0	0	1.00%	0	0	0
0717	MTMC GLOBAL POV	0	0	-14.70%	0	3	3	0	15.60%	0	0	3	0	4.60%	0	0	3
0771	COMMERCIAL TRANSPORTATION	92989	0	1.10%	1023	2298	117000	0	1.50%	175	-1030	108455	0	1.60%	1735	8141	118331
0799	TOTAL TRANSPORTATION	95063	0	1.07%	1013	23074	119150	0	1.45%	1727	-10021	110856	0	1.60%	1773	8202	120831
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	30771	-5200	3.21%	988	120	27759	10133	3.05%	84	-170	37032	11533	3.45%	1276	0	49841
0913	PURCHASED UTILITIES	94	0	1.10%	1	201	2109	0	1.50%	32	21	2354	0	1.60%	38	61	2453
0914	PURCHASED COMMUNICATIONS	1380	0	1.10%	15	-139	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0917	POSTAL SERVICES (U.S.P.S.)	13	0	0.00%	0	27	40	0	0.00%	0	3	43	0	0.00%	0	2	45
0920	SUPPLIES/MATERIALS (NON FUND)	15205	0	1.10%	167	-712	8249	0	1.50%	12	-290	5466	0	1.60%	88	5406	10960

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	115	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0921	PRINTING AND REPRODUCTION	11	0	1.10%	0	125	136	0	1.50%	2	-114	24	0	1.60%	0	10	34
0922	EQUIPMENT MAINTENANCE BY CONTRACT	315320	3496	1.10%	3506	164503	486825	-6219	1.50%	7210	-32762	455054	-7402	1.60%	7162	-26072	428740
0923	FACILITY MAINTENANCE BY CONTRACT	28565	0	1.10%	314	-6055	22824	0	1.50%	342	-7258	15908	0	1.60%	254	1350	17512
0925	EQUIPMENT PURCHASES (NON FUND)	16288	0	1.10%	179	-2109	14358	0	1.50%	215	2158	16731	0	1.60%	265	335	17337
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	0	0	1.10%	0	46	46	0	1.50%	1	5	52	0	1.60%	1	1	54
0928	SHIP MAINTENANCE BY CONTRACT	30	0	1.10%	0	-23	7	0	1.50%	0	2	9	0	1.60%	0	5	14
0929	AIRCRAFT REWORKS BY CONTRACT	4845	0	1.10%	53	-2246	2652	0	1.50%	40	-2692	0	0	1.60%	0	0	0
0930	OTHER DEPOT MAINTENANCE	6132	0	1.10%	67	-6199	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0932	MGMT & PROFESSIONAL SPT SVCS	526	0	1.10%	6	-530	2	0	1.50%	0	0	2	0	1.60%	0	0	2
0934	ENGINEERING & TECHNICAL SERVICES	2	0	1.10%	0	-2	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0937	LOCALLY PURCHASED FUEL	8	0	-16.00%	-1	661	668	0	8.30%	55	101	824	0	3.30%	27	-13	838
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	967	0	1.10%	11	-978	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0989	OTHER CONTRACTS	46753	0	1.10%	515	-232	47036	0	1.50%	700	-563	47179	0	1.60%	754	-5645	42288
0998	OTHER COSTS	963	0	1.10%	11	78	1052	0	1.50%	15	-145	923	0	1.60%	15	243	1181
0999	OTHER PURCHASES	467873	-1704	1.25%	5832	141762	613763	3914	1.56%	9585	-45664	581601	4131	1.70%	9880	-24310	571299
9999	GRAND TOTAL	876917	-1957	2.46%	21611	286114	1182685	4440	1.49%	17662	-126030	1078757	4440	1.72%	18515	-6230	1095473

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

I. Description of Operations Financed:

FORCE READINESS OPERATIONS SUPPORT - Funds requested provide essential training and readiness support for the Land Forces. Resources in this subactivity group consist of centralized procurement and issue of Operations and Maintenance, Army (OMA) funded clothing and equipment, incremental expenses of the Joint Chiefs of Staff (JCS) exercises, and active component support to the reserve component (including Title XI). Critical training enablers are resourced in the Training Area Management and Operations, Force Training Support, and Force Readiness Support Activities. Force Training Support pertains to the operation and maintenance of battle simulation centers and the overall Combat Training Center Support. Force readiness support activities include temporary duty for soldiers to attend training, and operational support of both Modified Table of Organization and Equipment (MTOE) and Table Distribution of Allowance (TDA) units critical to readiness but not funded by Operating Tempo (OPTEMPO).

The funds requested also provide Army Intelligence support to the Land Forces. Critical command, control, communications and intelligence support to MTOE and TDA units not funded by OPTEMPO is included in Force Readiness Communications Support. This includes communications support to the Army Signal Command, Overseas Continental United States communication infrastructure modernization, and information systems support to Major Commands. Force Readiness Intelligence Support provides resources for the operation of TDA intelligence units and activities not identified elsewhere. Intelligence support enables the Army to leverage national intelligence systems, conduct tactical intelligence collections and satellite communication dissemination, and regularly access strategic level imagery for training and operational use. Intelligence Skill Training-TROJAN is a warfighter operational readiness and contingency system consisting of fixed and mobile, remote signal intelligence receivers. This activity includes funding for civilian workyears in support of installation, training, and program management of split-based systems.

*This Subactivity does not include cost-of-war funding. This funding is contained in the Department's Defense Emergency Response Fund Congressional Justification Book.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

II. Force Structure Summary:

This subactivity group includes support for Army land force units participating in JCS-sponsored exercises. Units vary in size from company level and below to Theater level headquarters elements including Special Forces. This activity group also includes strategic command and control capabilities which support the National Command Authority.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Force Readiness Operations Support	1,295,038	1,529,998	1,473,683	1,423,450	1,568,900	1,642,128
Total	1,295,038	1,529,998	1,473,683	1,423,450	1,568,900	1,642,128

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		1,529,998	1,423,450	1,568,900
Congressional Adjustments (Distributed)		123,400		
Congressional Adjustments (Undistributed)		-93,352		
Adjustments to Meet Congressional Intent		-49,000		
General Provisions		-37,363		
SUBTOTAL APPROPRIATED AMOUNT		1,473,683		
Fact-of-Life Changes		-47,849		
SUBTOTAL BASELINE FUNDING		1,425,834		
Anticipated Supplemental		0		
Reprogramming		-2,384		
Price Change			48,298	49,536
Functional Transfers			49,364	0
Program Changes			47,788	23,692
CURRENT ESTIMATE		1,423,450	1,568,900	1,642,128

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....\$1,529,998

1. Congressional Adjustments

a) Distributed Adjustments

1) Alternate National Command Center	\$	44,000
2) Corrosion Prevention and Control Program at CCAD and Fort Hood	\$	1,500
3) Integrated Training Area Management (ITAM) Program at Army National Training Center (NTC)	\$	1,000
4) Physical Security Equipment	\$	76,900

Total Distributed Adjustments\$ 123,400

b) Undistributed Adjustments

1) Federal Employees Compensation Act (FECA) Surcharge	\$	-807
2) Pacific Command (PACOM) Infrastructure Modernization Program - Transfer to Other Procurement, Army (OPA)	\$	-41,800
3) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-45,466
4) Undistributed Adjustment	\$	-689
5) Unobligated Balance	\$	-4,590

Total Undistributed Adjustments\$ -93,352

c) Adjustments to Meet Congressional Intent

1) Corrosion Prevention and Control Program at CCAD and Fort Hood	\$	-1,500
---	----	--------

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

c) Adjustments to Meet Congressional Intent (Continued)

2) Nuclear Posture Review-Information Security Systems	\$	15,000	
3) Contractor Linguists Interrogation	\$	5,000	
4) Contractor Linguists Tactical Intelligence and Related Activities (TIARA)	\$	9,400	
5) Physical Security Equipment	\$	-76,900	
Total Adjustments to Meet Congressional Intent		\$	-49,000

d) General Provisions

1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-2,388	
2) Section 8082 - Foreign Currency Fluctuations	\$	-19,038	
3) Section 8103 - Government Purchase Card Savings	\$	-2,205	
4) Section 8135 - Revised Economic Assumptions	\$	-12,425	
5) Section 8133 - Travel	\$	-1,307	
Total General Provisions		\$	-37,363

FY 2003 Appropriated Amount.....\$1,473,683

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

Transformation of Installation Management (TIM)	\$ 991
This transfer represents the realignment of Transformation of Installation Management (TIM) functions and missions to various Subactivity Groups (SAGs).	

Total Transfers In	\$ 991
--------------------------	--------

2) Transfers Out

a) Network Enterprise and Technology Command (NETCOM)

Stand-Up	\$ -16,025
This transfer represents the realignment of Network Enterprise Technology Command (NETCOM) functions and missions to various SAGs.	

b) USARPAC C4 Information Infrastructure	\$ -2,666
--	-----------

This transfer represents the realignment of
functions and missions to SAG 122.

Total Transfers Out	\$ -18,691
---------------------------	------------

Total Functional Transfers	\$ -17,700
----------------------------------	------------

b) Emergent Requirements

1) One-Time Costs

Military Training Specific Allotment (MTSA) Pilot Program	\$ -17,813
Military Training Service Support Pilot Program to test, analyze and implement the Army's proposed initiative	

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
 Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

1) One-Time Costs (Continued)

Military Training Specific Allotment (MTSA) Pilot Program
 (Continued)
 to distribute funds for training service support
 requirements for Temporary Duty students to the
 installations that train the soldier.

Total One-Time Costs\$ -17,813

2) Program Growth

a) Army Language Program\$ 2,383
 Realignment from SAG 321 to support linguist
 operations.

b) Combatant Commander Support\$ 3,507
 Realignment from SAG 122 to meet CINC initiatives.

c) Aviation Transformation Plan\$ 187
 Full implementation of the Aviation Transformation
 Plan in FY 2003 for Military District of Washington
 (MDW) increased the number of UH-60L from two to nine
 and divested five UH-1 aircraft.

d) Army Material Command Realignment\$ 1,664
 Realignment from SAG 123 to balance program to meet
 higher mission requirements.

Total Program Growth\$ 7,741

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

3) Program Reductions

a) Operation Readiness Realignment	\$ -6,846
Realignment to support cost of emergent requirements.	
b) Active Component support to Reserve Component	\$ -13,231
The army is managing risk. The funding was adjusted to the FY 2002 execution level.	

Total Program Reductions\$ -20,077

Total Emergent Requirements\$ -30,149

FY 2003 Baseline Funding.....\$1,425,834

3. Reprogrammings/Supplemental

Decreases

Foreign Currency Fluctuation	\$ -2,384
Realigns funds among Major Commands and subactivity groups to adjust Foreign Currency fluctuations.	

Total Reprogrammings\$ -2,384

Revised FY 2003 Current Estimate.....\$1,423,450

4. Price Change.....\$ 48,298

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers

a) Transfers In

Transformation of Installation Management (TIM)\$ 127,685

As part of the Transformation of Installation Management (TIM) business reengineering initiative, a comprehensive review of all Base Support accounts was performed. As a result of this review, the Army found that over time Base Support was performing many critical mission related functions. Therefore, to create a more agile and responsive staff, reduce layers of review and approval, and allow mission commanders to focus on warfighting tasks, all mission based functions pertaining to Force Readiness support were transferred to the appropriate readiness account. This increase reflects the proper realignment of manpower and the associated support costs from Base Support to mission (Forces Readiness Operations Support) accounts.

Total Transfers In\$ 127,685

b) Transfers Out

1) Combat Service Equipment\$ -21,554

Transitions funding from Operations & Maintenance, Army (OMA) to Other Procurement, Army (OPA). This transfer correctly realigns funds to the Procurement Appropriation where modification efforts will be implemented on various combat service support equipment affected by the Modern Burner Unit (MBU). Systems affected by the MBU that require modification include: Kitchen, Company Level, Field Feeding (KCLFF); Mobile Kitchen Trailer (MKT); the Modular Field Kitchen (MFK).

2) Communication Infrastructure\$ -51,067

This transfer to Other Procurement, Army realigns funds

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers (Continued)

b) Transfers Out (Continued)

2) Communication Infrastructure (Continued)

in support of Commander in Chief's Command, Control, Communication, and Computers (C4) Sustainment and modernization. This Combatant Commander (Pacific Command and U.S. Army Pacific C4) realignment initiative supports the sustainment and improvements and helps bridge the gap of critical shortfalls in critical C4 infrastructure such as secure and nonsecure voice, video, and data networks with associated operations & maintenance, automation, information processing, information management, information technology support services, web-based capabilities, technology tools, and C4 connectivity.

3) Longbow Crew Trainer\$ -5,700

This transfer realigns funds from Operation and Maintenance, Army Subactivity Group 121, Force Readiness Operations Support and Subactivity Group 435, Other Service Support to the Aircraft Procurement, Army appropriation. The dollars will be used to purchase four (4) additional Longbow Crew Trainers for the four new Longbow Battalions (Active, Reserve and National Guard). These new units are part of the Army's Transformation Plan.

Total Transfers Out\$ -78,321

Total Functional Transfers\$ 49,364

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 1,715

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 1,715

b) Program Growth in FY 2004

1) Flying Hour Program\$ 5,917

(FY 2003 Base: \$41,569) This program increase reflects costs associated with the Aviation Transformation Plan. Under the Aviation Transformation Plan 24 Legacy UH-1s were divested from Table of Distribution and Allowance (TDA) units. Ten (10) of these UH-1s were replaced with 8 UH-60A aircraft in the Multi Force Operations, Sinai, Egypt. 21st Cavalry Brigade divested 4 AH-64D aircraft but increased 660 flight hours to support the increased Longbow training in 2004.

2) Standardization and Interoperability Programs\$ 4,880

(FY 2003 Base: \$3,042) Supports ABCA (American, British, Canadian, Australian) Armies' Standardization Program. The ABCA Exercise Program is a low-cost, high pay-off program which provides a venue to exercise quadrilateral interoperability scenarios and supports doctrinal, procedural, material, and organizational interoperability with our allies. The United States Army is host to the FY 2004 exercise which will be attended by the Vice Chief of Staff, Army as the Head of Delegation. As host, the Army will incur additional costs. Funding

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- 2) Standardization and Interoperability Programs (Continued)
 supports exercise planning, analysis, and production of lessons learned for the exercise, US unit participation, equipment certification, TDY costs, and other associated costs in support of the exercise.

- 3) Critical Training Enablers\$ 8,267
 (FY 2003 Base: \$246,527) This program increase is the net effect of funding changes impacting critical Training Enablers. There is an increase for Battle Simulation Centers to support for the Mission Support Training Facilities (MSTF) where four Stryker Brigade Combat Teams (SBCTs) will begin to train in FY 2004. The MSTF is a highly sophisticated simulation and training center that uses more than 400 networked computers to replicate the environment in which the SBCTs will operate. MSTF funding provides facilities, contract operators and equipment for home station collective digital training for SBCTs. This capability supports initial training through Full Operating Capability (FOC) and sustainment training as well as mission rehearsal and reach back capabilities. A decrease in funding for Integrated Training Area Management reduces the Maneuver Damage repair on 55 active Army installations as well as a reduction of personnel to support land management. A slight increase in funding for Range Operations is attributable to inflation and pricing factors. In general, these changes in Critical Training Enablers can be seen in the OP-32, lines 0925 (Equipment Purchases) and 0989 (Other Contracts).

- 4) Military Specific Training Allotment\$ 33,431
 (FY 2003 Base: \$29, 520) There are two factors

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

4) Military Specific Training Allotment (Continued)
 influencing this funding increase. In FY 2003 the Military Training Specific Allotment (MTSA) program sustained a one-time cost for the Military Training Service Support Pilot Program (see Fact of Life Changes-Emergent Requirements). This one-time cost reduced the program's FY 2003 funding base by \$17,813K resulting in an inflated FY 2004 increase. The actual increase (\$15,618K) in this program is the result of a scrub of travel entitlements and policy changes which increased the cost of temporary duty (TDY) entitlements for MTSA participants. In FY 2004 Army anticipates an increase in travel entitlements for Active Component soldiers attending specific Department of the Army (DA)-directed training as well as duty position-required training to meet readiness requirements. Generally, these changes can be seen in the OP-32 line 0308 (Travel of Persons).

Total Program Growth in FY 2004\$ 52,495

7. Program Decreases

Program Decreases in FY 2004

1st Information Operations Command\$ -6,422
 FY 2003 Base: \$49,516) This decrease is attributable to the one-time \$15M congressional adjustment in FY 2003 for Nuclear Posture Review. This program funds the Initial Operating Capability (IOC) for the 1st Information Operations Command Cyber Warfare Center (CWC) which provides active worldwide computer network operations (CNO) for Army Commanders. The recently released

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases (Continued)

Program Decreases in FY 2004 (Continued)

1st Information Operations Command (Continued)

Quadrennial Defense Review (QDR) placed cyber warfare as the Number 2 priority within the Department of Defense and the Vice Chief of Staff, Army prioritized it as the Number 2 priority within the Army. Additional contract efforts are required to develop leading edge Cyber warfare tools and weapons capabilities. These efforts support Anti-Terrorism/Force Protection (AT/FP) requirements by providing significantly improved capabilities to protect critical infrastructure and attack computer network resources supporting terrorist organizations.

Total Program Decreases	\$	-6,422
FY 2004 Budget Request.....	\$	1,568,900

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

IV. Performance Criteria and Evaluation Summary:

FORCE READINESS OPERATIONAL SUPPORT:

The Chairman, Joint Chiefs of Staff (CJCS) exercise program provides Army forces the opportunity to participate in joint, multinational and overseas training. It is the Army's primary joint training vehicle and allows Army forces the opportunity to train under the operational control of the Combatant Commanders. Army participates in over 80 CJCS exercises each year, with over 90 percent being conducted OCONUS.

A. Chairman, Joint Chiefs of Staff (CJCS) Exercises

U.S. European Command (USEUCOM). Primary exercises are VICTORY STRIKE, JUNIPER COBRA, AGILE series and PARTNERSHIP FOR PEACE / COOPERATIVE series exercises with East European countries.

(\$ in Millions)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
USEUCOM TOTAL	5,519	5,634	6,906	6,416

U.S. Central Command (USCENTCOM). Primary exercises are BRIGHT STAR, NATIVE ATLAS, EARNEST LEADER, INFERNO CREEK and CPX INTERNAL LOOK.

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
USCENTCOM TOTAL	9,954	7,340	7,701	7,554

U.S. Joint Forces Command (USJFCOM). Primary exercises are ROVING SANDS, CHALLENGE series and the JTFEX series.

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
USJFCOM TOTAL	4,897	6,980	5,408	6,737

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

U.S. Pacific Command (USPACOM). Primary exercises are ULCHI-FOCUS LENS, RSOI/FOAL EAGLE in Korea, COBRA GOLD in Thailand, BALIKATAN in Philippines, KEEN EDGE/SWORD in Japan, NORTHERN EDGE in Alaska and JTF Exercise TANDUM THRUST.

(\$ in Millions)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
USPACOM TOTAL	13,172	13,673	15,223	15,296

U.S. Southern Command (USSOUTHCOM). Primary exercises are engineer exercises NEW HORIZON, FUERZAS ALIADAS series, PKO North/South and TRADEWINDS.

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
USSOUTHCOM TOTAL	8,898	8,900	9,658	9,694

U.S. NORTHERN COMMAND (USNORTHCOM) Primary exercises are UNIFIED DEFENSE and DETERMINED PROMISE.

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
USNORTHCOM	0	500		750
750				

Chairman, Joint Chiefs of Staff (CJCS). Primary exercises are CJCS sponsored exercises POSITIVE FORCE and POSITIVE RESPONSE and JLOTS.

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
CJCS/JLOTS TOTAL	2,869	3,312	3,555	3,638

		TOTAL	45,309	46,339
49,201	50,085			

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
 Subactivity Group: Force Readiness Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Active Component to Reserve Component Support				
Military	4,903	5,000	5,000	5,000
Civilians	6	395	395	395
TOTAL	4,909	5,395	5,395	5,395

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Force Readiness Operations Support

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	6,216	7,598	7,619	7,611	21	-8
Officer	2,137	2,403	2,553	2,556	150	3
Enlisted	4,079	5,195	5,066	5,055	-129	-11
<u>Civilian End Strength (Total)</u>	13,531	9,126	10,251	10,250	1,125	-1
U.S. Direct Hire	6,114	5,512	6,536	6,535	1,024	-1
Foreign National Direct Hire	1,138	427	499	499	72	0
Total Direct Hire	7,252	5,939	7,035	7,034	1,096	-1
Foreign National Indirect Hire	6,279	3,187	3,216	3,216	29	0
<u>Military Average Strength (Total)</u>	6,781	6,907	7,608	7,614	701	6
Officer	2,296	2,270	2,478	2,554	208	76
Enlisted	4,485	4,637	5,130	5,060	493	-70
<u>Civilian Full-Time Equivalent (Total)</u>	9,868	8,961	10,039	10,051	1,078	12
U.S. Direct Hire	5,718	5,420	6,399	6,411	979	12
Foreign National Direct Hire	435	418	489	489	71	0
Total Direct Hire	6,153	5,838	6,888	6,900	1,050	12
Foreign National Indirect Hire	3,715	3,123	3,151	3,151	28	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	Line	Line	Description	FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item	Line	Line	Description	Program	Curr	Growth	Growth	Growth	Program	Adjust	Growth	Growth	Growth	Program	Adjust	Percent	Growth	Growth	Program
	0101	EXEC, GEN, SPEC SCHEDULE		359778	0	3.26%	11741	-20025	351494	0	3.16%	11115	68588	431197	C	2.64%	11393	693	443283
	0103	WAGE BOARD		28814	0	3.36%	969	-3008	26775	0	2.85%	762	39	27576	C	2.24%	617	-140	28053
	0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)		8683	-1332	4.96%	431	2384	10166	3295	3.68%	374	1590	15425	1935	2.18%	337	6	17703
	0105	SEPARATION LIABILITY (FNDH)		45	0	0.00%	0	57	102	0	0.00%	C	11	113	C	0.00%	C	2	115
	0106	BENEFITS TO FORMER EMPLOYEES		18	0	0.00%	0	42	60	0	0.00%	C	-11	49	C	0.00%	C	C	49
	0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS		591	0	0.00%	0	-591	0	0	0.00%	C	0	0	C	0.00%	C	C	0
	0111	DISABILITY COMPENSATION		0	0	0.00%	0	406	406	0	0.00%	C	7	413	C	0.00%	C	15	428
	0199	TOTAL CIV PERSONNEL COMP		397929	-1332	3.30%	13141	-20735	389003	3295	3.15%	12251	70224	474773	1935	2.60%	12347	575	489631
	0308	TRAVEL OF PERSONS		138808	0	1.10%	1526	-9444	130890	0	1.50%	1964	23146	156000	C	1.60%	2497	773	159270
	0399	TOTAL TRAVEL		138808	0	1.10%	1526	-9444	130890	0	1.50%	1964	23146	156000	C	1.60%	2497	773	159270
	0401	DFSC FUEL		2345	0	-16.00%	-377	879	2847	0	8.30%	237	202	3286	C	3.30%	105	282	3677
	0402	SERVICE FUEL		2690	0	-16.00%	-430	389	2649	0	8.30%	220	183	3052	C	3.30%	100	231	3383
	0411	ARMY MANAGED SUPPLIES & MATERIALS		60178	0	9.20%	5537	18754	84469	0	4.50%	3801	6781	95051	C	1.50%	1427	3823	100301
	0412	NAVY MANAGED SUPPLIES & MATERIALS		125	0	9.60%	12	-68	69	0	6.10%	3	3	75	C	4.00%	3	-5	69
	0414	AIR FORCE MANAGED SUPPLIES & MATERIALS		288	0	10.30%	29	249	566	0	18.30%	103	-81	588	C	10.30%	61	-125	520
	0415	DLA MANAGED SUPPLIES & MATERIALS		80599	0	3.50%	2820	8195	91614	0	-2.90%	-2657	86	89043	C	1.50%	1335	3265	93644
	0416	GSA MANAGED SUPPLIES & MATERIALS		2346	0	1.10%	26	17160	19532	0	1.50%	292	617	20441	C	1.60%	325	1477	22244
	0417	LOCALLY PROCURED DOD CENTRALLY		0	0	1.10%	0	1587	1587	0	1.50%	22	46	1656	C	1.60%	25	-225	1456
	0499	TOTAL SUPPLIES & MATERIALS PURCHASES		148571	0	5.13%	7617	47145	203333	0	0.99%	2022	7837	213192	C	1.59%	3385	8714	225294
	0502	ARMY EQUIPMENT		2341	0	9.20%	215	1755	4311	0	4.50%	194	-3515	990	C	1.50%	14	3	1007
	0503	NAVY EQUIPMENT		0	0	9.60%	0	32	32	0	6.10%	2	13	47	C	4.00%	2	-5	43
	0505	AIR FORCE EQUIPMENT		0	0	10.30%	0	373	373	0	18.30%	65	40	481	C	10.30%	50	-91	440
	0506	DLA EQUIPMENT		1823	0	3.50%	64	-970	917	0	-2.90%	-27	17	907	C	1.50%	13	65	988
	0507	GSA MANAGED EQUIPMENT		3520	0	1.10%	38	452	4010	0	1.50%	60	128	4198	C	1.60%	67	304	4569
	0599	TOTAL STOCK FUND EQUIPMENT PURCHASES		7684	0	4.13%	317	1642	9643	0	3.08%	297	-3317	6623	C	2.20%	145	275	7047
	0601	ARMY (ORDNANCE)		297	0	-27.00%	-80	39	256	0	1.40%	4	149	409	C	10.10%	41	-42	408
	0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE		984	0	5.30%	52	-1036	0	0	8.30%	C	0	0	C	2.00%	C	C	0
	0633	DEFENSE PUBLICATION & PRINTING SERVICE		495	0	6.20%	31	-162	364	0	-2.00%	-7	64	421	C	0.30%	1	-65	357
	0634	NAVAL PUBLIC WORK CENTERS: UTILITIES		19	0	1.10%	0	-19	0	0	-8.00%	C	0	0	C	2.60%	C	C	0
	0640	MARINE CORPS DEPOT MAINTENANCE		11	0	11.20%	1	-12	0	0	11.40%	C	0	0	C	3.50%	C	C	0
	0647	DISA INFORMATION SYSTEMS (MEGACENTERS)		47	0	-1.00%	0	-43	4	0	1.50%	C	-1	3	C	1.60%	C	1	4
	0648	ARMY INFORMATION SERVICES (CANCELLED)		6733	0	1.10%	74	-6700	107	0	1.50%	2	-109	0	C	1.60%	C	C	0
	0662	DEPOT MAINTENANCE (AIR FORCE): CONTRACT		35	0	4.50%	2	-37	0	0	-7.50%	C	0	0	C	4.50%	C	C	0
	0671	COMMUNICATIONS SERVICES (DISA) TIER 2		84	0	1.10%	1	-85	0	0	0.00%	C	0	0	C	1.60%	C	C	0
	0679	COST REIMBURSABLE PURCHASES		444	0	1.10%	5	-449	0	0	1.50%	C	0	0	C	1.60%	C	C	0
	0680	BUILDINGS MAINTENANCE FUND		13	0	1.10%	0	-13	0	0	1.50%	C	0	0	C	1.60%	C	C	0
	0699	TOTAL INDUSTRIAL FUND PURCHASES		9162	0	0.94%	86	-8517	731	0	-0.14%	-1	103	833	C	5.04%	42	-105	769
	0703	AMC SAAMJCS EXERCISES		17	0	0.04%	0	-17	0	0	-1.30%	C	0	0	C	1.60%	C	C	0
	0705	AMC CHANNEL CARGO		176	0	11.00%	19	-195	0	0	1.70%	C	0	0	C	0.60%	C	C	0
	0717	MTMC GLOBAL POV		11	0	-14.70%	-1	-10	0	0	15.60%	C	0	0	C	4.60%	C	C	0
	0725	MTMC (OTHER) (CANCELLED)		2	0	1.10%	0	-2	0	0	1.50%	C	0	0	C	1.60%	C	C	0
	0771	COMMERCIAL TRANSPORTATION		12921	0	1.10%	142	-668	12395	0	1.50%	185	1816	14397	C	1.60%	230	-2361	12266

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	121	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0799	TOTAL TRANSPORTATION	13127	0	1.22%	160	-892	12395	0	1.50%	186	1816	14397	C	1.60%	230	-2361	12266
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	105254	-13734	2.58%	2718	-19991	74247	28725	3.29%	244	812	106228	31196	3.31%	3517	1	140945
0902	SEPARATION LIABILITY (FNIH)	327	0	0.00%	0	-327	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0912	RENTAL PAYMENTS TO GSA (SLUC)	415	0	2.10%	10	-425	0	0	1.70%	C	0	0	C	1.50%	C	C	0
0913	PURCHASED UTILITIES	1422	0	1.10%	16	4372	5810	0	1.50%	86	661	6557	C	1.60%	105	215	6877
0914	PURCHASED COMMUNICATIONS	11900	0	1.10%	131	13377	25408	0	1.50%	381	-103	25686	C	1.60%	410	211	26307
0915	RENTS (NON-GSA)	1632	0	1.10%	17	-1649	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0917	POSTAL SERVICES (U.S.P.S.)	269	0	0.00%	0	-255	14	0	0.00%	C	2	16	C	0.00%	C	-2	14
0920	SUPPLIES/MATERIALS (NON FUND)	51029	0	1.10%	562	51864	103455	0	1.50%	1551	-5109	99897	C	1.60%	1596	1056	102551
0921	PRINTING AND REPRODUCTION	88	0	1.10%	0	-81	7	0	1.50%	C	0	7	C	1.60%	C	C	7
0922	EQUIPMENT MAINTENANCE BY CONTRACT	75526	0	1.10%	830	14748	91104	0	1.50%	1366	4260	96730	C	1.60%	1545	3112	101391
0923	FACILITY MAINTENANCE BY CONTRACT	50614	0	1.10%	557	7001	58172	0	1.50%	872	-4020	55024	C	1.60%	881	-1884	54021
0925	EQUIPMENT PURCHASES (NON FUND)	82143	0	1.10%	902	5214	88259	0	1.50%	1324	2380	91963	C	1.60%	1470	5466	98901
0930	OTHER DEPOT MAINTENANCE	2149	0	1.10%	23	-2172	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0932	MGMT & PROFESSIONAL SPT SVC S	23778	0	1.10%	262	-6897	17143	0	1.50%	257	215	17615	C	1.60%	282	206	18105
0933	STUDIES, ANALYSIS, & EVALUATIONS	6756	0	1.10%	74	-4805	2025	0	1.50%	30	-23	2032	C	1.60%	35	-16	2049
0934	ENGINEERING & TECHNICAL SERVICES	8422	0	1.10%	93	-7624	891	0	1.50%	14	-7	898	C	1.60%	14	-6	906
0937	LOCALLY PURCHASED FUEL	40849	0	-16.00%	-6536	10012	44325	0	8.30%	3675	-2340	45664	C	3.30%	1507	2497	49668
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	932	0	1.10%	10	34850	35792	0	1.50%	537	-4016	32313	C	1.60%	517	212	33042
0989	OTHER CONTRACTS	116002	-1280	1.10%	1261	14570	130553	-14723	1.50%	1737	4652	122219	-15837	1.60%	1702	4776	112862
0998	OTHER COSTS	250	0	1.10%	3	-3	250	0	1.50%	4	-21	233	C	1.60%	4	-32	205
0999	OTHER PURCHASES	579757	-15014	0.16%	933	111779	677455	14002	2.11%	14282	-2657	703082	15362	1.93%	13589	15818	747851
9999	GRAND TOTAL	1295038	-16346	1.84%	23780	120978	1423450	17297	2.18%	31001	97152	1568900	17297	2.05%	32239	23692	1642128

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

I. Description of Operations Financed:

LAND FORCES SYSTEMS READINESS - Provides resources for maintenance below the depot level to include Long Haul Communications Services (long distance telephone services and equipment) that fall outside the installation base communication accounts. Supports Contractor Logistics Support and Other Weapon Support that provides below depot maintenance and support of land forces equipment performed or managed at the National Level by either in-house or contractor activities. Includes national maintenance contracts on the fixed wing aircraft fleet, and watercraft, as well as below depot Test Measurement and Diagnostic Equipment (TMDE) support. Supports development and integration of land forces doctrine, organizational concepts, and materiel requirements.

