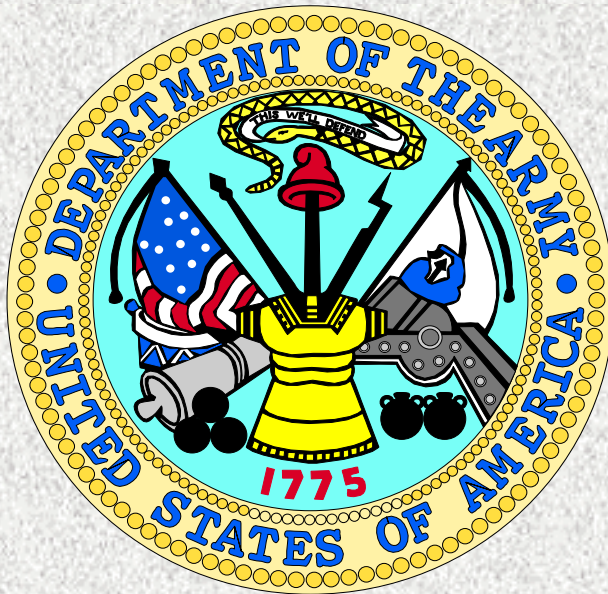


FY 04/05 President's Budget Highlights



**Assistant Secretary of the Army for
Financial Management and Comptroller
February 2003**

The Army Budget

- This document will be available on the Assistant Secretary of the Army, Financial Management and Comptroller (ASA (FM&C)) Home Page in February 2003. See address in block below.
- Number totals on some charts may not add due to rounding.
- Questions concerning the source or interpretation of the information in this booklet may be directed to the Budget Formulation Division, Army Budget Office (SAFM-BUC-F), at Commercial (703) 692-5766 or DSN 222-5766.

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

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

This Document will be under Army Budget/Budget Materials

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FY 2004...

The FY 04 budget supports the elements of The Army Vision – People, Readiness, and Transformation.

People. The Army is committed to ensuring it recruits and retains the soldiers necessary to keep us the best army in the world. This is ever so evident as we continue to mobilize soldiers in support of the Global War on Terrorism. The FY04 budget mans the force – end strength of 480,000 Active Component, 350,000 Army National Guard, and 205,000 Army Reserve soldiers. It funds an average pay raise of 4.1 percent and allows for targeted raises by grade and years of service. Most service members receive a 3.7 percent raise.

Readiness. The FY04 budget request funds our most critical readiness requirements and maintains our current facility enhancements at an acceptable level. FY04 funding improves on FY03 levels and maintains a stable training base to develop quality leaders and soldiers. The budget supports our OPTEMPO program as well as supporting The Army's Strategic Mobility Program, key to improving The Army's deployability.

Transformation. The budget supports the continuation of The Army's Transformation efforts. Funding an affordable, fully integrated modernization and recapitalization program is essential to provide decisive and comprehensive full-spectrum land component capabilities supporting the National Military Strategy. The FY04 budget includes funding for continued development of the Comanche and the Stryker (formerly called Interim Armored Vehicle (IAV), the recapitalization and upgrade of the UH-60 Black Hawk helicopter, and the Global Combat Support System – Army (GCSS-A).

The FY 04 Budget provides for:

- Continuation of Transformation Momentum
- Active Army End Strength of 480K
- Army National Guard End Strength of 350K
- Army Reserve End Strength of 205K
- Targeted Pay Raise of 4.1% for Military
- Pay Raise of 2% for Civilians
- OPTEMPO Ground and the Flying Hour Program
- Kosovo and Bosnia Operations
- Quality of Life Improvements
- Revitalization and Privatization of Family Housing
- Continuation of Chemical Stockpile Disposal



Military Personnel (Strength in 000s)



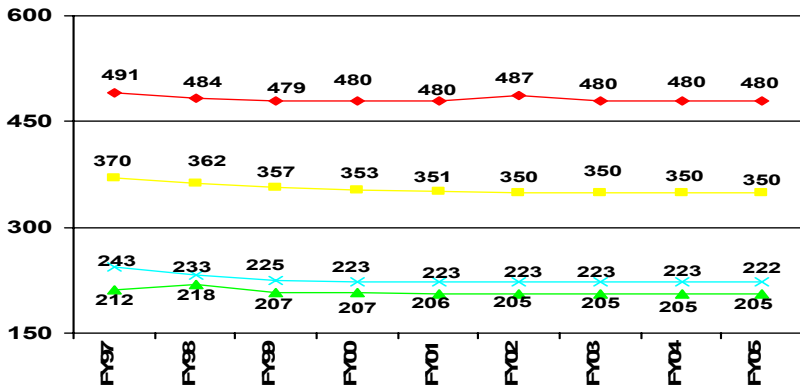
	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Active Component*	487	480	480	480
Officer	(79)	(79)	(79)	(79)
Enlisted	(404)	(397)	(397)	(398)
Cadet	(4)	(4)	(4)	(4)
Reserve Component				
Selected Reserve*	555	555	555	555
USAR	(205)	(205)	(205)	(205)
ARNG	(350)	(350)	(350)	(350)
IRR-USAR	145	144	150	151
Inactive National Guard	4	4	4	4

*May not add due to rounding

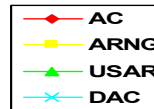
The Total Army consists of the following Components:

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

Personnel End Strength FY97-FY05 (000s)



<u>DELTA FY97-FY05</u>	
AC	-6%
ARNG	-7%
USAR	-3%
DA CIV	-8%



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



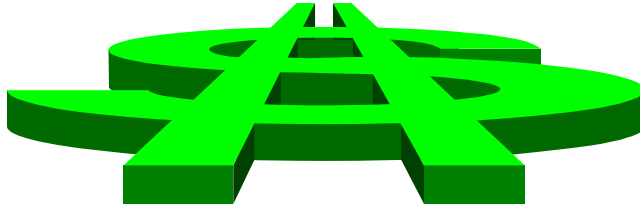
General Eric K. Shinseki
Chief of Staff, U.S. Army

Civilian Component End Strength (000s)

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
OMA	125	123	122	121
OMAR	11	11	11	12
OMNG	24	26	27	27
RDTE	17	17	18	17
MCA	6	6	6	6
Family Housing	1	1	1	1
DWCF	<u>21</u>	<u>21</u>	<u>20</u>	<u>21</u>
Total Direct Hire	205	205	205	205
OMA	17	17	17	16
Other	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total Indirect Hir	18	18	18	17
*Total Civilians	223	223	223	222
*May not add due to rounding				

FUNDING PROFILE

The Army's budget request for Fiscal Year 2004 continues to support The Army Vision – People, Readiness, and Transformation – and our efforts to quickly change into a more responsive, deployable, agile, versatile, lethal, survivable, and sustainable force. This budget allows The Army to be a strategically responsive and dominant force across a full spectrum of operations. We will continue to be an essential part of the joint force key to fighting and winning the global war on terrorism.



