

Office of the Secretary of Defense

Operation and Maintenance Overview

February 2006



Fiscal Year (FY) 2007 Budget Estimates



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Program Assessment Rating Tool (PART)

**Operation and Maintenance Performance Criteria and
Metrics**

O&M TOA BY SERVICE BY APPROPRIATION

| | (\$ in Millions) | | | | | | |
|--|------------------------|------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| | <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| <u>Army</u> | <u>67,216.7</u> | <u>+1,113.6</u> | <u>-38,206.2</u> | <u>30,124.2</u> | <u>+892.5</u> | <u>+1,023.7</u> | <u>32,040.2</u> |
| Army | 60,327.1 | +935.5 | -37,529.1 | 23,733.5 | +704.1 | +464.8 | 24,902.4 |
| Army Reserve | 2,017.3 | +52.0 | -120.2 | 1,949.1 | +54.3 | +295.8 | 2,299.2 |
| Army National Guard | 4,872.3 | +126.1 | -556.9 | 4,441.5 | +134.1 | +263.1 | 4,838.7 |
| <u>Navy</u> | <u>41,694.9</u> | <u>+1,884.0</u> | <u>-9,002.6</u> | <u>34,576.1</u> | <u>+1,400.9</u> | <u>+733.6</u> | <u>36,710.6</u> |
| Navy | 33,892.2 | +1,672.0 | -6,067.9 | 29,496.3 | +1,241.3 | +593.3 | 31,331.0 |
| Marine Corps | 6,237.9 | +123.5 | -2,711.2 | 3,650.1 | +127.1 | +101.8 | 3,879.0 |
| Navy Reserve | 1,364.1 | +85.2 | -219.8 | 1,229.5 | +31.2 | +28.1 | 1,288.8 |
| Marine Corps Reserve | 200.6 | +3.3 | -3.7 | 200.2 | +1.3 | +10.4 | 211.9 |
| <u>Air Force</u> | <u>41,309.4</u> | <u>+1,727.1</u> | <u>-6,261.5</u> | <u>36,775.0</u> | <u>+1,653.9</u> | <u>+973.2</u> | <u>39,402.1</u> |
| Air Force | 34,494.9 | +1,407.2 | -6,239.1 | 29,663.0 | +1,246.6 | +432.7 | 31,342.3 |
| Air Force Reserve | 2,262.8 | +128.5 | +77.2 | 2,468.5 | +152.3 | +103.0 | 2,723.8 |
| Air National Guard | 4,551.7 | +191.4 | -99.6 | 4,643.5 | +255.0 | +437.5 | 5,336.0 |
| <u>Defense-Wide and Other</u> | <u>47,627.0</u> | <u>+1,678.1</u> | <u>-6,234.5</u> | <u>43,070.7</u> | <u>+1,906.1</u> | <u>-1,121.4</u> | <u>43,855.3</u> |
| Defense-Wide | 21,534.5 | +651.6 | -2,155.0 | 20,031.1 | +664.7 | -620.1 | 20,075.7 |
| Defense Health program | 18,388.5 | +1,010.9 | +606.8 | 20,006.2 | +1,174.9 | -405.0 | 20,776.1 |
| Emergency Response Fund, Defense | 424.9 | - | -406.9 | 18.0 | - | -18.0 | - |
| Former Soviet Union Threat Reduction | 407.9 | +9.7 | -7.2 | 410.4 | +9.0 | -47.3 | 372.1 |
| Office of the Inspector General | 198.3 | +4.3 | +6.4 | 209.0 | +4.7 | +2.6 | 216.3 |
| Overseas Humanitarian, Disaster and Civic Aid | 175.8 | +1.3 | -116.3 | 60.8 | +1.3 | +1.1 | 63.2 |
| Payment to Kaho'olawe Island | 0.4 | - | -0.4 | - | - | - | - |

O&M TOA BY SERVICE BY APPROPRIATION

| | (\$ in Millions) | | | | | | |
|--|-----------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|
| | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| | <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| U.S. Court of Appeals for the Armed Forces | 10.5 | +0.3 | +0.3 | 11.1 | +0.3 | +0.3 | 11.7 |
| Support for International Sporting Competitions | 1.2 | - | -0.7 | 0.5 | - | -0.5 | - |
| Environmental Restoration, Army* | (401.3) | - | +402.8 | 402.8 | +8.9 | +2.1 | 413.8 |
| Environmental Restoration, Navy* | (265.9) | - | +301.5 | 301.5 | +6.7 | -3.8 | 304.4 |
| Environmental Restoration, Air Force* | (396.5) | - | +401.5 | 401.5 | +8.8 | +13.6 | 423.9 |
| Environmental Restoration, Defense-Wide* | (18.9) | - | +27.8 | 27.8 | +0.6 | -10.0 | 18.4 |
| Environmental Restoration, Formerly Used Defense Sites (FUDS)* | (265.7) | - | +253.8 | 253.8 | +5.6 | -16.6 | 242.8 |
| Afghanistan Security Forces Fund | 995.0 | - | -995.0 | - | - | - | - |
| Drug Interdiction And Counter-Drug Activities, Defense* | (1,147.8) | - | +936.1 | 936.1 | +20.6 | -29.8 | 926.9 |
| Overseas Contingency Operations Transfer Fund (OCOTF)* | (10.0) | - | - | - | - | +10.0 | 10.0 |
| Iraqi Security Forces | 5,490.0 | - | - | - | - | - | - |
| Iraq Freedom Fund* | (3,800.0) | - | - | - | - | - | - |
| Total Obligation Authority ** | 197,848.1 | +6,402.8 | -59,704.8 | 144,546.0 | +5,853.4 | +1,609.1 | 152,008.3 |

*Transfer Accounts. The FY 2005 data is non-additive. The Department transfers these program funds to other appropriations (primarily Operations and Maintenance appropriations) where the Components manage, obligate, and expend the transferred funds for the purposes appropriated.

** Totals may not add due to rounding.

OPERATION AND MAINTENANCE TITLE SUMMARY

| <u>(\$ in Millions)</u> | | | | | | |
|-------------------------|-----------------|------------------|------------------|-----------------|-----------------|------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 197,848.1 | +6,402.8 | -59,705.4 | 144,546.0 | +5,853.4 | +1,609.1 | 152,008.3 |

Note: Unless otherwise stated, the FY 2005 actual column includes Supplemental funding. The FY 2006/2007 columns do not include Supplemental funding.

The Department of Defense’s Operation and Maintenance (O&M) programs underpin the military readiness of the United States. America’s military must be capable of responding effectively to crises to:

- protect our national interest;
- demonstrate U.S. resolve; and
- reaffirm the role of the United States as a global leader.

The U.S. forces must be able to execute the full spectrum of military operations -- from deterring aggression and coercion, to conducting concurrent smaller-scale contingency operations, to fighting and winning major theater wars.

To fulfill these roles, U.S. forces must be prepared and ready to execute their combat missions decisively. Resources dedicated to O&M reflect the Department’s commitment to readiness. The Department’s first-to-fight forces are the best in the world.

The funding amounts reflected in this Overview are expressed in Total Obligational Authority (TOA) terms. The term “TOA” includes Budget Authority and financing adjustments (e.g., transfers from unobligated balances), which comprise the total funding available for obligation in the appropriations included in the O&M Title. The summary table at the top of this page identifies the TOA for the appropriations included in the O&M Title.

The FY 2007 TOA request for the O&M Title increases \$7.5 billion above the FY 2006 baseline funding and consists of net increases of +\$5.9 billion in price growth and +\$1.6 billion in program growth. Overall, the request grows by +5.2 percent. The following narrative and the exhibits in the O&M Overview Book discuss the price and major program changes from the FY 2006 baseline TOA.

OPERATION AND MAINTENANCE TITLE SUMMARY

PRICE CHANGES

Price growth reflects the additional cost of executing the previous year's program at the next year's prices. In general, price growth amounts are estimated by applying price change rates to amounts budgeted for various commodity groups (i. e., civilian pay, Working Capital Fund purchases, medical supply purchases, general non-personnel purchases, etc.). The FY 2007 price growth is \$5.9 billion. Rates used for the major commodity groups follow:

For civilian pay, the FY 2007 price growth is based on annualization of the FY 2005 pay raises for General Schedule and wage board employees to include locality increases, which were effective January 1, 2005, and the portion of the FY 2006 pay increases scheduled to become effective January 1, 2006. It also provides for foreign national employee pay raises at the rates the host countries provided to public sector personnel. For FY 2007, the budgeted pay raise increase is 2.2 percent for General Schedule and wage board employees and is projected to be effective January 1, 2007.

Consistent with Office of Management and Budget (OMB) direction, the general non-personnel purchase rate is 2.2 percent for FY 2007.

In FY 2005, increases in world fuel market prices, along with the impact of hurricane damage on the U.S. refining industry, necessitated, a significant price change, and drove an increase to the current stabilized rate of \$84.00 per barrel. The FY 2006 budget, however, only reflected funding to meet an overall composite rate of \$61.74 per barrel. Due to this significant increase in cost, the Department is requesting \$2.6 billion in the FY 2006 Global War on Terror Supplemental to fund the price growth. As a result, the FY 2007 budget requests funding to reflect the increase from \$61.74 to \$84.00. The budgeted increase is reflected as price growth, since the customer's budget does not include the funding necessary to meet the stabilized price of \$84.00 per barrel in FY 2006.