Additionally, this subactivity includes resources in support of Combat Development Tests, Experimentation & Instrumentation that provides resources for the overhead and testing costs for the Army Test and Evaluation Command (ATEC); cost incurred by the Directorate of Medical Equipment Test and Evaluation; operation of the Concepts Analysis Agency (CAA); cost of testing conducted by Army Signal Command and the U.S. Army Communications Command (USACC); and costs associated with other combat development testing U. S. Army Training and Doctrine Command (TRADOC).

Combat Development Activities resources activities (excluding those funded under the Research, Development, Test and Evaluation appropriation) that support development of organizational and operational concepts, force design, materiel requirements, and studies to support these products. This program also funds integration of products across all domains (Doctrine, Training, Leader Development, Organizations, Materiel, and Soldiers) (DTLOMS).

Distributed Common Ground System, Army (DCGS-A), provides the Commander maximum flexibility to satisfy intelligence needs in a wide range of operational scenarios. The Army's DCGS-A architecture consists of various intelligence and electronic warfare communications and processing to provide theater commanders and tactical units with timely targeting, battle planning, and battle damage assessment information.

Service Support to Global Command and Control System (GCCS)-Pacific Command (PACOM). Includes manpower authorizations and associated costs in support of the GCCS, and related systems and facilities at PACOM. Includes those resources devoted to sustainment support for system engineering and component and follow-on support for subsystem development, integration and testing, test and evaluation, production support, installation and training, operation and maintenance, as well as program management of GCCS, and related systems as approved by the Joint Staff.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

I. Description of Operations Financed (Continued):

Also, provides Service Support to GCCS Combatant Headquarters U.S. Army European Command (EUCOM) and U.S. Army Southern Command (SOUTHCOM). Provides funding for the EUCOM and SOUTHCOM Global Command and Control related headquarters functions. Excludes non-management headquarters resources.

Information Program Management resources the applicable portion of costs incurred in the administration and management of Deputy Chief of Staff Information Management and Director for Information Management elements. Excludes costs specifically identified to printing and publishing elements, records management elements and data processing. Information Management-Automation Support resources analysis, design, programming, operations, and maintenance of systems to provide automation support, and the associated personnel, supplies, equipment, and all other related costs.

II. Force Structure Summary:

This subactivity group includes support for strategic command and control capabilities that support the National Command Authority. Army Test and Evaluation Command (ATEC) manpower and funding supports planning, conducting and reporting of independent tests, evaluations and assessments of Army systems, and funds Follow-on Operational Tests and Evaluations (FOTEs). The subactivity group further supports experimentation, tests, projects and evaluations necessary for the development and/or validation of new doctrine, materiel, and organizations for the Army.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Land Forces Systems Readiness	501,388	491,947	471,962	480,585	488,918	489,833
Total	501,388	491,947	471,962	480,585	488,918	489,833

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	491,947	480,585	488,918
Congressional Adjustments (Distributed)	38,500		
Congressional Adjustments (Undistributed)	-19,484		
Adjustments to Meet Congressional Intent	-32,506		
General Provisions	-6,495		
SUBTOTAL APPROPRIATED AMOUNT	471,962		
Fact-of-Life Changes	8,906		
SUBTOTAL BASELINE FUNDING	480,868		
Anticipated Supplemental	-283		
Reprogramming	0		
Price Change		9,708	9,698
Functional Transfers		6,808	0
Program Changes		-8,183	-8,783
CURRENT ESTIMATE	480,585	488,918	489,833

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	491,947
1. Congressional Adjustments		
a) Distributed Adjustments		
1) Stryker Brigade Combat Team (SBCT) Implementation	\$	42,500
2) Hunter Unmanned Aerial Vehicle (UAV)	\$	6,000
3) Studies, Analysis and Headquarters Growth	\$	-10,000
Total Distributed Adjustments	\$	38,500
b) Undistributed Adjustments		
1) Unobligated Balance	\$	-1,471
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-260
3) Pacific Command (PACOM) Infrastructure Modernization Program	\$	-620
4) Eighth U.S. Army (EUSA) Command and Control	\$	-4,700
5) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-9,015
6) Undistributed Adjustment	\$	-218
7) U.S. Army, Pacific (USARPAC) Communication Equipment Fielding - Transfer to Other Procurement, Army (OPA)	\$	-3,200
Total Undistributed Adjustments	\$	-19,484
c) Adjustments to Meet Congressional Intent		
1) Stryker Brigade Combat Team (SBCT) Implementation	\$	-27,506

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

c) Adjustments to Meet Congressional Intent (Continued)

2) Hunter Unmanned Aerial Vehicle (UAV)\$ -5,000

Total Adjustments to Meet Congressional Intent\$ -32,506

d) General Provisions

1) Section 8082 - Foreign Currency Fluctuations\$ -593

2) Section 8135 - Revised Economic Assumptions\$ -4,058

3) Section 8133 - Travel\$ -375

4) Section 8103 - Government Purchase Card Savings\$ -704

5) Section 8100 - Business Process Reforms/Management
Efficiencies\$ -765

Total General Provisions\$ -6,495

FY 2003 Appropriated Amount.....\$ 471,962

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

USARPAC C4 Information Infrastructure\$ 2,666

This transfer represents the realignment of functions
and missions to the appropriate Subactivity group.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

2) Transfers Out

Network Enterprise and Technology Command (NETCOM) Stand-Up	\$ -1,538
This transfer represents the realignment of NETCOM functions and missions.	
Total Transfers Out	\$ -1,538

b) Emergent Requirements

1) Program Growth

a) Stryker Brigade Combat Team (SBCT) Implementation	\$ 20,000
Contractor Logistics Support (CLS) for early return of loaner equipment to Canada, Germany and Italy.	
b) Defense Messaging System (DMS)	\$ 1,069
Transfer funds in support of Combatant Commanders critical Command, Control, Communication, and Computers (C4) requirements.	
Total Program Growth	\$ 21,069

2) Program Reductions

a) Force Development	\$ -311
Resources realigned in support of emerging requirements.	
b) Land Forces Readiness Operations Support	\$ -12,932
Reduced funds is the result of contract management efficiencies in this subactivity group.	

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
 Subactivity Group: Land Forces Systems Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

2) Program Reductions (Continued)

Total Program Reductions\$ -13,243

3) One-Time Costs

Military Training Specific Allotment (MTSA) Pilot Program\$ -48

Military Training Service Support Pilot Program to
 test, analyze and implement the Army's proposed initiative
 to distribute funds for training service support
 requirements for Temporary Duty students to the
 installations that train the soldier.

Total One-Time Costs\$ -48

FY 2003 Baseline Funding.....\$ 480,868

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -283

Total Reprogrammings\$ -283

Revised FY 2003 Current Estimate.....\$ 480,585

4. Price Change.....\$ 9,708

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers

a) Transfers In

Other Modernization Fielding\$ 15,051

Funds were transferred from RDTE to OMA to properly align HQDA contractor logistics support in the development, integration and assessment of doctrine. This, in turn, supports the Army Transformation objectives and the development and enhancement of critical Force Development systems, thereby achieving balanced equipment modernization plans.

Total Transfers In\$ 15,051

b) Transfers Out

1) Communication Infrastructure\$ -7,785

This transfer is going to Other Procurement, Army and realigns funds in support of Commander in Chief's Command, Control, Communication, and Computers (C4) Sustainment and modernization. This Combatant Commander (Pacific Command and U.S. Army Pacific C4) realignment initiative supports the sustainment and improvements and helps bridge the gap of critical shortfalls in critical C4 infrastructure such as secure and nonsecure voice, video, and data networks with associated operations & maintenance, automation, information processing, information management, information technology support services, web-based capabilities, technology tools, and C4 connectivity.

2) Transformation of Installation Management (TIM)\$ -458

Transfers Mission and Base Support personnel, pay and support costs for the newly established Installation Management Agency (IMA) above the installation level. The October 2002 initiative directed changes in the base

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
 Subactivity Group: Land Forces Systems Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers (Continued)

b) Transfers Out (Continued)

2) Transformation of Installation Management (TIM)
(Continued)

operations business processes for supporting installations. The Army's intent is to streamline headquarters and resources, create more agile and responsive staff, reduce layers of review and approval, and allow mission commanders to focus on their core war fighting tasks. With the activation of the Installation Management Activity (IMA), TIM will establish a corporate structure focused on installation management. The seven regional directorates will oversee the day-to-day installation services, operations and well-being programs. This organization structure will establish equitable standards at all Army installations worldwide and improve the delivery of services. This transfer reflects realignment of Army resources between OMA Subactivity Groups 121, Force Readiness Operations Support, 132, Facilities Sustainment & Restoration & Modernization Program, 133, Management & Operational Headquarters, 324, Training Support, 325 Base Support Operations, 431 Administration, 432 Servicewide Communications, 435, Other Service.

Total Transfers Out\$ -8,243

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 238
 There will be an additional compensable workday in FY 2004.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

a) One-Time FY 2004 Costs (Continued)

Additional Compensable Day in FY 2004 (Continued)
This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

- 1) Long Haul Communications\$ 9,498
(FY 2003 Base \$32,201) Increase funding provides critical base level communication infrastructure modernization and long haul communication in support of SOUTHCOM's increased mission. SOUTHCOM will increase engagements and joint/combined training in theater, increase synchronization with host nations requiring dedicated technical support to the assigned Military Group (MILGP)s, and increased Video Teleconference Center (VTC), Secret Internet Protocol Router Network (SIPRNET), and Defense Switch Network (DSN) usage due to increased multi-lateral and multi-level security requirements in support of increased responsibility.

- 2) Longbow Apache - Contractor Support\$ 19,114
(FY 2003 Base \$ 0) Longbow Apache transitions from interim contractor support (ICS) in FY 2003 to Lifecycle Contractor Logistics Support (LCLS) in FY 2004. Increase covers the Longbow Airframe Contractor Logistics Support (CLS) costs for Longbow Crew Trainers. CLS resources provides maintenance and systems operators for the first year of the fielded Longbow Crew Training device in Korea.

Total Program Increases\$ 28,850

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases

Program Decreases in FY 2004

- | | |
|--|------------|
| 1) Fixed Wing Life Cycle Contractor Support | \$ -2,819 |
| (FY 2003 Base \$48,460) This reduction sustains the fixed wing aircraft fleet in the Active component Special Electronic Mission Aircraft (SEMA) and Theater Aviation companies. The funding in FY 2004 has a one-time reduction due to the cyclical nature of major component overhauls. | |
| 2) Unmanned Aerial Vehicle (UAV) - Hunter UAV | \$ -5,408 |
| (FY 2003 Base \$33,944) This reduction is due to the one-time Congressional increase and reduced Contractor Logistics Support (CLS) funding for the Hunter UAV. | |
| 3) Combat Support Medical | \$ -14,134 |
| (FY 2003 Base \$17,868) A one-time increase in FY 2003 results in a corresponding decrease in FY 2004. This decrease realigns resources for supplies, material, and contract support to provide hospitals and other medical units with restructuring, modernization, and digitization capabilities in line with the CSA's priorities for Transformation, Focused Logistics, and Force Health Protection. | |
| 4) Army Model & Simulation - SMART and Advanced Concepts Requirements | \$ -9,682 |
| (FY 2003 Base \$20,557) The funding is reduced in FY 2004 because the updates for and improvements to Strategic Deployment; Combat XXI; Army Warfare System; Chemical, Biological, Nuclear, and Radiological (CBRN) analysis; and Command, Control, Communication, Computers, and Intelligence (C4I) Information Fusion are completed at the end of FY 2003. This decrease represents a reduction of | |

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
 Subactivity Group: Land Forces Systems Readiness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases (Continued)

Program Decreases in FY 2004 (Continued)

- 4) Army Model & Simulation - SMART and Advanced Concepts Requirements (Continued)
 Advanced Concepts and Requirements (ACR) functionality upgrades and continuing development of the Life Cycle Cost Model. Resources support the development of an integrated, state-of-the-art Life Cycle Cost Model and also provides accurate life cycle cost estimates for emerging weapon systems.

- 5) Combat Development Core\$ -4,990
 (FY 2003 Base \$43,050) The Combat Development Core has the responsibility to develop, staff, and analyze the Objective Force concepts to ensure the Army meets its prescribed Transformation Plan timelines. This decrease leaves adequate funds to cover the costs necessary to produce required organization and operational concepts, plans, updated operational requirements, documentation and future force design for the Interim and Objective Forces.

Total Program Decreases\$ -37,033

FY 2004 Budget Request.....\$ 488,918

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

IV. Performance Criteria and Evaluation Summary:

A. Number of Facilities Supporting Army-wide Combat Developments Efforts

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
U.S. Army Training and Doctrine Command (TRADOC)				
Directorates of Combat Developments	15	15	15	15
Battle Labs	9	9	9	9
TRADOC System Managers (TSM)/Program Integration Offices	26	26	26	26
TRADOC Analysis Center	1	1	1	1

FY 2002:

TRADOC System Managers (TSM) Change - Previous submission indicated 27 TSM/TPIO FY 02+. TSM Stryker and TSM Bradley were consolidated in FY 02 to bring the total to 26.

B. Army Test and Evaluation Command (ATEC) manpower and funding supports planning, conducting and reporting of independent tests, evaluations and assessments of Army systems. Funds Follow-on Operational Tests and Evaluations (FOTES) and Advanced War-fighter Experiments (AWE)/Battle Labs.

Number of Tests Planned, Conducted or Evaluated:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Advanced Warfighter Experiments/Battle Labs	2	3	2	2
Follow-on Operational Tests and Evaluations	2	1	1	1

Workload associated with Initial Operational Test and Evaluation (IOTE), Information Mission Area (IMA) Systems, and Joint Tests.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

IV. Performance Criteria and Evaluation Summary (Continued):

C. Funding supports the operation, maintenance, fielding and integration of Global Command and Control System (GCCS)- Army and GCCS - Joint. The funding also supports software licensing, communication costs, integration, at Army's Command and Control sites (FORSCOM, EUCOM, SOUTHCOM, USAREUR, the Army War College, Military Traffic Management Command (MTMC), Army Operations Center, and USARPAC). Remote sites include Forts Bragg, Sill, Hood and multiple Army National Guard and Army Reserve Component sites.

Number of worldwide hardware servers and
workstations

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Forces Command (FORSCOM)	511	511	530	540
Eighth U.S. Army (EUSA)	75	75	84	88
Army Central Command (ARCENT)	566	566	570	570
U.S. Army Europe (USAREUR)	978	978	985	990
Army Operations Center	425	425	429	432
European Command (EUCOM)	291	291	298	302
Southern Command (SOUTHCOM)	128	128	135	140
U.S. forces, Korea (USFK)	300	379	420	430
Military Traffic Management Command (MTMC)	121	121	124	124
Army War College	76	76	76	76
U.S. Army Pacific (USARPAC)	279	279	290	290
Army Materiel Command	20	20	20	20
The Army's Four Corps	56	56	56	56
BA77 and Command Detachment	16	16	16	16
Command and General Staff College	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
U.S. Army Special Forces Operations Command		78	121	125
Joint Special Operations Command (JSOC)		9	10	10
 TOTAL	 3,922	 4,043	 4,194	 4,239

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Systems Readiness

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	1,918	1,906	1,854	1,543	-52	-311
Officer	1,162	1,136	1,085	997	-51	-88
Enlisted	756	770	769	546	-1	-223
<u>Civilian End Strength (Total)</u>	1,734	1,183	1,234	1,217	51	-17
U.S. Direct Hire	1,402	1,177	1,227	1,210	50	-17
Foreign National Direct Hire	7	3	4	4	1	0
Total Direct Hire	1,409	1,180	1,231	1,214	51	-17
Foreign National Indirect Hire	325	3	3	3	0	0
<u>Military Average Strength (Total)</u>	1,875	1,912	1,879	1,698	-33	-181
Officer	1,220	1,149	1,110	1,041	-39	-69
Enlisted	655	763	769	657	6	-112
<u>Civilian Full-Time Equivalent (Total)</u>	1,539	1,163	1,211	1,204	48	-7
U.S. Direct Hire	1,288	1,157	1,204	1,197	47	-7
Foreign National Direct Hire	2	3	4	4	1	0
Total Direct Hire	1,290	1,160	1,208	1,201	48	-7
Foreign National Indirect Hire	249	3	3	3	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	122	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	99606	0	2.65%	2641	-24581	77666	0	2.81%	2184	2622	82472	C	2.70%	2220	-741	83954
0103	WAGE BOARD	2504	0	1.48%	37	-1501	1040	0	2.50%	26	-55	1011	C	2.08%	21	1	1033
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	52	-12	5.77%	3	24	67	31	4.48%	3	22	123	1E	1.63%	2	C	143
0106	BENEFITS TO FORMER EMPLOYEES	13	0	0.00%	0	-8	5	0	0.00%	C	-4	1	C	0.00%	C	C	1
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	375	0	0.00%	0	-375	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0199	TOTAL CIV PERSONNEL COMP	102550	-12	2.61%	2681	-26441	78778	31	2.81%	2210	2585	83607	1E	2.69%	2240	-740	85131
0308	TRAVEL OF PERSONS	11673	0	1.10%	128	-2666	9135	0	1.50%	137	-137	9135	C	1.60%	140	-140	9135
0399	TOTAL TRAVEL	11673	0	1.10%	128	-2666	9135	0	1.50%	137	-137	9135	C	1.60%	140	-140	9135
0401	DFSC FUEL	256	0	-16.00%	-40	2422	2638	0	8.30%	210	-125	2732	C	3.30%	90	251	3073
0402	SERVICE FUEL	399	0	-16.00%	-64	181	516	0	8.30%	42	19	577	C	3.30%	10	2	598
0411	ARMY MANAGED SUPPLIES & MATERIALS	26676	0	9.20%	2454	10120	39250	0	4.50%	1760	-816	40200	C	1.50%	600	-1301	39502
0412	NAVY MANAGED SUPPLIES & MATERIALS	0	0	9.60%	0	220	220	0	6.10%	10	-13	220	C	4.00%	0	-0	220
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	5	0	10.30%	1	14	20	0	18.30%	4	-4	20	C	10.30%	2	-2	20
0415	DLA MANAGED SUPPLIES & MATERIALS	11436	0	3.50%	401	-1339	10498	0	-2.90%	-304	-745	9449	C	1.50%	141	160	9759
0416	GSA MANAGED SUPPLIES & MATERIALS	416	0	1.10%	5	1594	2015	0	1.50%	30	6	2051	C	1.60%	30	0	2088
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	39188	0	7.04%	2757	13212	55157	0	3.21%	1770	-1678	55249	C	1.62%	890	-884	55260
0502	ARMY EQUIPMENT	26	0	9.20%	1	2695	2722	0	4.50%	122	-4	2840	C	1.50%	40	-102	2781
0506	DLA EQUIPMENT	1615	0	3.50%	56	3168	4839	0	-2.90%	-140	-45	4654	C	1.50%	70	20	4752
0507	GSA MANAGED EQUIPMENT	5725	0	1.10%	63	1729	7517	0	1.50%	110	22	7652	C	1.60%	120	10	7790
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	7366	0	1.63%	120	7592	15078	0	0.63%	90	-27	15146	C	1.55%	230	-50	15323
0601	ARMY (ORDNANCE)	893	0	-27.00%	-241	573	1225	0	1.40%	17	-237	1005	C	10.10%	101	-270	833
0633	DEFENSE PUBLICATION & PRINTING SERVICE	29	0	6.20%	2	388	419	0	-2.00%	-0	11	422	C	0.30%	1	2	425
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	387	0	-1.00%	-4	2705	3088	0	1.50%	40	-43	3091	C	1.60%	50	-47	3094
0671	COMMUNICATIONS SERVICES (DISA) TIER 2	23221	0	1.10%	255	1691	25167	0	0.00%	C	3350	28517	C	1.60%	450	-2352	26621
0679	COST REIMBURSABLE PURCHASES	1667	0	1.10%	18	319	2004	0	1.50%	30	-16	2018	C	1.60%	30	-20	2030
0699	TOTAL INDUSTRIAL FUND PURCHASES	26197	0	0.11%	30	5676	31903	0	0.27%	80	3065	35053	C	1.83%	640	-2690	33003
0725	MTMC (OTHER) (CANCELLED)	5	0	1.10%	0	-5	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0771	COMMERCIAL TRANSPORTATION	434	0	1.10%	4	964	1402	0	1.50%	20	-10	1412	C	1.60%	20	-14	1421
0799	TOTAL TRANSPORTATION	439	0	0.91%	4	959	1402	0	1.43%	20	-10	1412	C	1.63%	20	-14	1421
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	7503	-14	0.04%	3	-7419	73	30	4.11%	0	-1	105	34	3.81%	4	-1	142
0913	PURCHASED UTILITIES	160	0	1.10%	2	48	210	0	1.50%	0	-1	212	C	1.60%	0	-2	213
0914	PURCHASED COMMUNICATIONS	24376	0	1.10%	268	-19519	5125	0	1.50%	77	1318	6520	C	1.60%	104	-874	5750
0917	POSTAL SERVICES (U.S.P.S.)	8	0	0.00%	0	45	53	0	0.00%	C	1	54	C	0.00%	C	-0	49
0920	SUPPLIES/MATERIALS (NON FUND)	26641	0	1.10%	293	13939	40873	0	1.50%	610	-253	41233	C	1.60%	650	80	41981
0921	PRINTING AND REPRODUCTION	23	0	1.10%	0	-23	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	141342	0	1.10%	1554	-3579	139317	0	1.50%	2090	-186	141221	C	1.60%	2260	-1880	141593
0923	FACILITY MAINTENANCE BY CONTRACT	1878	0	1.10%	21	-325	1574	0	1.50%	24	-12	1586	C	1.60%	20	-10	1596
0925	EQUIPMENT PURCHASES (NON FUND)	10435	0	1.10%	115	10957	21507	0	1.50%	320	-45	21785	C	1.60%	340	40	22177
0929	AIRCRAFT REWORKS BY CONTRACT	154	0	1.10%	2	-156	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0932	MGMT & PROFESSIONAL SPT SVCS	30869	0	1.10%	339	-17792	13416	0	1.50%	201	-51	13566	C	1.60%	217	-57	13726
0933	STUDIES, ANALYSIS, & EVALUATIONS	10521	0	1.10%	116	-3815	6822	0	1.50%	102	2041	8965	C	1.60%	144	-190	8910

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	122	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0934	ENGINEERING & TECHNICAL SERVICES	6392	0	1.10%	70	-3228	3234	0	1.50%	4€	-49	3234	0	1.60%	5€	-5€	3234
0937	LOCALLY PURCHASED FUEL	2067	0	-16.00%	-331	1551	3287	0	8.30%	27€	-214	3346	0	3.30%	11€	-5€	3406
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	45771	0	1.10%	504	1781	48056	0	1.50%	721	-5270	43507	0	1.60%	69€	-281	43922
0989	OTHER CONTRACTS	5805	-839	1.10%	54	565	5585	753	1.50%	9€	-2451	3982	76€	1.60%	7€	-95€	3861
0998	OTHER COSTS	30	0	1.10%	0	-30	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0999	OTHER PURCHASES	313975	-853	0.96%	3010	-27000	289132	783	1.58%	457€	-5173	289316	79€	1.62%	469€	-4251	290560
9999	GRAND TOTAL	501388	-865	1.74%	8730	-28668	480585	814	1.85%	889€	-1375	488918	814	1.82%	888€	-878€	489833

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

I. Description of Operations Financed:

LAND FORCES DEPOT MAINTENANCE - Provides the Operating Force with quality end items (weapons, support equipment and other equipment) that are technologically superior and in the required quantities. Depot level maintenance for Aircraft, Combat Vehicles, Communications-Electronic, Post-Production Software Support, Missiles and other end items are performed at facilities organic to the Department of the Army, commercial contractor facilities, and other military services' facilities through the use of Inter Service Support Agreements (ISSA). Provides Post Production Software Support (PPSS) in support of fielded weapons systems. PPSS activities ensure continued mission operational readiness of fielded systems as they interface with other Army and DoD Joint systems and necessary Allied systems.

There were several major changes affecting the Army's Depot Maintenance Program that are reflected in this budget. They include:

- o Crash Damage Aircraft: The Army has changed its policy on crash damage aircrafts. Previously, only one per aircraft model was fully funded. Effective with FY 2004 all crash damage aircraft are fully funded.
- o Recapitalization: The induction of the High Mobility Multi-Purpose Wheeled Vehicle (HMMWV) into the Recapitalization Rebuild program begins in FY 2004.
- o Post Production Software Support (PPSS): In accordance with Department of Defense Instruction (DODI) 5200.40 and Army Regulation (AR) 380-19 80 PPSS systems that require software security certification and accreditation have been included in this budget and is fully funded.

Additionally, the Recapitalization Program continues to have a positive impact on Army weapon systems and equipment, and to have a similar impact on the Army's organic depots. The overall effect of both Procurement and Operations and Maintenance Appropriation Recapitalization Program orders that will be accomplished in the Army's depots should further support the positive impact this program will have on both the depots workload and utilization levels.