Army TOA

Fiscal Years 2002, 2003, 2004, and 2005 Summary (\$M)

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
<u>Military Personnel, Army</u>	32,365	35,323	37,389	39,316
<u>Operation and Maintenance, Army</u>	25,668	23,826	24,965	25,790
<u>Procurement</u>	10,482	12,502	10,755	11,051
Aircraft	(1,921)	(2,247)	(2,128)	(1,870)
Missiles	(1,029)	(1,077)	(1,459)	(1,409)
WTCV	(2,168)	(2,228)	(1,641)	(2,016)
Ammunition	(1,151)	(1,234)	(1,310)	(1,135)
Other Procurement	(4,213)	(5,716)	(4,217)	(4,622)
<u>Research, Dev, Test & Evaluation</u>	7,018	7,535	9,123	9,539
<u>Military Construction, Army</u>	1,768	1,684	1,536	1,996
<u>Environmental Restoration, Army</u>	0	394	396	402
<u>Army Family Housing</u>	1,260	1,279	1,402	1,792
Operations	(1,097)	(1,106)	(1,043)	(944)
Construction	(163)	(173)	(359)	(848)
<u>Reserve Components</u>				
<u>National Guard</u>				
Operations	3,747	4,240	4,211	4560
Construction	401	241	168	266
<u>Army Reserve</u>				
Operations	1,767	1,944	1,952	2019
Construction	165	101	68	99
<u>BRAC</u>	176	167	67	56
<u>Chemical Demilitarization</u>	1,115	1,449	1,650	1,457
<u>Defense Working Capital Fund, A</u>	167	249	219	33
Total *	86,099	90,933	93,903	98,376

* Totals May Not Add Due to Rounding

Soldiers: On Point for the Nation



Military Personnel (MILPERS)

- Funding mans the force – end strength of 480,000 Active Component, 350,000 Army National Guard, and 205,000 Army Reserve soldiers – and provides them with better pay and incentives.
- Budgeted a basic and targeted pay raise (4.1% on average) in FY04.
- Increases in housing allowances reduces out-of-pocket expenses for military personnel from 7.5 percent in FY03 to 3.5 percent in FY04 and keeps The Army on track for eliminating average out-of-pocket costs entirely by FY05 for those soldiers and families living on the economy.

The Army

--- is People



Military Personnel (MILPERS)

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

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Military Personnel, Army				
BA1 AC Pay, Office	6,703	7,120	7,547	7,876
BA2 AC Pay, Enlisted	15,056	16,984	18,150	19,059
BA3 AC Pay, Cadet	43	47	50	51
BA4 AC Subsistence	1,395	1,422	1,374	1,399
BA5 AC PCS-Travel	1,186	1,141	1,061	1,106
BA6 AC Other MILPERS Costs	998	120	107	110
BA7 US Army Reserve *	2,682	3,374	3,584	3,799
BA8 Army National Guard *	<u>4,301</u>	<u>5,115</u>	<u>5,514</u>	<u>5,914</u>
Total**	32,365	35,323	37,389	39,316

* Appropriated as RPA and NGPA in FY02 and FY03

**Totals may not add due to rounding

Reserve Personnel, Army (\$M)

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
AT, IDT, & IADT	1,221	1,654	1,663	1,749
IMA/Mob. Training	29	68	75	81
AGRs	980	1,129	1,245	1,359
School Training	100	108	112	115
Special Training	102	121	137	137
Education Benefits	54	51	40	35
Incentives	95	128	140	163
Other Training	102	116	173	162
Total Direct Program*	2,683	3,375	3,586	3,801
Retired Pay Accrual	(306)	(323)	(351)	(366)
Total (Less Retired Pay Accrual)	2,376	3,051	3,235	3,435

*Totals may not add due to rounding

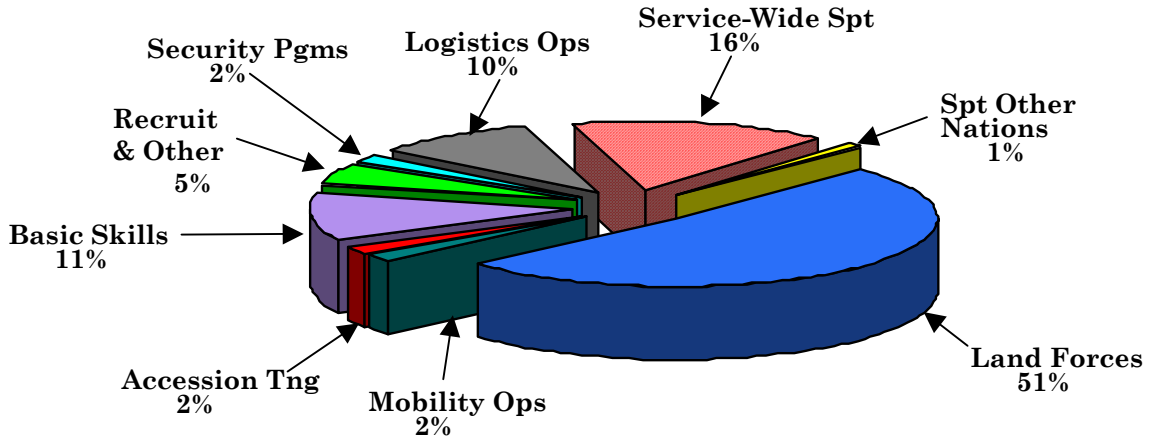
Note: National Guard and Reserve Personnel are included in the Military Personnel, Army Appropriation beginning in FY04.

National Guard Personnel, Army (\$M)

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Paid Drill Strength	1,965	2,611	2,807	2,610
School Training	188	230	225	230
Special Training	166	142	198	142
Admin & Support	1,784	1,961	2,062	2,066
Education Benefits	51	66	110	66
Defense Health Prog Accrual		104	112	125
Counterdrug Prgm*	148			
Total Direct Program**	4,301	5,115	5,514	5,239
Retired Pay Accrual	(524)	(515)	(506)	(556)
Total (Less Retired Pay Accrual)**	3,776	4,599	4,599	4,599

*Received in year of execution

Operation & Maintenance, Army



FY 04 OMA Total \$24,965M

The Operation and Maintenance, Army budget supports readiness objectives by funding air and ground operating tempo (OPTEMPO), institutional training, mobilization operations, sustainment of equipment and facilities, as well as recruiting and advertising missions. The FY04 budget supports our OPTEMPO strategy, funds critical training enablers and the ongoing Bosnia and Kosovo operations. Base Operation Support is funded at 69% of requirements and Sustainment, Restoration & Modernization at 84% of requirements. Facilities sustainment is funded at 93% of our requirements. In addition, the budget provides full funding for all known statutory and regulatory environmental requirements.