Other Working Capital Fund rates change by business activity group and vary from year to year. The following list of FY 2006 rate changes represents those business areas that account for the vast majority of orders from O&M customers:

OPERATION AND MAINTENANCE TITLE SUMMARY

| <u>Working Capital Fund Activity Group</u> | <u>Rate Change (Percent)</u> |
|---|----------------------------------|
| Army Managed Supplies, Materials, and Equipment | +4.4 |
| Navy Managed Supplies, Materials, and Equipment | +2.4 |
| Air Force Managed Supplies, Materials, and Equipment | +6.8 |
| Defense Logistics Agency (DLA) Managed Supplies, Materials, and Equipment | +0.6 |
| Army Depot Systems Command – Maintenance | +5.5 |
| Army Ordnance Depot Maintenance | +5.5 |
| Naval Aviation Depots | +4.8 |
| Marine Corps Depot Maintenance | -3.3 |
| Air Force Depot Maintenance (Organic) | -5.8 |
| Navy Civil Engineering Services | -3.3 |
| Military Sealift Chartered Cargo | +13.1 |
| Air Mobility Command Channel Cargo | +0.5 |
| Air Mobility Command Passenger | +2.1 |
| Air Mobility Command Training | +4.9 |
| DLA Distribution Depots | -2.0 |
| DLA Fuel | +36.1 (varies) |
| Document Automation and Production Services | +3.5 |
| Defense Finance and Accounting Service | -9.6 |
| Defense Information Systems Agency (DISA) – Defense Computing Centers | +7.5 |
| DISA – Defense Communication Services – GIG-BE/DISN | +13.6 |
| DISA – Reimbursable Services | +2.7 |

OPERATION AND MAINTENANCE TITLE SUMMARY

PROGRAM CHANGES

Air Operations

| (\$ in Millions) | | | | | | |
|-------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 33,116.1 | +1,839.4 | -4,319.8 | 30,635.7 | +1,846.2 | +1,528.7 | 34,010.6 |

The Air Operations program finances the cost to maintain aircraft and to train pilots to achieve and maintain flying proficiency in support of the national military strategy. Air Operations consists of two main functions:

- (1) flying hours, also called Operating Tempo (OPTEMPO); and
- (2) support, including depot maintenance.

The flying hour program is based on pilot training syllabuses, which are used to estimate the number of training hours needed to achieve and to maintain aircrew skill levels.

The FY 2007 budget request of \$34.0 billion for the Air Operations program reflects a net program increase of +\$3.4 billion (+11.0 percent) above the FY 2006 funding level. The FY 2007 increase funds a pricing change (+6.0 percent) and the Services' flying hour requirements to meet readiness and training goals (+5.0 percent). Major program changes include:

- Air Force: fund transfers in from procurement for the F-15 Contractor Logistics Support (+\$0.1 billion); an increase representing the restoral of the FY 2006 Air Force peacetime offset for flying operations (+\$0.5 billion); and a decrease to the Flying Hour Program due to a change in hours and/or consumption based on Mission Design Series (MDS) and changes in training requirements (-\$0.1 billion);
- Air National Guard: increased Flying Hour Program (+\$0.2 billion); and
- SOCOM: flying hour funding associated with the fielding of additional MH-47Gs, CV-22s and A/MH-6Ms; Additional increases for the transition of the Directional Infrared Countermeasures (DIRCM) system to O&M sustainment; civilian end strength increase associated with Flight Operations; and additional capabilities and greater presence with the transition of responsibilities for the 160th Special Operations Aviation Regiment from CENTCOM Forward Presence (+\$0.1 billion).

OPERATION AND MAINTENANCE TITLE SUMMARY

Land Forces

| (\$ in Millions) | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|-------------------------|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army * | 3,415.2 | +122.7 | -919.3 | 2,618.6 | +98.2 | +119.6 | 2,836.4 |
| Marine Corps | 2,402.8 | +26.2 | -2,026.3 | 402.7 | +2.5 | +98.3 | 503.5 |
| Total | 5,818.0 | +148.9 | -2,945.6 | 3,021.3 | +100.7 | +217.9 | 3,339.9 |

* Includes BA 1/BA 4 final adjustments not reflected in the FY 2007 President's Budget Submission.

The Land Forces program includes funding to train and to sustain active Army and Marine Corps ground combat forces. The Army's program includes units assigned to heavy, airborne, air assault and light division; corps combat units. The Marine Corp program includes divisions, service support groups, helicopter groups, and light anti-aircraft missile battalions that constitute the Marine air-ground team and Marine security forces.

The FY 2007 budget request of \$3.3 billion for Land Forces programs reflects a pricing growth of +\$0.1 billion (+3.3 percent) and a program increase of +\$0.2 billion (+7.2 percent). Major program changes include:

- Army: conversion of brigade combat teams (BCTs) into modular brigades and the addition of three modular brigades; and
- Marine Corps: cyclic programmed equipment purchases for Improved Load Bearing Equipment, Family of Ballistic Protection, Critical Low Density Secondary Repairable (5th Ech), Family of Shelters and Shelter Equipment, increase to establish Marine Forces North as United States Marine Corps (USMC) component to U.S. Northern Command (NORTHCOM), increase to establish Marine Central Headquarters (MARCENT), and increase for Marine Corps Foreign Language Program due to increased involvement with foreign nations.

OPERATION AND MAINTENANCE TITLE SUMMARY

Ship Operations

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 9,356.0 | +509.0 | -1,625.0 | 8,243.0 | +366.0 | +41.0 | 8,650.0 |

The Ship Operations programs include OPTEMPO as well as depot maintenance and support. The FY 2007 budget request of \$8.650 billion includes a pricing growth of +\$0.4 billion (+4.4 percent) and a net program increase of +\$0.041 billion (+0.5 percent) that is due primarily to net decrease in the number (-10) and scope of scheduled ship availabilities offset by increases associated with 151 steaming days for USNS SACAGAWEA (T-AKE2), 91 steaming days for USNS GRASP (T-ARS 51), 273 steaming days for USNS GRAPPLE (T-ARS 53), and 273 steaming days for T-AKE 3, and funding for ship repair parts and consumables.

Mobilization

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 6,160.6 | +552.8 | -1,683.2 | 5,030.2 | +275.0 | +99.5 | 5,404.7 |

The Mobilization program provides for airlift and sealift capability to deploy combat forces and materiel in contingencies by providing funding to maintain an inventory of immediately available supplies and equipment to sustain the forces as outlined in the National Military Strategy.

The FY 2007 budget request of \$5.4 billion for the Mobilization program reflects a pricing growth of +\$0.3 billion (5.5 percent) and a net program increase of +\$0.1 billion (+2.0 percent). The majority of the program increase is associated with the Air Force's Airlift Operations (+\$0.1 billion) and the Navy's activation and inactivation program (+\$0.1 billion). The increases are partially offset by decreases in the Army's Other Mobilization Programs (-\$0.1 billion).

OPERATION AND MAINTENANCE TITLE SUMMARY

Depot Maintenance

| <u>(\$ in Millions)</u> | | | | | | |
|----------------------------------|--------------------------------|----------------------------------|------------------------------------|--------------------------------|----------------------------------|------------------------------------|
| FY 2005 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
| 13,364.9 | +192.1 | -2,934.0 | 10,622.9 | +119.1 | +3.3 | 10,745.3 |

The Depot Maintenance program funds the overhaul, repair, and maintenance of aircraft, missiles, ships, submarines, combat vehicles and other equipment. Depot maintenance efforts are performed at both public (DoD) and private (contractor) facilities. These efforts provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, and to renovate assets that are being transferred from active forces to the Reserve Components.

The FY 2007 budget request of \$10.7 billion reflects a net price increase of +\$0.1 billion and a net program increase of \$.003 billion from the FY 2006 funding level. Major program changes include:

- Army depot maintenance program reflects a net increase of +\$0.3 billion, due to Active Army aircraft and combat vehicles, communication equipment, and other heavy equipment; the Army Reserve tactical vehicles and other end item maintenance; and the Army National Guard Rotary Wing Aircraft maintenance and other end items such as calibration of bio-medical equipment, general weapon systems, and calibration of Civil Support Teams (CSTs) Chemical, Biological, Radiological, and Nuclear (CBRN) equipment.
- Navy depot maintenance program reflects a net decrease of -\$0.4 billion, mainly due to the number of ships undergoing maintenance and a decrease in the scope of anticipated repairs, reduced standard depot level maintenance repairs, phased depot maintenance repairs, engine overhauls, and other depot maintenance decreases associated with expeditionary airfields and ship inactivation programs.
- Air Force depot maintenance program reflects a net increase of +\$0.06 billion, due to increasing Programmed Depot Maintenance for B-1, B-52, and C-130 aircraft, and Depot Purchased Equipment Maintenance Software upgrades for the B-52's new radar/navigation system, B-1 munitions inventory, Combat and Recovery HH-60 helicopter, C-130/HH-60, C-130J, and KC-135R/T; and these increases are offset by decreases in Engine and Missile overhauls and Other Major End Items for the Modular Control System and reduced automated test equipment repair requirements.

OPERATION AND MAINTENANCE TITLE SUMMARY

Transportation

| (\$ in Millions) | | | | | | |
|-------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 2,494.0 | +19.3 | -1,349.1 | 1,164.2 | +14.9 | -46.1 | 1,133.1 |

The Transportation program provides for the movement of materiel between contractors' plants, military logistics centers, and field activities throughout the world.

In FY 2007, total DoD transportation costs are \$1.13 billion, a net decrease of -\$0.03 billion from the FY 2006 estimate of \$1.16 billion. This net decrease includes price growth of +\$0.01 billion and a net program decrease of -\$0.05 billion (4.0 percent). The price growth is mostly due to changes in the Working Capital Fund approved transportation rates. The FY 2007 program decreases are mostly due to decreases in the Army and Marine Corps programs, and the Air Force's projected savings by more effectively using less expensive modes of transportation for future shipments. These decreases are partially offset by the increases in the Navy Exchange sales volume, including the transfer of Ship Store operations in Bahrain to the Navy Exchange Command Resale, and the Joint Staff's increase to support Full Scale Civil Military Exercises.