The Army continues to fund individual depot maintenance requirements based on the Deputy Chief of Staff for Operations Priority Matrix. As a result, the Army realigned dollars to fund the highest priority programs and stopped funding certain equipment commodities at a specified (80) percent of requirements.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

II. Force Structure Summary:

This subactivity group performs depot level maintenance of end items on the entire inventory of the Active Components equipment requirements worldwide.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Land Forces Depot Maintenance	743,416	808,666	743,409	803,548	1,007,481	1,093,105
Total	743,416	808,666	743,409	803,548	1,007,481	1,093,105

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		808,666	803,548	1,007,481
Congressional Adjustments (Distributed)		0		
Congressional Adjustments (Undistributed)		-9,040		
Adjustments to Meet Congressional Intent		0		
General Provisions		-56,217		
SUBTOTAL APPROPRIATED AMOUNT		743,409		
Fact-of-Life Changes		60,141		
SUBTOTAL BASELINE FUNDING		803,550		
Anticipated Supplemental		0		
Reprogramming		-2		
Price Change			44,213	19,363
Functional Transfers			0	0
Program Changes			159,720	66,261
CURRENT ESTIMATE		803,548	1,007,481	1,093,105

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	808,666
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Unobligated Balance	\$	-2,088
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-145
3) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-6,682
4) Undistributed Adjustment	\$	-125
Total Undistributed Adjustments	\$	-9,040
b) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	-18
2) Section 8135 - Revised Economic Assumptions	\$	-7,316
3) Section 8133 - Travel	\$	-50
4) Section 8113 - Excess Carryover	\$	-48,000
5) Section 8103 - Government Purchase Card Savings	\$	-400
6) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-433
Total General Provisions	\$	-56,217
FY 2003 Appropriated Amount.....	\$	743,409

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
 Subactivity Group: Land Forces Depot Maintenance

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Emergent Requirements

Program Growth

Depot Maintenance\$ 60,141

Provides resources to continue the on-going ramp-up of this program over the coming years. This increased funding during FY 2003 not only ensures increased support to the Army's Recapitalization Program, but also allows this program to provide a minimum level of support to the Army's industrial base and core type programs within depot maintenance.

FY 2003 Baseline Funding.....\$ 803,550

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -2

Total Reprogrammings\$ -2

Revised FY 2003 Current Estimate.....\$ 803,548

4. Price Change.....\$ 44,213

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 181
There will be an additional compensable workday in FY 2004.
This results in an increase in civilian manpower costs due to
a greater number of workdays in FY 2004 (262 days) as compared
to FY 2003 (261 days).

b) Program Growth in FY 2004

1) Depot Maintenance - Aircraft\$ 53,241
(FY 2003 Base: \$143,392) The Army has built its FY
2004 budget to augment depot maintenance efforts to
restore Army aircraft to a full mission-ready status.

Major end-item programs addressed by this increase are
the AH-64 Helicopter (\$11.2M), OH-58D Helicopter including
Government Furnished Parts (\$10.8M), CH-47 Helicopter
(\$6.3M), UH-60/MH60K Helicopters (\$20.8M), and for
Aircraft Communications and Electronic Equipment (\$3.6M).
The increased level of funding will provide for helicopter
repairs, as well as progressive maintenance actions and
crash damage restoration. Embedded in the above funding
are new requirements within the CH-47 Helicopter program
for Special Operations Aircraft (MH-47E) in FY 2004 and
increased Recapitalization requirements in support of the
UH-60 Helicopter program.

2) Depot Maintenance - Automotive\$ 29,017
(FY 2003 Base: \$378) Increase in Automotive is due to
the induction of the High Mobility Multi-Purpose Wheeled
Vehicle (HMMWV) into the Recapitalization Rebuild Program
with 1,065 vehicles in FY 2004.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- | | |
|---|-----------|
| 3) Depot Maintenance - Combat Vehicle | \$ 8,503 |
| (FY 2003 Base: \$135,774) Increase is due to the quantities of the Field Artillery Ammunition Supply Vehicle (FAASV) M992A2 Recapitalization Rebuild Program increasing to 34 in FY 2004 and a minor unit cost increase associated with the Abrams Army Integrated Management (AIM) XXI Program. | |
| 4) Depot Maintenance - Communications/Electronics | \$ 26,069 |
| (FY 2003 Base: \$10,287) Increase is attributable to AN-TSC-85A/93 (Tactical Strategic Communication Terminals) Communications, Guardrail V, and Tactical Missile part of Combat Service Support Automated Information System Intraforce (TACMIS P/O CAISI), Standard Army Management Information System (STACOMP MAJ). AN-TSC-85A/93 overhauls increased from 0 in FY 2003 to 12 in FY 2004 due to the poor condition of the equipment and delayed procurement of a replacement system. Guardrail also increased from FY 2003 to FY 2004 due to 220 new Intelligence and Electronic Warfare - Commercial Off the Shelf Technology pieces of equipment requiring installation and additional contractor support. The Firefinder Recapitalization program experiences an increase in unit cost for technology insertion that causes this program to grow (\$3.1M) from FY 2003 to FY 2004. | |
| 5) Post Production Software Support (PPSS) | \$ 26,050 |
| (FY 2003 Base: \$155,428) Increase is due to the All Source Analysis System (ASAS), the software security certification and accreditation for 80 PPSS systems, and DA Priority Changes. | |

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

5) Post Production Software Support (PPSS) (Continued)

The increased funding requirement for ASAS is primarily for additional field support contractors. These additional contract personnel are required to support the additional digitized systems being fielded to the National Guard and Army Reserve in accordance with the Army approved fielding plans.

In addition, the increased funding for the software security certification and accreditation in accordance with Department of Defense Instruction 5200.40 and Army Regulation 380-19 for 80 PPSS systems (5 of Electronic Combat Branch, 4 of Sensors, 8 of Signal Intelligence (SIGINT), 5 of Guardrail, 7 of Intelligence Fusion, 16 of Tactical Communication, 23 of Satellite, 10 of Fire Support and 2 others).

DA Priority changes were made for the Radar Warning System (RWR), the Guardrail Common Sensor System (GCSS) which supports the AB-USD-9B,D, and E Program, the Multiple Launch Rocket System-Fire Direction System (MLRS-FDS), the Enhanced Manpack UFH Terminal (EMUT) Spitfire, and Core Missile PPSS support to Army Transformation Plan Unit Set Fielding.

6) Depot Maintenance - Missiles\$ 55,576
(FY 2003 Base: \$156,912) Increases are concentrated
in three specific areas:

Missile System Accessories and Components: The

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- 6) Depot Maintenance - Missiles (Continued)
component (Information and Coordinator) for the Patriot Ground Support Equipment Recapitalization Rebuild program increased from a quantity of 1 in FY 2003 to 2 in FY 2004.

Multiple Launch Rocket System (MLRS) Ground Communication System and Components: The MLRS increased significantly due to the poor condition of the items that will be cascaded to the National Guard. The condition of the equipment requires that maintenance be performed at depot level, and not at a lower level of maintenance.

Patriot Missile Program: The Army revised its Patriot Missile Program to address concerns about program executability and still achieve the JROC Approved Migration Plan and the Combatant Commanders' requirements by FY 2003. Over the past year, the Army has (1) synchronized modernization through spares funding with program execution to prevent carryover; (2) increased contractor delivery of the PREP downlinks from 20 per month to 40 per month; increased the number of missile assembly/disassembly facilities (MADF); (3) reduced the repair cycle time from the PAC-2 to GEM Conversion program from 24 months to 18; and (4) now have the seed assets (85) on hand which will sustain inventory and reduce cost. The Army has absolute confidence in its ability to execute the increased workload requirements as displayed in this budget submission.

The growth from FY 2003 to FY 2004 falls into three areas:

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

6) Depot Maintenance - Missiles (Continued)

- PAC-2 to GEM Conversion: Increase from 78 in FY 2003 to 144 in FY 2004.
- GEM to GEM Conversion: Increase from 0 in FY 2003 to 62 in FY 2004.
- Missile Repairs: Increase from 87 in FY 2003 to 142 in FY 2004.

7) Depot Maintenance - Construction Equipment\$ 2,130
Small Emplacement Equipment (SEE) increases the quantity of SEE's being recapitalized from a quantity of 76 in FY 2003 to 126 in FY 2004.

Total Program Increases\$ 200,767

6. Program Decreases

Program Decreases in FY 2004

- 1) Depot Maintenance - Aircraft\$ -19,192
(FY 2003 Base: \$44,117) Decrease is due to a reduction in the number of crash damages funded in support of the CH47D Program, which decrease from a quantity of 4 in FY 2003 to 1 in FY 2004. There is also a reduction associated with the number of Electronic Shop Shelters Recapitalization program. This program decreases from a quantity of 195 in FY 2003 to 68 in FY 2004.
- 2) Depot Maintenance - Ships\$ -8,034
(FY 2003 Base: \$877) Decrease is due to a reduction in quantity, changes in vessel type requiring inspections

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
 Subactivity Group: Land Forces Depot Maintenance

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Decreases (Continued)

Program Decreases in FY 2004 (Continued)

2) Depot Maintenance - Ships (Continued) and depot repairs IAW Code of Federal Regulations (CFR) 46, Uniform Discharge Standards (UNDS) Act and International laws. Inspections are required every 3 years.		
3) Test Measurement and Diagnostic Equipment (TMDE)	\$	-7,705
(FY 2003 Base: \$29,981) Decreases to the Army's Calibration Program results from overall depot maintenance fund availability. While the Army's priority associated with this program remained constant increases in other depot maintenance requirements (with a higher priority than Calibration) caused offsetting decreases to the funded Calibration Program.		
4) Depot Maintenance - Communications/Electronics	\$	-6,116
FY 2003 Base: \$13,011) Decrease is driven by the reduction in the number of Mobile Subscriber Equipment (MSE) scheduled for induction during FY 2004. The number of MSEs requiring depot maintenance decreases from a quantity of 172 in FY 2003 to 87 in FY 2004.		
Total Program Decreases	\$	-41,047
FY 2004 Budget Request.....		\$1,007,481

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

IV. Performance Criteria and Evaluation Summary:

Land Forces Depot Maintenance

F. Number of items (by general category) financed and deferred

	FY 2002				FY 2003			
	FINANCED		DEFERRED		FINANCED		DEFERRED	
	UNITS	\$ MILLIONS	UNITS	\$ MILLIONS	UNITS	\$ MILLIONS	UNITS	\$ MILLIONS
AIRCRAFT TOTAL	584	95.9	960	101.7	918	178.2	933	71.3
Airframes Maintenance	23	79.5	32	77.0	28	145.7	25	37.6
Software Maintenance	0	8.8	0	6.8	0	5.5	0	19.1
Other Maintenance	561	7.6	928	17.9	890	27.0	908	14.6
COMBAT VEHICLE TOTAL	219	205.1	184	80.2	391	205.4	36	27.5
Vehicle Overhaul	219	180.3	167	65.0	208	174.5	35	18.8
Software Maintenance	0	21.0	0	13.2	0	26.9	0	8.3
Other Maintenance	0	3.8	17	2.0	183	4.0	1	0.4
MISSILE MAINTENANCE TOTAL	456	136.5	957	18.3	1089	161.1	1082	51.5
Tactical Missiles	244	43.4	246	2.6	1020	51.5	161	2.4
Software Maintenance	0	10.5	0	9.3	0	11.3	0	7.9
Other Maintenance	212	82.6	711	6.4	69	98.3	921	41.2
ORDNANCE MAINTENANCE TOTAL	17270	22.0	63	3.0	1088	6.4	17044	24.2
Ordnance Maintenance	17270	21.5	63	3.0	1088	6.3	16794	22.1
Software Maintenance	0	0.5	0	0.0	0	0.0	0	1.9
Other Maintenance	0	0.0	0	0.0	0	0.1	250	0.2
OTHER TOTAL	2621	283.9	4327	113.4	745	252.4	5329	138.8
Other End Items	2621	169.1	4327	76.6	745	146.2	5329	72.3
Software Maintenance	0	114.8	0	36.8	0	106.2	0	66.5
TOTAL	21150	743.4	6491	316.6	4231	803.5	24424	313.3

Land Forces Depot Maintenance

F. Number of items (by general category) financed and deferred

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

IV. Performance Criteria and Evaluation Summary (Continued):

	FY 2004				FY 2005			
	FINANCED		DEFERRED		FINANCED		DEFERRED	
	UNITS	\$ MILLIONS	UNITS	\$ MILLIONS	UNITS	\$ MILLIONS	UNITS	\$ MILLIONS
AIRCRAFT TOTAL	4975	210.0	3113	56.2	7403	260.2	674	90.0
Airframes Maintenance	44	186.3	17	7.4	57	221.8	10	53.6
Software Maintenance	0	2.7	0	21.7	0	11.3	0	13.4
Other Maintenance	4931	21.0	3096	21.7	7346	27.1	664	23.0
COMBAT VEHICLE TOTAL	546	217.3	104	80.6	542	220.6	114	81.4
Vehicle Overhaul	329	175.9	60	37.5	323	179.9	55	32.3
Software Maintenance	0	22.2	0	17.3	0	19.8	0	20.8
Other Maintenance	217	19.2	44	25.8	219	20.9	59	28.3
MISSILE MAINTENANCE TOTAL	1685	264.9	2856	31.9	3099	236.0	1067	25.1
Tactical Missiles	814	113.2	172	2.7	758	63.3	64	2.4
Software Maintenance	0	9.4	0	7.3	0	11.7	0	5.4
Other Maintenance	871	142.3	2684	21.9	2341	161.0	1003	17.3
ORDNANCE MAINTENANCE TOTAL	680	10.5	18399	28.9	18874	29.1	370	12.9
Ordnance Maintenance	680	10.1	18294	26.6	18869	26.4	260	11.6
Software Maintenance	0	0.4	0	0.7	0	2.6	0	1.2
Other Maintenance	0	0.0	105	1.6	5	0.1	110	0.1
OTHER TOTAL	8167	304.8	12437	197.9	12055	347.2	6183	166.4
Other End Items	8167	179.4	12437	119.9	12055	203.2	6183	98.1
Software Maintenance	0	125.4	0	78.0	0	144.0	0	68.3
TOTAL	16053	1007.5	36909	395.5	41973	1093.1	8408	375.8

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness
Subactivity Group: Land Forces Depot Maintenance

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	3	3	3	3	0	0
Officer	3	3	3	3	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	672	724	748	747	24	-1
U.S. Direct Hire	672	724	747	746	23	-1
Foreign National Direct Hire	0	0	1	1	1	0
Total Direct Hire	672	724	748	747	24	-1
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	2	3	3	3	0	0
Officer	2	3	3	3	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian Full-Time Equivalent (Total)</u>	628	709	733	733	24	0
U.S. Direct Hire	628	709	732	732	23	0
Foreign National Direct Hire	0	0	1	1	1	0
Total Direct Hire	628	709	733	733	24	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	Line	Line	FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program
				Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount	
0101	EXEC, GEN, SPEC SCHEDULE	46496	0	3.60%	1676	1920	50092	0	2.77%	1386	1687	53165	C	2.67%	1422	-37	54550	
0103	WAGE BOARD	4296	0	6.80%	292	3339	7927	0	2.90%	230	-63	8094	C	2.31%	187	-66	8215	
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	2	0	0.00%	0	-2	0	4	0.00%	C	12	16	C	0.00%	C	1	19	
0106	BENEFITS TO FORMER EMPLOYEES	14	0	0.00%	0	-13	1	0	0.00%	C	0	1	C	0.00%	C	C	1	
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	50	0	0.00%	0	-50	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0199	TOTAL CIV PERSONNEL COMP	50858	0	3.87%	1968	5194	58020	4	2.79%	1616	1636	61276	C	2.63%	1606	-102	62785	
0308	TRAVEL OF PERSONS	1695	0	1.10%	19	1435	3149	0	1.50%	47	10	3206	C	1.60%	51	6	3263	
0399	TOTAL TRAVEL	1695	0	1.12%	19	1435	3149	0	1.49%	47	10	3206	C	1.59%	51	6	3263	
0401	DFSC FUEL	5	0	-16.00%	-1	-4	0	0	8.30%	C	0	0	C	3.30%	C	C	0	
0402	SERVICE FUEL	0	0	-16.00%	0	103	103	0	8.30%	6	8	120	C	3.30%	4	10	134	
0411	ARMY MANAGED SUPPLIES & MATERIALS	3574	0	9.20%	329	472	4375	0	4.50%	197	88	4660	C	1.50%	70	24	4754	
0412	NAVY MANAGED SUPPLIES & MATERIALS	89	0	9.60%	9	-98	0	0	6.10%	C	0	0	C	4.00%	C	C	0	
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	15	0	10.30%	2	-17	0	0	18.30%	C	0	0	C	10.30%	C	C	0	
0415	DLA MANAGED SUPPLIES & MATERIALS	1264	0	3.50%	44	192	1500	0	-2.90%	-43	-53	1404	C	1.50%	21	136	1564	
0416	GSA MANAGED SUPPLIES & MATERIALS	88	0	1.10%	1	368	457	0	1.50%	7	20	484	C	1.60%	6	36	531	
0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	295	295	0	1.50%	4	-4	295	C	1.60%	5	-5	295	
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	5035	0	7.63%	384	1311	6730	0	2.59%	174	59	6963	C	1.55%	106	207	7278	
0502	ARMY EQUIPMENT	893	0	9.20%	82	251	1226	0	4.50%	56	1123	2404	C	1.50%	36	384	2824	
0506	DLA EQUIPMENT	36	0	3.50%	1	-37	0	0	-2.90%	C	0	0	C	1.50%	C	C	0	
0507	GSA MANAGED EQUIPMENT	227	0	1.10%	2	121	350	0	1.50%	5	16	371	C	1.60%	6	30	407	
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	1156	0	7.35%	85	335	1576	0	3.81%	60	1139	2775	C	1.51%	42	414	3231	
0601	ARMY (ORDNANCE)	893	0	-27.00%	-241	573	1225	0	1.40%	17	1162	2404	C	10.10%	243	177	2824	
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	374836	0	5.30%	19866	65433	460135	0	8.30%	38191	100994	599320	C	2.00%	11986	37925	649231	
0633	DEFENSE PUBLICATION & PRINTING SERVICE	28	0	6.20%	2	-30	0	0	-2.00%	C	0	0	C	0.30%	C	C	0	
0637	NAVAL SHIPYARDS	39	0	-0.30%	0	-11	28	0	-3.60%	-1	-27	0	C	4.60%	C	C	0	
0648	ARMY INFORMATION SERVICES (CANCELLED)	2987	0	1.10%	33	318	3338	0	1.50%	50	-3388	0	C	1.60%	C	C	0	
0699	TOTAL INDUSTRIAL FUND PURCHASES	378783	0	5.19%	19660	66283	464726	0	8.23%	38257	98741	601724	C	2.03%	12229	38102	652055	
0771	COMMERCIAL TRANSPORTATION	239	0	1.10%	3	-242	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0799	TOTAL TRANSPORTATION	239	0	1.26%	3	-242	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0902	SEPARATION LIABILITY (FNIH)	2	0	0.00%	0	-2	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0914	PURCHASED COMMUNICATIONS	1	0	1.10%	0	-1	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0917	POSTAL SERVICES (U.S.P.S.)	5	0	0.00%	0	-5	0	0	0.00%	C	0	0	C	0.00%	C	C	0	
0920	SUPPLIES/MATERIALS (NON FUND)	3295	0	1.10%	36	-1036	2295	0	1.50%	34	79	2408	C	1.60%	36	196	2643	
0921	PRINTING AND REPRODUCTION	9	0	1.10%	0	-9	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0923	FACILITY MAINTENANCE BY CONTRACT	217	0	1.10%	2	-219	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0925	EQUIPMENT PURCHASES (NON FUND)	1914	0	1.10%	21	1729	3664	0	1.50%	56	301	4020	C	1.60%	64	621	4705	
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	259	0	1.10%	3	-262	0	0	1.50%	C	0	0	C	1.60%	C	C	0	
0928	SHIP MAINTENANCE BY CONTRACT	10689	0	1.10%	118	2266	13073	0	1.50%	196	-8033	5236	C	1.60%	84	-4166	1152	
0929	AIRCRAFT REWORKS BY CONTRACT	8790	0	1.10%	97	-6	8881	0	1.50%	136	18099	27113	C	1.60%	434	-2707	24840	
0930	OTHER DEPOT MAINTENANCE	276413	0	1.10%	3041	-57233	222221	0	1.50%	3333	47647	273201	C	1.60%	4371	33670	311242	
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	3178	0	1.10%	35	11568	14781	0	1.50%	222	44	15047	C	1.60%	241	30	15318	

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	123	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
0989	OTHER CONTRACTS		878	-20	1.10%	9	3565	4432	15	1.50%	67	-2	4512	17	1.60%	72	-8	4593	
0999	OTHER PURCHASES		305650	-20	1.10%	3362	-39645	269347	15	1.50%	4040	58135	331537	17	1.60%	5300	27634	364493	
9999	GRAND TOTAL		743416	-20	3.43%	25481	34671	803548	19	5.50%	44194	159720	1007481	10	1.92%	19344	66261	1093105	

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces Readiness Support
Subactivity Group: Base Operations Support

I. Description of Operations Financed:

This subactivity group funds Base Operations Support for Land Forces. Base Support provides vital resources involved with operating and maintaining Army installations (major, minor, stations, other). Significant categories of support are listed below:

Base Operations:

Logistics Services: Supports supply operations, maintenance of installation equipment, transportation services, food services, laundry and dry cleaning.

Engineering Services: Supports utility operations, municipal services such as refuse collection and disposal operations, leased space, and environmental oversight and compliance with national and local laws.

Personnel and Community Services: Supports the operation of personnel support functions for military and civilians. Also included is Morale, Welfare and Recreation services such as gyms, libraries, craft shops, which are made available to soldiers and their families.

Anti-Terrorism/Force Protection: Supports Law Enforcement, Physical Security, and Antiterrorism operations. To ensure the protection of personnel and facilities, funding is provided for services related to vehicle registration, visitor pass control facilities and procedures; communications, lighting and security guard entry control point; vehicle inspection areas; controlled access to mission essential and/or vulnerable areas (MEVAs), High Risk Personnel (HRP), High Risk Targets (HRTs); and Antiterrorism training to support and test security procedures and installation defensive measures to protect from terrorist attack.

Operations of Utilities: Procurement, production and distribution of utilities including expenses for connection charges, increased costs from utility privatization, purchased electricity, steam, hot water, fuels and other utilities; and operation of electrical, heating, air conditioning, refrigeration, water distribution, and wastewater collection and treatment plants and systems.

Utilities Privatization: Privatization transfers ownership of utility systems (electric, gas, water and wastewater) to private entities. Privatization provides reliable, safe and efficient utility services and reduces the Army's unfinanced requirement to modernize utility plants. Privatization contracts often increase utility operating costs because the new owners pass the cost of

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

I. Description of Operations Financed (Continued):

recapitalization back to the Army in the form of higher rates. The Army has 36 systems pending sources selection decision in FY 2004.

Municipal Services: Custodial, Pest Control, Refuse Handling Operations, Snow/Ice/Sand Removal and Street Sweeping. Facilities Engineer Services to include Public Works Management, Real Estate/Real Property Administration, Master Planning and fire and emergency services.

Family Programs: Army Family Programs are Army Community Service (ACS), Child and Youth Services (CYS), Army Family Team Building (AFTB), and Army Family Action Plan (AFAP) in both Active and Reserve Components. CYS funding in FY04 supports Army's ability to meet 65% of the child care demand, and provides services for 20% of eligible DOD youth during out-of-school parental work hours. ACS is funded at levels to ensure increased self-sufficiency, community cohesion, personnel and family preparedness in all phases of deployment, mobilization, stability operations and homeland defense. AFTB funding facilitates building of stronger, more self-reliant families by providing education and readiness training. AFAP is funded to ensure installations can provide this grassroots program which is a mechanism to raise well-being issues of concern and a protocol to work the issues until they are resolved.

Base Communication: Provides base communications support. Functions supported include communications leased from local vendors, maintenance of end-user communications equipment (radios, pagers, fax, others), and includes Civilian Pay, Local Phone Service, Commercial Long Distance, Cell Phone Support, C4 Tech Support and Contract Maintenance.

Environmental Conservation/Compliance/Prevention: Environmental Conservation provides for protection and preservation of natural and cultural resources on Army controlled property. Compliance funds projects and activities implemented to correct deficiencies and achieve compliance with current or new federal, state, local, host nation or final governing standards for environmental quality and management. Prevention funds projects and activities that implement prevention based solutions to correct deficiencies and to achieve and maintain compliance with environmental requirements, regulations, and executive orders, and polices at Army installations.

Audio Visual: Funds audiovisual support services associated with production, acquisition, and support of visual images, either permanently recorded or temporarily displayed, transmitted, or reproduced including in-house or contract operations. Includes graphic art, photo lab, and visual information library equipment maintenance.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

II. Force Structure Summary:

Effective 1 Oct 2003, the Army consolidates the management of installation support under one authority called Transformation of Installation Management (TIM). The end result of this initiative is to provide high quality, reliable, efficient services through regional alignment. To achieve this objective, an Installation Management Agency (IMA) and seven regional directorates were established under the Office of Assistance Chief of Staff, Installation Management. The seven regions are: Northeast Region, Southeast Region, Northwest Region, Southwest Region, European Region, Pacific Region and the Korean Region.

The IMA Headquarters: Supports the regions and oversee execution, funds the Area Support Groups (ASGs), provides resource guidance, develops Army wide standards, and standardizes implementation of initiatives.

Regions: Provides support to Area Support Groups and will review and oversee resource application and needs, interface with Major Commands and other services, implement policies and programs, direct and oversee execution and enforce Army-wide standards.

Garrisons/ASGs/BSBs: Provides installation support to all units. This includes supporting and enabling mission commanders, coordinating and providing Base Operations services, implementing Army-wide standards, and maintaining real property.

* This subactivity does not include cost of war funding contained in the Department's Defense Emergency Response Fund Congressional Justification Book.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Base Operations Support	2,645,237	3,207,409	3,024,265	2,785,882	2,651,539	2,778,364
Total	2,645,237	3,207,409	3,024,265	2,785,882	2,651,539	2,778,364

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>		<u>FY 2003/FY 2004</u>		<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		3,207,409		2,785,882		2,651,539
Congressional Adjustments (Distributed)		-6,000				
Congressional Adjustments (Undistributed)		-99,543				
Adjustments to Meet Congressional Intent		-12,890				
General Provisions		-64,711				
SUBTOTAL APPROPRIATED AMOUNT		3,024,265				
Fact-of-Life Changes		-223,938				
SUBTOTAL BASELINE FUNDING		2,800,327				
Anticipated Supplemental		0				
Reprogramming		-14,445				
Price Change				14,878		107,059
Functional Transfers				-146,602		0
Program Changes				-2,619		19,766
CURRENT ESTIMATE		2,785,882		2,651,539		2,778,364

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request		\$3,207,409
1. Congressional Adjustments		
a) Distributed Adjustments		
1) Other Contracts Unjustified Program Growth	\$	-5,000
2) U.S. Army, South (USARSO) Headquarters	\$	-1,000
Total Distributed Adjustments		\$ -6,000
b) Undistributed Adjustments		
1) Federal Employees Compensation Act (FECA) Surcharge	\$	-1,516
2) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-82,906
3) Undistributed Adjustment	\$	-1,294
4) Utilities Privatization	\$	-5,206
5) Unobligated Balance	\$	-8,621
Total Undistributed Adjustments		\$ -99,543
c) Adjustments to Meet Congressional Intent		
1) Congressional SRM Alignment	\$	-17,565
2) Army Conservation and Ecosystem Mgmt	\$	3,400
3) Tanana River Bridge Study	\$	1,275
Total Adjustments to Meet Congressional Intent		\$ -12,890

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

d) General Provisions

1) Section 8135 - Revised Economic Assumptions	\$ -20,127
2) Section 8082 - Foreign Currency Fluctuations	\$ -32,688
3) Section 8133 - Travel	\$ -3,272
4) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -4,486
5) Section 8103 - Government Purchase Card Savings	\$ -4,138

Total General Provisions

	\$ -64,711
--	------------

FY 2003 Appropriated Amount.....	\$3,024,265
----------------------------------	-------------

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

a) Ft Greely Base Support	\$ 10,700
Transfers funds from Subactivity Group 132, Maintenance of Real Property to Subactivity Group 131, Base Operations to facilitate program execution and consolidate program resources in one SAG for total program visibility and oversight. This action realigns Ft Greely's RPS SRM and environmental programmed requirements from USARPAC to SMDC.	
b) Transformation of Installation Management (TIM)	\$ 24,966
Funds provided for the implementation of the	

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

1) Transfers In (Continued)

b) Transformation of Installation Management (TIM)
(Continued)

Installation Management Agency, (IMA) program management and regional operations. This action aligns resources for the new Transformation of Installation Management (TIM) structure and provide equitable, efficient and effective management of the Army installations.

c) Transformation of Installation Management (TIM)\$ 1,487

Funds provided for the centralized management of Environmental Compliance, A76, and BRAC. This action aligns resources for the new Transformation of Installation Management (TIM) structure and provide equitable, efficient, and effective management of the Army installations.

Total Transfers In:\$ 37,153

2) Transfers Out

Army Contract Agency (ACA) Reorganization\$ -28,877

Transfers missions, functions, resources, and personnel assets from the previously decentralized contracting processes into one organization. Designated to eliminate redundant contracts, ACA leverages Army-wide requirements and gains efficiencies while maintaining effective local capabilities. ACA will act as the single coordinating element, and from the base to deploy contingency contracting operational support to the war fighting

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

2) Transfers Out (Continued)

Army Contract Agency (ACA) Reorganization (Continued)
commands. This transfer reflects realignment of Army
resources between OMA Subactivity Groups 131, Base Support
Operations, 133, Management and Operational Headquarters,
324, Training Support, 325, Base Support Operations, 422,
Central Supply Activities, 431 Administration, 432,
Service wide Support, and 435 Other Service Support.