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
BA 1: Operating Forces				
Land Forces	3,643	3,851	3,914	3,884
Land Forces Readiness	2,540	2,708	3,065	3,225
Land Forces Readiness Support	<u>7,036</u>	<u>5,661</u>	<u>5,637</u>	<u>5,926</u>
Subtotal	13,219	12,219	12,616	13,035
BA 2: Mobilization				
Mobility Operations	<u>599</u>	<u>500</u>	<u>539</u>	<u>632</u>
Subtotal	599	500	539	632
BA 3: Training & Recruiting				
Accession Tng	449	472	507	548
Basic Skill & Advanced Tng	2,653	2,516	2,638	2,839
Recruiting & Other Tng & Ed	<u>1,133</u>	<u>1,169</u>	<u>1,239</u>	<u>1,364</u>
Subtotal	4,236	4157	4385	4751
BA 4: Admin & Svc-Wide Activities				
Security Programs	580	650	592	606
Log Operations	2,223	2,286	2,523	1,866
Svc-Wide Support (spares)	4,545	3,766	4,044	4,642
Spt of Other Nations	<u>267</u>	<u>248</u>	<u>266</u>	<u>258</u>
Subtotal	7,615	6,950	7,425	7,372
*Grand Total	25,668	23,826	24,965	25,790

*Totals may not add due to rounding



O&M, National Guard/Army Reserve

OMNG (\$M)

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
BA 1: Operating Forces	3,500	3,971	3,947	4,292
BA 4: Admin & Svc-Wide Activities	247	268	264	269
Total*	3,747	4,240	4,211	4,560

OMAR (\$M)

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
BA 1: Operating Forces	1,556	1,728	1,717	1,779
BA 4: Admin & Svc-Wide Activities	211	215	235	240
Total*	1,767	1,944	1,952	2,019

*Totals may not add due to rounding

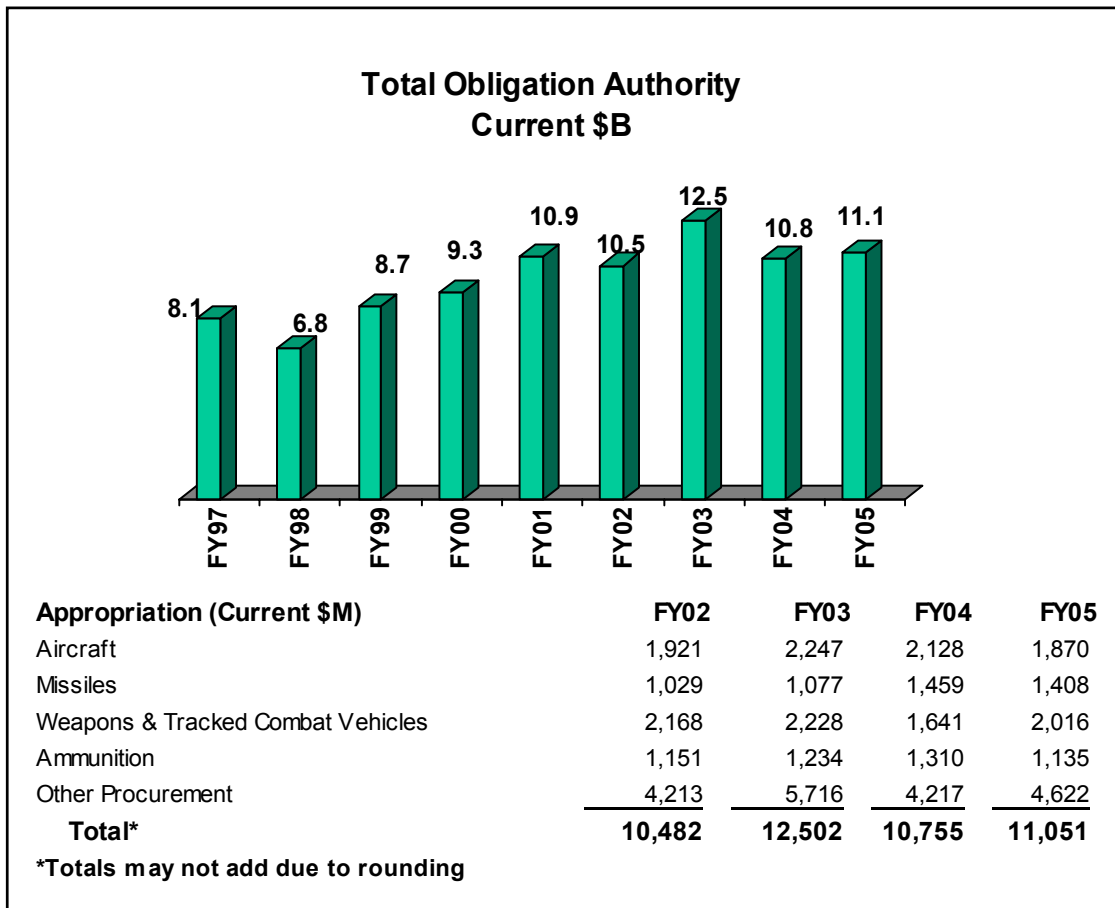
Research, Development and Acquisition

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

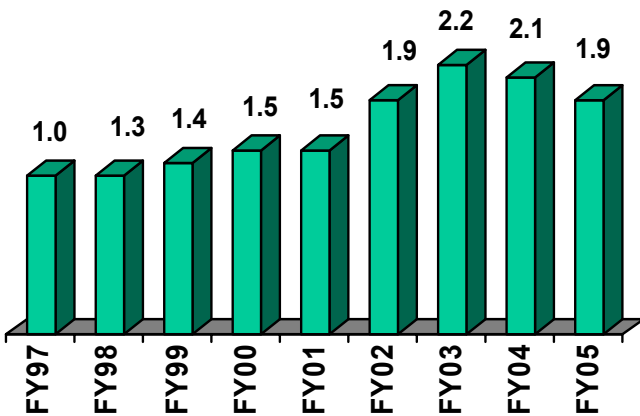
- Accelerated the research and development of the Future Combat Systems (FCS), a strategically responsive, networked system-of-systems that will ensure overwhelming lethality, survivability, strategic, and tactical mobility. These capabilities will provide the Army a full spectrum force system with substantially improved deployability.
- Provided funding to purchase Stryker Vehicles (formerly called Interim Armored Vehicle (IAV)) for another Stryker Brigade Combat Team.
- Accelerated selected procurement programs to improve strategic responsiveness, increase lethality of light forces and recapitalize legacy systems.
- Restructured or divested \$2.3B in FY04 and \$2.6B in FY05 from procurement programs that did not meet the Army vision to provide RDTE resources for the Army Transformation.