Training and Education

| (\$ in Millions) | | | | | | |
|-------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 7,395.3 | +233.1 | -197.6 | 7,430.8 | +265.2 | -11.3 | 7,684.7 |

The Training and Education program finances the operation of training centers, Service schools, and scholarship programs, which are necessary to acquire and to maintain a trained force of personnel capable of supporting DoD's military units, ships, aircraft, and installed weapon systems. Also included are resources to finance base support activities and facility sustainment.

- The FY 2007 budget request of \$7.7 billion reflects a pricing growth of +\$0.3 billion and a net program decrease of -\$0.01 billion.

OPERATION AND MAINTENANCE TITLE SUMMARY

Recruiting, Advertising, and Examining

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|
| <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 1,519.0 | +43.5 | -113.5 | 1,449.0 | +32.5 | -145.8 | 1,335.9 |

The Recruiting, Advertising, and Examining program provides funds to support the recruiting commands and stations throughout the United States, to finance the costs for local, regional, and national advertising to support the procurement and retention of quality enlisted and officer personnel, and to support the U.S. Military Entrance Processing Command to process all enlisted personnel entering active duty.

The FY 2007 budget of \$1.3 billion reflects a pricing growth of +\$0.03 billion and net program decrease of -\$0.1 billion, mainly due to a decrease in the Advertising program.

Base Support

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|
| <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 20,818.0 | +568.7 | -3,654.2 | 17,732.5 | +571.6 | +275.8 | 18,579.9 |

The Base Operating Support (BOS) program provides the resources to operate the bases, installations, camps, posts, and stations of the Military Departments. These resources sustain mission capability, ensure quality-of-life, enhance work force productivity, and fund personnel and infrastructure support.

The FY 2007 budget request of \$18.6 billion reflects a pricing growth of +\$0.6 billion (+3.2 percent) and a program growth of +\$0.3 billion (+1.6 percent). Major program changes include:

OPERATION AND MAINTENANCE TITLE SUMMARY

- Army: The program decrease reflects anticipated savings through improved efficiencies, streamlining headquarters operations, creating a more agile and responsive staff and reducing layers of review and approval (-\$0.2 billion);
- Navy: The program increases include funding for increased utilities support, utility market volatility and de-regulation impacts (+\$0.1 billion), maintenance and repair for utilities and transportation infrastructure that transferred from Public Works Departments to Public Works Centers (+\$0.1 billion), alignment of funding for Norfolk and Portsmouth Naval Shipyards to mission funding (+\$0.045 billion), the Air Operations, Youth Programs, Base Security, Environmental Compliance, Emergency Management, Quarters Operations, and Mishap Reductions (+\$0.09 billion). Program decrease reflects reduced presence in Europe (-\$0.067 billion), realignment of funds to support the Enterprise Information Technology program (-\$0.1 billion), and a one-time decrease due to FY 2006 Congressional adds (-\$0.016 billion);
- Air Force: The program increases include funding for Military-to-Civilian Conversion program that identified military members performing work not directly associated with the Air Force core war fighting mission and converted military positions to civilian positions (+\$0.3 billion), partially offset by management efficiencies with the Air Force Transformation efforts (-\$0.07 billion) and improved funds management and preclude unobligated balances (-\$0.08 billion); and
- Marine Corps: The program increases include funding for the First Response program, including medical kits, essential personnel suites, masks, chemical and biological installation equipment, Anti Terrorism compliance, military to civilian conversion, emergency services, collateral equipment for initial outfitting of military construction projects, the Marine Corps Network Operations Security Command (MCNOSC) to support core fleet information technology, data and network capability requirements, and Mu Juk, Korea Marine Corps Base.

Command, Control, and Communications

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|
| <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 5,247.8 | +56.5 | -164.4 | 5,139.9 | +47.7 | +181.1 | 5,368.7 |

The Command, Control, and Communications (C3) program finances base level and worldwide communication networks for voice, data, and imagery traffic to ensure responsive support to U.S. forces.

The FY 2007 budget request of \$5.4 billion includes a pricing growth of +\$0.05 billion (+0.9 percent) and a net program increase of +\$0.18 billion (+3.5 percent). Major program changes include:

OPERATION AND MAINTENANCE TITLE SUMMARY

- **Sustaining Base Communications:** The Army increases funding for realignment for voice, video, data, and circuits that are packaged together for 404 core DoD sites (+\$0.1 billion); and the Navy increases funding for the phasing of life cycle maintenance for communication equipment, the new TELEPORTS lines reaching full operating status in FY 2007, and bandwidth expansion for the Global Information Grid (GIG) (+\$0.09 billion). The increase also supports the Maritime Interdiction Operations (MIO) pilot program to establish an Intelligence Exploitation Team (IET) and establishment of Joint Tactical Radio System (JTRS) Joint Program Executive Office (PEO).
- **Command and Control:** The Navy’s funding increases for the operations, life cycle support, IT maintenance for the Deployable Joint Command and Control (DJC2) and operation and maintenance for FORCEnet Trusted Information Systems (+\$0.03 billion) and SOCOM’s increases to fund technical support, Capital Equipment Replacement Program, consumables and infrastructure (+\$0.02 billion) are offset by the Air Force’s anticipated savings from the Transformation Initiatives (-\$0.03 billion).
- **C3 Related:** The Navy decreases funding for Computer Network Defense life cycle support and contractor support (-\$0.01 billion) and the Air Force increases funding for military to civilian conversion and Information Assurance Activities (+\$0.05 billion).

Facilities Sustainment, Restoration, and Modernization (SRM) and Demolition

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|
| <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 7,718.0 | +228.0 | -1,059.0 | 6,887.0 | +172.0 | -298.0 | 6,761.0 |

The Facilities Sustainment, Restoration, and Modernization (SRM) and Demolition programs provide funds to support two distinct efforts. The SRM program (formerly called “Real Property Maintenance”) provides funds to maintain facilities, to restore facilities whose age is excessive or have been damaged, and to improve facilities to accommodate new functions or mission. The demolition program provides funds to demolish and dispose of obsolete and excess structures.

The FY 2007 budget request of \$6.8 billion includes price growth of +\$0.2 billion (+2.5 percent) and a net program decrease of -\$0.3 billion (-4.3 percent) below the FY 2006 funding level. Major program changes include:

- The Army request reflects a net decrease of \$3 million from the FY 2006 funding level: +\$0.05 billion in price growth and -\$0.05 billion in program reduction. SRM funding will fund critical facility requirements and upgrade deteriorating facilities at 90 Army installations worldwide. The FY 2007 program maintains facilities sustainment at 90 percent of requirement. The Army

OPERATION AND MAINTENANCE TITLE SUMMARY

request also includes \$0.02 billion for its demolition program, which reflects a decrease of -\$0.008 billion from the FY 2006 funded level.

- The Navy request reflects a net decrease of -\$0.1 billion from the FY 2006 funding level: +\$0.03 billion in price growth and -\$0.1 billion (-11.0 percent) in program reduction. The FY 2007 program maintains facilities sustainment at 95 percent of requirement. The Navy request also includes \$0.05 billion for demolition, which reflects price growth of +\$0.001 billion over the FY 2006 funded level.
- The Air Force request reflects a net decrease of -\$0.05 billion from the FY 2006 funding level: +\$0.04 billion in price growth and -\$0.1 billion (-5.5 percent) in program reduction. The FY 2007 program achieves an 86 percent sustainment level and funds critical annual maintenance and repair activities. The Air Force program does not include any funding for demolition.
- The Marine Corps request reflects a net decrease of -\$0.07 billion from the FY 2006 funding level: +\$0.01 billion in price growth and -\$0.08 billion (-15.6 percent) in program reduction. The FY 2007 program achieves a 94 percent sustainment level. The Marine Corps request also includes \$0.005 billion for its demolition program, consistent with prior year funding levels.

Defense-Wide

| <u>(\$ in Millions)</u> | | | | | | |
|-------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 21,534.5 | +651.6 | -2,155.0 | 20,031.1 | +664.7 | -620.1 | 20,075.7 |

The Operation and Maintenance, Defense-Wide appropriation provides funding to support a wide range of essential programs that are critical to the accomplishment of the missions of the Military Departments. Consolidation of these functions has achieved maximum efficiency by avoiding overlap and duplication among the Military Departments. These programs include special operations forces, intelligence activities, audit and contract management activities, treaty implementation, nuclear weapons management and analysis, dependents’ education, civilian and military personnel support, and management support for the Department.

The FY 2007 budget request of \$20.1 billion for the O&M, Defense-Wide appropriation includes a program increase of +\$0.6 billion to expand the United States Special Operations Command’s (USSOCOM) capabilities to lead, plan, and coordinate global operations against international terrorist networks while improving established capabilities to respond to a wide range of national threats. There is also a program increase of \$+1.1 billion for the classified programs. The supplemental funds (Hurricane and Coalition Support)

OPERATION AND MAINTENANCE TITLE SUMMARY

carried over into FY 2006 from the FY 2005 Emergency Supplemental Appropriation are the primary driver of the program decrease between the FY 2006 estimate and the FY 2007 budget request.