Total Transfers Out:\$ -28,877

b) Technical Adjustments

c) Emergent Requirements

Program Reductions

Transformation of Installation Management (TIM)\$ -232,214
This decrease in funding represents the cross leveling
of our Base Support resources resulting from consolidating
functions.

Total Program Reductions\$ -232,214

FY 2003 Baseline Funding.....\$2,800,327

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -14,445
 Realigns funds among major commands and subactivity
 groups to adjust properly for foreign currency
 fluctuations.

Revised FY 2003 Current Estimate.....\$2,785,882

5. Price Change.....\$ 14,878

6. Functional Transfers

a) Transfers In

1) Environmental Cleanup\$ 3,400
 Funds were transferred from MCA accounts to fund
 environmental clean up work to be done in advance of 3
 construction projects at Fort Wainwright, AK (Alert
 Holding Area Facility/Ammo Supply Point Upgrade/Pallet
 Processing Facility).

2) Single Stock Fund\$ 23,425
 Funds were transferred as a result of the Directorate of
 Logistic (DOL) reimbursable cost for services performed
 under the national Maintenance and Single Stock Fund (SSF)
 programs. Converting SSF reimbursable funding from the
 Army Materiel Command (AMC) to direct funding under
 Installation Management Agency (IMA) supply operations.
 Funds transferred from BA1, BA3, and BA4 to BASOPS
 accounts to support the Army's supply mission.

Total Transfers In\$ 26,825

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Functional Transfers (Continued)

b) Transfers Out

- | | |
|---|-------------|
| 1) Army Family Housing | \$ -5,000 |
| This transfer represents funds for the RCI Military Housing Privatization Initiative(MHPI). Funding will provide for the real estate advisory services operational costs. | |
| 2) Transformation of Installation Management (TIM) | \$ -151,182 |
| As part of the Transformation Installation Management (TIM) business reengineering initiative, the Army's comprehensive review of all Base Support accounts was performed. As a result of this review, the Army found that over time Base Support was performing many critical mission related functions. Therefore, to create a more agile and responsive staff, reduce layers of review and approval, and allow mission commanders to focus on warfighting tasks, all mission based functions pertaining to Force Readiness support were transferred to the appropriate readiness account. This decrease reflects the proper realignment of manpower and the associated support costs from Base Support to OMA Subactivity Groups 121, Force Readiness Operations Support, 132, Facilities Sustainment & Restoration & Modernization Program, 133, management & Operational Headquarters, 324, Training Support, 325 Base Support Operations, 431 Administration, 432 Servicewide Communications, 435, Other Service. | |
| 3) Communication Infrastructure | \$ -15,450 |
| This transfer represents Base Operations Support transfer of funds to Other Procurement, Army realigning funds in support of Commander in Chief's Command, Control, Communication, and Computers (C4) Sustainment and modernization. This CINC (Pacific Command and U.S. Army | |

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Functional Transfers (Continued)

b) Transfers Out (Continued)

3) Communication Infrastructure (Continued)

Pacific C4) realignment initiative supports the sustainment and improvements and helps bridge the gap of critical shortfalls in critical C4 infrastructure such as secure and nonsecure voice, video, and data networks with associated operations & maintenance, automation, information processing, information management, information technology support services, web-based capabilities, technology tools, and C4 connectivity. This decrease is reflected in line 0914 in the OP-32.

4) Information Services Decapitalization\$ -1,795

The Army Information Services Business Area is being decapitalized from the Army Working Capital Fund (AWCF) at the end of FY 2003. Information services agencies are being reorganized with some manpower reductions and realignments. Associated customer funds have been transferred to Communications & Electronics Command where the workload will be handled through contracts and DoD Information Services Agencies. Resources were transferred out of SAG 131 and SAG 438, Base Support into SAG 432, Servicewide Communications.

Total Transfers Out\$ -173,427

7. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 2,418

There will be an additional compensable workday in FY 2004.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Increases (Continued)

a) One-Time FY 2004 Costs (Continued)

Additional Compensable Day in FY 2004 (Continued)

This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 2,418

b) Program Growth in FY 2004

1) Anti-Terrorism/Force Protection\$ 117,351

(FY 2003 Base: \$317,689) This funding increase supports the Army initiatives to implement access control initiatives, provide increased training of AT/FP personnel, and supports efforts to mitigate consequences of attacks at three pilot installations. Increase in funding buys services for law enforcement (\$16.7), physical security equipment barriers (\$7.7), blast mitigation (\$3.9), communication systems (\$2.3), explosive detection devices (\$1.0), intrusion detection devices (\$34.4), equipment and sensors (\$12.7), management and planning (\$2.4), site improvement (\$9.2), and security matters (\$27.0).

2) Army Family Team Building (AFTB)\$ 3,352

(FY 2003 Base: \$38,975) This program increase provides an installation level coordinator to oversee AFAP/AFTB programs on Army Installations that did not receive funding to provide coordinators in FY03. The Army Family Action Plan (AFAP) Program provides a mechanism to raise well-being issues of concern and a protocol to work issues until resolution. The Army Family Team Building (AFTB) Program builds stronger, more self-reliant families by

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

- 2) Army Family Team Building (AFTB) (Continued)
 providing education and readiness training that is particularly targeted to family members at various levels to include junior Enlisted and their spouses.
- 3) Historic Properties Improvement Program\$ 1,551
 (FY 2003 Base: \$0) This increase in funding represents a program transfer from Sustainment, Restoration, and Modernization to Base Operations effective FY04. The resources are used to continue project feasibility study programs; executing the most promising projects from those studies, and improve the ability of installations managers to seek out and capitalize on historic property opportunities.
- 4) Security Matters\$ 5,795
 (FY 2003 Base: \$21,048) Funds required to continue support of the global war on terrorism. Commanders are accountable for protection and security of their soldiers. This increase buys intelligence support, foreign disclosure, industrial security, and information security.

Total Program Increases\$ 130,467

8. Program Decreases

Program Decreases in FY 2004

- 1) Base Communications\$ -9,773
 (FY 2003 Base: \$44,162) Resources have been streamlined to support equitable standards at all Army Installations worldwide and improve the delivery of

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Base Operations Support

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

8. Program Decreases (Continued)

Program Decreases in FY 2004 (Continued)

- 1) Base Communications (Continued)
 services to Commanders, soldiers and their families. The Army's intent is to streamline headquarters, create more agile and responsive staff, reduce layers of review and approval, and allow Commanders to focus on their mission.
 - 2) Leases (Real Estate Leases)\$ -19,200
 (FY 2003 Base: \$0) Decrease in funding is the result of the realignment of funds to pay must fund leases for the additional leased space for 450 personnel, primarily in support of Homeland Defense initiative. This decrease in reflected in line 0912 in the OP-32.
 - 3) Transformation Installation Management\$ -104,113
 This decrease in funding represents the cross leveling of our Base Support resources resulting from consolidating functions.
- Total Program Decreases\$ -133,086
- FY 2004 Budget Request.....\$2,651,539

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Command and Staff (\$)	146,267	155,953	214,415	225,855
(Military ES)	1,422	1,435	1,022	849
(Civilian FTE)	1,821	2,396	2,273	2,274
 Number of Bases, Total	 108	 108	 108	 108
(CONUS)	25	25	25	25
(Overseas)	83	83	83	83
 Population Served, Total	 546,396	 546,197	 546,273	 545,921
(Military)	357,544	357,844	358,387	358,563
(Civilian)	188,852	188,353	187,886	187,358
 B. Operations (\$ in Thousand)	 635,768	 784,192	 826,201	 764,014
(Military ES)	1,025	813	713	643
(Civilian FTE)	4,354	3,993	2,723	2,707
 Population Served, Total	 546,396	 546,197	 546,273	 545,921
(Military)	357,544	357,844	358,387	358,563
(Civilian)	188,852	188,353	187,886	187,358
 C. Engineering Services (\$in Thousand)	 1,058,590	 925,447	 892,642	 980,023
(Military ES)	94	92	82	33
(Civilian FTE)	5,444	5,118	5,032	5,027
 No. of Officer Quarters	 2,852	 2,852	 2,852	 2,852
No. of Enlisted Quarters	186,853	186,853	186,853	186,853
 Payment to GSA (\$000)	 28	 67	 0	 0
Standard Level User Charges (\$000)	28	67	0	0
GSA Leased Space (000 Sq Ft)	3	3	0	0
Non-GSA lease Payment (000\$)	13,491	18,016	14,638	17,334
Non-GSA Leased Space (000 Sq Ft)	1,548	1,552	1,552	1,552

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Utilities:				
Electricity (MWH)	3,284,336	3,267,750	3,267,750	3,267,750
Heating (MBTU)	20,607,396	20,288,723	20,288,723	20,288,723
Water, Plants, Systems (000 GPD)	214,978	214,978	214,978	214,978
Sewage & Waste Systems (000 GPD)	224,197	224,197	224,197	224,197
Air Conditioning & Refrigeration (Ton)	26,804	26,804	26,804	26,804
D. Logistics Services (\$ in Thousands)	339,959	354,070	320,663	350,004
(Military ES)	653	613	352	333
(Civilian FTE)	4,652	4,499	4,384	4,372
Population Served, Total	546,396	546,197	546,273	545,921
(Military)	357,544	357,844	358,387	358,563
(Civilian)	188,852	188,353	187,886	187,358
Number of Motor Vehicles				
Owned	5,610	5,580	5,551	5,550
Leased	16,229	15,358	15,158	15,107
E. Personnel and Community Services (\$ in Thousands)	406,088	495,640	330,606	375,629
Personnel Support	70,994	53,005	44,010	45,670
(Military ES)	1,212	1,164	928	748
(Civilian FTE)	1,248	798	781	781
Morale, Welfare and Recreation	165,615	257,528	115,261	139,751
(Military ES)	21	20	12	9
(Civilian FTE)	3,860	4,085	4,094	4,091
Population Served, Total	546,396	546,197	546,273	545,921
(Military)	357,544	357,844	358,387	358,563
(Civilian)	188,852	188,353	187,886	187,358

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

IV. Performance Criteria and Evaluation Summary (Continued):

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Child and Youth Development Programs	169,479	185,107	171,335	190,208
Number of Child Development Centers	189	189	189	189
Number of Family Child Care Homes	2,188	2,188	2,188	2,188
Total Military Child Pop (Infant - 12)	214,857	214,857	214,857	214,857
Total Required Child Care Space	68,360	68,360	68,360	68,360
Total Spaces CDC, FCC, and School Age	44,435	44,435	44,435	44,435
% Spaces in Relation to Required Space	63%	63%	63%	63%
Number of Youth Facilities	84	84	84	84
Total Military Youth Pop (Grade 1-12)	214,857	214,857	214,857	214,857
Number of Youth Served	42,971	42,971	42,971	42,971
 F. Audio Visual - Visual Information (\$ in Thousand)	 9,995	 37,779	 32,547	 36,344
(Military ES)	19	18	18	17
(Civilian FTE)	68	289	290	290
 Population Served, Total	 546,396	 546,197	 546,273	 545,921
(Military)	357,544	357,844	358,387	358,563
(Civilian)	188,852	188,353	187,886	187,358
 G. Base Communication (\$ in Thousand)	 48,570	 48,257	 34,465	 46,495
(Military ES)	62	63	63	51
(Civilian FTE)	200	211	212	212
 Population Served, Total	 546,396	 546,197	 546,273	 545,921
(Military)	357,544	357,844	358,387	358,563
(Civilian)	188,852	188,353	187,886	187,358
	2,645,237	2,801,338	2,651,539	2,778,364

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Base Operations Support

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	4,508	4,218	3,190	2,683	-1,028	-507
Officer	588	584	334	315	-250	-19
Enlisted	3,920	3,634	2,856	2,368	-778	-488
<u>Civilian End Strength (Total)</u>	25,287	21,798	20,145	20,120	-1,653	-25
U.S. Direct Hire	15,870	16,696	15,289	15,264	-1,407	-25
Foreign National Direct Hire	3,660	1,255	1,060	1,060	-195	0
Total Direct Hire	19,530	17,951	16,349	16,324	-1,602	-25
Foreign National Indirect Hire	5,757	3,847	3,796	3,796	-51	0
<u>Military Average Strength (Total)</u>	5,416	4,363	3,704	2,936	-659	-768
Officer	727	586	459	324	-127	-135
Enlisted	4,689	3,777	3,245	2,612	-532	-633
<u>Civilian Full-Time Equivalentents (Total)</u>	21,647	21,389	19,789	19,754	-1,600	-35
U.S. Direct Hire	15,377	16,378	15,018	14,983	-1,360	-35
Foreign National Direct Hire	1,013	1,234	1,044	1,044	-190	0
Total Direct Hire	16,390	17,612	16,062	16,027	-1,550	-35
Foreign National Indirect Hire	5,257	3,777	3,727	3,727	-50	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	Line	Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
	0101	EXEC. GEN. SPEC SCHEDULE	783427	0	3.77%	29498	-29607	783318	0	-8.25%	-64622	-102268	616428	C	2.91%	17963	-4576	629815
	0103	WAGE BOARD	91764	0	4.23%	3884	10736	106384	0	-20.15%	-21430	515	85466	C	2.24%	1916	-686	86693
	0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	17386	-5443	10.12%	1760	15311	29014	4267	1.90%	550	-5933	27898	2507	1.87%	521	736	31664
	0105	SEPARATION LIABILITY (FNDH)	589	0	0.00%	0	171	760	0	0.00%	C	-228	532	C	0.00%	C	13	545
	0106	BENEFITS TO FORMER EMPLOYEES	115	0	0.00%	0	231	346	0	0.00%	C	-70	276	C	0.00%	C	2	278
	0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	11528	0	0.00%	0	3523	15051	0	0.00%	C	-9974	5077	C	0.00%	C	-2907	2170
	0111	DISABILITY COMPENSATION	-14	0	0.00%	0	14	0	0	0.00%	C	0	0	C	0.00%	C	C	0
	0199	TOTAL CIV PERSONNEL COMP	904795	-5443	3.88%	35142	379	934873	4267	-9.15%	-85500	-117958	735677	2507	2.77%	20400	-7416	751165
	0308	TRAVEL OF PERSONS	65600	0	1.10%	721	1457	67778	0	1.50%	1016	-15458	53336	C	1.60%	850	270	54459
	0399	TOTAL TRAVEL	65600	0	1.10%	721	1457	67778	0	1.50%	1016	-15458	53336	C	1.60%	850	270	54459
	0401	DFSC FUEL	27543	0	-16.00%	-4406	3985	27122	0	8.30%	2251	-5743	23630	C	3.30%	781	-197	24214
	0402	SERVICE FUEL	6245	0	-16.00%	-999	903	6149	0	8.30%	511	-2782	3878	C	3.30%	126	126	4131
	0411	ARMY MANAGED SUPPLIES & MATERIALS	69361	0	9.20%	6382	832	76575	0	4.50%	3440	-1592	78428	C	1.50%	1177	-2530	77067
	0412	NAVY MANAGED SUPPLIES & MATERIALS	21	0	9.60%	2	0	23	0	6.10%	1	1	25	C	4.00%	1	1	27
	0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	360	0	10.30%	37	-35	362	0	18.30%	60	-64	364	C	10.30%	37	-30	366
	0415	DLA MANAGED SUPPLIES & MATERIALS	18511	0	3.50%	646	-8227	10930	0	-2.90%	-317	-778	9835	C	1.50%	140	170	10161
	0416	GSA MANAGED SUPPLIES & MATERIALS	29589	0	1.10%	325	-2947	26967	0	1.50%	404	-204	27167	C	1.60%	434	-364	27237
	0417	LOCALLY PROCURED DOD CENTRALLY	0	0	1.10%	0	8130	8130	0	1.50%	122	18	8270	C	1.60%	132	-160	8239
	0499	TOTAL SUPPLIES & MATERIALS PURCHASES	151630	0	1.31%	1987	2641	156258	0	4.15%	6480	-11144	151597	C	1.87%	2830	-2990	151442
	0502	ARMY EQUIPMENT	8602	0	9.20%	791	104	9497	0	4.50%	427	-14	9910	C	1.50%	140	-357	9701
	0505	AIR FORCE EQUIPMENT	0	0	10.30%	0	438	438	0	18.30%	80	-74	444	C	10.30%	40	-44	446
	0506	DLA EQUIPMENT	16870	0	3.50%	590	-707	16753	0	-2.90%	-480	-252	16016	C	1.50%	241	-104	16153
	0507	GSA MANAGED EQUIPMENT	34097	0	1.10%	375	-1822	32650	0	1.50%	490	-290	32850	C	1.60%	520	-371	33005
	0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	59569	0	2.95%	1756	-1987	59338	0	0.86%	512	-630	59220	C	1.62%	961	-870	59305
	0601	ARMY (ORDNANCE)	1	0	-27.00%	0	0	1	0	1.40%	C	0	1	C	10.10%	C	C	1
	0603	DLA DISTRIBUTION DEPOT (ARMY ONLY)	717	0	4.20%	30	-747	0	0	1.50%	C	0	0	C	1.60%	C	C	0
	0615	NAVY INFORMATION SERVICE (CANCELLED)	44	0	1.10%	0	-44	0	0	1.50%	C	0	0	C	1.60%	C	C	0
	0631	NAVAL FACILITIES ENGINEERING SERVICE	470	0	17.70%	83	-553	0	0	1.50%	C	0	0	C	2.50%	C	C	0
	0633	DEFENSE PUBLICATION & PRINTING SERVICE	5559	0	6.20%	345	529	6433	0	-2.00%	-120	228	6533	C	0.30%	10	-44	6508
	0635	NAVAL PUBLIC WORK CENTERS: PUBLIC WORKS	1023	0	2.70%	28	-784	267	0	-2.60%	-7	11	271	C	2.60%	7	-0	269
	0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	592	0	-1.00%	-6	-586	0	0	1.50%	C	0	0	C	1.60%	C	C	0
	0648	ARMY INFORMATION SERVICES (CANCELLED)	301	0	1.10%	4	-153	152	0	1.50%	2	-154	0	C	1.60%	C	C	0
	0671	COMMUNICATIONS SERVICES (DISA) TIER 2	0	0	1.10%	0	33	33	0	0.00%	C	0	33	C	1.60%	1	-1	33
	0673	DEFENSE FINANCING & ACCOUNTING SERVICE	98248	0	-4.50%	-4421	46675	140502	0	14.20%	19951	-16455	143998	C	4.30%	6190	27991	178181
	0675	DEFENSE REUTILIZATION AND MARKETING SERV	51	0	0.00%	0	-51	0	0	0.00%	C	0	0	C	0.00%	C	C	0
	0679	COST REIMBURSABLE PURCHASES	26	0	1.10%	0	-26	0	0	1.50%	C	0	0	C	1.60%	C	C	0
	0699	TOTAL INDUSTRIAL FUND PURCHASES	107032	0	-3.68%	-3937	44293	147388	0	13.45%	19810	-16370	150836	C	4.12%	6210	27937	184992
	0718	MTMC LINER OCEAN TRANSPORTATION	3	0	-8.40%	0	4	7	0	-2.60%	C	1	8	C	-2.20%	C	1	9
	0771	COMMERCIAL TRANSPORTATION	20737	0	1.10%	229	0	20966	0	1.50%	310	-1588	19693	C	1.60%	310	-460	19548
	0799	TOTAL TRANSPORTATION	20740	0	1.10%	229	4	20973	0	1.50%	310	-1587	19701	C	1.60%	310	-450	19557
	0901	FOR NATIONAL INDIRECT HIRE (FNIH)	132481	-17323	2.74%	3630	-16189	102599	27208	2.42%	2480	-24357	107936	30960	3.38%	3640	10	142561

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	131	Totals																
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount		
0902	SEPARATION LIABILITY (FNIH)	281	0	0.00%	0	-281	0	0	0.00%	0	0	0	0	0	0.00%	0	0	0
0912	RENTAL PAYMENTS TO GSA (SLUC)	28	0	2.10%	1	38	67	0	1.70%	1	-68	0	0	1.50%	0	0	0	0
0913	PURCHASED UTILITIES	240848	0	1.10%	2650	3882	247380	0	1.50%	3711	-2530	248561	0	1.60%	3977	-5718	246820	0
0914	PURCHASED COMMUNICATIONS	21839	0	1.10%	239	983	23061	0	1.50%	346	-6300	17107	0	1.60%	274	986	18370	0
0915	RENTS (NON-GSA)	13491	0	1.10%	148	4377	18016	0	1.50%	270	-3648	14638	0	1.60%	234	2462	17334	0
0917	POSTAL SERVICES (U.S.P.S.)	3478	0	0.00%	0	0	3478	0	0.00%	0	0	3478	0	0.00%	0	0	3478	0
0920	SUPPLIES/MATERIALS (NON FUND)	212292	0	1.10%	2335	5597	220224	0	1.50%	3302	23851	247377	0	1.60%	3956	5488	256824	0
0921	PRINTING AND REPRODUCTION	4241	0	1.10%	47	-3862	426	0	1.50%	6	35	467	0	1.60%	7	-63	411	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	23203	0	1.10%	255	18690	42148	0	1.50%	632	-206	42574	0	1.60%	682	197	43453	0
0923	FACILITY MAINTENANCE BY CONTRACT	168078	0	1.10%	1847	-1367	168558	0	1.50%	2528	-38061	133025	0	1.60%	2128	308	135458	0
0925	EQUIPMENT PURCHASES (NON FUND)	114792	0	1.10%	1263	57289	173344	0	1.50%	2601	68677	244622	0	1.60%	3918	-483	248054	0
0928	SHIP MAINTENANCE BY CONTRACT	104	0	1.10%	1	108	213	0	1.50%	2	-1	215	0	1.60%	2	-1	217	0
0929	AIRCRAFT REWORKS BY CONTRACT	3	0	1.10%	0	2	5	0	1.50%	0	2	7	0	1.60%	0	2	9	0
0930	OTHER DEPOT MAINTENANCE	93	0	1.10%	1	1	95	0	1.50%	1	1	97	0	1.60%	2	0	99	0
0932	MGMT & PROFESSIONAL SPT SVCS	681	0	1.10%	7	-244	444	0	1.50%	6	10	460	0	1.60%	7	-10	457	0
0933	STUDIES, ANALYSIS, & EVALUATIONS	2970	0	1.10%	30	-3000	0	0	1.50%	0	0	0	0	1.60%	0	0	0	0
0934	ENGINEERING & TECHNICAL SERVICES	945	0	1.10%	10	-620	335	0	1.50%	8	-305	35	0	1.60%	1	-1	35	0
0937	LOCALLY PURCHASED FUEL	6579	0	-16.00%	-1052	1800	7327	0	8.30%	607	-4473	3461	0	3.30%	112	21	3595	0
0988	GRANTS	567	0	1.10%	6	13	586	0	1.50%	5	11	606	0	1.60%	10	11	627	0
0989	OTHER CONTRACTS	388877	-17235	1.10%	4088	15238	390968	18114	1.50%	6136	1288	416506	16116	1.60%	6922	97	439642	0
0999	OTHER PURCHASES	1335871	-34558	1.16%	15506	82455	1399274	45322	1.62%	22650	13926	1481172	47082	1.75%	25884	3306	1557444	0
9999	GRAND TOTAL	2645237	-40001	1.94%	51404	129242	2785882	49589	-1.25%	-34711	-149221	2651539	49589	2.17%	57470	19766	2778364	0

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces Readiness Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

I. Description of Operations Financed:

The Sustainment, Restoration and Modernization (SRM) program involves the maintenance and repair of the real property infrastructure on an installation. SRM has two distinct categories, Sustainment and Restoration/Modernization. Additionally the Demolition program supports the reduction of the sustainable inventory.

Sustainment:

Sustainment provides resources for maintenance and repair necessary to sustain facilities in its current condition. It includes regularly scheduled adjustments, inspections, preventive maintenance tasks, emergency response, and service calls for minor repairs. The Army goal is to fully sustain (100%) the Army's inventory to prevent further facility deterioration and places a priority on this goal as demonstrated by a 93% funding level for FY 2004. Accordingly, the Army goal is to fully fund all requirements of its strategic mobility inventory to prevent any facility deterioration. The Army continues to place high priority on this goal and has extended the FY 2003 funding level of 93% in FY 2004. This funding level provides sustainment for maintenance and repair, on the Army's aging infrastructure for preventive maintenance of utility systems; exterior maintenance of building; heating, ventilation, and air conditioning system repairs; plumbing and electrical repairs; roof replacements; and road repairs.

Restoration/Modernization:

These resources, typically programmed as focused facility initiatives are used for repair/replacement work, restoration of facilities damaged due to lack of sustainment resources, excessive age, natural disaster, fire, accident, alteration of facilities solely to implement new or higher standards (including regulatory changes), accommodation of new functions, or replacement of building components that typically last more than 50 years (such as foundations and structural members).

Demolition:

Demolition of excess facilities supplements the SRM program. The demolition program objective is to eliminate undesirable or excess infrastructure that, over time, reduces the overall resource burden for upkeep of its physical plant. The Army has demolished 47.5 Million square feet to date and plans to continue its policy of demolishing one square foot per one square foot of new construction.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

II. Force Structure Summary:

Effective 1 Oct 2003, the Army consolidates the management of installation support under one authority called Transformation of Installation Management (TIM). The end result of this initiative is to provide high quality, reliable, efficient services through regional alignment. To achieve this objective, an Installation Management Agency (IMA) and seven regional directorates were established under the Office of Assistance Chief of Staff, Installation Management. The seven regions are: Northeast Region, Southeast Region, Northwest Region, Southwest Region, European Region, Pacific Region and the Korean Region.

The IMA headquarters: Supports the regions and oversee execution, funds the Area Support Groups (ASGs), provides resource guidance, develops Army wide standards, and standardizes implementation of initiatives.

Regions: Provides support to Area Support Groups and will review and oversee resource application and needs, interface with Major Commands and other services, implement policies and programs, direct and oversee execution and enforce Army-wide standards.

Garrisons/ASGs/BSBs: Provides installation support to all units. This includes supporting and enabling mission commanders, coordinating and providing Base Operations services, implementing Army-wide standards, and maintaining real property.

This subactivity group operates and maintains the entire real property inventory at all the Land Force installations located under U.S. Army Forces Command; U. S. Army Europe; Eighth U.S. Army, South Korea; U.S. Army Pacific; U. S. Army Southern Command; and the Military District of Washington.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands):

A. Subactivity Group:	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Facilities Sustain & Restoration & Mod Prog	911,644	1,146,516	1,124,653	1,089,539	1,094,309	1,217,219
Total	911,644	1,146,516	1,124,653	1,089,539	1,094,309	1,217,219

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	1,146,516	1,089,539	1,094,309
Congressional Adjustments (Distributed)	11,700		
Congressional Adjustments (Undistributed)	-13,026		
Adjustments to Meet Congressional Intent	14,954		
General Provisions	-35,491		
SUBTOTAL APPROPRIATED AMOUNT	1,124,653		
Fact-of-Life Changes	-27,094		
SUBTOTAL BASELINE FUNDING	1,097,559		
Anticipated Supplemental	0		
Reprogramming	-8,020		
Price Change		33,206	44,508
Functional Transfers		-9,508	0
Program Changes		-18,928	78,402
CURRENT ESTIMATE	1,089,539	1,094,309	1,217,219

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....\$1,146,516

1. Congressional Adjustments

a) Distributed Adjustments

1) Fort Lewis SRM, Vancouver Barracks Preservation	\$	3,700
2) Airborne Barracks - Fort Benning, Georgia	\$	2,000
3) Fort Irwin Facility and Road Improvements	\$	6,000
Total Distributed Adjustments	\$	11,700

b) Undistributed Adjustments

1) Repairs at Fort Baker	\$	2,500
2) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-10,699
3) Federal Employees Compensation Act (FECA) Surcharge	\$	-641
4) Undistributed Adjustment	\$	-546
5) Unobligated Balance	\$	-3,640
Total Undistributed Adjustments	\$	-13,026

c) Adjustments to Meet Congressional Intent

1) Airborne Barracks - Fort Benning, Georgia	\$	-2,000
2) Fort Richardson Bldg. 802 Repairs	\$	3,900
3) Fort Wainwright, Utilidors	\$	8,500
4) Yukon Training Infrastructure and Access Upgrades	\$	1,700

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

c) Adjustments to Meet Congressional Intent (Continued)

5) Congressional SRM Alignment\$ 2,854

d) General Provisions

1) FY 03 Appropriation Language for repairs at Fort Baker\$ -2,500

2) Section 8082 - Foreign Currency Fluctuations\$ -18,605

3) Section 8100 - Business Process Reforms/Management
Efficiencies\$ -1,891

4) Section 8103 - Government Purchase Card Savings\$ -1,747

5) Section 8133 - Travel\$ -959

6) Section 8135 - Revised Economic Assumptions\$ -9,789

Total General Provisions\$ -35,491

FY 2003 Appropriated Amount.....\$1,124,653

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

Transformation of Installation Management (TIM)\$ 1,211

IMA Above Installation - This funding is associated with spaces that were originally transferred from the MACOMs to form the structure for IMA HQ and IMA regional offices.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

a) Functional Transfers (Continued)

1) Transfers In (Continued)

Total Transfers In\$ 1,211

2) Transfers Out

Fort Greely Base Support\$ -6,296

Congress gave OSD authority to retain Fort Greely to support development of a ballistic missile defense system. ACSIM notified USARPAC and SMDC of the decision to transition ownership of the retained portion of Fort Greely (hereinafter referred to as "Right-Sized Fort Greely). FY 03 costs for all currently on-board personnel (46), DOIM requirements for recurring communications costs, information management, and for one-time system upgrades (including an upgraded phone switch, new LAN servers). (Funds reprogrammed to SAG 131).