Procurement

The FY04 budget continues the momentum of Army transformation by funding procurement of the Stryker. The Army also continues to fund upgrades for the Abrams Tank directly supporting battlefield digitization; continues procurement of PAC-3, Javelin, HIMARS Launchers, ATACMS Block I Quick Reaction Unitary Missile, GMLRS Rocket, and resumes procurement of TOW2. The budget also funds modification from basic Apache helicopters to the Longbow Apache configuration armed with an improved radar guided Hellfire missile possessing fire-and-forget capability. The budget funds procurement of 10 Black Hawk helicopters in FY 04. Satellite communication systems, including the Defense Satellite Communication System (DSCS), Secure Mobile Anti-Jam Reliable Tactical Terminal (SMART-T), Artillery Accuracy Equipment, Tactical Unmanned Aerial Vehicle, Distributed Common Ground System (DCGS-A), Enhanced Manpack Ultra High Frequency (UHF) Terminal (Spitfire), and NAVSTAR Global Positioning System (GPS) were funded along with other command, control, and communication programs such as Force XXI, Battle Command Brigade and Below (FBCB2), All-Source Analysis System (ASAS), Maneuver Control System (MCS), and the Army Global Command and Control System (GCCS-A). The Army Other Support Equipment program has significant increases in Training Equipment.



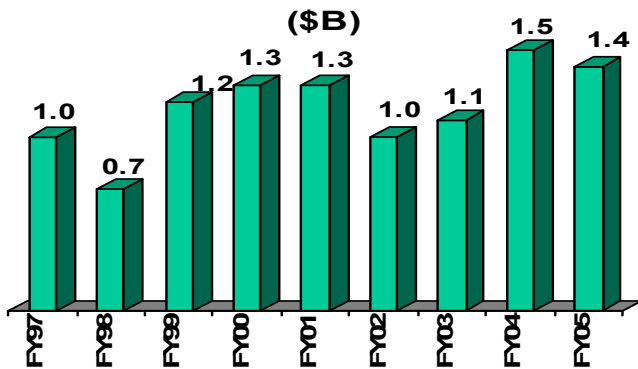
Aircraft (\$B)



	<u>FY02</u>		<u>FY03</u>		<u>FY04</u>		<u>FY05</u>	
	QTY	\$M	QTY	\$M	QTY	\$M	QTY	\$M
Aircraft								
Utility F/W (MR) Aircraft	1	45		8				
UH-60 Black Hawk (MYP)	12	207	19	292	10	167	8	125
TH-67 Training Helicopter	15	25	6	10				
Modifications								
Guardrail/ARL		26		35		9		2
AH-64 MODS		46		135		59		37
CH-47 Cargo Helicopter Mods (MYP)		268		443		516		546
Longbow		896		880		777		496
UH-60 Mods		60		52		136		231
Kiowa Warrior		42		42		45		34
Airborne Avionics		79		95		71		49
Airborne Digitization						2		23
Other Mods		55		88		71		68
Spares								
Spare Parts (AIR)		6		8		11		11
Support Equipment & Facilities								
Aircraft Survivability Equip		37		3		15		7
Airborne Cmd & Control				2		27		31
Air Traffic Control		59		63		60		60
Common Ground Equipment		19		19		17		17
Airborne Communications		20		44		25		10
Other Support Equipment		<u>34</u>		<u>30</u>		<u>122</u>		<u>124</u>
Total*		1,921		2,247		2,128		1,870

*Totals may not add due to rounding

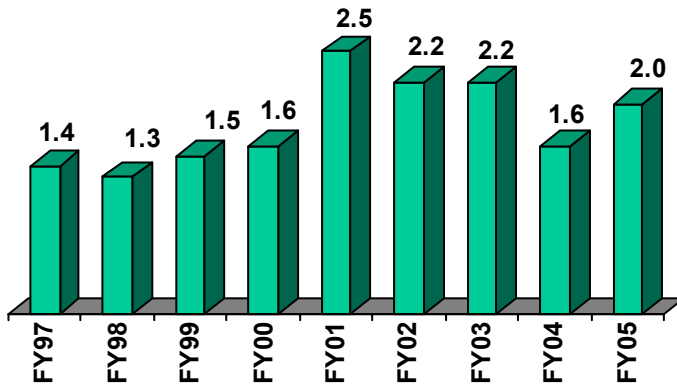
Missiles



Missiles	FY02		FY03		FY04		FY05	
	QTY	\$M	QTY	\$M	QTY	\$M	QTY	\$M
Patriot PAC-3					108	562	131	491
Stinger	300	29	160	25	3			
Avenger		12						
Surface-Launched AMRAAM System					7			22
Hellfire		238		181	33			29
Advanced Precision Kill Weapon Sys (APKWS)								21
Javelin	4,139	409	1,478	219	901	141	1,062	116
LOSAT					76	43	165	87
TOW 2 System					200	26	500	26
Guided MLRS Rockets			108	37	786	108	1,026	113
MLRS Reduced Range Practice Rockets			3,366	16	2,934	15	3,054	16
MLRS Launchers	41	131	34	135		40		41
HIMARS			28	129	24	124	37	170
ATACMS	24	35	16	29	50	50	50	52
ATACMS Blk II		41						
ATACMS Penetrator							39	68
Modifications of Missiles								
Patriot		25		149		213		86
Stinger		6		1		1		
Avenger		2						
ITAS/TOW		64		59		16		10
MLRS		13		31		20		21
HIMARS								
Spares & Repair Parts		15		55		51		34
Support Equipment & Facilities								
Air Defense Targets		3		3		3		4
Production Base Support		3		3		3		3
Other		4		6		0		0
Total*		1,029		1,077		1,459		1,408

*Totals may not add due to rounding

WTCV (\$B)



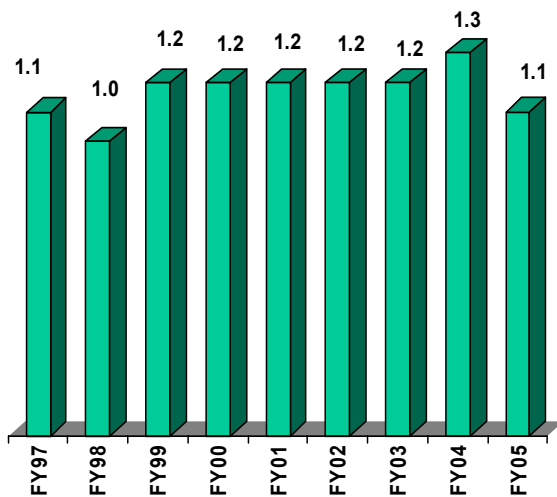
Weapons & Tracked Combat Vehicles (WTCV)