Defense Health Program

| (\$ in Millions) | | | | | | |
|-------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 18,388.5 | +1,010.9 | +606.8 | 20,006.2 | +1,174.9 | -405.0 | 20,776.1 |

The medical mission of the Department of Defense (DoD) is to enhance DOD and our Nation’s security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care. The Defense Health Program (DHP) appropriation supports worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, graduate medical education for the training of medical personnel, and occupational and industrial health care. The FY 2007 Defense Health Program budget request of \$20.8 billion includes realistic cost growth for pharmacy, managed care support contracts, and other health care services purchased from the private sector. This budget estimate includes savings of \$0.7 billion for the proposed modest increases in TRICARE enrollment fees, deductibles, and pharmacy co-payments for retired military health care beneficiaries under age 65. This \$0.2 billion in savings associated with the enactment of a legislative proposal to institute annual enrollment fees and increase deductibles for TRICARE Extra/Standard, as well as indexing these fees by an appropriate inflation measure. In addition, it includes \$0.5 billion in savings associated with DoD regulation and policy changes for increased annual enrollment fees for TRICARE Prime and mail order pharmacy co-payments.

Major changes in cost include:

- Increase in health care demands and pharmacy program growth due to increased utilization and the entry of new drugs into the market place (+\$0.4 billion);
- Increase in military to civilian/contractor personnel conversions in support of the Department’s Relieving Stress on the Force initiative and civilian pay raise (+\$0.2 billion);
- Increase in FY 2007 due to one-time 1% congressional recession in FY 2006 (+\$0.2 billion);
- Increase in sustainment of medical facilities and information technology (+\$0.1 billion);
- Decrease due to military treatment facilities efficiencies (-\$0.2 billion); and
- Decrease due to one-time congressional increases in FY 2005 (-\$0.4 billion).

OPERATION AND MAINTENANCE TITLE SUMMARY

Former Soviet Union Threat Reduction

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 407.9 | +9.7 | -7.2 | 410.4 | +9.0 | -47.3 | 372.1 |

The Former Soviet Union (FSU) Threat Reduction appropriation provides resources to address the threat from, and potential proliferation of, the FSU arsenal of weapons of mass destruction (WMD) associated materials and expertise. The FY 2007 budget request of \$0.4 billion for the FSU Threat Reduction appropriation reflects a net program decrease of -\$38.3 million. Programs with decreased funding include Chemical Weapons Destruction (-\$68.2 million), Weapons of Mass Destruction (WMD) Proliferation Prevention (-\$4.0 million), Strategic Nuclear Arms Elimination (-\$1.1 million), and Defense and Military Contacts (-\$0.1 million). Programs with increased funding include Strategic Offensive Arms Elimination (+\$12.9 million), Weapons Storage Security (+\$1.1 million), Weapons Transportation Security (+\$2.3 million), Biological Weapons (BW) Proliferation Prevention (+\$6.2 million) and Other Programs (+\$3.6 million).

Defense Environmental Restoration

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 1,348.2 | +32.4 | +6.8 | 1,387.4 | +30.5 | -14.6 | 1,403.3 |

The Defense Environmental Restoration Program consists of five transfer appropriations that the Congress established to provide for the identification, investigation, and cleanup of past contamination from hazardous substances and wastes; correction of other environmental damage; detection of unexploded ordnances; and the demolition and removal of unsafe buildings, structures at active installations and Formerly Used Defense Sites (FUDS). The Department funds its environmental restoration program to ensure the Military Departments and Defense Agencies meet all legal agreements and ensure compliance with DoD cleanup goals.

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The FY 2007 budget request of \$1.4 billion reflects a price growth of +\$30.5 million and programmatic reductions of -\$14.6 million (-1.1 percent). The program reductions of -\$14.6 million primarily consists of the discontinuance of a one-time congressional increase to the Formerly Used Defense Sites (FUDS) account in FY 2006 and the exclusion of the Defense Logistics Agency’s stockpile sites that are not eligible for environmental restoration funding and, therefore, are no longer reported as a part of the environmental restoration program.

Overseas Contingency Transfer Fund

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|
| <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 10.0 | - | -10.0 | - | - | +10.0 | 10.0 |

The Overseas Contingency Transfer Fund (OCOTF) is a permanent transfer appropriation that the Congress established in FY 1997 to finance contingency operations since these operations are dynamic and unpredictable. As a transfer appropriation, the OCOTF provides the Department with the flexibility to provide funds in the year of execution to the Components for contingency operations costs. The Department is requesting \$10 million in additional funds for FY 2007.

Drug Interdiction and Counterdrug Activities

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|
| <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 1,147.8 | +24.5 | -236.3 | 936.1 | +20.6 | -29.8 | 926.9 |

The Drug Interdiction and Counterdrug Activities, Defense, appropriation is a central transfer account used to fund the Department’s Counternarcotics (CN) Program. The Department of Defense (DoD) uses these resources to finance CN activities that fulfill its statutory responsibilities, use military-unique resources and capabilities, and advance the national priorities of the National Drug Control Strategy. DoD uses its counternarcotics authorities and funding to support efforts in the war on terrorism to implement the Department’s Security Cooperation Guidance. The account provides inherent flexibility for the Department’s CN program to respond effectively to the dynamic nature of the drug threat. It covers all CN resources with the exception of those resources for the Active

OPERATION AND MAINTENANCE TITLE SUMMARY

components' military personnel, Service OPTEMPO, and military construction. The Services budget for the OPTEMPO portion of the program in their Operation & Maintenance appropriations.

The program request of \$926.9 million for FY 2007 reflects a price growth of \$20.6 million and a program decrease of \$29.8 million over the FY 2006 level of \$936.1 million, primarily because of one-time FY 2006 congressional increases to the Department's counter-narcoterrorism program.

ARMY

(\$ in Millions)

| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 60,327.1 | 935.5 | -37,529.1 | 23,733.5 | 704.1 | 464.8 | 24,902.4 |

The Operation and Maintenance (O&M), Army appropriation provides for the day-to-day operations of units, schools and power projection platforms, which in combination support a strategically ready force. The appropriation finances the Army's capability to develop tough, realistic training; provide maintenance of equipment and facilities; and provide the highest quality-of-life for Soldiers and their families.

Overall Assessment

The FY 2007 O&M budget supports balanced priorities for Army forces that are simultaneously at war and transforming. The FY 2007 budget does not include any funding requests associated with active operations related to the Global War on Terror (e.g., additional end-strength, resetting the force, and contingency operations) or other potential future operations. This budget supports the needs of soldiers as they prepare to fight and win our nation's wars.

FY 2007 Budget Request

The FY 2007 O&M Army budget request of \$24,902.4 million increases by \$1,168.9 million above the FY 2006 program. The increase includes a net price increase of \$704.1 million (e.g., inflation, fuel increase, and pay raises) and a net program increase of \$464.8 million.

In FY 2005, increases in world fuel market prices, along with the impact of hurricane damage on the U.S. refining industry, necessitated a significant price change, and drove an increase to the current stabilized rate of \$84.00 per barrel. The FY 2006 budget, however, only reflected funding to meet an overall composite rate of \$61.74 per barrel. Due to this significant increase in cost, the Department is requesting \$2.6 billion in the FY 2006 Global War on Terror Supplemental to fund the price growth. As a result, the FY 2007 budget requests funding to reflect the increase from \$61.74 to \$84.00. The budgeted increase is reflected as price growth, since the customer's budget does not include the funding necessary to meet the stabilized price of \$84.00 per barrel in FY 2006.

ARMY

The FY 2007 budget request:

- Executes the Army OPTEMPO strategy for those units not committed to OEF and OIF at the same level as FY 2006 (615 tank miles and 11.6 flying hours per crew per month).
- Funds training enablers and mission-oriented readiness requirements.
- Increases depot maintenance to enable the Army to sustain current operational needs.
- Increases accession training, basic skill and advanced training, recruiting and advertising, and other training and education.
- Increases Servicewide communications and Logistics Support activities.

Budget Activity 1: Operating Forces

(\$ in Millions)

| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| \$48,467.7 | \$630.4 | -\$34,879.3 | \$14,218.8 | \$493.0 | \$318.3 | \$15,030.1 |

Budget Activity 1 – Operating Forces consists of three activity groups: Land Forces, Land Forces Readiness, and Land Forces Readiness Support. Funding in this budget activity:

- Supports day-to-day operations and readiness training activity levels of the Army's active combat forces.
- Supports a ground OPTEMPO strategy to reflect Major Command (MACOM) unique missions and geographical peculiarities (e.g., availability of maneuver areas and combat training centers) and availability of simulators (i.e., Close Combat Tactical Trainer (CCTT) and Unit Conduct of Fire Trainer (UCOFT)).
- Funds the Army's participation in the Joint National Training Capability (JNTC) events.
- Supports key activities essential to operational readiness, such as depot maintenance, participation in joint exercises, and combat development.
- Provides for infrastructure maintenance and support, management headquarters, unified command support, and special activities of the operating forces to include contingency operations that are now included in the budget such as the Balkans, Operation Noble Eagle, and Guantanamo Bay Detainee Operations.

ARMY

Major program changes include:

- Increases funding in Divisions (\$182.1 million), Corps Combat Forces (\$23.4 million), Corps Support Forces (\$84.7million) and Echelon Above Corps (EAC) Support Forces (\$66.8 million). This increase reflects deployment offset changes in the ground and air OPTEMPO training events due to the rotational deployments in support of OIF/OEF. The number and mix of units (active versus reserve and light brigade versus heavy brigade) projected to deploy in FY 2007 differs from those projected to deploy or deployed in FY 2006. This difference requires more units to execute home station training (Combined Arms Training Strategy) in FY 2007 (\$357.0 million). Additionally, there is a decrease of \$43.4 million in Contract Logistic Support associated with systems deployed to OIF/OEF.
- Increases funding in Land Forces Depot Maintenance support items such as overhauls for two additional helicopters (a MH-47E helicopter, and an AH-64D helicopter), 135 Shop Shelters, 365 M872 trailers of various configurations, 25 Bradley Fighting Vehicles Systems (BFVS) of various configurations, 32 additional M1A1/M1E1 Abrams Integrated Management (AIM) recapitalization vehicles, the overhaul of 184 additional Mobile Subscriber Equipment (MSE) major assembly overhauls, and a new program of 15 Crash Damaged MSE Shelters. Additional increases fund watercraft overhauls required to meet U.S. Coast Guard requirements and support various Post Production Software Support (PPSS) programs (Total: \$333.4 million).
- Decreases Base Operations Support (BOS) resulting from the Army integrating business process improvements (Six Sigma and Lean Flow initiatives) and organizational efficiencies in BOS. (\$-164.9 million).
- Decreases in Additional Activities (\$-111.8 million) base funding reflects the reduction of costs associated with the initial fielding of the last 11 Civil Support Teams (\$-11.9 million); reduced requirements for vulnerability assessments, training awareness efforts, antiterrorism exercises, and procurement and maintenance of mass notification equipment (\$-11.1million); and a one time reprogramming action in FY 2006 for IED Defeat Mission not carried over in FY 2007 (\$-83.3 million).