Total Transfers Out\$ -6,296

Total Functional Transfers\$ -5,085

b) Emergent Requirements

1) Program Growth

Transformation of Installation Management (TIM)\$ 14,954

BOS - SRM Realignment - Realigns funding from SAGs 316, 326, 439 to SAGs 132 and 214 for facilities sustainment.

Total Program Growth\$ 14,954

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

2) Program Reductions

a) Transformation of Installation Management (TIM)	\$ -34,863
IMA Reprogramming - Reprogrammed by Installation Management Agency for expected execution in FY 2003. (Funds reprogrammed to SAG 131).	
b) Transition Center	\$ -2,100
Funds realigned to BOS (SAG 438) to support soldiers transitioning out of the Army through Transition Centers in Europe and Korea.	

Total Program Reductions\$ -36,963

Total Emergent Requirements\$ -22,009

FY 2003 Baseline Funding.....\$1,097,559

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -8,020

Revised FY 2003 Current Estimate.....\$1,089,539

4. Price Change.....\$ 33,206

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Functional Transfers

Transfers Out

Transformation of Installation Management (TIM)\$ -9,508

The Transformation of Installation Management (TIM) is one of several of the Army's Realignment Task Force (RTF) initiatives that enhance the day-to-day operations of the Army. TIM reforms Army installation management by establishing a new organizational structure and funding methodology for Army garrisons worldwide. It enables installation commanders to better focus on operational missions and keep Army installations uniform relative to quality of life measures. This transfer represents the realignment of Mission and Base Support personnel pay and support costs. Funds will be centrally managed by a newly established Installation Management Agency (IMA), seven Regional Offices and the Army Reserve Office. These offices will provide chain of command oversight of Army garrison base operations and assist installation commanders' focus on mission.

Total Transfers Out\$ -9,508

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 310

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 310

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004

- | | | |
|----|---|-----------|
| 1) | Facilities Sustainment | \$ 74,487 |
| | This increase in funding provides sustainment for maintenance and repair, on the Army's aging infrastructure for preventive maintenance of utility systems; exterior maintenance of buildings; heating, ventilation, and air conditioning system repairs; plumbing and electrical repairs; roof replacements; and road repairs. This will reverse the long-term accumulation of deficiencies in facilities, in terms of deterioration, obsolescence and operational capacity. Sustainment of our installation is funded at 93% of requirements. | |
| 2) | Unaccompanied Personnel | \$ 6,801 |
| | Funding to repair Senior NCO quarters in Korea. | |
| 3) | Demolition of Excess Facilities | \$ 18,600 |
| | Demolition of excess facilities supplements the SRM program. The demolition program objective is to eliminate undesirable or excess infrastructure that, over time, reduces the overall resource burden for upkeep of its physical plant. The Army has demolished 47.5 MSF to date and plan to continue its policy of demolishing one square foot per one square foot of new construction. The Army's goal is to demolish 2.7 MSF of excess facilities in SAGs 316, 326 and 439. | |

Total Program Growth in FY 2004\$ 99,888

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases

Program Decreases in FY 2004

1) Restoration and Modernization\$ -117,575
This Army is managing risk. Realignment of funds to provide increase for Sustainment to prevent further deterioration of facilities and infrastructure. Sustainment is funded at 93 percent, at this level facilities will be properly maintained and deterioration will be minimal. According, many of the OMA Restoration and Modernization projects; e.g., Barracks Upgrade Program, have been deferred for one fiscal year.

2) Historic Properties Improvement Program\$ -1,551
This represents a program transfer out from SRM to BASOPS effective FY 2004. The resources are used to continue project feasibility study programs, execute the most promising projects from those studies, and improve the ability of installations managers to seek out and capitalize on historic property opportunities.

Total Program Decreases\$ -119,126

FY 2004 Budget Request.....\$1,094,309

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. <u>Facilities Sustainment (\$000)</u>	785,999	1,088,071	1,074,785	1,160,307
B. <u>Facilities Restoration & Modernization (\$000)</u>	103,357	100	801	36,518
Utilities (XXX)				
Buildings (KSF)	231,979	224,194	254,227	254,459
Pavements (KSY)	195,210	194,198	194,198	194,198
Land (AC)	6,256,919	7,679,940	7,679,940	7,679,940
Other Facilities (KSF)	7,644	7,387	8,377	8,385
Railroad Trackage (KLF)	2,260	2,176	2,176	2,176
Facility Reduction Program (\$000)	22,288	1,368	18,723	20,394
C. <u>Administration & Support *</u>	133,403	163,226	161,338	179,524
Number of A&E Contracts**				
Planning & Design Funds *	10,336	10	80	3,652
Military Average Strength				
Civilian Personnel Full-Time Equivalent				
Total Personnel	0	0	0	0
Number of Installations	108	108	108	108
"C" Rating	C3	C3	C3	C3

* Memo entries - Dollars included in Facilities Sustainment and Restoration & Modernization

** This Information is Not Currently Available

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	20	22	38	26	16	-12
Officer	0	0	0	0	0	0
Enlisted	20	22	38	26	16	-12
<u>Civilian End Strength (Total)</u>	4,671	2,947	2,809	2,792	-138	-17
U.S. Direct Hire	2,164	1,782	1,690	1,673	-92	-17
Foreign National Direct Hire	862	291	291	291	0	0
Total Direct Hire	3,026	2,073	1,981	1,964	-92	-17
Foreign National Indirect Hire	1,645	874	828	828	-46	0
<u>Military Average Strength (Total)</u>	19	21	30	32	9	2
Officer	0	0	0	0	0	0
Enlisted	19	21	30	32	9	2
<u>Civilian Full-Time Equivalent (Total)</u>	4,402	2,894	2,769	2,749	-125	-20
U.S. Direct Hire	2,205	1,751	1,671	1,651	-80	-20
Foreign National Direct Hire	882	285	285	285	0	0
Total Direct Hire	3,087	2,036	1,956	1,936	-80	-20
Foreign National Indirect Hire	1,315	858	813	813	-45	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	132	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	27824	0	2.73%	759	-19499	9084	0	-29.12%	-2645	6058	12497	0	3.90%	488	-341	12644
0103	WAGE BOARD	107220	0	2.71%	2908	-30676	79452	0	-6.94%	-5513	-10874	63065	0	2.24%	1414	-944	63535
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	20406	-1558	2.18%	445	-12948	6345	1471	2.47%	157	-59	7914	864	1.74%	138	252	9168
0105	SEPARATION LIABILITY (FNDH)	76	0	0.00%	0	-4	72	0	0.00%	0	-15	57	0	0.00%	0	2	59
0106	BENEFITS TO FORMER EMPLOYEES	112	0	0.00%	0	21	133	0	0.00%	0	-28	105	0	0.00%	0	0	105
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	1386	0	0.00%	0	-1386	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0199	TOTAL CIV PERSONNEL COMP	157024	-1558	2.62%	4112	-64492	95086	1471	-8.41%	-8001	-4918	83638	864	2.44%	2040	-1031	85511
0308	TRAVEL OF PERSONS	350	0	1.10%	4	-10	344	0	1.50%	5	-9	340	0	1.60%	5	-3	342
0399	TOTAL TRAVEL	350	0	1.14%	4	-10	344	0	1.45%	5	-9	340	0	1.47%	5	-3	342
0402	SERVICE FUEL	0	0	-16.00%	0	0	0	0	8.30%	0	0	0	0	3.30%	0	0	0
0411	ARMY MANAGED SUPPLIES & MATERIALS	8919	0	9.20%	821	-982	8758	0	4.50%	394	-541	8611	0	1.50%	125	-96	8644
0415	DLA MANAGED SUPPLIES & MATERIALS	3489	0	3.50%	122	-347	3264	0	-2.90%	-94	-350	2820	0	1.50%	43	473	3336
0416	GSA MANAGED SUPPLIES & MATERIALS	5472	0	1.10%	61	-43	5490	0	1.50%	82	-82	5490	0	1.60%	88	916	6494
0417	LOCALLY PROCURED DOD CENTRALLY	750	0	1.10%	8	-3	755	0	1.50%	11	-11	755	0	1.60%	12	126	893
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	18630	0	5.43%	1012	-1375	18267	0	2.15%	393	-984	17676	0	1.54%	272	1415	19367
0502	ARMY EQUIPMENT	1856	0	9.20%	171	-309	1718	0	4.50%	77	-74	1721	0	1.50%	26	-26	1721
0506	DLA EQUIPMENT	37	0	3.50%	1	-1	37	0	-2.90%	-1	1	37	0	1.50%	1	6	44
0507	GSA MANAGED EQUIPMENT	154	0	1.10%	2	-2	154	0	1.50%	2	-2	154	0	1.60%	2	26	182
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	2047	0	8.50%	174	-312	1909	0	4.09%	76	-75	1912	0	1.52%	26	6	1947
0633	DEFENSE PUBLICATION & PRINTING SERVICE	0	0	6.20%	0	3	3	0	-2.00%	0	0	3	0	0.30%	0	0	3
0635	NAVAL PUBLIC WORK CENTERS: PUBLIC WORKS	223	0	2.70%	6	-2	227	0	-2.60%	-6	10	231	0	2.60%	6	-2	235
0699	TOTAL INDUSTRIAL FUND PURCHASES	223	0	2.69%	6	1	230	0	-2.61%	-6	10	234	0	2.56%	6	-2	238
0717	MTMC GLOBAL POV	2	0	-14.70%	0	-2	0	0	15.60%	0	0	0	0	4.60%	0	0	0
0771	COMMERCIAL TRANSPORTATION	56	0	1.10%	1	0	57	0	1.50%	1	0	58	0	1.60%	1	0	59
0799	TOTAL TRANSPORTATION	58	0	1.72%	1	-2	57	0	1.75%	1	0	58	0	1.72%	1	0	59
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	26952	-4012	3.03%	817	-688	23069	6070	2.34%	536	-6196	23482	6906	3.40%	796	2	31190
0902	SEPARATION LIABILITY (FNIH)	56	0	0.00%	0	-56	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0913	PURCHASED UTILITIES	116	0	1.10%	1	-1	116	0	1.50%	2	0	118	0	1.60%	2	20	140
0914	PURCHASED COMMUNICATIONS	26	0	1.10%	0	6	32	0	1.50%	0	1	33	0	1.60%	1	0	34
0920	SUPPLIES/MATERIALS (NON FUND)	85841	0	1.10%	944	330	87115	0	1.50%	1307	-1054	87368	0	1.60%	1396	-970	87796
0922	EQUIPMENT MAINTENANCE BY CONTRACT	4954	0	1.10%	54	5	5013	0	1.50%	75	15	5103	0	1.60%	82	10	5195
0923	FACILITY MAINTENANCE BY CONTRACT	376625	-13175	1.10%	3997	247182	614629	18037	1.50%	9490	-13254	628902	17806	1.60%	10348	81993	739049
0925	EQUIPMENT PURCHASES (NON FUND)	4435	0	1.10%	49	84	4568	0	1.50%	66	174	4810	0	1.60%	77	803	5690
0932	MGMT & PROFESSIONAL SPT SVCS	0	0	1.10%	0	700	700	0	1.50%	10	20	730	0	1.60%	12	16	760
0937	LOCALLY PURCHASED FUEL	1176	0	-16.00%	-188	322	1310	0	8.30%	106	-139	1280	0	3.30%	42	-46	1276
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	114802	0	1.10%	1263	2800	118865	0	1.50%	1783	356	121004	0	1.60%	1936	-1936	121004
0989	OTHER CONTRACTS	89526	0	1.10%	985	-985	89526	0	1.50%	1344	-1952	88918	0	1.60%	1422	-1422	88918
0998	OTHER COSTS	28803	0	1.10%	316	-416	28703	0	1.50%	431	-431	28703	0	1.60%	456	-456	28703
0999	OTHER PURCHASES	733312	-17187	1.12%	8238	249283	973646	24107	1.56%	15158	-22460	990451	24714	1.67%	16577	78013	1109755
9999	GRAND TOTAL	911644	-18745	1.49%	13547	183093	1089539	25578	0.70%	7626	-28436	1094309	25576	1.73%	18930	78402	1217219

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces Readiness Support
Subactivity Group: Management & Operational Headquarters

I. Description of Operations Financed:

MANAGEMENT AND OPERATIONAL HEADQUARTERS - This funding provides for the day-to-day operation of Army Management Headquarters Activities (AMHA) for the Army's Operating Forces Budget Activity. Management Headquarters activities develop policy and guidance, perform long-range planning, programming and budgeting, manage and distribute resources, and conduct program performance reviews and evaluations. In addition to the AMHA operational costs, resources for Civilian Illness and Injury Compensation (CIIC) and Voluntary Separation Incentive Pay (VSIP) when required are included in this subactivity group.

II. Force Structure Summary:

This subactivity group supports Management Headquarters for Land Forces activities, excluding the Unified Commands. Cost driver for Management Headquarters is manpower/workyears.

Effective FY 2003, the Army is implementing several of their Realignment Task Force Initiatives (RTF). Among them are the Transformation Installation Management (TIM), Army Contracting Agency Realignment, and Network Enterprise and Technology (NETCOM).

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Management & Operational Headquarters

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Management & Operational Headquarters	245,874	297,834	272,999	241,374	243,033	248,139
Total	245,874	297,834	272,999	241,374	243,033	248,139

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING	297,834	241,374	243,033	
Congressional Adjustments (Distributed)	-2,000			
Congressional Adjustments (Undistributed)	-20,967			
Adjustments to Meet Congressional Intent	0			
General Provisions	-1,868			
SUBTOTAL APPROPRIATED AMOUNT	272,999			
Fact-of-Life Changes	-31,409			
SUBTOTAL BASELINE FUNDING	241,590			
Anticipated Supplemental	0			
Reprogramming	-216			
Price Change		5,845	5,902	
Functional Transfers		-4,465	0	
Program Changes		279	-796	
CURRENT ESTIMATE	241,374	243,033	248,139	

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Management & Operational Headquarters

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	297,834
1. Congressional Adjustments		
a) Distributed Adjustments		
Management & Operational Headquarters Growth	\$	-2,000
Total Distributed Adjustments	\$	-2,000
b) Undistributed Adjustments		
1) Unobligated Balance	\$	-326
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-56
3) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-20,537
4) Undistributed Adjustment	\$	-48
Total Undistributed Adjustments	\$	-20,967
c) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	-625
2) Section 8135 - Revised Economic Assumptions	\$	-876
3) Section 8133 - Travel	\$	-43
4) Section 8103 - Government Purchase Card Savings	\$	-155
5) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-169
Total General Provisions	\$	-1,868

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Management & Operational Headquarters

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2003 Appropriated Amount.....\$ 272,999

2. Fact-of-Life Changes

a) Functional Transfers

1) Transfers In

Network Enterprise and Technology Command (NETCOM) Stand-
Up\$ 14,916
This transfer represents the realignment of NETCOM
functions and missions.

Total Transfers In\$ 14,916

2) Transfers Out

a) Transformation of Installation Management (TIM)\$ -41,895
This Transfer represents the realignment of
Transformation of Installation Management (TIM)
functions and missions.

b) Army Contract Agency (ACA) Reorganization\$ -3,932
This transfer represents the realignment of Army
Contracting Agency (ACA) functions and missions.

Total Transfers Out\$ -45,827

b) Emergent Requirements

Program Reductions

Army Management Headquarters Reduction\$ -498
Realignment to reduce civilian pay costs.

Total Program Reductions\$ -498

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Management & Operational Headquarters

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

FY 2003 Baseline Funding.....	\$	241,590
3. Reprogrammings/Supplemental		
Reprogrammings		
Decreases		
Foreign Currency Fluctuation	\$	-216
Total Reprogrammings	\$	-216
Revised FY 2003 Current Estimate.....	\$	241,374
4. Price Change.....	\$	5,845
5. Program Increases		
a) Annualization of New FY 2003 Program		
b) One-Time FY 2004 Costs		
Additional Compensable Day in FY 2004	\$	495
There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).		
Total Program Increases	\$	495
c) Program Growth in FY 2004		

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Management & Operational Headquarters

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Decreases

Program Decreases in FY 2004

Business Reengineering Initiatives\$ -4,681

This decrease represents the anticipated reduction in operational costs in the Army Management Headquarters Activities (AMHA) and the Army Management Headquarters Activities in Field Operating Agencies in FY 2004 as the result of Army's Business Reengineering Initiatives.

FY 2004 Budget Request.....\$ 243,033

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Management & Operational Headquarters

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	1,521	2,560	2,566	2,470	6	-96
Officer	773	1,367	1,422	1,368	55	-54
Enlisted	748	1,193	1,144	1,102	-49	-42
<u>Civilian End Strength (Total)</u>	2,298	2,173	2,072	1,981	-101	-91
U.S. Direct Hire	2,118	2,060	1,966	1,880	-94	-86
Foreign National Direct Hire	89	15	14	14	-1	0
Total Direct Hire	2,207	2,075	1,980	1,894	-95	-86
Foreign National Indirect Hire	91	98	92	87	-6	-5
<u>Military Average Strength (Total)</u>	1,729	2,040	2,562	2,518	522	-44
Officer	880	1,070	1,394	1,395	324	1
Enlisted	849	970	1,168	1,123	198	-45
<u>Civilian Full-Time Equivalent (Total)</u>	2,284	2,131	2,031	1,940	-100	-91
U.S. Direct Hire	2,169	2,020	1,927	1,841	-93	-86
Foreign National Direct Hire	16	15	14	14	-1	0
Total Direct Hire	2,185	2,035	1,941	1,855	-94	-86
Foreign National Indirect Hire	99	96	90	85	-6	-5

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	Line	Line	FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program
				Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount		Adjust	Percent	Amount	Amount	
0101	EXEC, GEN, SPEC SCHEDULE	178036		0	3.30%	5880	-8211	175705	0	2.54%	4457	-10277	169885	C	2.56%	4356	-8780	165461
0103	WAGE BOARD	171		0	1.17%	2	-108	65	0	1.54%	1	1	67	C	1.49%	1	C	68
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	272		-78	7.35%	20	237	451	151	3.10%	14	-26	590	86	2.03%	12	-1	690
0106	BENEFITS TO FORMER EMPLOYEES	0		0	0.00%	0	38	38	0	0.00%	C	1	39	C	0.00%	C	1	40
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	366		0	0.00%	0	-366	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0111	DISABILITY COMPENSATION	23160		0	0.00%	0	5594	28754	0	0.00%	C	1011	29765	C	0.00%	C	1056	30818
0199	TOTAL CIV PERSONNEL COMP	202005		-78	2.92%	5902	-2816	205013	151	2.18%	4472	-9290	200346	86	2.18%	4366	-7727	197077
0308	TRAVEL OF PERSONS	11482		0	1.10%	126	-5293	6315	0	1.50%	96	-462	5948	C	1.60%	96	-3031	3012
0399	TOTAL TRAVEL	11482		0	1.10%	126	-5293	6315	0	1.50%	96	-462	5948	C	1.60%	96	-3031	3012
0411	ARMY MANAGED SUPPLIES & MATERIALS	309		0	9.20%	28	118	455	0	4.50%	20	-9	466	C	1.50%	7	-16	458
0415	DLA MANAGED SUPPLIES & MATERIALS	326		0	3.50%	11	0	337	0	-2.90%	-10	-327	0	C	1.50%	C	C	0
0416	GSA MANAGED SUPPLIES & MATERIALS	36		0	1.10%	0	0	36	0	1.50%	1	-37	0	C	1.60%	C	C	0
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	671		0	5.81%	39	118	828	0	1.33%	11	-373	466	C	1.50%	7	-16	458
0502	ARMY EQUIPMENT	8		0	9.20%	1	67	76	0	4.50%	3	-9	70	C	1.50%	1	11	82
0506	DLA EQUIPMENT	23		0	3.50%	1	0	24	0	-2.90%	-1	-23	0	C	1.50%	C	C	0
0507	GSA MANAGED EQUIPMENT	118		0	1.10%	1	354	473	0	1.50%	7	3	483	C	1.60%	8	3	494
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	149		0	2.01%	3	421	573	0	1.57%	6	-29	553	C	1.63%	6	14	576
0633	DEFENSE PUBLICATION & PRINTING SERVICE	48		0	6.20%	3	0	51	0	-2.00%	-1	-50	0	C	0.30%	C	C	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	48		0	6.25%	3	0	51	0	-1.96%	-1	-50	0	C	0.00%	C	C	0
0717	MTMC GLOBAL POV	6		0	-14.70%	-1	0	5	0	15.60%	1	-6	0	C	4.60%	C	C	0
0771	COMMERCIAL TRANSPORTATION	613		0	1.10%	7	0	620	0	1.50%	6	-629	0	C	1.60%	C	C	0
0799	TOTAL TRANSPORTATION	619		0	0.97%	6	0	625	0	1.60%	10	-635	0	C	0.00%	C	C	0
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	4972		-639	2.74%	136	-626	3843	1254	2.97%	114	-256	4955	1342	3.19%	156	-267	6188
0914	PURCHASED COMMUNICATIONS	947		0	1.10%	10	0	957	0	1.50%	14	-971	0	C	1.60%	C	C	0
0917	POSTAL SERVICES (U.S.P.S.)	10		0	0.00%	0	0	10	0	0.00%	C	-10	0	C	0.00%	C	C	0
0920	SUPPLIES/MATERIALS (NON FUND)	7070		272	1.10%	81	3	7426	-623	1.50%	102	2725	9630	-646	1.60%	144	1156	10281
0921	PRINTING AND REPRODUCTION	73		0	1.10%	1	0	74	0	1.50%	1	-75	0	C	1.60%	C	C	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	442		0	1.10%	5	0	447	0	1.50%	7	-243	211	C	1.60%	3	2	216
0923	FACILITY MAINTENANCE BY CONTRACT	707		0	1.10%	8	0	715	0	1.50%	11	-726	0	C	1.60%	C	C	0
0925	EQUIPMENT PURCHASES (NON FUND)	6259		0	1.10%	69	0	6328	0	1.50%	96	1561	7984	C	1.60%	126	1123	9235
0932	MGMT & PROFESSIONAL SPT SVCS	1021		0	1.10%	11	-1032	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0933	STUDIES, ANALYSIS, & EVALUATIONS	1109		0	1.10%	12	-1121	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0934	ENGINEERING & TECHNICAL SERVICES	92		0	1.10%	1	-93	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0989	OTHER CONTRACTS	8198		0	1.10%	90	-119	8169	0	1.50%	122	4648	12940	C	1.60%	207	7946	21096
0999	OTHER PURCHASES	30900		-367	1.37%	424	-2988	27969	631	1.67%	467	6653	35720	693	1.79%	640	9963	47016
9999	GRAND TOTAL	245874		-445	2.64%	6503	-10558	241374	782	2.10%	5063	-4186	243033	782	2.11%	5120	-796	248139

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces Readiness Support
Subactivity Group: Unified Commands

I. Description of Operations Financed:

UNIFIED COMMANDS - This subactivity provides operational support to unified command headquarters for which the Army is executive agent, United States European Command (USEUCOM); United States Southern Command (USSOUTHCOM); and United States Forces Korea (USFK), the Army element of United States Pacific Command (USPACOM) Management Headquarters. As the designated executive agent, the Army is responsible for the day-to-day operational costs associated with the unified commands in supporting the Commander of Combatant Commands. In the USPACOM mission area, the Army has funding responsibility for the Army element of USFK only; the Navy is the executive agent.

II. Force Structure Summary:

Supports the unified command management headquarters and activities of the United States European Command (USEUCOM), United States Southern Command (USSOUTHCOM), and United States Forces Korea (USFK), and the Army element of United States Pacific Command (USPACOM). Cost driver for unified management headquarters is manpower/workyears.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Unified Commands

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Unified Commands	89,417	83,961	99,451	107,162	85,115	86,908
Total	89,417	83,961	99,451	107,162	85,115	86,908

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		83,961	107,162	85,115
Congressional Adjustments (Distributed)		18,800		
Congressional Adjustments (Undistributed)		-2,795		
Adjustments to Meet Congressional Intent		0		
General Provisions		-515		
SUBTOTAL APPROPRIATED AMOUNT		99,451		
Fact-of-Life Changes		7,803		
SUBTOTAL BASELINE FUNDING		107,254		
Anticipated Supplemental		0		
Reprogramming		-92		
Price Change			2,238	1,984
Functional Transfers			1,862	0
Program Changes			-26,147	-191
CURRENT ESTIMATE		107,162	85,115	86,908

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Unified Commands

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	83,961
1. Congressional Adjustments		
a) Distributed Adjustments		
1) CINC Antiterrorism/Force Protection Staff	\$	9,400
2) U.S. Army, Pacific (USARPAC) Command, Control, Communications and Computers (C4) Shortfalls	\$	5,100
3) U.S. Army, Pacific (USARPAC) C4I PACMERS	\$	4,300
Total Distributed Adjustments	\$	18,800
b) Undistributed Adjustments		
1) Unobligated Balance	\$	-78
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-14
3) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-2,692
4) Undistributed Adjustment	\$	-11
Total Undistributed Adjustments	\$	-2,795
c) General Provisions		
1) Section 8082 - Foreign Currency Fluctuations	\$	-222
2) Section 8135 - Revised Economic Assumptions	\$	-205
3) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-40
4) Section 8133 - Travel	\$	-10

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Unified Commands

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

c) General Provisions (Continued)

5) Section 8103 - Government Purchase Card Savings\$ -38

Total General Provisions\$ -515

FY 2003 Appropriated Amount.....\$ 99,451

2. Fact-of-Life Changes

Emergent Requirements

1) One-Time Costs

Military Training Specific Allotment (MTSA) Pilot Program\$ -133

Military Training Service Support Pilot Program to
test, analyze and implement the Army's proposed initiative
to distribute funds for training service support
requirements for Temporary Duty students to the
installations that train the soldier.

2) Program Growth

Combatant Commander Support\$ 7,936

To support increased mission requirements as a result
of the Global War on Terrorism efforts.

Total Emergent Requirements\$ 7,803

FY 2003 Baseline Funding.....\$ 107,254

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Unified Commands

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -92

Total Reprogrammings\$ -92

Revised FY 2003 Current Estimate.....\$ 107,162

4. Price Change.....\$ 2,240

5. Functional Transfers

a) Transfers In

Transfer of The Atlantic Area Responsibility\$ 1,862

This transfer is due to the ratification of Unified Command Plan (UCP) in June 2002, which required the transfer of the Atlantic Area of responsibility from the U.S. Joint Forces Command (USJFCOM) to U.S. European Command (EUCOM). Under this new plan, EUCOM will gain responsibility for Greenland, Iceland, and the Azores. Therefore, the transfer of the subunified command (Iceland Defense Forces and U.S. Forces Azores) personnel and funding from the Navy, the executive agent for USJFCOM, will be provided to the Army, the executive agent for EUCOM.

Total Transfers In\$ 1,862

b) Transfers Out

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Unified Commands

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 84
 There will be an additional compensable workday in FY 2004.
 This results in an increase in civilian manpower costs due to
 a greater number of workdays in FY 2004 (262 days) as compared
 to FY 2003 (261 days).

b) Program Growth in FY 2004

Total Program Increases\$ 84

7. Program Decreases

a) One-Time FY 2003 Costs

1) Army-Wide Information System Support to Unified Commands\$ -10,586
 (FY 2003 Base \$10,607) Decrease is caused by a one-
 time Congressional Defense Emergency Relief Fund (DERF)
 augmentation in FY 2003, providing resources for non-Base
 Operations Support force protection officers and staff to
 Anti-Terrorism/Force Protection (AT/AF) missions.

2) Antiterrorism/Force Protection Officers\$ -7,760
 (FY 2003 Base \$10,607) Decrease is caused by a one-
 time Congressional Defense Emergency Relief Fund (DERF)
 augmentation in FY 2003, providing resources for non-Base
 Operations Support force protection officers and staff to
 Anti-Terrorism/Force Protection (AT/AF) missions.

Total One-Time FY 2003 Costs\$ -18,346

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Unified Commands

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases (Continued)

b) Program Decreases in FY 2004

- 1) Combatant Commanders Headquarters Activities\$ -4,307
 FY 2003 Base (\$39,985) Decrease is the result of Army's objective to streamline headquarters and resources to create a more agile and responsive staffs, reduce layers of review and approval, and allow Commanders of the Combatant Command in the European Command (EUCOM), Southern Command (SOUTHCOM), and Pacific Command (PACOM) which includes Headquarters, U. S. Forces, Korea (USFK) to focus on their core warfighting tasks.

- 2) Traditional Combatant Commander's Activities\$ -3,580
 (FY 2003 Base \$32,935) This decrease is caused by a one-time FY 2003 increase in mission requirements in support of promoting regional stability in other nations.