	FY02		FY03		FY04		FY05	
	QTY	\$M	QTY	\$M	QTY	\$M	QTY	\$M
Tracked Combat Vehicles- Tng Devices								
Abrams		17		17		6		7
Bradley*	142	399	171	446		116		74
Future Combat Systems (FCS)								225
STRYKER	300	653	302	775	301	955	340	970
Mods of Tracked Combat Veh								
Carrier Mods 113		48		39				
FIST Vehicle Mod		7		7		17		
BFVS Mod		59		59		23		46
Howitzer M109A6 Paladin		5		17		36		19
Improved Recovery Vehicle (IRV)	21	60		49				
Heavy Assault Bridge (HAB)		7						
Armored Vehicle Launch Bridge		4		10				
M1 Abrams Mod & Retrofit		92		176		269		512
SEP M1A2	25	99	31	121				
Abrams Upgrade		587		370		93		
Other		9		4		12		8
Weapons & Other Combat Vehicles								
Armored Machine Gun 7.62 M240	716	8	1,780	17	1,480	17	1,960	24
Machine Gun, 5.56mm (SAW)			750	3				
M16 Rifle	3,060	2	5,564	3				
Grenade Launcher, MK-19-3	1,510	28	626	16				
Sniper Rifle XM107, Cal .50	150	2	600	9	600	9	600	9
Carbine M4, 5.56mm	2,386	2	8,999	9	8,635	9	8,362	9
81mm Mortar (ROLL)		3	52	10	59	10	26	5
Howitzer, 155mm, Lt Wt		1				5	28	51
Modifications of Weapons and								
Other Combat Vehicles								
		17		21		24		21
Spares and Repair Parts								
		28		25		18		14
Support Equipment & Facilities								
		30		26		22		22
Total		2,168		2,228		1,641		2,016

*Bradley quantities include both A20DS and A3 vehicles

** Totals may not add due to rounding

Ammunition (\$B)

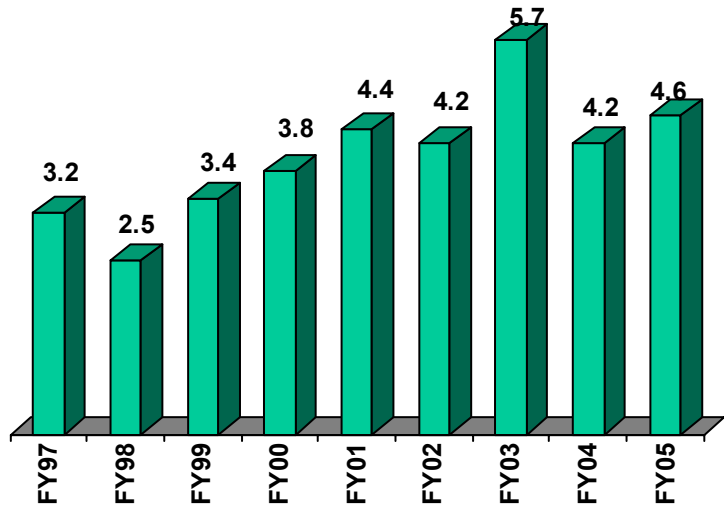


Ammunition (\$M)	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Small Arms	225	337	464	275
Mortars	120	94	113	69
Tank	184	203	197	214
Artillery	129	204	187	203
Artillery Fuzes	53	68	47	57
Mines/Countermine	20	11	15	43
Rockets	139	64	36	23
Other	49	81	70	63
Miscellaneous	61	48	42	36
Production Base Support	<u>173</u>	<u>124</u>	<u>139</u>	<u>153</u>
Total	1,151	1,234	1,310	1,135
Training/War Reserve Breakout (\$M)				
Training	876	956	1032	834
War Reserve	92	144	129	138
Other	10	10	10	10
Production Base	<u>173</u>	<u>124</u>	<u>139</u>	<u>153</u>
Total*	1,151	1,234	1,310	1,135

*Totals may not add due to rounding



Other Procurement, Army (OPA) (\$B)



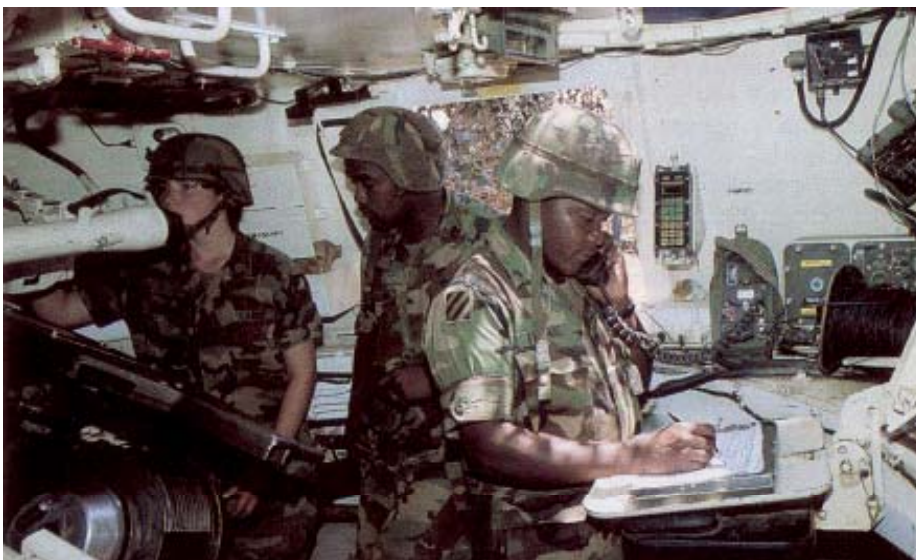
Other Procurement, Army (OPA)