Budget Activity 2: Mobilization

(\$ in Millions)

| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|----------------|---------------|----------------|-----------------|---------------|-----------------|-----------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| \$424.8 | \$14.0 | -\$79.5 | \$359.3 | \$26.5 | -\$116.9 | \$268.9 |

Budget Activity 2 – Mobilization consists of three activity groups: Strategic Mobilization, Army Prepositioned Stocks (APS), and Industrial Preparedness. Funding in this budget activity provides:

ARMY

- Capability to immediately deploy a combat capable brigade along with a warfighting division and associated force structure to any emergency crisis worldwide. The program includes the activation and upload of Large, Medium Speed Roll-On/Roll-Off (LMSR) ships for the preposition afloat set and container procurements.
- Funding for the Oman Access and the Bahrain Lease for critical storage space.
- Capability to power project brigade and unit sets, operational projects and sustainment supplies immediately from CONUS, Europe, Southwest Asia, South Korea, Japan, Hawaii to trouble spots any where in the world.
- Industrial analysis to help the Army obtain end item and repair part support (excluding ammunition).

Major program changes include:

- Strategic Mobilization decreases by \$-71.8 million primarily due to the scheduled reconfiguration of one Heavy Brigade Combat Team (BCT).
- Army Prepositioned Stocks Program decreases by \$-34.0 million due to the reduced cost of Care of Supplies in Storage (COSIS) and reduced cyclic maintenance cycles of ships.
- Starting in FY 2007, Congress is requested to appropriate funds for Industrial Preparedness Operations to Revolving and Management Funds, Defense Working Capital Funds as opposed to O&M, Army. This decrease of \$-11.1 million accounts for the elimination of civilian pay costs for this program.

Budget Activity 3: Training and Recruiting

(\$ in Millions)

| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| \$3,245.2 | \$88.6 | \$83.7 | \$3,417.5 | \$94.8 | \$102.2 | \$3,614.5 |

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

ARMY

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

Major program changes include:

- Increases funds for Officer Acquisition which supports implementation of the Language Immersion Program (\$9.8 million) at the United States Military Academy and Specialized Skill Training (\$2.3 million) to include the expansion of the Defense Language Institute’s Translator Aide Program (\$4.3 million) (Total: \$16.1 million).
- Increases funds for Recruit Training (\$7.7 million)
- Increases funds for One Station Unit Training (\$10.3 million).
- Increases funds for Recruiting and Advertising Initiatives (\$35.5 million).
- Increases funds for Education and Training Programs (\$20.8 million).
- Increases funds for all 1,645 JROTC schools to purchase school supplies and upgrade information technology equipment (\$6.6 million).
- Increases funds for Military Entrance Processing Command (\$10.6 million).

Budget Activity 4: Administration and Servicewide

(\$ in Millions)

| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| \$8,189.3 | \$202.6 | -\$2,653.9 | \$5,738.0 | \$89.8 | \$161.1 | \$5,988.9 |

Budget Activity 4 – Administration and Servicewide consists of four activity groups: Security Programs, Logistic Operations, Servicewide Support, and Support to 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. Funding in this budget activity resources:

ARMY

- Intelligence and security efforts through the National Intelligence Program, Military Intelligence Program, Security and Intelligence Activities, Personnel Security Investigations, and Arms Control Treaty Implementation.
- Movement of Army materiel worldwide and management of end items, ammunition and logistics support activities.
- Army Management Headquarters Activities, the Army Claims program, and servicewide telecommunications, information systems and personnel programs.
- Our commitment to the North Atlantic Treaty Organization and supports Combatant Commander's security cooperation strategies.

Major budget changes include:

- Increase funding in Servicewide Communications to ensure CONUS reach-back capability. Funding supports satellite communications, Long Haul Communications, the expansion of the Grid-Bandwidth, and the Army's portion of the Defense Communications System (\$136.0 million)
- Increase funds in Logistic Support Activities for the financial program implementation for selected equipment, development of capabilities and a phased implementation plan for the Joint Unique Identification Program. This program will ensure that all tangible property and equipment procured by the Army is assigned a unique identification number for inventory management (\$20.9 million).

NAVY

(\$ in Millions)

| FY 2005 1/ <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 2/ <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
|-----------------------------|------------------------|--------------------------|-------------------------------|------------------------|--------------------------|----------------------------|
| 33,892.2 | +1,672.0 | -6,067.9 | 29,496.3 | +1,241.3 | +593.3 | 31,331.0 |

Note: 1/ FY 2005 values displayed include Supplemental funding (\$4,031.4M).

2/ FY 2006 values displayed exclude Supplemental funding (\$2,273.4M).

The Operation and Maintenance, Navy (O&M,N) appropriation finances the day-to-day costs of operating naval forces, including fuel, supplies, and maintenance of ships, Navy and Marine Corps aircraft, related weapon systems, and the support establishment ashore. The primary focus of the Department's FY 2007 budget is to continue to ensure the readiness of deployed forces.

The FY 2007 estimate of \$31,331.0 million includes a price increase of +\$1,241.3 million. This price increase primarily results from increases in general inflation changes (+\$343.4 million), civilian pay (+\$139.7 million), Working Capital Fund rate costs (+\$263.3 million), fuel (+\$484.0 million), and Transportation Rates (+\$10.9 million). This budget reflects overall program increases of +\$593.3 million.

Budget Activity 1: Operating Forces

(\$ in Millions)

| FY 2005 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| 25,973.2 | +1,534.2 | -5,080.3 | 22,427.1 | +1,067.9 | +902 | 24,397.1 |

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

The FY 2007 budget estimate of \$24,397.1 million includes a price increase of +\$1,067.9 million and program increases totaling +\$902 million (+4.0 percent). Major program changes include:

NAVY

- **Air Operations** increases by +\$379.6 million, including price growth of +\$413.6 million. Major program changes include:
 - Net decrease of -\$32.7 million for reduced repairables and consumables; additional hours required to achieve a T-2.5 readiness level; changes in student load plan in Fleet Air Training; and changes in type/model/series flown, such as the retirement of S-3Bs and F-14s:
 - Increase of \$40.4 million for the implementation and accelerated deployment of the Navy Converged Enterprise Resource Planning Program and support for the Naval Air Pacific Repair Activity and the Naval Air Mediterranean Repair Activity forward deployed depot maintenance programs; and
 - Decrease of -\$48.9M million associated with a reduction in required Standard Depot Level Maintenance, Phased Depot Maintenance /Integrated Maintenance concept tasks, engine overhauls and repairs.
- **Ship Operations** increases by +\$404.6 million, including price growth of +\$359.0 million. Major program changes include:
 - Net decrease in the number (-10) and scope of scheduled ship availabilities (-\$123 million);
 - Increase associated with additional steaming days for MSC chartered ships (+\$70.3 million);
 - Increase of +\$35.8 million for ship repair parts and consumables to ensure the requirement is fully funded in accordance with the last three years of execution experience;
 - Transfers of +\$26.3 million from Cruise Missile for Distributed Common Ground System and +\$20.7 million from Planning, Engineering and Design for civilian personnel realignment; and
 - Reduction to deployed steaming days from 39 to 36 per quarter for peacetime OPTEMPO reduction (-\$36.0 million).
- **Facility Sustainment, Restoration and Modernization (FSRM)** decreases by -\$106.6 million, including price growth of +\$31.0 million. Major program changes include:
 - Renovation at U.S. Naval Academy for language and cultural expertise development (+\$10.0 million);
 - Realignment of SRM funds for Naval Shipyards at Norfolk and Portsmouth from customer accounts (+\$33.0 million) to reflect shipyard mission funding;
 - Reductions to requirements realized through inventory reduction, Base Realigning and Closure, and cost factor adjustment associated with Facilities Sustainment Model 7.2 (-\$88.9 million);
 - Reduced footprint at an overseas base (-\$14.5 million), reduced SRM requirement for facilities identified for future demolition (-\$17.5 million); and
 - Realignment of FSRM for shore utilities and transportation to base operations at installations where Public Works Departments are converting to Public Works Centers (PWC) as this infrastructure SRM is now incorporated into PWC rates (-\$59.7 million).

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- **Base Support** increases by +\$249.4 million, including price growth of +\$120.5 million. Major program changes include:
 - Increase to provide minimally acceptable utilities support (+\$64.3 million), utility market volatility and de-regulation impacts (+\$56.4 million), realignment from SRM to fund maintenance and repair for utilities and transportation infrastructure transferred from Public Works Departments to Public Works Centers (+\$59.7 million);
 - Realignment of base operation costs for Norfolk and Portsmouth Naval Shipyards from customer accounts (+\$45.8 million) due to mission funding of shipyards;
 - Increase to provide minimally acceptable service in Air Operations, Youth Programs, Base Security, Environmental Compliance, Emergency Management, Quarters Operations, and Mishap Reduction (+\$85.9 million);
 - Program decreases include Base Realignment and Closure effects (-\$6.7 million), reduced presence in Europe (-\$67.2 million); and
 - Realignment of (-\$95.7 million) to the Enterprise Information Technology to reflect consolidation of Navy IT costs.