Total Program Decreases in FY 2004\$ -7,887

FY 2004 Budget Request.....\$ 85,115

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Unified Commands

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	969	1,131	1,122	1,122	-9	0
Officer	615	746	736	736	-10	0
Enlisted	354	385	386	386	1	0
<u>Civilian End Strength (Total)</u>	319	336	366	366	30	0
U.S. Direct Hire	298	319	346	346	27	0
Foreign National Direct Hire	10	7	10	10	3	0
Total Direct Hire	308	326	356	356	30	0
Foreign National Indirect Hire	11	10	10	10	0	0
<u>Military Average Strength (Total)</u>	774	1,049	1,126	1,122	77	-4
Officer	497	680	741	736	61	-5
Enlisted	277	369	385	386	16	1
<u>Civilian Full-Time Equivalent (Total)</u>	338	342	379	379	37	0
U.S. Direct Hire	326	325	359	359	34	0
Foreign National Direct Hire	1	7	10	10	3	0
Total Direct Hire	327	332	369	369	37	0
Foreign National Indirect Hire	11	10	10	10	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	134	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	25645	0	3.47%	889	154	26688	0	2.93%	781	2691	30160	C	2.66%	800	-30	30924
0103	WAGE BOARD	102	0	1.96%	2	-28	76	0	2.63%	2	1	79	C	1.27%	1	C	80
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	236	-31	3.81%	9	7	221	65	5.43%	12	216	514	4C	2.53%	13	-4	563
0105	SEPARATION LIABILITY (FNDH)	0	0	0.00%	0	1	1	0	0.00%	C	0	1	C	0.00%	C	C	1
0199	TOTAL CIV PERSONNEL COMP	25983	-31	3.46%	900	134	26986	65	2.95%	790	2908	30754	4C	2.66%	817	-43	31568
0308	TRAVEL OF PERSONS	27387	0	1.10%	301	500	28188	0	1.50%	420	-416	28195	C	1.60%	451	-320	28318
0399	TOTAL TRAVEL	27387	0	1.10%	301	500	28188	0	1.50%	420	-416	28195	C	1.60%	451	-320	28318
0401	DFSC FUEL	19	0	-16.00%	-3	-16	0	0	8.30%	C	0	0	C	3.30%	C	C	0
0411	ARMY MANAGED SUPPLIES & MATERIALS	923	0	9.20%	84	141	1148	0	4.50%	51	-23	1176	C	1.50%	17	-30	1155
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	0	0	10.30%	0	2	2	0	18.30%	C	0	2	C	10.30%	C	C	2
0415	DLA MANAGED SUPPLIES & MATERIALS	1106	0	3.50%	38	1018	2162	0	-2.90%	-60	-253	1846	C	1.50%	27	67	1940
0416	GSA MANAGED SUPPLIES & MATERIALS	84	0	1.10%	1	36	121	0	1.50%	2	0	123	C	1.60%	2	C	125
0417	LOCALLY PROCURED DOD CENTRALLY	80	0	1.10%	0	204	284	0	1.50%	4	-22	266	C	1.60%	4	-4	266
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	2212	0	5.42%	120	1385	3717	0	-0.16%	-0	-298	3413	C	1.46%	50	20	3488
0502	ARMY EQUIPMENT	1	0	9.20%	0	5	6	0	4.50%	C	0	6	C	1.50%	C	C	6
0506	DLA EQUIPMENT	0	0	3.50%	0	18	18	0	-2.90%	C	0	18	C	1.50%	C	1	19
0507	GSA MANAGED EQUIPMENT	1150	0	1.10%	12	45	1207	0	1.50%	10	-14	1211	C	1.60%	10	-10	1215
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	1151	0	1.04%	12	68	1231	0	1.46%	10	-14	1235	C	1.54%	10	-14	1240
0633	DEFENSE PUBLICATION & PRINTING SERVICE	35	0	6.20%	2	-22	15	0	-2.00%	C	-3	12	C	0.30%	C	C	12
0649	AIR FORCE INFORMATION SERVICES	50	0	9.50%	5	-55	0	0	8.70%	C	0	0	C	1.60%	C	C	0
0671	COMMUNICATIONS SERVICES (DISA) TIER 2	6	0	1.10%	0	20	26	0	0.00%	C	0	26	C	1.60%	C	C	26
0678	DEFENSE SECURITY SERVICE	11	0	7.90%	1	-12	0	0	3.00%	C	0	0	C	0.00%	C	C	0
0679	COST REIMBURSABLE PURCHASES	227	0	1.10%	2	-229	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	329	0	3.04%	10	-298	41	0	0.00%	C	-3	38	C	0.00%	C	C	38
0707	AMC TRAINING	97	0	-1.90%	-2	-95	0	0	2.70%	C	0	0	C	1.00%	C	C	0
0771	COMMERCIAL TRANSPORTATION	228	0	1.10%	2	-85	145	0	1.50%	2	-2	145	C	1.60%	2	-2	145
0799	TOTAL TRANSPORTATION	325	0	0.00%	0	-180	145	0	1.38%	2	-2	145	C	1.38%	2	-2	145
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	577	0	4.16%	24	92	693	0	2.60%	10	1	712	C	2.67%	10	C	731
0913	PURCHASED UTILITIES	38	0	1.10%	0	-23	15	0	1.50%	C	0	15	C	1.60%	C	C	15
0914	PURCHASED COMMUNICATIONS	1188	0	1.10%	13	-165	1036	0	1.50%	10	84	1136	C	1.60%	10	-10	1136
0920	SUPPLIES/MATERIALS (NON FUND)	4470	-234	1.10%	46	1773	6055	227	1.50%	90	-2286	4091	250	1.60%	60	-247	4165
0921	PRINTING AND REPRODUCTION	62	0	1.10%	1	-60	3	0	1.50%	C	5	8	C	1.60%	C	C	8
0922	EQUIPMENT MAINTENANCE BY CONTRACT	747	0	1.10%	8	469	1224	0	1.50%	10	-369	873	C	1.60%	14	-14	873
0923	FACILITY MAINTENANCE BY CONTRACT	273	0	1.10%	3	-201	75	0	1.50%	1	-1	75	C	1.60%	1	-1	75
0925	EQUIPMENT PURCHASES (NON FUND)	4245	0	1.10%	47	-481	3811	0	1.50%	57	12	3880	C	1.60%	60	-12	3930
0932	MGMT & PROFESSIONAL SPT SVCS	2874	0	1.10%	31	-1249	1656	0	1.50%	20	7	1688	C	1.60%	27	7	1722
0933	STUDIES, ANALYSIS, & EVALUATIONS	1609	0	1.10%	18	405	2032	0	1.50%	30	6	2068	C	1.60%	30	0	2106
0934	ENGINEERING & TECHNICAL SERVICES	2387	0	1.10%	26	-839	1574	0	1.50%	24	-17	1581	C	1.60%	20	10	1620
0937	LOCALLY PURCHASED FUEL	21	0	-16.00%	-3	-18	0	0	8.30%	C	0	0	C	3.30%	C	C	0
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	2763	0	1.10%	30	-278	2515	0	1.50%	30	-53	2500	C	1.60%	40	-40	2500
0989	OTHER CONTRACTS	10757	0	1.10%	119	15289	26165	0	1.50%	394	-23851	2708	C	1.60%	40	470	3230

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	134	Totals																	
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005	
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount			
0998	OTHER COSTS	19	0	0	1.10%	0	-19	0	0	1.50%	0	0	0	0	1.60%	0	0	0	0
0999	OTHER PURCHASES	32030	-234	1.13%	363	14695	46854	227	1.53%	716	-26462	21335	252	1.65%	352	171	22111		
9999	GRAND TOTAL	89417	-265	1.91%	1706	16304	107162	292	1.82%	1942	-24287	85115	292	1.99%	1692	-191	86908		

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Operating Forces
Activity Group: Land Forces Readiness Support
Subactivity Group: Miscellaneous Activities

I. Description of Operations Financed:

ADDITIONAL ACTIVITIES - This subactivity represents the operational support for special Army activities that are not funded elsewhere in the Land Forces program. These include:

Active Army Support to Commander of Combatant Commands Counter-Drug Program - These funds, which support the Combatant Command's counter-drug program, are transferred to the Army from the Department of Defense Counter Drug Account in the year of execution. Since this is an Office, Secretary of Defense (OSD) controlled activity, budgeting and programming are the responsibility of OSD. Any changes or adjustments made in executing the program must have prior approval from OSD.

Special Programs - Resources reflected in this category support special activities and programs including the Medical Nuclear, Biological, and Chemical (NBC) Defense Program, and the DoD Critical Infrastructure/Domestic Preparedness Program/Weapons of Mass Destruction Program.

Contingency Operations (CONOPS) for Operating Forces, Budget Activity 1, are executed in this subactivity and are reflected in the FY 2002 Actual column of the Financial Summary. The Balkan Operations, both Bosnia and Kosovo, and Southwest Asia (SWA) have been taken out of the Overseas Contingency Operations Transfer Fund and are now being incorporated into this program as a recurring or on-going program for which the Army has received funding that extends through the budget and into the out years.

II. Force Structure Summary:

The execution data for the Commander of Combatant Command's Counter Drug Program and Contingency Operations, resources for which are received from the Office of the Secretary of Defense in the year of execution, are captured in this subactivity. Performance criteria for these programs are provided under separate cover.

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Miscellaneous Activities

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Miscellaneous Activities	3,143,503	1,607,610	1,522,663	1,436,795	1,562,793	1,595,700
Total	3,143,503	1,607,610	1,522,663	1,436,795	1,562,793	1,595,700

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		1,607,610	1,436,795	1,562,793
Congressional Adjustments (Distributed)		15,000		
Congressional Adjustments (Undistributed)		-58,028		
Adjustments to Meet Congressional Intent		-12,700		
General Provisions		-29,219		
SUBTOTAL APPROPRIATED AMOUNT		1,522,663		
Fact-of-Life Changes		-82,876		
SUBTOTAL BASELINE FUNDING		1,439,787		
Anticipated Supplemental		0		
Reprogramming		-2,992		
Price Change			36,054	32,693
Functional Transfers			0	0
Program Changes			89,944	214
CURRENT ESTIMATE		1,436,795	1,562,793	1,595,700

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Miscellaneous Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$1,607,610
1. Congressional Adjustments	
a) Distributed Adjustments	
Nuclear Posture Review-Information Security Systems	\$ 15,000
Total Distributed Adjustments	\$ 15,000
b) Undistributed Adjustments	
1) Balkans Contingency Operations Cost Reduction	\$ -50,000
2) Unobligated Balance	\$ -5,721
3) Federal Employees Compensation Act (FECA) Surcharge	\$ -1,008
4) Civil Service Retirement System (CSRS) Accrual Reversal	\$ -441
5) Undistributed Adjustment	\$ -858
Total Undistributed Adjustments	\$ -58,028
c) Adjustments to Meet Congressional Intent	
1) Security, Communication and Information Operations	\$ 2,300
2) Nuclear Posture Review-Information Security Systems	\$ -15,000
Total Adjustments to Meet Congressional Intent	\$ -12,700
d) General Provisions	
1) Section 8082 - Foreign Currency Fluctuations	\$ -6,074
2) Section 8135 - Revised Economic Assumptions	\$ -15,407

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Miscellaneous Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

1. Congressional Adjustments (Continued)

d) General Provisions (Continued)

3) Section 8133 - Travel	\$ -2,023
4) Section 8103 - Government Purchase Card Savings	\$ -2,743
5) Section 8100 - Business Process Reforms/Management Efficiencies	\$ -2,972

Total General Provisions\$ -29,219

FY 2003 Appropriated Amount.....\$1,522,663

2. Fact-of-Life Changes

Emergent Requirements

Program Reductions

a) Contingency Operations (CONOPS) Support	\$ -78,387
Funds were realigned to OMA Subactivity Groups 325, Base Operations Support, 411, Security Programs, 421, Servicewide Transportation, and 435, Other Service Support in support of emergent Balkan Operations requirements.	
b) Command and Control	\$ -4,489
The Army is managing risk. Realignment to meet higher mission emergent requirements.	

Total Program Reductions\$ -82,876

FY 2003 Baseline Funding.....\$1,439,787

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
 Subactivity Group: Miscellaneous Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -2,992

Revised FY 2003 Current Estimate.....\$1,436,795

4. Price Change.....\$ 36,054

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 13

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

b) Program Growth in FY 2004

Guantanamo Bay\$ 91,906

(FY 2003 Base: \$0) Beginning in FY 2004, Army is provided increased funding for detainee operations and Executive Agency responsibility for the U.S. Coast Guard coastal security mission at Guantanamo Bay, Cuba. The Army plans increased command and control, communications, and computer, information requirements, transportation of personnel, goods and equipment and consumable items in support of day-to-day mission requirements. Generally, this is reflected in the OP-32 lines 0914, Purchased Communication and 0989, Other Contracts.

Total Program Increases\$ 91,919

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Miscellaneous Activities

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Decreases

Program Decreases in FY 2004

Contingency Operations (CONOPS)\$ -1,975
(FY 2003 Base: \$198,329) Contingency Operations in the
Balkans anticipate a program decrease due to the NATO
Council's decision to reduced the number of troops and closure
of Base Camp Comanche.

Total Program Decreases\$ -1,975

FY 2004 Budget Request.....\$1,562,793

Budget Activity/Activity Group: Operating Forces/Land Forces Readiness Support
Subactivity Group: Miscellaneous Activities

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u> <u>FY 2003/FY 2004</u>	<u>Change</u> <u>FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	486	638	707	707	69	0
Officer	29	92	91	91	-1	0
Enlisted	457	546	616	616	70	0
<u>Civilian End Strength (Total)</u>	474	60	63	63	3	0
U.S. Direct Hire	434	60	63	63	3	0
Foreign National Direct Hire	1	0	0	0	0	0
Total Direct Hire	435	60	63	63	3	0
Foreign National Indirect Hire	39	0	0	0	0	0
<u>Military Average Strength (Total)</u>	524	561	672	707	111	35
Officer	27	60	91	91	31	0
Enlisted	497	501	581	616	80	35
<u>Civilian Full-Time Equivalent (Total)</u>	719	60	63	63	3	0
U.S. Direct Hire	580	60	63	63	3	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	580	60	63	63	3	0
Foreign National Indirect Hire	139	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	135	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	44621	0	0.31%	137	-40561	4197	0	2.69%	113	182	4492	C	2.60%	117	-10	4599
0103	WAGE BOARD	1243	0	0.00%	0	-1243	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0106	BENEFITS TO FORMER EMPLOYEES	0	0	0.00%	0	1	1	0	0.00%	C	0	1	C	0.00%	C	C	1
0199	TOTAL CIV PERSONNEL COMP	45864	0	0.30%	137	-41803	4198	0	2.69%	113	182	4493	C	2.60%	117	-10	4600
0308	TRAVEL OF PERSONS	257764	0	1.10%	2835	-124634	135965	0	1.50%	2035	410	138414	C	1.60%	2215	275	140904
0399	TOTAL TRAVEL	257764	0	1.10%	2835	-124634	135965	0	1.50%	2035	410	138414	C	1.60%	2215	275	140904
0401	DFSC FUEL	23865	0	-16.00%	-3818	-5719	14328	0	8.30%	1185	-159	15358	C	3.30%	507	512	16377
0402	SERVICE FUEL	38	0	-16.00%	-6	875	907	0	8.30%	75	358	1340	C	3.30%	44	-444	940
0411	ARMY MANAGED SUPPLIES & MATERIALS	413141	0	9.20%	38009	-150435	300715	0	4.50%	13532	2659	316906	C	1.50%	4754	-781	320879
0412	NAVY MANAGED SUPPLIES & MATERIALS	152	0	9.60%	15	-167	0	0	6.10%	C	0	0	C	4.00%	C	C	0
0414	AIR FORCE MANAGED SUPPLIES & MATERIALS	321	0	10.30%	33	-354	0	0	18.30%	C	0	0	C	10.30%	C	C	0
0415	DLA MANAGED SUPPLIES & MATERIALS	199733	0	3.50%	6990	-149400	57323	0	-2.90%	-1662	-8639	47022	C	1.50%	705	1825	49555
0416	GSA MANAGED SUPPLIES & MATERIALS	47967	0	1.10%	527	-33659	14835	0	1.50%	223	-234	14824	C	1.60%	237	-151	14910
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	685217	0	6.09%	41750	-338859	388108	0	3.44%	13357	-6015	395450	C	1.58%	6247	964	402661
0502	ARMY EQUIPMENT	5922	0	9.20%	545	12518	18985	0	4.50%	854	-685	19154	C	1.50%	287	2	19443
0503	NAVY EQUIPMENT	115	0	9.60%	11	-126	0	0	6.10%	C	0	0	C	4.00%	C	C	0
0505	AIR FORCE EQUIPMENT	345	0	10.30%	36	-381	0	0	18.30%	C	0	0	C	10.30%	C	C	0
0506	DLA EQUIPMENT	7778	0	3.50%	272	15450	23500	0	-2.90%	-681	-992	21827	C	1.50%	327	2065	24223
0507	GSA MANAGED EQUIPMENT	13922	0	1.10%	153	-5549	8526	0	1.50%	125	-136	8518	C	1.60%	135	-73	8581
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	28082	0	3.62%	1017	21912	51011	0	0.59%	301	-1813	49499	C	1.52%	750	1995	52247
0601	ARMY (ORDNANCE)	2	0	-27.00%	-1	-1	0	0	1.40%	C	0	0	C	10.10%	C	C	0
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	668	0	5.30%	35	300	1003	0	8.30%	83	727	1813	C	2.00%	35	-615	1234
0633	DEFENSE PUBLICATION & PRINTING SERVICE	260	0	6.20%	16	-276	0	0	-2.00%	C	0	0	C	0.30%	C	C	0
0662	DEPOT MAINTENANCE (AIR FORCE): CONTRACT	114	0	4.50%	5	-119	0	0	-7.50%	C	0	0	C	4.50%	C	C	0
0671	COMMUNICATIONS SERVICES (DISA) TIER 2	191	0	1.10%	2	1	194	0	0.00%	C	294	488	C	1.60%	5	C	496
0678	DEFENSE SECURITY SERVICE	64	0	7.90%	5	-4	65	0	3.00%	2	553	620	C	0.00%	C	11	631
0679	COST REIMBURSABLE PURCHASES	964	0	1.10%	11	3	978	0	1.50%	15	3	996	C	1.60%	15	2	1014
0699	TOTAL INDUSTRIAL FUND PURCHASES	2263	0	3.23%	73	-96	2240	0	4.46%	100	1577	3917	C	1.53%	60	-602	3375
0701	AMC CARGO (FUND)	0	0	11.00%	0	762	762	0	1.70%	13	937	1712	C	0.60%	10	-43	1679
0703	AMC SAAM/JCS EXERCISES	251656	0	0.04%	101	-199757	52000	0	-1.30%	-675	676	52000	C	1.60%	832	-832	52000
0705	AMC CHANNEL CARGO	447359	0	11.00%	49209	-421414	75154	0	1.70%	1275	3355	79787	C	0.60%	475	-1835	78431
0708	MSC CHARTERED CARGO	13631	0	37.40%	5098	-18689	40	0	-42.70%	-17	17	40	C	4.80%	2	-2	40
0716	MSC SURGE SEALIFT (FSS & LMSR)	4044	0	-8.70%	-352	-3692	0	0	-5.40%	C	0	0	C	-0.10%	C	C	0
0717	MTMC GLOBAL POV	2	0	-14.70%	0	-2	0	0	15.60%	C	0	0	C	4.60%	C	C	0
0719	MTMC CARGO OPERATIONS (PORT HANDLING)	3914	0	-38.30%	-1499	-2299	116	0	20.00%	23	-21	118	C	4.20%	5	-3	120
0725	MTMC (OTHER) (CANCELLED)	1	0	1.10%	0	-1	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0771	COMMERCIAL TRANSPORTATION	42934	0	1.10%	472	287	43693	0	1.50%	655	851	45199	C	1.60%	723	811	46733
0799	TOTAL TRANSPORTATION	763541	0	6.95%	53029	-644805	171765	0	0.74%	1275	5815	178856	C	1.15%	2051	-1904	179003
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	4299	0	0.00%	0	-4299	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0902	SEPARATION LIABILITY (FNIH)	6	0	0.00%	0	-6	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0913	PURCHASED UTILITIES	7238	0	1.10%	79	-5567	1750	0	1.50%	25	6	1782	C	1.60%	25	3	1814

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	135	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0914	PURCHASED COMMUNICATIONS	57186	0	1.10%	629	185	58000	0	1.50%	870	8130	67000	0	1.60%	1071	-2071	66000
0917	POSTAL SERVICES (U.S.P.S.)	283	0	0.00%	0	-283	0	0	0.00%	0	0	0	0	0.00%	0	0	0
0920	SUPPLIES/MATERIALS (NON FUND)	123139	0	1.10%	1354	-50193	74300	0	1.50%	1114	8099	83513	0	1.60%	1336	-2097	82752
0921	PRINTING AND REPRODUCTION	2677	0	1.10%	30	-2707	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0922	EQUIPMENT MAINTENANCE BY CONTRACT	116390	0	1.10%	1280	-46437	71233	0	1.50%	1068	5754	78055	0	1.60%	1249	-1894	77410
0923	FACILITY MAINTENANCE BY CONTRACT	466754	0	1.10%	5134	-176769	295119	0	1.50%	4427	9248	308794	0	1.60%	4941	-2359	311382
0925	EQUIPMENT PURCHASES (NON FUND)	87050	0	1.10%	957	-57032	30975	0	1.50%	468	-472	30968	0	1.60%	498	-478	30985
0928	SHIP MAINTENANCE BY CONTRACT	85	0	1.10%	1	-86	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0932	MGMT & PROFESSIONAL SPT SVCS	40219	0	1.10%	442	-40329	332	0	1.50%	5	-2	335	0	1.60%	5	2	342
0933	STUDIES, ANALYSIS, & EVALUATIONS	650	0	1.10%	8	-658	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0934	ENGINEERING & TECHNICAL SERVICES	7642	0	1.10%	84	-7726	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0937	LOCALLY PURCHASED FUEL	18261	0	-16.00%	-2921	-14434	906	0	8.30%	78	-76	905	0	3.30%	30	-14	921
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	40326	0	1.10%	443	-14002	26767	0	1.50%	401	98	27266	0	1.60%	438	58	27757
0988	GRANTS	1	0	1.10%	0	-1	0	0	1.50%	0	0	0	0	1.60%	0	0	0
0989	OTHER CONTRACTS	378994	-9056	1.10%	4069	-253436	120571	8429	1.50%	1938	58992	189927	8429	1.60%	3174	8339	209863
0998	OTHER COSTS	9572	0	1.10%	105	-6122	3555	0	1.50%	59	11	3619	0	1.60%	58	7	3684
0999	OTHER PURCHASES	1360772	-9056	0.86%	11694	-679902	683508	8429	1.53%	10439	89788	792164	8429	1.62%	12824	-507	812910
9999	GRAND TOTAL	3143503	-9056	3.52%	110535	-1808187	1436795	8429	1.92%	27625	89944	1562793	8429	1.55%	24264	214	1595700

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Mobilization
Activity Group: Mobility Operations
Subactivity Group: Strategic Mobility

I. Description of Operations Financed:

STRATEGIC MOBILITY - Strategic Mobility consists of the Army Power Projection Program (AP3), which supports Combatant Commander Operation Plans (OPLANs), the Defense Planning Guidance (DPG) and the Army Vision deployment objectives. It is the bridge that links legacy and objective force projections. AP3 seeks a balanced, synchronized, rapid fort to foxhole capability into areas of operations, without relying on conventional Sea and Aerial Ports of Debarkation, where an adversary's anti-access efforts will be focused. Now and throughout Army Transformation, AP3 enables the Army to rapidly deploy a versatile, lethal, expandable, and sustainable CONUS-based military force capable of achieving decisive victory.

Subactivity Group 211 funds three major AP3 efforts: (1) prepositioning of combat materiel (both afloat and ashore) (2) Power Projection outloading, and (3) readiness training. Army Prepositioned Stocks afloat include the leasing costs to operate Military Sealift Command controlled ships strategically located for rapid power projection and the maintenance of materiel stored on these ships. Prepo afloat costs also include Government-owned watercraft assets prepositioned in Combatant Commanders' areas of operation. The Army also pays its share of the Oman Access Fee and Bahrain Lease for critical storage space for operational projects and medical stocks. Power Projection outloading enhances force projection capabilities from CONUS installations to/through ports of embarkation. Readiness training includes annual Sea Emergency Deployment Readiness Exercises (SEDREs) conducted to ensure Contingency Force units sustain force projection capabilities and meet deployment standards. Funding also supports force projection modeling, studies and analyses of strategic mobility and prepositioning issues.

The FY 2004 budget reflects the reconfiguration of prepositioned stocks in Europe. It also supports the establishment of the facility operations in both Central Command (CENTCOM) and Pacific Command (PACOM) areas of responsibility. Funding pays for the storage, Care of Supplies in Storage (COSIS) and other operations and support costs associated with the prepositioning of selected Army watercraft unit sets at Yokohama North Dock, Japan and in Southwest Asia to enhance intratheater mobility and distribution capability in PACOM and CENTCOM theater of operations, respectfully. CENTCOM and PACOM are key theaters in the Global War on Terrorism. Stocks include watercraft and the associated ground support equipment for a heavy boat company (10 Landing Craft Utility 2000s), a medium boat platoon (8 Landing Craft Mechanized 8s), a floating craft company and a modular causeway company.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Strategic Mobililty

II. Force Structure Summary:

This budget activity supports the current National Military Strategy and the Defense Planning Guidance by providing an immediate response capability to deploying forces. AP3 is a key component of Army Transformation as the Army enhances its strategic mobility capabilities to be able to deploy a combat capable brigade anywhere in the world within 96 hours, a warfighting division in 120 hours and five divisions in 30 days. The Defense Planning Guidance articulates new, challenging standards for deployability and employability that virtually mandate the use of these power projection capabilities to successfully achieve this mission.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Strategic Mobililty

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Strategic Mobililty	381,237	365,257	360,424	342,074	378,432	368,031
Total	381,237	365,257	360,424	342,074	378,432	368,031

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	365,257	342,074	378,432
Congressional Adjustments (Distributed)	0		
Congressional Adjustments (Undistributed)	-1,443		
Adjustments to Meet Congressional Intent	0		
General Provisions	-3,390		
SUBTOTAL APPROPRIATED AMOUNT	360,424		
Fact-of-Life Changes	-18,124		
SUBTOTAL BASELINE FUNDING	342,300		
Anticipated Supplemental	0		
Reprogramming	-226		
Price Change		22,086	4,594
Functional Transfers		0	0
Program Changes		14,272	-14,995
CURRENT ESTIMATE	342,074	378,432	368,031

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Strategic Mobility

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	365,257
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-724
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-96
3) Unobligated Balance	\$	-542
4) Undistributed Adjustment	\$	-81
Total Undistributed Adjustments	\$	-1,443
b) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-283
2) Section 8082 - Foreign Currency Fluctuations	\$	-1,320
3) Section 8103 - Government Purchase Card Savings	\$	-261
4) Section 8135 - Revised Economic Assumptions	\$	-1,478
5) Section 8133 - Travel	\$	-48
Total General Provisions	\$	-3,390
FY 2003 Appropriated Amount.....	\$	360,424

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Strategic Mobility

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

Emergent Requirements

Program Reductions

Army Watercraft Restructuring Plan\$ -18,124

The program decrease is a result of the Army reducing its requirement from 15 to 13 ships in FY03. These funds were realigned to Subactivity Group 421 for Second Destination Transportation (SDT) costs to move Army Watercraft to Japan to forward position watercraft as part of Army Prepositioned Stock-Pacific (APS-4) and Subactivity Groups 423 and 432 to cover must fund requirements for Logistics Civil Augmentation Program (LOGCAP) and Field Support Activity.

FY 2003 Baseline Funding.....\$ 342,300

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation\$ -226

Revised FY 2003 Current Estimate.....\$ 342,074

4. Price Change.....\$ 22,086

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Strategic Mobility

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases

a) One-Time FY 2004 Costs

Additional Compensable Day in FY 2004\$ 30

There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 30

b) Program Growth in FY 2004

1) Army Watercraft Assets\$ 34,577

(FY 2003 Base: \$0) This increase supports the Army's decision to preposition watercraft assets in the Combatant Commanders' areas of operations for more strategic responsiveness. Funding was realigned for the APS Afloat program and pays for the storage, Care of Supplies in Storage (COSIS) and other operations and support costs associated with the repositioning of selected Army watercraft unit sets at Yokohama North Dock, Japan in the Pacific Command (PACOM) theater of operations and in Southwest Asia to enhance intratheater mobility and distribution capability in the Central Command (CENTCOM) theater of operations to enhance intratheater mobility and distribution capability. CENTCOM and PACOM are key theaters in the Global War on Terrorism. Stocks include watercraft and the associated ground support equipment for a heavy boat company (10 Landing Craft Utility 2000s), a medium boat platoon (8 Landing Craft Mechanized 8s), a floating craft company and a modular causeway company. The funding increase is reflected in the OP-32 line 922.

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Strategic Mobility

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

5. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

2) Medical Potency & Dated Supply Readiness\$ 348
 (FY 2003 Base: \$4,954) Funding supports requirement
 to replace Unit Deployment Packages (UDP).