	<u>FY02</u>		<u>FY03</u>		<u>FY04</u>		<u>FY05</u>	
	<u>QTY</u>	<u>\$M</u>	<u>QTY</u>	<u>\$M</u>	<u>QTY</u>	<u>\$M</u>	<u>QTY</u>	<u>\$M</u>
Tactical & Support Vehicles								
Wheeled Vehicles (HMMWV)	1,258	146	2,154	234	1,189	138	2,000	206
Family of Med Tactical Veh	2,400	460	3,232	663	1,160	310	1,965	492
Family of Hvy Tactical Veh		159		252		133		100
All Other Vehicles & Trailers		<u>232</u>		<u>370</u>		<u>207</u>		<u>128</u>
Subtotal		997		1,519		788		926
Communication & Electronic Equip								
Joint Communications		11		7		8		6
Satellite Communications		195		182		234		244
C3 System		8		21		16		16
Combat Communications		277		291		256		387
Intel Communications		4		2		1		1
Information Security		80		75		127		122
Long Haul Communications		25		56		67		64
Base Communications		314		442		452		469
Elect Equip--NFIP		34		21		26		22
Elect Equip--TIARA		234		272		160		147
Elect Equip--Electronic Warfare (EW)		4		7		2		2
Elect Equip--TAC SURV		297		394		390		379
Elect Equip--Tactical C-2		333		398		288		358
Elect Equip--Automation		346		424		265		223
Elect Equip--Audio Visual Sys (AV)		<u>9</u>		<u>9</u>		<u>8</u>		<u>8</u>
Subtotal		2,171		2,601		2,300		2,448

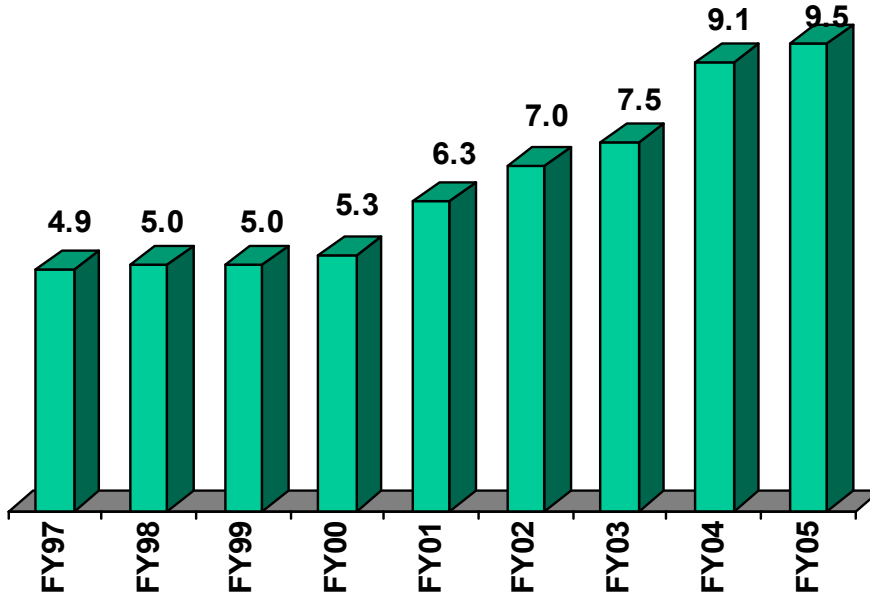
Other Procurement, Army (OPA) (Cont'd)

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Other Support Equipment	\$M	\$M	\$M	\$M
Smoke Generators	23	25	35	9
Bridging Equipment	76	109	102	104
Engineer Equip (Non-Construct)	13	33	28	37
Combat Service Spt Equipment	59	94	163	197
Petroleum Equipment	25	54	25	18
Water Equipment	29	18	16	12
Medical Equipment	21	36	17	12
Maintenance Equipment	19	23	23	17
Construction Equipment	116	133	44	59
Rail Float Containerization Equip	41	43	8	4
Generators	60	77	63	66
Materiel Handling Equipment	75	75	60	62
Training Equipment	188	295	284	409
Test Meas & Diag Equipment	112	106	61	56
Other Support Equipment	<u>150</u>	<u>422</u>	<u>155</u>	<u>135</u>
Subtotal	1,007	1,543	1,084	1,197
Initial Spares				
Communications and Electronics	36	52	45	47
Other Support Equipment	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Subtotal	37	53	46	48
Total*	4,213	5,716	4,217	4,622

*Totals may not add due to rounding



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



The Army RDTE Program includes an accelerated Science and Technology Program to address the Army Vision and to ensure timely development and transition of technology into weapon systems and system upgrades. It also funds system development and demonstration for Future Combat Systems to enable a deployable, lethal, survivable Objective Force starting in 2010. Alternatives to anti-personnel landmines and submunitions used in mixed anti-tank systems are being pursued and the Joint Tactical Radio System is being accelerated. The FY04 budget includes funding for continued development of the Comanche and the Stryker (formerly called Interim Armored Vehicle (IAV)), the recapitalization and upgrade of the UH-60 Black Hawk helicopter, and the Global Combat Support System – Army (GCSS-A) which integrates and consolidates many legacy logistic management systems.

Budget Activities (Current \$M)				
	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Basic Research	221	244	343	344
Applied Research	865	858	641	655
Advanced Technology Dev	907	1,040	806	829
Adv Component Dev & Prototypes	859	857	784	694
System Dev & Demonstration	2,141	2,512	4,738	5,243
Management Support	928	950	860	873
Operational Systems Dev	<u>1,096</u>	<u>1,073</u>	<u>950</u>	<u>900</u>
Total*	7,018	7,535	9,123	9,539

*Totals may not add due to rounding

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

Technology Base (Current \$M)	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
BA 1 Basic Research	221	244	343	344
BA 2 Applied Research	<u>865</u>	<u>858</u>	<u>641</u>	<u>655</u>
Subtotal	1,086	1,102	984	999
BA 3 Advanced Tech Development				
Warfighter Advanced Technology	60	57	64	69
Medical	170	166	35	39
Aviation	37	42	72	70
Weapons & Munitions	34	63	48	72
Cbt Veh & Auto	220	265	211	205
Command, Control & Communication	33	7	10	13
Missile & Rocket Adv Technology	77	100	111	94
Landmine Warfare & Barrier	25	29	25	25
Night Vision	55	74	47	55
Line of Sight Technology Demo	73	27	9	0
Adv Tac Computer Sci & Sensor Tech	16	22	20	32
Other	<u>107</u>	<u>189</u>	<u>154</u>	<u>155</u>
Subtotal	907	1,040	806	829
BA 4 Adv Component Dev & Prototypes				
Landmine Warfare & Barrier	20	10	37	42
Army Missile Defense Sys Integration	68	95	61	61
Artillery System Dem/Val	427	357	0	0
Soldier Support & Survivability	15	20	14	12
Aviation - Adv Dev	13	11	10	9
CSSCS Eval and Analysis	8	8	9	9
Medical Systems-Adv Dev	19	13	11	10
Meads Concepts - Dem/Val	0	0	276	267
Scamp Blk II	7	14	28	15
Other	<u>281</u>	<u>329</u>	<u>338</u>	<u>268</u>
Subtotal	859	857	784	694
BA 5 System Dev & Demonstration				
Comanche	754	874	1,079	1,182
Electronic Warfare Development	53	38	33	20
Night Vision	25	37	29	22
Non-System Tng Devices-Eng Dev	29	56	72	63
BAT/ATACMS	107	43	55	10
Armored Sys Mod (ASM)-Eng Dev	0	239	1,701	2,458
Command, Control & Communication	113	90	219	163
Joint Tactical Radio System	73	63	135	92
ASAS	44	54	20	16
Patriot PAC 3 TMD Acq -EMD	0	0	174	78
Other	<u>943</u>	<u>1,018</u>	<u>1,220</u>	<u>1,140</u>
Subtotal	2,141	2,512	4,738	5,243