- **Combat Operations and Support** decreases by -\$171.9 million, including price growth of +\$68.2 million. Major program changes include:
 - Realignment of -\$318.4 million to the Enterprise Information Technology to reflect consolidation of Navy IT costs;
 - Increase of +\$3.8 million for FORCENet Trusted Information Systems;
 - Increase of +\$7.2 million for the reactivation of the USNS ABLE T-AGOS;
 - Reduction of -\$11.5 million in equipment maintenance for aerial targets at Navy training ranges, and other fleet training support requirements;
 - Realignment of -\$15.1 million to US Joint Forces Command (JFCOM) in support of the Joint Knowledge Development and Distribution Capability program and integration with the Joint National Training Capability;
 - Increase of +\$14.0 million to support JFCOM Unified Command Plan responsibilities;
 - Increase of +\$11.2 million to support sustainment and maintenance of C4I networks at JFCOM;
 - Increase of +\$7.6 million to support JFCOM management responsibility roles to conventional force oversight;
 - Increase of +\$6.4 million for the stand up of a second Standing Joint Forces Headquarters;
 - Increase of +\$4.8 million to support the Maritime Interdiction Operations pilot program;
 - Increase of +\$4.0 million for the replenishment of Chem-bio and radiological defense equipment associated with the Navy's AT/FP efforts;
 - Increase of +\$3.9 million to support a new JFCOM Standing Joint Forces Headquarters;
 - Increase of +\$3.3 million supports the establishment of the Riverine Warfare Command at Commander, Fleet Forces Command;
 - Increase of +\$3.8 million for maintenance support of the new SPS-73 radar;
 - Increase of +\$2.0 million supports sustainment of the Landing Craft Unit (LCU) 1600;

NAVY

- Increase of +\$1.0 million supports the Pacific Warfighting Operations Center at US Pacific Command (PACOM); and
- Increase of +\$1.6 million for the overhaul of the Ocean Simulation Facility.
- **Weapons Support** increases by +\$468.2 million, including price growth of +\$25.2 million. Major program changes include:
 - Increase of +\$1.1 million supports one additional Tomahawk Operational Test Launch;
 - Decrease of -\$20.2 million reflects reductions in Cruise Missile engineering, maintenance and control operations;
 - Decrease of -\$26.3 million reflects realignment of funds to support the Distributed Common Ground System-Navy to Ship Operational Support and Training;
 - Increase of +\$44.1 million supports Nuclear Weapons Security, providing escort service/transit support protection of TRIDENT submarines;
 - Increase of +\$42.9 million supports Nuclear Weapons Security countermeasures and Strategic Systems Programs Administration requirements;
 - Increase of +\$40.3 million supports a full level of repair activity for TRIDENT II; and resumption of MK-6 guidance systems repairs, and obsolescence replacements;
 - Increase of +\$40.3 million supports In-Service Engineering support for Explosive Ordnance Device Systems;
 - Increase of +\$17.8 million supports the Littoral Mine Warfare program to enhance Improvised Explosive Device collections and exploitation capabilities;
 - Increase of +\$14.0 million supports SSGN weapons maintenance and systems support as it reaches IOC in FY 2007;
 - Increase of +\$5.1 million supports the Riverine Warfare Command and In-Service Engineering Agent Support for Remote Minehunting Vehicles;
 - Increase of +\$27.0 million reflects realignment from Navy Procurement appropriations supporting selected spares and repair parts requirements;
 - Increase of +\$300.9 million reflects realignment of funds from Acquisition and Program Management for the centralization of Classified Programs;
 - Decrease of -\$5.5 million reflects realignment to the Enterprise Information Technology to reflect the consolidation of Navy IT costs.
 - Decrease of -\$11.1 million reflects elimination of contract security guards at Navy Nuclear facilities, replaced by Masters-of-Arms; and
 - Decrease of -\$13.3 million reflects one-time FY 2006 cost for MK-45 Gun Depot Overhauls.

NAVY

Budget Activity 2: Mobilization

| FY 2005 | Price | (\$ in Millions) | | Price | Program | FY 2007 |
|----------------|---------------|-------------------------|-----------------|---------------|----------------|-----------------|
| | | Program | FY 2006 | | | |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 874.8 | +1.1 | -182.0 | 693.9 | +11.8 | +94.5 | 800.2 |

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

The FY 2007 estimate of \$800.2 million includes a price increase of +\$11.8 million and program increases totaling +\$94.5 million (13.6 percent). Major program changes include:

- Increase of +\$8.8 million supports the update and replenishment of equipment and supplies for the two Navy hospital ships, USNS COMFORT and USNS MERCY;
- Increase of +\$1.7 million supports additional planned storage, inputs, and representations for the Navy aircraft inactivation program;
- Increase of +\$61.0 million supports the inactivation of the USS HYMAN G. RICKOVER and USS HONOLULU;
- Increase of +\$47.8 million supports Reactor Compartment Encapsulation/Disposal and Hull Recycling of the USS SOUTH CAROLINA;
- Decrease of -\$12.7 million for one-time FY 2006 increase to fund changes in ship status from “reduced operating status” to “full operating status” of 365 per diem days for the USNS KOCAK, USNS PHILLIPS, USNS LOPEZ, and USNS BUTTON; and
- Decrease of -\$25.8 million reflects realignment of Ship Maintenance as Navy shipyards move from Working Capital Funds to mission funding.

NAVY

Budget Activity 3: Training and Recruiting

| FY 2005 | <u>(\$ in Millions)</u> | | | FY 2006 | FY 2007 |
|----------------------|--------------------------------|-----------------------|------------------------|---------------------|-----------------------|
| <u>Actual</u> | <u>Price</u> | <u>Program</u> | <u>Estimate</u> | <u>Price</u> | <u>Program</u> |
| 1,987.1 | +63.6 | -68.3 | 1,982.4 | +66.1 | -49.2 |
| 1,987.1 | +63.6 | -68.3 | 1,982.4 | +66.1 | -49.2 |

The Training and Recruiting budget activity funds all centrally managed or directed individual training required to meet Navy training standards. This includes accession training, basic skills training, and professional military education provided at the Naval War College, the Naval Postgraduate School, and the Armed Forces Command and Staff College. It also includes Navy recruiting and advertising, centralized civilian training programs, and the Junior Navy Reserve Officer Training Corps (ROTC). Team training for ships of battle groups is funded in the BA 1 Operating Forces budget activity, as is all advanced and refresher flight training and aircraft carrier qualifications.

The FY 2007 budget estimate of \$1,999.3 million includes a price increase of +\$66.1 million and program decreases of -\$49.2 million (-2.5 percent). Major program changes include:

- Increase of +\$7.6 million for expanded academic programs, which includes foreign language training, at the United States Naval Academy;
- Decrease of -\$89.5 million reflects realignment of funding to the Enterprise Information Technology to reflect consolidation of Navy IT costs;
- Increase of +\$40.2 million reflects a one-time FY 2007 increase for the reversal of the one-time FY 2006 decrease in ROTC tuition and fees costs savings resulting from the adoption of the 45-day rule for paying college tuition costs;
- Increase of +\$14.3 million supports the second phase of the Revolution in Training curriculum reengineering;
- Decrease of -\$7.1 million reflects a projected decrease in the TEMDUINS requirement;
- Increase of +\$27.6 million reflects increased maintenance support requirement resulting from an increase in Navy Flight Training flying hours;
- Decrease of -\$8.4 million for various one-time FY 2006 program increases, including the Navy Professional Military Education program and various Congressional adds;
- Decrease of -\$9.0 million for support of the Navy Postgraduate School;
- Decrease of -\$3.3 million for support of various Distance Learning initiatives;
- Decrease of -\$5.9 million reflects various savings and efficiencies generated by the reengineering efforts of Revolution in Training; and
- Increase of +\$2.2 million supports the Navy Junior ROTC program.

NAVY

Budget Activity 4: Administrative and Servicewide Support

| FY 2005 | (\$ in Millions) | | | | | | FY 2007 |
|----------------|-------------------------|----------------------------|------------------------------|--------------------------------|----------------------------|------------------------------|----------------|
| | <u>Actual</u> | <u>Price Change</u> | <u>Program Change</u> | <u>FY 2006 Estimate</u> | <u>Price Change</u> | <u>Program Change</u> | |
| 5,057.1 | +73.2 | -737.3 | 4,392.9 | +95.5 | -354.0 | 4,134.4 | |

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

The FY 2007 budget estimate of \$4,134.4 million includes a price increase of +\$95.5 million and program decreases of -\$354.0 million (-8.1 percent). Major program changes include:

- Decrease of -\$99.3 million reflects realignment of funding to the Enterprise Information Technology to reflect consolidation of Navy IT costs;
- Decrease of -\$300.9 million reflects realignment of funds from Acquisition and Program Management Activity Classified programs;
- Increase of +\$55.6 million supports Navy Marine Corps Intranet (NMCI) sustainment costs;
- Increase of +\$44 million for projected total NMCI Incentive Fees to be paid the NMCI vendor, Electronic Data Services, as part of the contract;
- Decrease of -\$69 million reflects realignment of funding for Naval Sea Systems Command non-headquarters/non-PEO civilian personnel endstrength from Planning, Engineering and Design to Ship Operational Support and Training to reflect mission more accurately;
- Increase of +\$15 million reflects a one-time FY 2007 increase for costs associated with preliminary studies, environmental impact assessment, and concept development surrounding relocation of Marine Corps from Okinawa to Guam;
- Increase of +\$7 million for DoN records management and preservation initiatives;
- One-time decrease of -\$19.7 million reverses a one-time FY 2006 Congressional increase for a Classified program;
- Decrease of -\$5.2 million for one-time FY 2006 increase to remove Defense Message System Legacy Multiplexers from Naval Installations; and
- Decrease of -\$3.1 million reflects reductions in legacy IT systems support requirements.