Total Program Growth in FY 2004\$ 34,925

6. Program Decreases

Program Decreases in FY 2004

1) Army Prepositioned Stocks Afloat\$ -16,966
 (FY 2003 Base: \$310,505) The program decrease is a
 result of the Army reducing its requirement from 15 to 13
 in FY03 and from 13 to 12 in FY04 as a result of the
 Army's decision to preposition the watercraft assets in
 the Combatant Commanders' areas of operations for more
 strategic responsiveness. The FY 2004 budget pays the
 charges to lease and operate the 12 ships. The funding
 decrease is reflected in the OP-32 line 715.

2) Power Projection Outload\$ -2,466
 (FY 2003 Base: 13,597) As part of the Army's
 reengineering effort, the Army is continuing strategic
 deployment readiness training as well as programming for a
 new initiative involving long-term assured access to
 commercial rail assets and management services. The FY
 2003 budget supported 2 Sea Emergency Deployment Readiness
 Exercises (SEDREs) and 1 Army Prepositioned Stock Afloat
 (APS-3) exercise. The FY 2004 budget will support 2
 SEDREs, start up costs for assured access to commercial
 rail equipment, and deployment analyses in support of the

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Strategic Mobility

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Decreases (Continued)

Program Decreases in FY 2004 (Continued)

2) Power Projection Outload (Continued)

Army Transformation. The FY04 reduction is due to the lack of the APS-3 exercise. The funding decrease is reflected in the OP-32 lines 308, 922, and 925.

3) Oman Access Fee and Bahrain Lease in Southwest Asia\$ -1,251

(FY 2003 Base: \$13,018) This decrease is due to a reduction in administrative costs. The Oman Access fee is the result of a formal agreement between the U.S. government and the Sultanate of Oman that enables the Army to store Army Prepositioned Stocks (APS) operational projects in Oman. The funding also pays for the Army's portion of annual lease costs for facilities in Bahrain. The funding decrease is reflected in the OP-32 lines 923 and 989.

Total Program Decreases in FY 2004\$ -20,683

FY 2004 Budget Request.....\$ 378,432

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Strategic Mobililty

IV. Performance Criteria and Evaluation Summary:

<u>Strategic Mobilization</u>	<u>Measure</u>	<u>FY 2002</u>	<u>*FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Total Number/Type of Prepositioned Ships in Army Strategic Mobility Program (Army Prepositioned Stocks (APS-3))	Qty	15	13	12	12
Large Medium Speed Roll-On/Roll-Off (LMSR) (Converted)	Qty	0	0	0	0
Large Medium Speed Roll-On/Roll-Off (LMSR) (New Build)	Qty	8	8	8	8
Container	Qty	4	4	4	4
Heavy Lift Prepositioned Ship (HLPS)	Qty	2	0	0	0
"T" Class Auxiliary Crane Ship (T-ACS)	Qty	1	1	0	0
Lighter Aboard Ship (LASH)	Qty	0	0	0	0
Storage Capacity	SqFt(M)	2	2	2	2
Total Deployment Readiness Exercises (Annual)	Qty	3	3	2	3
Sea Emergency Deployment Readiness Exercise (SEDRE)	Qty	2	2	2	2
Afloat Prepo Exercise (APS-3)	Qty	1	1	0	1

*FY 2003 funding will be realigned to reflect the Army Watercraft Restructuring Plan in the Rebaselining Report. The PB 03 submission requirement was 15 ships.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Strategic Mobility

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/ Description of Equipment and Supplies	FY 2002 Significant Activities	*FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
<p>APS-3 Afloat</p> <p>The fleet will consist of 12 ships in FY04:</p> <p>8 Large Medium Speed Roll-on Roll-off (LMSR)</p>	Diego Garcia, Indian Ocean	<p>4 LMSRs with 2x2 Armor/Mech-anized Brigade (Bde)</p> <p>3 LMSRs with 75 support unit sets</p> <p>1 LMSR with 1x1 Armor/Mech Bde</p>	<p>2x2 Combat Brigade (2 Armor Battalions, 2 Mechanized Infantry Battalions) = 88 tanks, 500 armored vehicles, and 2000 other vehicles. Ammunition and supplies for 15 days for 4,500 soldiers.</p> <p>75 Corps and Theater support units with ammunition and supplies for 5,300 soldiers.</p> <p>1X1 Combat Brigade (1 Armor Battalion, 1 Mech Infantry Battalion) to be uploaded in Feb 03</p>	<p>Maint cycle on Combat Support/Combat Service Support LMSRs Dahl, Sisler and Pomeroy. Download LMSR Red Cloud and begin cargo maintenance cycle. Download LMSR Watkins in AOR.</p>	<p>Upload for LMSR Red Cloud at Charleston, SC. Upload LMSR Watkins in AOR. Maintenance cycle for LMSR Charlton and upload of 8th Bde with 1x1 AR/Mech Bde equivalent on LMSR Soderman at Charleston, SC in Feb 03. Download of LMSR Watkins at Charleston, SC with maintenance cycle and upload in FY-04.</p>	<p>LMSRs (1) Watkins, (2) Watson and (3) Pomeroy maintenance cycles at Charleston, SC. Download of LMSR Dahl at Charleston, SC with maintenance cycle continuing into FY-05.</p>	<p>Upload of LMSR Dahl at Charleston, SC. LMSRs Sisler and Red Cloud maintenance cycles at Charleston, SC. Download of LMSR Soderman at Charleston, SC with maintenance cycle continuing into FY-06.</p>

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Strategic Mobility

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	*FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
4 container ships (2 general cargo and 2 ammunition)	Guam, Pacific Ocean Diego Garcia, Indian Ocean	2 General Cargo Container Ships	30 days critical sustainment supply for a corps - 2800 containers and 400 vehicles and materiel handling equipment	General Cargo Container Ship (Gibson) maintenance cycle at Military Ocean Terminal Sunny Point (MOTSU), NC.	General Cargo Container Ship (Titus) maintenance cycle at MOTSU, NC.	General Cargo Container Ship (4) (Gibson) maintenance cycle at MOTSU, NC.	General Cargo Container Ship (Titus) maintenance cycle at MOTSU, NC.
	Diego Garcia, Indian Ocean	2 Munitions Container Ships	5,000 Ammunition Containers on two container ships sustaining 30 days or 3 Combat Loads (CBT LDS) sustainment supply for a corps.	Due to Motor Vessel Carter Engine Room Fire, upload of cargo was delayed from Aug 01 to Feb 02 (2,500 containers)	MV Page ammunition container ship maintenance cycle at MOTSU, NC.	(5) MV Carter ammunition container ship maintenance cycle at MOTSU, NC.	No maintenance cycles scheduled for munitions container ships.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Strategic Mobility

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/ Description of Equipment and Supplies	FY 2002 Significant Activities	*FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
2 Heavy Lift Prepo (HLPS)		2 Heavy Lift Prepo Ships	Port Opening Materiel - watercraft (Tugboats, large and medium Landing Craft, Barge Cranes, Water purification barge) trucks, and forklifts.	Strong Virginian maintenance cycle at Hythe, UK and download at Yokohama, Japan in Aug 02. American Cormorant download at Yokohama, Japan in Sep 02.	HLPS Ships no longer part of APS-3 fleet. Watercraft forward positioned in area of responsibility (AOR).	HLPS Ships no longer part of APS-3 fleet. Watercraft forward positioned in AOR.	HLPS Ships no longer part of APS-3 fleet. Watercraft forward positioned in AOR.
1 Auxiliary Crane Ship (TACS)	Guam, Pacific Ocean	1 Auxiliary Crane Ship	Vehicles, floating causeways. Used in port opening to form floating dock with crane and causeway to shore.		TACS Gopher State maintenance cycle in Hythe, UK with subsequent download (location TBD).	TACS Gopher State no longer part of APS-3 fleet. Modular Causeway Systems (MCS) forward positioned.	TACS Gopher State no longer part of APS-3 fleet. MCS forward positioned.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Strategic Mobility

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	8	247	247	247	0	0
Officer	4	80	80	80	0	0
Enlisted	4	167	167	167	0	0
<u>Civilian End Strength (Total)</u>	274	221	190	212	-31	22
U.S. Direct Hire	80	70	70	70	0	0
Foreign National Direct Hire	194	151	120	142	-31	22
Total Direct Hire	274	221	190	212	-31	22
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	137	127	247	247	120	0
Officer	43	42	80	80	38	0
Enlisted	94	85	167	167	82	0
<u>Civilian Full-Time Equivalent (Total)</u>	244	217	202	197	-15	-5
U.S. Direct Hire	88	69	69	69	0	0
Foreign National Direct Hire	156	148	133	128	-15	-5
Total Direct Hire	244	217	202	197	-15	-5
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	211	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	6650	0	2.93%	195	-1035	5810	0	2.65%	154	13	5977	C	2.63%	157	-10	6124
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	5976	0	2.84%	170	-1090	5056	0	2.43%	120	-515	4664	C	2.57%	120	-174	4610
0105	SEPARATION LIABILITY (FNDH)	0	0	0.00%	0	148	148	0	0.00%	C	-12	136	C	0.00%	C	-1	135
0199	TOTAL CIV PERSONNEL COMP	12626	0	2.89%	365	-1977	11014	0	2.51%	277	-514	10777	C	2.57%	277	-180	10869
0308	TRAVEL OF PERSONS	499	0	1.10%	5	137	641	0	1.50%	10	-10	641	C	1.60%	10	-10	635
0399	TOTAL TRAVEL	499	0	1.00%	5	137	641	0	1.56%	10	-10	641	C	1.56%	10	-10	635
0411	ARMY MANAGED SUPPLIES & MATERIALS	8304	0	9.20%	764	983	10051	0	4.50%	452	-209	10294	C	1.50%	154	-332	10116
0415	DLA MANAGED SUPPLIES & MATERIALS	6335	0	3.50%	222	-104	6453	0	-2.90%	-187	-458	5808	C	1.50%	87	104	5999
0416	GSA MANAGED SUPPLIES & MATERIALS	770	0	1.10%	8	7	785	0	1.50%	12	2	799	C	1.60%	12	2	814
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	15409	0	6.45%	994	886	17289	0	1.60%	277	-665	16901	C	1.50%	254	-220	16929
0507	GSA MANAGED EQUIPMENT	21	0	1.10%	0	0	21	0	1.50%	C	0	21	C	1.60%	C	1	22
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	21	0	0.00%	0	0	21	0	0.00%	C	0	21	C	0.00%	C	1	22
0601	ARMY (ORDNANCE)	39	0	-27.00%	-11	52	80	0	1.40%	1	314	395	C	10.10%	40	-90	345
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	110	0	5.30%	6	-116	0	0	8.30%	C	0	0	C	2.00%	C	C	0
0633	DEFENSE PUBLICATION & PRINTING SERVICE	5	0	6.20%	0	-5	0	0	-2.00%	C	0	0	C	0.30%	C	C	0
0673	DEFENSE FINANCING & ACCOUNTING SERVICE	21180	0	-4.50%	-953	-20227	0	0	14.20%	C	0	0	C	4.30%	C	C	0
0679	COST REIMBURSABLE PURCHASES	264	0	1.10%	3	-267	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	21598	0	-4.42%	-955	-20563	80	0	1.25%	1	314	395	C	10.13%	40	-90	345
0715	MSC APF (ARMY, DLA & AIR FORCE PREPO)	217003	0	11.70%	25389	-37992	204400	0	8.20%	16761	-20119	201042	C	-0.50%	-1000	-4630	195402
0719	MTMC CARGO OPERATIONS (PORT HANDLING)	5190	0	-38.30%	-1988	0	3202	0	20.00%	640	0	3842	C	4.20%	161	-100	3900
0771	COMMERCIAL TRANSPORTATION	2682	0	1.10%	29	285	2996	0	1.50%	40	993	4034	C	1.60%	60	-241	3858
0799	TOTAL TRANSPORTATION	224875	0	10.42%	23430	-37707	210598	0	8.28%	17440	-19126	208918	C	-0.37%	-770	-4970	203160
0913	PURCHASED UTILITIES	84	0	1.10%	1	45	130	0	1.50%	2	18	150	C	1.60%	2	-0	143
0914	PURCHASED COMMUNICATIONS	149	0	1.10%	2	-151	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0920	SUPPLIES/MATERIALS (NON FUND)	5209	0	1.10%	57	86	5352	0	1.50%	80	-33	5399	C	1.60%	80	12	5497
0922	EQUIPMENT MAINTENANCE BY CONTRACT	39680	0	1.10%	436	3750	43866	0	1.50%	650	23106	67630	C	1.60%	1080	-2940	65766
0923	FACILITY MAINTENANCE BY CONTRACT	1473	0	1.10%	16	-780	709	0	1.50%	11	-11	709	C	1.60%	11	-11	709
0925	EQUIPMENT PURCHASES (NON FUND)	6621	0	1.10%	73	-1928	4766	0	1.50%	71	-460	4377	C	1.60%	70	1041	5488
0932	MGMT & PROFESSIONAL SPT SVCS	703	0	1.10%	8	-711	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0934	ENGINEERING & TECHNICAL SERVICES	25	0	1.10%	0	-25	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0937	LOCALLY PURCHASED FUEL	19	0	-16.00%	-3	4	20	0	8.30%	2	-2	20	C	3.30%	1	C	21
0989	OTHER CONTRACTS	52244	-1545	1.10%	558	-3669	47588	2500	1.50%	751	11655	62494	2500	1.60%	1040	-7587	58447
0998	OTHER COSTS	2	0	1.10%	0	-2	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0999	OTHER PURCHASES	106209	-1545	1.08%	1148	-3381	102431	2500	1.54%	1570	34273	140779	2500	1.63%	2290	-9500	136071
9999	GRAND TOTAL	381237	-1545	6.55%	24987	-62605	342074	2500	5.73%	19580	14272	378432	2500	0.55%	2090	-14990	368031

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Mobilization
Activity Group: Mobility Operations
Subactivity Group: Army Prepositioned Stocks

I. Description of Operations Financed:

ARMY PREPOSITIONED STOCKS - The Army Prepositioned Stocks (APS) Program supports the Army's capability to project combat ready forces from the Continental United States (CONUS), Europe, Southwest Asia, Korea, Japan, and Hawaii to conduct operations anywhere in the world. Subactivity Group 212 provides funding for manpower, materials handling, other support equipment, necessary facilities and associated costs specifically required to receive, store, maintain and issue prepositioned stocks of materiel. The cost drivers for this subactivity group are the number of brigade and unit sets, operational projects, and quantities of sustainment supplies stored and maintained.

Six combat brigade equipment sets are at the center of this program. These sets enable CONUS based soldiers to fly in on 20 aircraft (accompanied by minimal amounts of personal equipment), draw a brigade set and deploy to battle positions in days instead of weeks. Four brigade sets are on land and two additional brigade sets are aboard ships (ship leases and other operations and support costs funded by Subactivity Group 211). Additional equipment sets include watercraft unit sets prepositioned in the Pacific (APS-4), Southwest Asia (APS-5) theaters (funded by Subactivity Group 211) and other Combat Support/Combat Service Support units. Also financed are Operational Projects, which are tailored sets of equipment and supplies configured for specific missions. Specific missions include airdrop resupply, base camps (Force Provider), mortuary affairs and pipeline operations. Also included are sustainment supplies, which enable unit and brigade sets, as well as reinforcing units, to operate in theater for the first 30-45 days of a major combat operation, until the supply train can reach them from CONUS. Sets are periodically exercised to practice issue procedures by using units, the Army Materiel Command and the Medical Command staffs, which maintain the equipment and supplies. APS materiel is currently being issued in support of Operation Enduring Freedom.

Funding in FY 2004 is significantly effected by the reconfiguration of prepositioned stocks in Europe. It also supports the establishment of the facility operations in both Central Command (CENTCOM) and Pacific Command (PACOM) areas of responsibility. CENTCOM and PACOM are key theaters in the Global War on Terrorism. The reconfiguration redistributes excess European APS to other APS and Army claimants. FY 2004 funding supports residual activities, including the disposal of remaining excess equipment, Care of Supplies in Storage (COSIS) of the Immediate Ready Force set and limited repair, cyclic maintenance and COSIS of equipment and supplies in the remainder of the reconfigured APS brigade set and in operational projects stored in Europe.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

II. Force Structure Summary:

This budget activity supports the current National Military Strategy and the Defense Planning Guidance by strategically placing prepositioned equipment in locations around the world to enable an immediate response capability by deploying Army forces. Army Prepositioned Stocks are a key component of Army Transformation as the Army enhances its strategic mobility capabilities to deploy a combat capable brigade anywhere in the world within 96 hours, a warfighting division in 120 hours and five divisions in 30 days. The Defense Planning Guidance articulates new, challenging imperatives for deployability and employability that virtually mandate the use of prepositioning to successfully achieve this mission.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Army Prepositioned Stocks	142,752	158,237	148,879	139,254	145,728	252,007
Total	142,752	158,237	148,879	139,254	145,728	252,007

B. <u>Reconciliation Summary:</u>	CHANGE		
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
BASELINE FUNDING	158,237	139,254	145,728
Congressional Adjustments (Distributed)	0		
Congressional Adjustments (Undistributed)	-4,718		
Adjustments to Meet Congressional Intent	0		
General Provisions	-4,640		
SUBTOTAL APPROPRIATED AMOUNT	148,879		
Fact-of-Life Changes	-7,472		
SUBTOTAL BASELINE FUNDING	141,407		
Anticipated Supplemental	0		
Reprogramming	-2,153		
Price Change		8,491	8,691
Functional Transfers		-105,400	0
Program Changes		103,383	97,588
CURRENT ESTIMATE	139,254	145,728	252,007

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	158,237
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-2,619
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-443
3) Unobligated Balance	\$	-1,276
4) Undistributed Adjustment	\$	-380
Total Undistributed Adjustments	\$	-4,718
b) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-1,317
2) Section 8082 - Foreign Currency Fluctuations	\$	-168
3) Section 8103 - Government Purchase Card Savings	\$	-1,216
4) Section 8135 - Revised Economic Assumptions	\$	-1,742
5) Section 8133 - Travel	\$	-197
Total General Provisions	\$	-4,640
FY 2003 Appropriated Amount.....	\$	148,879

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Army Prepositioned Stocks

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes

a) Functional Transfers

Transfers Out

Network Enterprise and Technology Command (NETCOM) Stand-Up	\$ -87
---	--------

Transfers missions, functions, resources and personnel assets of major commands (MACOM) headquarters, MACOM intermediate and support organizations that previously supported information technology functions to NETCOM. In October 2002 (FY03), Army initiated a major realignment to the Servicewide Support Activities to create the Network Enterprise and Technology Command. Consolidating the infostructure will improve the capacity, performance, and security of all Army networks including those of the Army National Guard and Army Reserve. By leveraging information and network technologies to create a shared situational awareness, we are changing the way we fight - discarding old paradigms and embracing commercial industry philosophies. This transfer reflects realignment of Army resources between OMA Subactivity Groups 114, Echelon Above Corps Support Forces; 122, Land Forces Systems Readiness; 133, Management & Operational Headquarters; 212, Army Prepositioned Stocks; 324, Training Support; 423, Logistic Support Activities; 424, Ammunition Management; 431, Administration; 433, Manpower Management; 438, Base Operations Support.

b) Emergent Requirements

Program Reductions

Reconfiguration of Army Prepositioned Stocks in Europe	\$ -7,385
This one time reduction in FY03 was due to the	

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

2. Fact-of-Life Changes (Continued)

b) Emergent Requirements (Continued)

Program Reductions (Continued)

Reconfiguration of Army Prepositioned Stocks in Europe
(Continued)
reconfiguration of prepositioned stocks in Europe and
funds were realigned to cover must fund requirements for
Special Skills Training in Subactivity Group 321.

FY 2003 Baseline Funding.....\$ 141,407

3. Reprogrammings/Supplemental

Reprogrammings

Decreases

Foreign Currency Fluctuation.....\$ -2,153

Revised FY 2003 Current Estimate.....\$ 139,254

4. Price Change.....\$ 8,491

5. Functional Transfers

a) Transfers Out

War Reserve Secondary Items\$ -105,400

The Army transferred O&M funding to Army Working Capital
Fund to properly align funding in the appropriation that will
purchase the War Reserve Secondary Items.

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Army Prepositioned Stocks

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases

a) One-Time FY 2004 Costs

1) Additional Compensable Day in FY 2004\$ 95
 There will be an additional compensable workday in FY 2004. This results in an increase in civilian manpower costs due to a greater number of workdays in FY 2004 (262 days) as compared to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 95

b) Program Growth in FY 2004

1) Army Prepositioned Stocks in Southwest Asia\$ 5,478
 (FY 2003 Base: \$22,786) The increase funds additional contract costs associated with the increased fill of APS brigade and unit set equipment requirements, sustainment and critical operational project stockage levels in this key theater of the Global War on Terrorism. This funding also supports the increased level of APS ammunition operations. Improved fill rates in prepositioned sets will result from the redistribution excess European stocks equipment.

2) War Reserve Secondary Items\$ 105,400
 (FY 2003 Base: \$0) Provides funding to purchase critical inventory designed to enhance unit readiness and war reserve sustainment spares. These funds are being realigned to the Army Working Capital Fund for execution. The types of equipment that will be purchased are: (1) key weapon systems sustainment parts; (2) critical medical materiel; (3) chemical and biological defense sustainment materiel; (4) Authorized Stockage Level/Prescribed Load List parts for Army Prepositioned Stocks; and (5) unit basic load parts. Spares and war reserve materiel will be

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

6. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

2) War Reserve Secondary Items (Continued)

purchased to sustain the Combatant Commanders in support of operations as required by the Defense Planning Guidance. This funding ensures that the Army will have the critical war fighting stocks necessary to sustain operations until resupply from the Continental United States (CONUS) is established. Funding maintains approximately a 52 percent fill rate.

3) Army Prepositioned Stocks (Ammunition) in the Pacific\$ 636
(FY 2003 Base: \$10,006) The funds support an increase surveillance inspections.

4) Army Prepositioned Stocks (Non-Ammunition) in CONUS\$ 4,807
(FY 2003 Base: \$39,536) This increase supports the necessary cyclic maintenance and Care of Supplies in Storage of critical operational project stocks.

Total Program Growth in FY 2004\$ 116,321

7. Program Decreases

Program Decreases in FY 2004

1) Army Prepositioned Stocks in Europe\$ -11,314
(FY 2003 Base: \$44,183) The decrease from FY 2003 funding levels reflects completion of the major actions associated with implementation of the Europe Reconfiguration (APS-2). The remaining Class V (Ammunition) was redistributed to include the retrograde of up to 8500 short tons (650 containers) of Class V (Ammunition) from Europe to CONUS. This FY 2004 funding

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Army Prepositioned Stocks

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

7. Program Decreases (Continued)

Program Decreases in FY 2004 (Continued)

- 1) Army Prepositioned Stocks in Europe (Continued)
 supports quality assurance, cyclic inspection, surveillance and inventory required for APS munitions stored in Europe, to include War Reserve Stocks for Allies-Israel, but for a lower level of stockage. It also supports residual activities, including the disposal of remaining excess equipment, Care of Supplies in Storage (COSIS) of the Immediate Ready Force set and limited repair, cyclic maintenance and COSIS of equipment and supplies in the remainder of the reconfigured APS brigade set and in operational projects stored in Europe.

- 2) Army Prepositioned Stocks (Non-Ammunition) in the Pacific\$ -1,719
 (FY 2003 Base: \$19,743) Although a program decrease occurs, budgeted funding supports all validated requirements for cyclic maintenance and Care of Supplies in Storage (COSIS) for the brigade set, 5 hospital unit sets, sustainment stocks, operational project materiel and non-ammunition War Reserve Stockage for Allies-Korea materiel stored in the Pacific theater of operations. This level of funding complies with Department of Defense guidance to fund APS operations in the Pacific, in Southwest Asia and afloat at 100 percent.

Total Program Decreases in FY 2004\$ -13,033

FY 2004 Budget Request.....\$ 145,728

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary:

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
APS-1 Continental United States (CONUS)	Various Depots	Operational Projects (OP)	Bridging, Aircraft Landing Mats, Mortuary Affairs, Force Provider, other Collective Support Systems, Inland Pipeline Distribution System (IPDS), Water Supply, Aerial Delivery, Aviation, Logistics Support to Joint Task Force/DA and Ranger Resupply Bundles.	Care of Supplies in Storage (COSIS). Refurbish and upgrade Force Provider. Issue Force Provider and other Operational Project materiel. Prepare and ship remaining IPDS to Army Prepositioned Stock in Southwest Asia (APS-5) (SWA).	COSIS and cyclic maintenance of Force Provider, fuel and water distribution support equipment and other critical operational projects. Storage/shelf life testing of Decontaminating Solution #2 (DS2) and Chemical Defensive Equipment (CDE). Issue equipment. Refurbish returns of Operational Project stocks.	Limited COSIS and cyclic maintenance of Force Provider, fuel and water distribution support equipment, bridging and other critical operational projects. Storage/shelf life testing of Decontaminating Solution #2 (DS2) and Chemical Defensive Equipment (CDE).	COSIS and cyclic maintenance of Force Provider, fuel and water distribution support equipment, bridging and other critical operational projects. Storage/shelf life testing of Decontaminating Solution #2 (DS2) and Chemical Defensive Equipment (CDE).

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
	Posts, Camps and Stations	Operational Projects	Hot & Cold Weather Clothing, Continental United States (CONUS) Replacement Centers, Log Materiel for Joint Task Force.	Periodic support to Outside the Continental United States (OCONUS) field exercises. Issue and replenish materiel.	Periodic support to OCONUS field exercises. Issue materiel.	Periodic support to OCONUS field exercises.	Periodic support to OCONUS field exercises.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
APS-2 Europe	Netherlands, Germany, Luxembourg and Italy	Brigade (-) set tailored to support U.S. European Command (USEUCOM) Contingency Operations . Includes battalion-sized Immediate Ready Force capable of deployment within 48 hours.	Authorized 37 Abrams tanks, 34 Bradley fighting vehicles, 13 cavalry fighting vehicles, 6 self-propelled howitzers and 121 other tracked vehicles, 592 wheeled vehicles, 405 trailers, and 80 Material Handling Equipment/ Container Handling Equipment (MHE/CHE) vehicles.	Begin drawdown and reconfiguration of APS-2 from 3 2x1 brigades to a brigade(-) for USEUCOM contingency requirements. Repair excess equipment to TM-10/20 condition for transfer to APS-3, APS-4, and APS-5. Accelerate movement of excess equipment to APS-3 and APS-5. Provide equipment for activation of 2d Bn/503d Regt (USAREUR).	Continue drawdown and reconfiguration of APS-2. Repair and redistribute excess equipment to other APS and other Army claimants. Reposition/consolidate supplies and equipment. Issue equipment.	Upgrade remaining brigade set equipment as necessary to TM-10/20 standard. Conduct cyclic maintenance and COSIS on equipment. Redistribute/dispose of remaining excesses. Reposition/consolidate supplies and equipment.	Conduct cyclic maintenance and COSIS on equipment.

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/ Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
	Netherlands, Luxembourg and Italy	Operational Projects	Hot & Cold Weather Clothing, Bridging, Force Provider (6 Modules), Special Operations Forces, Aerial Delivery, Receiving & Staging Material and other operational projects.	Perform normal maintenance and COSIS. Issue Force Provider modules.	Normal maintenance & COSIS on equipment. Issue materiel. Refurbish OP Projects returns. Consolidate/ reposition to support endstate requirements.	Perform normal maintenance and COSIS.	Perform normal maintenance and COSIS.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
APS-2 Europe (Continued)	Italy, Germany, Israel	Ammunition	Approximately 20K short tons to support APS-2 brigade set and War Reserve Stockage for Allies-Israel (WRS-A-I).	Perform ammo storage, inventory and surveillance operations.	Retrograde 6500 short tons (500 containers) of excess Class V to CONUS. Perform ammo storage, inventory and surveillance operations on remainder.	Retrograde up to 8500 short tons (650 containers) of excess Class V to CONUS. Reconfigure Class V stockpile to support APS-2 endstate. Perform ammo storage, inventory and surveillance operations.	Perform ammo storage, inventory and surveillance operations.
	Norway	Field Artillery Battalion (NATO Composite Force)	155mm self-propelled field artillery battalion (authorized 2,005 pieces of equipment).	Perform normal maintenance & COSIS on equip and ammo operations. Small Command Post Exercise.	Draw down and redistribute battalion equipment, supplies and Class V.		

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
APS-2 Europe (Continued)	Germany	Medical Materiel	Medical materiel for reconfigured APS-2 brigade set and operational projects.	Complete reconfiguration of medical materiel to support revised APS-2 configuration, redistribute excess Class VIII to APS-4 and APS-5. Issue materiel. Perform COSIS on medical materiel.	Perform COSIS on medical materiel. Issue materiel.	Perform COSIS on medical materiel.	Perform COSIS on medical materiel.