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

(Current \$M)	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
BA 6 Management Support				
Major Test & Evaluation	47	51	62	67
Army Test Ranges/Facilities	115	131	175	172
Army Kwajalein Atoll	144	126	137	139
Support of Operation Testing	86	92	68	68
Program-wide Activities	58	58	72	69
Army Test Tech & Sust Instr	36	41	55	60
Surviv/Lethal	35	35	39	42
Dod High Energy Laser Test Facility	22	17	18	18
Concept Experimentation	31	24	26	27
Army Evaluation Center	30	38	57	57
Other	<u>324</u>	<u>338</u>	<u>152</u>	<u>154</u>
Subtotal	928	950	860	873
BA 7 Operational Systems Development				
Cbt Vehicles Improvement Prgm	160	83	24	16
Horizontal Battlefield Digitization/FBCB2	86	94	67	39
Missile/Air Defense PIP	13	42	44	32
MLRS PIP	102	95	85	111
SATCOM Ground Environment	43	69	87	65
JLENS	31	29	58	56
AFATDS	36	45	29	23
Maneuver Control	40	42	40	18
Aircraft Mods/PIPs	156	211	191	171
Distributed Common Ground Sys (JMIP)	72	45	32	42
Tactical Unmanned Aerial Vehicles	35	67	60	67
Global Combat Support System	79	49	59	65
Other	<u>243</u>	<u>202</u>	<u>173</u>	<u>196</u>
Subtotal	1,096	1,073	950	900
TOTAL*	7,018	7,535	9,123	9,539
*Totals may not add due to rounding				

Chemical Demilitarization Program

The Chemical Demilitarization Program continues to progress towards meeting the Chemical Weapons Convention Treaty destruction milestones (the 20 percent destruction by April 2002 was met in July 2001) while emphasizing safety and health. The Program has safely destroyed approximately 25.6% of the original stockpile.

The \$1.65 billion in CAMD,A includes operations and maintenance (\$1.199 million); research and development (\$252 million); procurement (\$79 million) and construction (\$120 million).

Significant efforts funded in the budget request include complete closure activities at the Johnston Atoll Facility and disposal operations at six locations (Tooele, Utah; Anniston, Alabama; Umatilla, Oregon; Pine Bluff, Arkansas; Aberdeen, Maryland; and Newport, Indiana) as well as design, permitting and construction activities for alternative technology pilot plants at Pueblo, Colorado and Lexington, Kentucky.

The budget request also supports the continued activities of the Non-Stockpile Chemical Materiel Project and the Chemical Stockpile Emergency Preparedness Program.

Chemical Demilitarization Program Funding Summary (\$M)

Appropriation	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Operation and Maintenance	748	947	1,199	1,032
Research and Development	202	294	252	312
Procurement	164	207	79	31
Construction	0	0	120	82
CAMD,A TOTAL*	1,115	1,449	1,650	1,457
*Totals may not add due to rounding				



The Active Army Military Construction budget is focused on providing facilities that will upgrade the quality of life of soldiers and families, improve readiness, and support the Army Transformation. New facilities include modern barracks, training ranges, deployment facilities, and physical fitness training centers.

Military Construction, Army (MILCON)

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Operation & Training	391	371	432	645
Maintenance & Production	222	50	90	170
Research & Development	63	16	5	33
Supply & Administration	92	22	1	81
Troop Housing/Community Support	758	857	844	802
Utilities/Real Estate	127	212	21	96
General Reduction/ Rescission	-69	-34	0	0
Minor Construction	20	27	20	20
Planning & Design	164	163	123	149
Total*	1,768	1,684	1,536	1,996
By Region/Program (\$M)				
United States	1,393	1,173	1,079	1,399
Korea	122	151	105	162
Kwajalein Atoll	11	0	9	0
Europe	123	195	200	247
Japan	4	0	0	0
Puerto Rico	0	0	0	19
Qatar	0	9	0	0
General Reduction/ Rescission	-69	-34	0	0
Minor Construction	20	27	20	20
Planning & Design	164	163	123	149
Total*	1,768	1,684	1,536	1,996
*Totals may not add due to rounding				



Military Construction, Army Reserve

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

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

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Operation and Trg	125	69	42	80
Maintenance	31	19	15	5
Minor Construction	3	3	3	3
Planning & Design	8	10	8	11
Rescission	<u>-2</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	165	101	68	99



Military Construction, Army National Guard

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

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

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Operation and Training	182	110	96	113
Maintenance & Production	172	18	44	104
Administrative	0	48	0	0
Infrastructure	0	20	0	14
Minor Construction	16	14	1	2
Planning & Design	36	32	27	33
Recission	<u>-5</u>	<u>-1</u>	<u>0</u>	0
Total	401	241	168	266

Army Family Housing Budget (\$M)

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
New /Replace Construction	80	27	127	356
Improvement	71	130	79	323
Planning & Design	11	16	34	30
Privatization Investment**	<u>0</u>	<u>0</u>	<u>119</u>	<u>139</u>
Subtotal AFH Construction	163	173	359	848
Operation & Utilities	375	390	346	281
Maintenance	503	482	432	390
Leasing	179	213	234	244
Privatization	20	21	30	29
Foreign Currency	20	0	0	0
Subtotal AFH Operations	<u>1,097</u>	<u>1,106</u>	<u>1,043</u>	<u>944</u>
Total AFH	1,260	1,279	1,402	1,792

*Totals may not add due to rounding

**FY02 \$143M and FY03 \$107M transferred to DoD Privatization Account

Army Family Housing (AFH)

The Fiscal Year 2004 Army Family Housing budget supports soldier quality of life with funding for over 120,000 military family housing units worldwide.