NAVY

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MARINE CORPS

| FY 2005 | Price | Program | (\$ in Millions) | Price | Program | FY 2007 |
|----------------|---------------|-----------------|-------------------------|---------------|----------------|-----------------|
| <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>FY 2006</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| 6,237.9 | 123.5 | -2,711.2 | 3,650.1 | 127.1 | 101.8 | 3,879.0 |

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

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

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

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

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

MARINE CORPS

This appropriation also supports the Marine Corps supply system. The principal objective of the supply system is to provide Marine activities/units with the proper material and equipment in the quantity, condition, time, and place required. Further, it supports other miscellaneous activities such as special training, second destination transportation of things, recruiting, equipment overhaul and repair, and miscellaneous expenses.

In FY 2005, increases in world fuel market prices, along with the impact of hurricane damage on the U.S. refining industry, necessitated a significant price change, and drove an increase to the current stabilized rate of \$84.00 per barrel. The FY 2006 budget, however, only reflected funding to meet an overall composite rate of \$61.74 per barrel. Due to this significant increase in cost, the Department is requesting \$2.6 billion in the FY 2006 Global War on Terror Supplemental to fund the price growth. As a result, the FY 2007 budget requests funding to reflect the increase from \$61.74 to \$84.00. The budgeted increase is reflected as price growth, since the customer's budget does not include the funding necessary to meet the stabilized price of \$84.00 per barrel in FY 2006.

The FY 2007 O&M budget request of \$3,879.0 million reflects a net increase of \$228.9 million from the FY 2006 funding level. The change includes \$127.1 million in price growth and a \$101.8 million in program changes. The detailed explanations of the program changes are explained below:

Budget Activity 1: Operating Forces

| (\$ in millions) | | | | | | |
|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| 4,963.6 | 102.1 | -2,316.8 | 2,748.9 | 116.2 | 97.4 | 2,962.5 |

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

The Expeditionary Forces activity group provides funding for the operating forces that constitute the Marine Corps Air-Ground Team and Marine security forces at naval installations and aboard naval vessels. The field logistics and depot maintenance programs in support of the operating forces are also funded in this activity group. In addition, base support functions for Marine Corps bases, camps, air stations and logistics bases supporting the Operating Forces; Quality-of-Life (QOL) programs such as Childcare, Youth Development and Family Service Centers; injury compensation payments; and procurement of collateral equipment required to initially outfit new military construction projects at Marine Corps bases are financed in this activity group.

MARINE CORPS

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

The FY 2007 budget request of \$ 2,962.5 million for Operating Forces reflects a net increase of \$+213.6 million from the normalized FY 2006 funding level. The increase includes \$+116.2 million in price growth. Major program changes include: increase of \$+33.1 million Improved Load Bearing Equipment, Family of Ballistic Protection, Critical Low Density Secondary Repairable (5th Ech), Family of Shelters and Shelter Equipment; increase of \$+23.9 million to fund cyclical depot maintenance; increase of \$+15.6 million for first response program for medical kits, essential personnel suits, masks, and operational and maintenance costs associated with chemical and biological installation equipment; net increase of \$+19.1 million to operations, training, and USMC exercises; increase of \$+12.8 million for civilian manpower resulting from military to civilian conversions; increase of \$+12.2 million to fund facilities sustainment at 90% of DoD model; increase of \$+8.6 million in collateral equipment for expeditionary forces for the initial outfitting of military construction projects, MCB Camp Lejeune, and MCB Twenty Nine Palms; net increase of \$+6.6 million to Secondary Repairables based on requirements from Marine Operating Forces; net increase of \$+6.6 million to Unit Operations Center for life-cycle sustainment ; increase of \$+5.1 million to MARFORLANT for its redesignation and establishment as Marine Forces Command (COMMARFORCOM) in support of U.S. Joint Force Command (JFCOM); increase \$+5.3 million for Marine Corps Network Operations Security Command (MCNOSC) to support core fleet information technology, data and network capability requirements; increase of \$3.6 million to establish Marine Forces North as USMC component to U.S. Northern Command (NORTHCOM); increase of \$+3.0 million for Marine Corps Foreign Language Program; increase of \$+3.0 million to establish Marine Central Headquarters (MARCENT), expanding the unit from a Liaison Cell to a full standing operational Headquarters; increase of \$+1.5 million to prepositioning equipment and exercises; increase of \$+1.5 million to Marine Corps Intelligence Activity (MCIA) Expeditionary Support; decrease of \$-54.2 million in Restoration and Modernization.

Budget Activity 3: Training and Recruiting

| (\$ in millions) | | | | | | |
|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| FY 2005 <u>Actual</u> | Price <u>Growth</u> | Program <u>Growth</u> | FY 2006 <u>Estimate</u> | Price <u>Growth</u> | Program <u>Growth</u> | FY 2007 <u>Estimate</u> |
| 634.0 | 19.5 | -76.0 | 577.6 | 12.4 | -1.8 | 588.2 |

The resources in this budget activity support recruiting and advertising, training and the education of Marines. Recruit training encompasses the transition from civilian life to duties as a Marine and includes an intense period of training designed to prepare the new Marine for assignment to units of the Operating Forces, major bases and stations, and duty at sea aboard vessels of the U.S. Navy.

MARINE CORPS

Officer Acquisition encompasses training candidates for appointment as commissioned officers prior to actual commissioning in the Marine Corps and Marine Corps Reserve. Nominees undergo intense courses of instruction prior to actual commissioning.

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

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

The FY 2007 budget request of \$588.2 million for Training and Recruiting reflects a net increase of \$10.7 million from the FY 2006 funding level. The net increase includes \$12.4 million in price growth and a decrease of \$-1.8 in program changes. Major program changes in FY 2007 include an increase of \$+9.7 million for the Marine Corps Range Investment; increase of \$5.3 for Blended Seminar Distance Learning/Professional Military Education; increase of \$+1.4 million Specialized Skills (Military Occupational Specialties); decrease of \$-8.0 million in advertising; decrease of \$-13.6 of Restoration and Modernization for the C4I Net Centricity program (classified).

Budget Activity 4: Administration and Servicewide Support

| (\$ in millions) | | | | | | |
|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| 640.2 | 2.0 | -318.5 | 323.7 | -1.5 | 6.1 | 328.3 |

MARINE CORPS

The Marine Corps-wide efforts of special support, transportation, personnel management, and headquarters base support are financed in this activity group. In addition, civilian personnel salaries and the department and staff management of Headquarters, Marine Corps are funded within this activity group.

Special Support provides funding for the support of Marine Corps prisoners confined at the Army Disciplinary Command, Fort Leavenworth, Kansas; the Marine Band located at the Marine Barracks, 8th and I Streets, Washington, DC; and Quality-of-Life (QOL) programs such as Childcare, Youth Development and Family Service Centers. Special Support also finances the administration of missions, functions and worldwide operations of the Marine Corps and Marine Security Guards. Cost of operations includes civilian personnel salaries, Defense Finance and Accounting Service (DFAS) reimbursement, automated data processing, printing and reproduction, civilian and military travel, and personnel services on a Marine Corps-wide basis.

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

Base operations support for Headquarters Battalion, Headquarters, Marine Corps and military personnel assigned to Headquarters, U.S. Marine Corps is funded within this activity group. Also included in this activity group are injury compensation payments and procurement of collateral equipment required to initially outfit new military construction projects at Marine Corps bases.

The FY 2007 budget request of \$328.3 million for Administration and Servicewide Activities reflects a net increase of \$4.6 million from the FY 2006 funding level. This includes a decrease of \$-1.5 million in price growth. Major program changes in FY 2007 include an increase of \$+9.1 for Marine Corps Pentagon Reservation Rent Bill; increase of \$+7.2 million for base operating costs associated with the National Museum of the Marine Corps; increase of \$+6.8 to Pentagon Reservation Maintenance Fund for Raven Rock Master Plan Renovation; decrease of \$-1.6 of Restoration and Modernization for the C4I Net Centricity program (classified); decrease of \$-15.4 million for 2nd Destination Transportation.

MARINE CORPS

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AIR FORCE

(\$ in Millions)

| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 34,494.9 | + 1,407.2 | -6,239.1 | 29,663.0 | +1,246.6 | +432.7 | 31,342.3 |

Fighting the Global War on Terror continues to be the Air Force's # 1 priority. In this endeavor, the Operation and Maintenance (O&M) appropriation is the cornerstone of Air Force Readiness. It supports the Air Force capability to develop, train, sustain, and integrate the elements of air and space power to produce core competencies in air and space superiority, global attack, rapid global mobility, precision engagement, information superiority, and agile combat support. The synergy of these competencies provides a full range of air and space capabilities to Combatant Commanders. These funds allow the Air Force to sustain, operate, and maintain aircraft, space and related weapon systems; train our personnel; operate advanced communications, command and control systems; purchase critical supplies, equipment and fuel. O&M resources directly support essential combat related activities such as intelligence, logistics, weather, air traffic control, search and rescue, reconstitution, maintenance of airfields, runways, base facilities, and improving the working and living environment of Air Force personnel.