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/ Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
APS-4 Pacific	Korea	2x1 Armor Brigade (Bde) (grows to 2x2 brigade in FY03 with addition of second Mechanized Infantry battalion)	88 tanks, 172 armored tracked vehicles, 1000 other vehicles. APS-4 Bde Set stored in 31 company sets.	Field Exercise of Battalion set (Live fire exercise). Receive equipment from APS-2 Reconfiguration, to include Class VIII. Perform COSIS. Perform 10/20 level maintenance.	Continue to receive equipment from APS-2 Reconfiguration. Perform COSIS on brigade equipment. Pure-fleet brigade set with 900-series 5-ton trucks. Issue equipment.	Continue to receive equipment from APS-2 Reconfiguration. Perform cyclic maintenance and COSIS on brigade equipment.	Perform cyclic maintenance and COSIS on brigade equipment.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/ Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
APS-4 Pacific	Japan (Yokohama North Dock)	Watercraft Unit Sets	4 watercraft unit sets of equipment (Heavy Boat Company (10 LCU-2000s), Medium Boat Platoon (8 LCM-8), Floating Craft Co. and Modular Causeway Co. plus ground support equipment			Store and perform COSIS on watercraft.	Store and perform COSIS on watercraft.
APS-4 Pacific (Continued)	Korea	Sustainment	Vehicles, secondary items, ammunition.	TM-10/20 maintenance completed on all Class VII vehicles.	Receive redistribution from APS-2 (3409 items). Pure-fleet with 900-series 5-ton trucks. Perform COSIS.	Continue to receive equipment from APS-2 Reconfiguration. Perform cyclic maintenance and COSIS on Class VII and secondary items.	Perform cyclic maintenance and COSIS on Class VII and secondary items.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
APS-4 Pacific (Continued)		Hospital Unit Set	Equipment for a Combat Support Hospital	Store and perform COSIS and cyclic maintenance on medical equipment and support items.	Store and perform COSIS and cyclic maintenance on medical equipment and support items.	Store and perform COSIS and cyclic maintenance on medical equipment and support items.	Store and perform COSIS and cyclic maintenance on medical equipment and support items.
APS-4 Pacific (Continued)	Korea and Japan	WRSA-K	War Reserve Support for Allies-Korea (WRSA-K) -- Ammunition and small amounts of equipment.	After refusal of PACKAGE DEAL II, Republic of Korea (ROK) reviewing requirements and providing disposition instructions. Surveillance of Class V and limited COSIS on equipment. Use WRSA-K equipment to support Receive, Stage Onward Movement and Integration (RSOI) exercise.	Surveillance of Class V and limited COSIS on equipment. ROK providing disposition instructions. Use WRSA-K equipment to support RSOI exercise.	Surveillance of Class V and limited COSIS on equipment. Use WRSA-K equipment to support RSOI exercise.	Surveillance of Class V and limited COSIS on equipment. Use WRSA-K equipment to support RSOI exercise.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
APS-4 Pacific (Continued)	Korea	Operational Projects (OP)	Aircraft Matting, Hot & Cold weather Clothing, Medical Materiel Support, Aerial Delivery, Receiving and Staging Materiel.	Field exercise with receive/stage material. Perform COSIS on Combat Support Hospital (CSH).	Receive equipment from APS-2. Perform COSIS. Issue materiel.	Perform COSIS and cyclic maintenance.	Perform COSIS and cyclic maintenance.
APS-4 Pacific (Continued)	Japan	Operational Projects (OP) & Medical Materiel (to include 2 field and 2 general hospitals)	Medical Materiel Support, Bridging, Inland Pipeline Distribution System (IPDS), Hot & Cold Weather Clothing, Aerial Delivery, Force Provider.	Exercise IPDS. Perform COSIS on field hospital sets.	Receive equipment from APS-2. Perform COSIS on 2 field and 2 general hospital sets.	Perform COSIS and cyclic maintenance.	Perform COSIS and cyclic maintenance.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/ Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
	Japan	Sustainment	Vehicles and secondary items	Field vehicles. Purchase critical sustainment equipment (WRSI).	Purchase critical sustainment equipment (WRSI).	Purchase critical sustainment equipment (WRSI).	Perform cyclic maintenance and COSIS. Purchase critical sustainment equipment (WRSI).
APS-5 Southwest Asia	Qatar	2x1 Armor Brigade (grows to 2x2 brigade in FY03, with addition of second mechanized infantry battalion)	88 tanks, 172 armored tracked vehicles, 1000 other vehicles.	Receive additional equipment from APS-2 brigades (338 items) as well as Class VIII items from Europe. Care of Supplies in Storage. Battalion size Field Training Exercise. Issue equipment.	Continue to receive equipment from APS-2. Care of Supplies in Storage (COSIS) and cyclic maintenance. Issue equipment.	COSIS and cyclic maintenance.	COSIS and cyclic maintenance.

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
APS-5 Southwest Asia (Continued)		Division Base Units	Cavalry Squadron, aviation brigade (less aircraft), and other support units to form Division base.	Continue to add Division Base. Receive redistribution from APS-2 (2451 items). Issue equipment.	Perform cyclic maintenance and COSIS. Issue equipment.	Perform cyclic maintenance and COSIS.	Perform cyclic maintenance and COSIS.
	SWA	Watercraft Unit Sets	4 watercraft unit sets of equipment (Heavy Boat Company (10 LCU-2000s), Medium Boat Platoon (8 LCM-8), Floating Craft Co. and Modular Causeway Co.) plus ground support equipment.			Store and perform COSIS on watercraft.	Store and perform COSIS on watercraft.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
	Qatar	Operational Projects	Inland Pipeline Distribution System (IPDS): 165 miles of pipeline and associated items.	COSIS; Field final segment of IPDS to include 145 mi of pipeline, 874 containers, 22 flatrack mounted pumps and 21M gallon storage capacity.	Perform cyclic maintenance and COSIS. Issue equipment.	Perform cyclic maintenance and COSIS.	Perform cyclic maintenance and COSIS.
		Sustainment	Vehicles and secondary items	Field initial assets.	Receive APS-2 redistribution (2421 items). Purchase critical sustainment equipment (WRSI). Issue equipment.	Perform cyclic maintenance and COSIS. Purchase critical sustainment equipment (WRSI).	Perform cyclic maintenance and COSIS. Purchase critical sustainment equipment (WRSI).

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
	Bahrain & Kuwait	Medical Materiel	Hospital unit sets and Medical Materiel Support	Perform COSIS on Field Hospital in Bahrain and CSH in Kuwait.	Perform cyclic maintenance and COSIS. Issue equipment and supplies.	Perform cyclic maintenance and COSIS.	Perform cyclic maintenance and COSIS.
APS-5 Southwest Asia (continued)	CONUS & Europe	Sustainment	Vehicles and secondary items. No space in South West Asia at current time. Use APS-3 afloat sustainment initially.	Receive APS-2 redistribution.	Receive APS-2 redistribution. Issue equipment.	Perform cyclic maintenance and COSIS.	Perform cyclic maintenance and COSIS.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

IV. Performance Criteria and Evaluation Summary (Continued):

Army Prepositioned Stocks (APS)	Location	Brigade Set or Project	Measure/ Description of Equipment and Supplies	FY 2002 Significant Activities	FY 2003 Significant Activities	FY 2004 Significant Activities	FY 2005 Significant Activities
	Kuwait	2x1 Armor Brigade (grows to 2x2 brigade in FY03 with addition of second mechanized infantry Battalion)	88 tanks, 172 armored tracked vehicles, 1000 other vehicles. Most maintenance and support costs funded by Kuwait.	Intrinsic Action - Year round Battalion size training exercise. Receive Combat Equipment Group, Europe (CEG-E) redistribution (838 items). Issue equipment.	Intrinsic Action - Year round Battalion size training exercise. Continue to receive equipment from APS-2. Issue equipment.	Intrinsic Action - Year round Battalion size training exercise.	Perform cyclic maintenance and COSIS.

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Army Prepositioned Stocks

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	84	106	101	101	-5	0
Officer	27	43	40	40	-3	0
Enlisted	57	63	61	61	-2	0
<u>Civilian End Strength (Total)</u>	584	528	528	528	0	0
U.S. Direct Hire	207	239	239	239	0	0
Foreign National Direct Hire	302	242	242	242	0	0
Total Direct Hire	509	481	481	481	0	0
Foreign National Indirect Hire	75	47	47	47	0	0
<u>Military Average Strength (Total)</u>	82	95	103	101	8	-2
Officer	29	35	41	40	6	-1
Enlisted	53	60	62	61	2	-1
<u>Civilian Full-Time Equivalent (Total)</u>	540	518	518	518	0	0
U.S. Direct Hire	211	235	235	235	0	0
Foreign National Direct Hire	251	237	237	237	0	0
Total Direct Hire	462	472	472	472	0	0
Foreign National Indirect Hire	78	46	46	46	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	212	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	17235	0	3.84%	662	1926	19823	0	2.64%	52	47	20393	C	2.62%	534	-30	20897
0103	WAGE BOARD	263	0	0.00%	0	-263	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0104	FOREIGN NATIONAL DIRECT HIRE (FNDH)	6288	0	4.29%	270	1537	8095	4	2.64%	214	-21	8292	2	2.64%	210	3	8516
0105	SEPARATION LIABILITY (FNDH)	395	0	0.00%	0	-159	236	0	0.00%	C	6	242	C	0.00%	C	0	248
0107	VOLUNTARY SEPARATION INCENTIVE PAYMENTS	25	0	0.00%	0	-25	0	0	0.00%	C	0	0	C	0.00%	C	C	0
0199	TOTAL CIV PERSONNEL COMP	24206	0	3.85%	932	3016	28154	4	2.62%	737	32	28927	2	2.60%	750	-21	29661
0308	TRAVEL OF PERSONS	2391	0	1.10%	27	-689	1729	0	1.50%	20	-21	1734	C	1.60%	27	-21	1740
0399	TOTAL TRAVEL	2391	0	1.13%	27	-689	1729	0	1.50%	20	-21	1734	C	1.56%	27	-21	1740
0411	ARMY MANAGED SUPPLIES & MATERIALS	442	0	9.20%	41	52	535	0	4.50%	24	71	630	C	1.50%	0	-10	629
0415	DLA MANAGED SUPPLIES & MATERIALS	9	0	3.50%	0	2	11	0	-2.90%	C	-11	0	C	1.50%	C	78860	78865
0416	GSA MANAGED SUPPLIES & MATERIALS	12	0	1.10%	0	2	14	0	1.50%	C	0	14	C	1.60%	C	29290	29304
0499	TOTAL SUPPLIES & MATERIALS PURCHASES	463	0	8.86%	41	56	560	0	4.29%	24	60	644	C	1.40%	0	108140	108798
0502	ARMY EQUIPMENT	224	0	9.20%	21	2	247	0	4.50%	11	20	278	C	1.50%	4	10	295
0506	DLA EQUIPMENT	75	0	3.50%	3	-1	77	0	-2.90%	-2	15	90	C	1.50%	1	14	105
0599	TOTAL STOCK FUND EQUIPMENT PURCHASES	299	0	8.03%	24	1	324	0	2.78%	0	35	368	C	1.36%	0	27	400
0647	DISA INFORMATION SYSTEMS (MEGACENTERS)	0	0	-1.00%	0	5	5	0	1.50%	C	0	5	C	1.60%	C	C	5
0679	COST REIMBURSABLE PURCHASES	-1418	0	1.10%	-16	2424	990	0	1.50%	10	0	1005	C	1.60%	10	187	1208
0699	TOTAL INDUSTRIAL FUND PURCHASES	-1418	0	1.13%	-16	2429	995	0	1.51%	10	0	1010	C	1.58%	10	187	1213
0771	COMMERCIAL TRANSPORTATION	1136	0	1.10%	12	-34	1114	0	1.50%	10	-45	1085	C	1.60%	17	-62	1040
0799	TOTAL TRANSPORTATION	1136	0	1.06%	12	-34	1114	0	1.44%	10	-45	1085	C	1.57%	17	-62	1040
0901	FOR NATIONAL INDIRECT HIRE (FNIH)	1778	0	5.85%	104	1209	3091	0	2.69%	80	-1	3173	C	2.68%	80	C	3258
0913	PURCHASED UTILITIES	235	0	1.10%	3	33	271	0	1.50%	4	-11	264	C	1.60%	4	-30	236
0914	PURCHASED COMMUNICATIONS	1026	0	1.10%	11	23	1060	0	1.50%	10	0	1076	C	1.60%	17	210	1303
0917	POSTAL SERVICES (U.S.P.S.)	2	0	0.00%	0	-1	1	0	0.00%	C	0	1	C	0.00%	C	C	1
0920	SUPPLIES/MATERIALS (NON FUND)	4920	0	1.10%	54	2567	7541	0	1.50%	110	-66	7588	C	1.60%	121	1160	8871
0922	EQUIPMENT MAINTENANCE BY CONTRACT	51875	0	1.10%	570	-10359	42086	0	1.50%	631	2655	45372	C	1.60%	720	-12470	33620
0925	EQUIPMENT PURCHASES (NON FUND)	9826	0	1.10%	108	1135	11069	0	1.50%	160	81	11316	C	1.60%	181	900	12400
0927	AIR DEFENSE CONTRACTS & SPACE SPT (AF)	4	0	1.10%	0	-4	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0932	MGMT & PROFESSIONAL SPT SVCS	1499	0	1.10%	16	-1515	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	42754	0	1.10%	470	-3223	40001	0	1.50%	600	122	40723	C	1.60%	651	6990	48367
0989	OTHER CONTRACTS	1661	-2318	1.10%	-8	1644	979	5939	1.50%	104	-4860	2162	5941	1.60%	130	-7410	818
0998	OTHER COSTS	95	0	1.10%	1	183	279	0	1.50%	4	2	285	C	1.60%	0	-0	281
0999	OTHER PURCHASES	115675	-2318	1.15%	1329	-8308	106378	5939	1.62%	1721	-2078	111960	5941	1.71%	1920	-10660	109155
9999	GRAND TOTAL	142752	-2318	1.65%	2349	-3529	139254	5943	1.83%	2540	-2017	145728	5940	1.89%	2747	97580	252007

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Mobilization
Activity Group: Mobility Operations
Subactivity Group: Industrial Preparedness

I. Description of Operations Financed:

INDUSTRIAL PREPAREDNESS - The industrial base that supports the Army is undergoing significant and protracted downsizing. This program finances industrial analysis to help the Army obtain end item and repair part support (excluding ammunition). Additionally, it provides for a planning base with private industry and government owned industrial plants. Such planning includes program administration, project management, and industrial base management. Industrial analysis is performed on industrial sectors which support weapon system acquisition, readiness and sustainment. An integral element of this program is the evaluation of industrial base capability and development of recommendations to mitigate the risk of sector deficiencies and shortfalls in capability.

INDUSTRIAL MOBILIZATION CAPACITY (IMC) - This is reserve plant and equipment capacity above peacetime requirements that are held in a standby, idle, or layaway status but required for mobilization surge or for war reserve storage. These resources include direct and general support maintenance of non-tactical equipment; transportation services; utility systems; and maintenance and repair of real property, roads, and railway systems. Funds are used to maintain infrastructure which are above and beyond peacetime requirements. Cost drivers are the amount of Unutilized Plant Capacity held. In FY04, the IMC function/mission is being transferred to the Defense Working Capital Fund.

II. Force Structure Summary:

This budget activity supports the current National Military Strategy and the Defense Planning Guidance by providing sustainment capabilities to combat forces. Industrial Preparedness is a key component of Army Transformation as the Army enhances its mobilization capabilities to be able to deploy a combat capable brigade anywhere in the world within 96 hours, a warfighting division in 120 hours and five divisions in 30 days. The Defense Planning Guidance articulates new, challenging imperatives for deployability and employability that literally mandate highly responsive Industrial Preparedness to successfully achieve this mission.

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Industrial Preparedness

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Industrial Preparedness	61,533	9,497	8,698	8,698	7,753	8,436
Total	61,533	9,497	8,698	8,698	7,753	8,436

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE	
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>	
BASELINE FUNDING		9,497	8,698	7,753
Congressional Adjustments (Distributed)		0		
Congressional Adjustments (Undistributed)		-670		
Adjustments to Meet Congressional Intent		0		
General Provisions		-129		
SUBTOTAL APPROPRIATED AMOUNT		8,698		
Fact-of-Life Changes		0		
SUBTOTAL BASELINE FUNDING		8,698		
Anticipated Supplemental		0		
Reprogramming		0		
Price Change			180	171
Functional Transfers			-114,226	0
Program Changes			113,101	512
CURRENT ESTIMATE		8,698	7,753	8,436

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Industrial Preparedness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	9,497
1. Congressional Adjustments		
a) Undistributed Adjustments		
1) Civil Service Retirement System (CSRS) Accrual Reversal	\$	-624
2) Federal Employees Compensation Act (FECA) Surcharge	\$	-6
3) Unobligated Balance	\$	-35
4) Undistributed Adjustment	\$	-5
Total Undistributed Adjustments	\$	-670
b) General Provisions		
1) Section 8100 - Business Process Reforms/Management Efficiencies	\$	-17
2) Section 8103 - Government Purchase Card Savings	\$	-17
3) Section 8135 - Revised Economic Assumptions	\$	-93
4) Section 8133 - Travel	\$	-2
Total General Provisions	\$	-129
FY 2003 Appropriated Amount.....	\$	8,698
FY 2003 Baseline Funding.....	\$	8,698
Revised FY 2003 Current Estimate.....	\$	8,698
2. Price Change.....	\$	180

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Industrial Preparedness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

3. Functional Transfers

Transfers Out

- 1) Field Force Engineering\$ -326
Realigns funds within the Operation and Maintenance
Army appropriation from Subactivity Group 213, Industrial
Preparedness to Subactivity Group 437, Real Estate
Management. The transfer centralizes funding for U.S.
Army Corps of Engineers technical engineering support
activities provided to Combatant Commanders.

- 2) Industrial Mobilization Capacity\$ -113,900
The Army realigned these resources to the Defense
Working Capital Fund, Army to properly align funding to
where the costs are being incurred.

Total Transfers Out\$ -114,226

4. Program Increases

a) One-Time FY 2004 Costs

- Additional Compensable Day in FY 2004\$ 13
There will be an additional compensable workday in FY 2004.
This results in an increase in civilian manpower costs due to
a greater number of workdays in FY 2004 (262 days) as compared
to FY 2003 (261 days).

Total One-Time FY 2004 Costs\$ 13

b) Program Growth in FY 2004

- Industrial Mobilization Capacity\$ 113,900
(FY 2003 Base: \$0) The increase supports Army Working
Capital Fund facility overhead costs necessary for the

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Industrial Preparedness

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Program Increases (Continued)

b) Program Growth in FY 2004 (Continued)

Industrial Mobilization Capacity (Continued)
 retention of industrial capacity to meet war surge
 requirements above peacetime demand. These funds are being
 transferred to the Defense Working Capital Fund, Army.

Total Program Increases\$ 113,900

5. Program Decreases

Program Decreases in FY 2004

Industrial Preparedness Operation\$ -812
 (FY 2003 Base: \$8,379) This reduction will reflect a
 decrease in supplies and training in support of the Industrial
 Preparedness Operation program.

Total Program Decreases\$ -812

FY 2004 Budget Request.....\$ 7,753

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Industrial Preparedness

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	47	53	52	52	-1	0
U.S. Direct Hire	47	53	52	52	-1	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	47	53	52	52	-1	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian Full-Time Equivalent (Total)</u>	61	52	51	51	-1	0
U.S. Direct Hire	61	52	51	51	-1	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	61	52	51	51	-1	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	213	Totals															
Line Item	Line Description	FY 2002 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2003 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2004 Program	Foreign Curr Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY 2005 Program
0101	EXEC, GEN, SPEC SCHEDULE	5577	0	2.65%	148	-1307	4418	0	2.65%	117	-77	4458	C	2.65%	11E	-E	4570
0199	TOTAL CIV PERSONNEL COMP	5577	0	2.65%	148	-1307	4418	0	2.65%	117	-77	4458	C	2.65%	11E	-E	4570
0308	TRAVEL OF PERSONS	365	0	1.10%	4	-211	158	0	1.50%	2	-5	155	C	1.60%	2	C	157
0399	TOTAL TRAVEL	365	0	1.10%	4	-211	158	0	1.27%	2	-5	155	C	1.29%	2	C	157
0602	ARMY DEPOT SYSTEM COMMAND: MAINTENANCE	3360	0	5.30%	178	-3538	0	0	8.30%	C	0	0	C	2.00%	C	C	0
0633	DEFENSE PUBLICATION & PRINTING SERVICE	3	0	6.20%	0	5	8	0	-2.00%	C	0	8	C	0.30%	C	C	8
0679	COST REIMBURSABLE PURCHASES	6	0	1.10%	0	-6	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0682	INDUSTRIAL MOBILIZATION CAPACITY	49182	0	1.10%	541	-49723	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0699	TOTAL INDUSTRIAL FUND PURCHASES	52551	0	1.37%	719	-53262	8	0	0.00%	C	0	8	C	0.00%	C	C	8
0914	PURCHASED COMMUNICATIONS	2	0	1.10%	0	-2	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0917	POSTAL SERVICES (U.S.P.S.)	1	0	0.00%	0	0	1	0	0.00%	C	0	1	C	0.00%	C	C	1
0920	SUPPLIES/MATERIALS (NON FUND)	91	0	1.10%	1	1	93	0	1.50%	1	-28	66	C	1.60%	1	-27	40
0922	EQUIPMENT MAINTENANCE BY CONTRACT	19	0	1.10%	0	3	22	0	1.50%	C	14	36	C	1.60%	1	E	42
0923	FACILITY MAINTENANCE BY CONTRACT	369	0	1.10%	4	-373	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0925	EQUIPMENT PURCHASES (NON FUND)	230	0	1.10%	3	120	353	0	1.50%	E	-9	349	C	1.60%	E	23E	590
0932	MGMT & PROFESSIONAL SPT SVCS	323	0	1.10%	4	-327	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0987	OTHER INTRA-GOVERNMENTAL PURCHASES	61	0	1.10%	1	-62	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0989	OTHER CONTRACTS	1764	0	1.10%	19	1862	3645	0	1.50%	5E	-1020	2680	C	1.60%	4E	30E	3028
0998	OTHER COSTS	180	0	1.10%	2	-182	0	0	1.50%	C	0	0	C	1.60%	C	C	0
0999	OTHER PURCHASES	3040	0	1.12%	34	1040	4114	0	1.48%	61	-1043	3132	C	1.63%	51	51E	3701
9999	GRAND TOTAL	61533	0	1.47%	905	-53740	8698	0	2.07%	18C	-1125	7753	C	2.21%	171	512	8436

DEPARTMENT OF THE ARMY
FY 2004/2005 BIENNIAL BUDGET ESTIMATES
Operation and Maintenance, Army
Budget Activity: Mobilization
Activity Group: Mobility Operations
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

I. Description of Operations Financed:

The subactivity provides the infrastructure necessary for the support of the National Military Strategy for the deployment and sustainment of Contingency Corps around the world.

Sustainment provides resources for repair/maintenance of infrastructure at key power projection platforms, Interim Brigade Combat Team (IBCT) locations and Aerial Port Of Embarkation/Sea Port Of Embarkation (APOE/APOEs). The FY 2004 budget supports projects at Military Ocean Terminal, Concord; Naval Weapons Station, Charleston; Crane Army Ammunition Activity; and Fort Benning.

II. Force Structure Summary:

Provides the infrastructure necessary for the support of the National Military Strategy for the deployment and sustainment of a five and one third division Contingency Corps anywhere in the world. Strategy calls for building and maintaining the capability to deploy and sustain a tailorable corps of up to five divisions. The lead brigade is required to be on the ground in theater within 4 days of deployment notification, lead division within 12 days, two armored/mechanized divisions within 30 days, and the full corps support within 75 days. In addition, the Army must maintain the capability to deploy a second corps to a second regional contingency during deployment of the initial corps.

* This subactivity does not include cost of war funding contained in the Department's Defense Emergency Response Fund Congressional Justification Book.

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands):

A. <u>Subactivity Group:</u>	FY 2002 <u>Actual</u>	FY2003			FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	<u>Current Estimate</u>		
Facilities Sustain & Restoration & Mod Prog	13,509	11,473	0	10,450	6,933	3,454
Total	13,509	11,473	0	10,450	6,933	3,454

B. <u>Reconciliation Summary:</u>	CHANGE		CHANGE		CHANGE	
		<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>		
BASELINE FUNDING		11,473	10,450	6,933		
Congressional Adjustments (Distributed)		0				
Congressional Adjustments (Undistributed)		0				
Adjustments to Meet Congressional Intent		-11,473				
General Provisions		0				
SUBTOTAL APPROPRIATED AMOUNT		0				
Fact-of-Life Changes		10,450				
SUBTOTAL BASELINE FUNDING		10,450				
Anticipated Supplemental		0				
Reprogramming		0				
Price Change			157	111		
Functional Transfers			0	0		
Program Changes			-3,674	-3,590		
CURRENT ESTIMATE		10,450	6,933	3,454		

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases:

FY 2003 President's Budget Request.....	\$	11,473
1. Congressional Adjustments		
Adjustments to Meet Congressional Intent		
Congressional SRM Alignment	\$	-11,473
Total Adjustments to Meet Congressional Intent	\$	-11,473
FY 2003 Appropriated Amount.....	\$	0
2. Fact-of-Life Changes		
Emergent Requirements		
Program Growth		
Deployment Outload	\$	10,450
The FY 2003 budget supported projects to upgrade deployment infrastructure at three installations: Sierra Army Depot; Fort Eustis; and Yokohoma North Dock.		
Total Program Growth	\$	10,450
FY 2003 Baseline Funding.....	\$	10,450
Revised FY 2003 Current Estimate.....	\$	10,450
3. Price Change.....	\$	157

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

III. Financial Summary (O&M: \$ in Thousands) (Continued):

C. Reconciliation: Increases and Decreases (Continued):

4. Program Decreases

Program Decreases in FY 2004

Deployment Outload\$ -3,674

The program decrease continues the scheduled "ramping" down of projects that complete Mobility Requirements Study (MRS) Bottom Up Review Update (BURU) requirements. The FY 2004 budget supports 4 projects:

- (1) FT. Benning - hold area lighting.
- (2) AMC - Replacement of two bridges.
- (3) MTMC - Repair of pier.
- (4) MTMC - Repair of dock.

This is highlighted in line 0923 (Facility Maintenance by Contract) on the OP-32.

Total Program Decreases\$ -3,674

FY 2004 Budget Request.....\$ 6,933

Budget Activity/Activity Group: Mobilization/Mobility Operations
Subactivity Group: Facilities Sustain & Restoration & Mod Prog

IV. Performance Criteria and Evaluation Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
A. Facilities Sustainment (\$000)	13,509	10,450	6,933	2,454
B. Facilities Restoration & Modernization (\$000)	0	0	0	1,000
Utilities (XXX)				
Buildings (KSF)	0	0	0	0
Pavements (KSY)				
Land (AC)				
Other Facilities (KSF)	0	0	0	0
Railroad Trackage (KLF)				
Facility Reduction Program (\$000)	0	0	0	0
C. Administration & Support *	2,026	1,568	1,040	518
Number of A&E Contracts**				
Planning & Design Funds *	0	0	0	100
Military Average Strength				
Civilian Personnel Full-Time Equivalents				
Total Personnel	0	0	0	0
Number of Installations				
"C" Rating	C2	C2	C2	C2

* Memo entries - Dollars included in Facilities Sustainment and Restoration & Modernization

** This Information is Not Currently Available

Budget Activity/Activity Group: Mobilization/Mobility Operations
 Subactivity Group: Facilities Sustain & Restoration & Mod Prog

V. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change FY 2003/FY 2004</u>	<u>Change FY 2004/FY 2005</u>
<u>Active Military End Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian End Strength (Total)</u>	0	0	0	0	0	0
U.S. Direct Hire	0	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	0	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0	0
<u>Military Average Strength (Total)</u>	0	0	0	0	0	0
Officer	0	0	0	0	0	0
Enlisted	0	0	0	0	0	0
<u>Civilian Full-Time Equivalent (Total)</u>	0	0	0	0	0	0
U.S. Direct Hire	0	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	0	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0	0

DEPARTMENT OF THE ARMY
 FISCAL YEAR (FY) 2004/FY 2005 BIENNIAL BUDGET
 Oper. & Maint., Army
 OP32 EXHIBIT (\$ 000)

SAG:	214	Totals																
Line	Line		FY 2002	Foreign	Price	Price	Program	FY 2003	Foreign	Price	Price	Program	FY 2004	Foreign	Price	Price	Program	FY 2005
Item	Description	Program	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program	Curr	Growth	Growth	Growth	Program
				Adjust	Percent	Amount			Adjust	Percent	Amount			Adjust	Percent	Amount		
0923	FACILITY MAINTENANCE BY CONTRACT	13509		0	1.10%	149	-3208	10450	0	1.50%	157	-3674	6933	C	1.60%	111	-359C	3454
0999	OTHER PURCHASES	13509		0	1.10%	149	-3208	10450	0	1.50%	157	-3674	6933	C	1.60%	111	-359C	3454
9999	GRAND TOTAL	13509		0	1.10%	149	-3208	10450	0	1.50%	157	-3674	6933	C	1.60%	111	-359C	3454