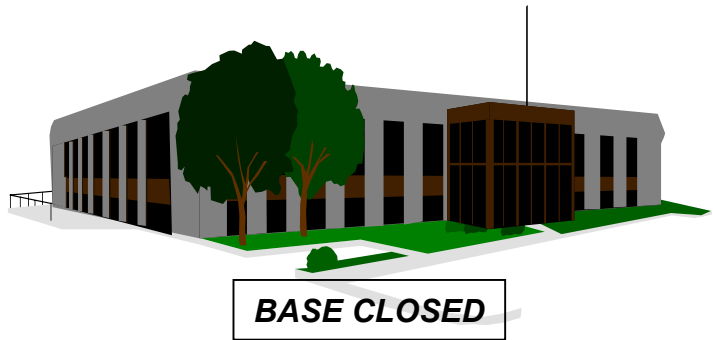
Army Family Housing New Construction

	Units	(\$M)
FY02		
Fort Wainwright, AL	32	11.9
Fort Huachuca, AZ	72	10.7
Fort Leavenworth, KS	84	19.8
Fort Bliss, TX	76	13.8
Fort Sam Houston, TX	70	11.1
Camp Humphreys, KR	54	12.7
	388	79.9
FY03		
Fort Wainwright, AK	38	17.5
Yuma Proving Ground, AZ	33	6.1
Yongsan, KR	10	3.1
	82	26.7
FY04		
Fort Wainwright, AK	100	44.0
Fort Huachula, AZ	160	27.0
Fort Knox, KY	178	41.0
White Sand M. Range, NM	58	14.6
	496	126.6
FY05		
Fort Richardson, AK	106	40.0
Fort Wainwright, AK	232	102.0
Fort Wainwright, AK	100	37.0
Pine Bluff Arsenal, AR	10	2.5
Fort Huachula, AZ	205	39.0
Yuma, AZ	81	15.0
Stuttgart, GE	96	16.0
Camp Carroll, KR	67	25.0
Camp Walker, KR	102	42.0
Fort Monmouth, NJ	68	12.0
White Sands M. Range, NM	77	19.0
Fort Sill, OK	40	6.5
	1,184	356.0

Army Family Housing Privatization Program

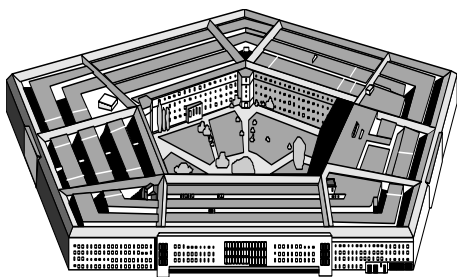
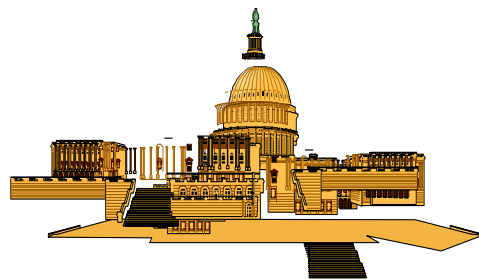
	Units Planned
FY02	
Fort Lewis, WA	3,982
Fort Meade, MD	3,170
Fort Bragg, NC	5,395
Fort Campbell, KY	4,946
Fort Stewart, GA	3,816
Presidio of Monterey, CA	1,676
Fort Irwin, CA	3,052
Fort Hamilton, NY	228
Picatinny Arsenal, NJ	71
Walter Reed Army Med Ctr, DC	877
Fort Detrick, MD	354
	<hr/>
	27,567
FY03	
Fort Polk, LA	3,821
Fort Belvoir, VA	3,041
Ft Eustis, VA	1,124
Ft Shafter - Schfield Brks, HI	7,350
Fort Leonard Wood, MO	2,242
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	17,578
FY04	
Fort Sam Houston, TX	1,470
Fort Bliss, TX	3,611
Fort Drum, NY	3,516
Carlisle Barracks, PA	277
	<hr/>
	8,874
FY05	
Ft Benning, GA	4,055
Fort Rucker, AL	1,516
Fort Gordon, GA	872
Fort Knox, KY	2,988
Fort Leavenworth, KS	1,583
Redstone Arsenal, AL	462
	<hr/>
	11,476

Base Realignment & Closure (BRAC)



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

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



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

Army BRAC Summary

Costs and Savings					
	BRAC 88	BRAC 91	BRAC 93	BRAC 95	TOTAL
Military Construction	577,395	558,830	91,222	510,634	1,738,081
Family Housing Construction	-	-	-	2,575	2,575
Family Housing Operations	541	1,357	-	665	2,563
Environment	541,108	451,316	87,147	1,392,855	2,462,326
Operations and Maintenance	185,078	283,689	91,774	578,497	1,139,038
Military Personnel	-	-	-	-	-
Other	38,197	73,333	14,809	25,110	151,449
Total One Time Costs	1,342,319	1,368,525	284,952	2,500,237	5,496,033
Homeowners Assistance Program	-	-	-	7,144	7,144
Financing Entry	-	-	-	(14,484)	(14,484)
Revenue (Land Sales)	(65,713)	(22,592)	(798)	(61,785)	(150,888)
Appropriation Request	1,276,606	1,345,933	284,154	2,431,112	5,337,805
Funding from Outside Account	43,023	106,756	26,080	62,098	237,957
Savings	(721,011)	(1,181,201)	(206,892)	(978,891)	(3,087,995)
Net Implementation Costs	598,618	271,488	103,342	1,514,319	2,487,767

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

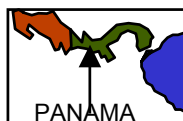
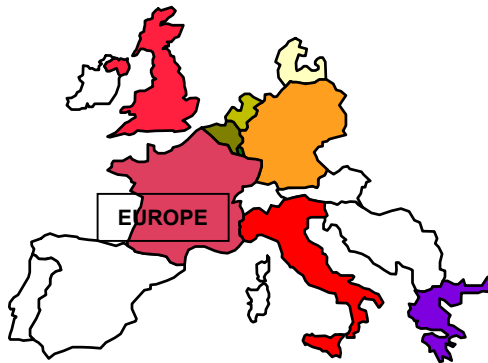
OVERSEAS BRAC

HIGHLIGHTS

- Since 1990 the Army has executed an aggressive overseas closure program.
- Announced closure of 685 overseas installations.
- Majority are in Europe.
- European closures are comparable to closing 12 of our largest installations combined!

Overseas Base Closures:

BELGIUM	3
FRANCE	21
GERMANY	591
GREECE	4
ITALY	4
NETHERLANDS	7
UNITED KINGDOM	5
TURKEY	6
KOREA	31
PANAMA	<u>13</u>
TOTAL	685



FY 2004 Summary

The FY04 budget demonstrates The Army's commitment to its People, Readiness, and Transformation. The Army has set an irreversible goal for total transformation. The Army remains equipped and ready to engage and win in any environment in order to preserve America's freedom.

The FY04 budget along with additional resources required to continue the current level of effort on the war on terrorism will allow The Army to continue to meet its obligations to the American people and our allies.