In this FY 2007 President's Budget, the overall growth between FY 2006 and FY 2007 of \$1,679.3 million is due to \$1,246.6 million in pricing adjustments and \$432.7 million in program change. The FY 2005 Actual is based on 30 September 2005 obligations as reported by DFAS. The FY 2006 estimate is normalized to exclude war related / disaster supplemental funding, but includes all other Congressional adds and reductions based on the FY 2006 Appropriations Act (P.L. 109-359). In FY 2005, increases in world fuel market prices, along with the impact of hurricane damage on U.S. refineries, necessitated a significant price change, and drove an increase to the current stabilized rate of \$84.00 per barrel. The FY 2006 budget, however, only reflected funding to meet an overall composite rate of \$61.74 per barrel. Due to this significant increase in cost, the Department is requesting \$2.6 billion in the FY 2006 Global War on Terror Supplemental to fund the price growth. As a result, the FY 2007 budget requests funding to reflect the increase from \$61.74 to \$84.00. The budgeted increase is reflected as price growth, since the customer's budget does not include the funding necessary to meet the stabilized price of \$84.00 per barrel in FY 2006. The price change also reflects an increase in the foreign currency adjustment due to a weaker dollar in Europe and Asia and an increase in the annual civilian pay raise to 3.1% compared to the 2.3% estimate in the FY 2006 President's Budget.

AIR FORCE

Overall Assessment:

In the current environment of diminishing resources while challenged with the oldest aircraft fleet in Air Force history, our leadership has faced the FY 2007 President's Budget head-on with the Transformation Flight Plan to ensure continued air and space dominance for tomorrow. As the O&M appropriation has been the cornerstone to Air Force readiness, it has now become the cornerstone for transformation and Air Force readiness for years to come. The O&M appropriation in this President's Budget will reflect the movement towards becoming a more lethal, agile, and balanced total force. To produce the targeted investment capital necessary for modernization and recapitalization, the FY 2007 President's Budget outlines proposed savings in readiness and personnel accounts achieved in a three-prong approach: streamlining the organizational structure, incorporating process efficiencies, and continuing force structure reductions. As we apply creative solutions, smart business practices and lean processes across the board (i.e., Air Force Smart Operations 21), the O&M appropriation will lead the way in transforming our Total Force. Though we may have to accept reasonable near-term risk, the urgent need to reinvigorate our legacy systems and infrastructure is an undeniable reality toward our Service's future viability to fly, fight, and win!

Budget Activity 1: Operating Forces

| FY 2005 | Price | Program | <u>(\$ in Millions)</u> | Price | Program | FY 2007 |
|----------------------|----------------------|----------------------|--------------------------------|----------------------|----------------------|------------------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>FY 2006</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 19,582.1 | +665.2 | -3,939.2 | 16,308.1 | +725.3 | +843.6 | 17,877.0 |

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

AIR FORCE

Major Program Changes:

The FY 2007 Operating Forces budget request of \$17.9 billion represents a growth of \$1,568.9 million of which \$725.3 million is pricing adjustments and \$843.6 million is program change. The program increase of \$843.6 million is partially driven by: (1) B-1, B-2, B-52, F-15, and F-15E Depot Maintenance Support that includes an increase in manhours supporting additional programmed depot maintenance (PDMs) and increased engine overhauls (\$196.1 million), (2) increases to the flying hour program to reflect updated consumption estimates that include supplies and depot level reparables (\$203.7 million), (3) increases associated with the procurement of new Global Hawk UAV and its Distributed Common Ground Station (DCGS) assets (\$84.4 million), and (4) increased Space Operations requirements for counterspace operations and space control operations detailed in a separate classified exhibit, and contract support for the NAVSTAR Global Positioning System to assist with maintaining the constellation of GPS satellites (\$43.2 million). Specific program decreases include: (1) support for AF Transformation (-\$400.2 million), (2) Base Operating Support, Facilities Sustainment, and Restoration and Modernization (-\$109.4 million), (3) offset for a one-time increase in FY 2006 Advisory Training and Exercise Support (\$-10.6 million), and (4) Titan Program Termination and offset for one-time increase for Atlas Demolition (\$-35.1 million).

Budget Activity 2: Mobilization

| FY 2005 | Price | Program | <u>(\$ in Millions)</u> | Price | Program | FY 2007 |
|----------------------|----------------------|----------------------|--------------------------------|----------------------|----------------------|------------------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 4,761.6 | +536.3 | -1,394.4 | 3,903.5 | +235.6 | +120.4 | 4,259.5 |

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

AIR FORCE

Major Program Changes:

The FY 2007 Mobilization budget request of \$4.3 billion represents a growth of \$356.0 million when compared against the FY 2006 normalized estimate. Of the \$356.0 million, \$235.6 is due to pricing adjustments and \$120.4 million is due to program change. Specific program highlights include increases to: (1) Contractor Logistics Support for the C-17 and C-130J for the transition from Interim Contractor Support (ICS) to Contractor Logistics Support (\$125.6 million), (2) Operational Support Airlift support of the VIP Special Airlift Mission by increased contracture services for aircraft maintenance, lease of aircraft and flight crew training (\$25.3 million), (3) War Readiness Material additional scheduled equipment shipments and reconstitution of stock levels (\$18.9 million), (4) Restoration and Modernization supporting the Air Force commitment to restore and modernize facilities in support of the DoD Strategic Planning Guidance (\$29.1 million), and (5) support the Vehicle Lease Program and supplies affecting critical mission support for aircraft maintenance, security forces and ambulance service (\$15.6 million). Program decreases include: (1) support for AF Transformation (-\$78.1 million), (2) KC-135 and C-130J Depot Maintenance support requirements decreased of software maintenance (-\$21.4 million), (3) Mobility Training decrease in requirements for aircraft and engine depot maintenance support (-\$42.5 million), and (4) AMC Command and Control System one-time decrease for airborne command, and control systems and computer server upgrades in support of the Joint Air Logistics Information System (\$-1.6 million).

Budget Activity 3: Training and Recruiting

| <u>(\$ in Millions)</u> | | | | | | |
|-------------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 3,061.5 | +100.1 | -220.4 | 2,941.2 | +128.2 | -71.6 | 2,997.8 |

Training and Recruiting (Budget Activity 3) supports three broad mission areas: Accession Training, Basic Skills and Advanced Training, and Recruiting & Other Training and Education. Accession training produces the enlisted and officer personnel needed to meet total force requirements. Officer accessions receive formal introductory officer training through the United States Air Force Academy, Air Force Reserve Officer Training Corps, Officer Training School, and the Airmen Education and Commissioning Program. Basic Skills and Advanced Training includes specialized skill training, flight training, professional development education and training support. Specialized skill training provides training and education essential to operate, maintain, and manage complex Air Force weapon systems and the associated support structure. Flight training programs include flight screening, undergraduate pilot training, specialized undergraduate pilot training, specialized undergraduate and advanced navigator training, and pilot instructor training. Professional development education includes professional military education programs to enhance and develop critical

AIR FORCE

leadership skills of commissioned officers, civilians, and noncommissioned officers. Other training covers civilian education and training, tuition assistance for active duty personnel, and the Junior Reserve Officer Training Corps.

Major Program Changes:

The FY 2007 Training and Recruiting program of \$3.0 billion includes a \$128.2 million price increase and a program decrease of \$71.6 million. Specific program increases include: (1) Base Operations (Training) providing additional funds to fully fund food service contracts at Air Force training locations (\$20.8 million), (2) Restoration and Modernization supporting the Air Force commitment to restore and modernize facilities in support of the DoD Strategic Planning Guidance (\$10.0 million); (3) Junior ROTC Expansion from 744 units to 869 expanding contracts, travel, supplies, management and professional services (\$3.1 million), and (4) Language Programs at the United States Air Force Academy to focus on adding more language course and enhancing international program immersion (\$3.1 million). Program decreases were driven by: (1) Support to AF Transformation (-\$40.0 million), and (2) Reduction to Off-Duty and Professional Development Education based on anticipated reduced requirements (-\$2.1 million).

Budget Activity 4: Administration and Servicewide Activities

| FY 2005 | Price | Program | <u>(\$ in Millions)</u> | Price | Program | FY 2007 |
|----------------------|----------------------|----------------------|--------------------------------|----------------------|----------------------|------------------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>FY 2006</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 7,089.8 | +105.6 | -685.3 | +6,510.1 | +157.5 | -459.6 | 6,208.0 |

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

AIR FORCE

Major Program Changes:

The FY 2007 Administration and Servicewide Program of \$6.2 billion includes a \$157.5 million price increase and a program decrease of -\$459.6 million. Specific program increases include: (1) Classified Programs (\$116.1 million), (2) Restoration and Modernization supporting the Air Force commitment to restore and modernize facilities in support of the DoD Strategic Planning Guidance (\$27.7 million), and (3) Information Services Activity Group transfer reflecting a restoral of a one-time transfer out in FY 2006 to support migration of activities in the ISAG (\$17.7 million). Program decreases include: (1) Support for AF Transformation (-\$76.9 million), (2) Military Personnel Data System (MILPDS) representing completion of testing of final MILPDS products (-\$12.3 million), (3) Defense Finance and Accounting Service charges are reduced based on adjusted unit/rate base (-\$11.2 million), (4) Environmental Compliance / Conservation and Pollution Prevention reflects reduced requirements based on execution trend with adjusted with programmatic actions (-\$8.1 million), and (5) Second Destination Transportation requirements decreased based on anticipated orders (-\$7.4 million).

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(\$ in Millions)

| FY 2005¹ | Price | Program | FY 2006² | Price | Program | FY 2007 |
|----------------------------|---------------|-----------------|----------------------------|---------------|----------------|-----------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 21,534.5 | +651.6 | -2,155.0 | 20,031.1 | +664.7 | -620.1 | 20,075.7 |

¹FY 2005 actual obligations include \$4,272 million in Title IX, Iraq Freedom Fund, Hurricane and Global War on Terrorism Supplemental Funding.

²The FY 2006 Normalized Current Estimate includes \$1,754 million prior year funds for the Hurricane Supplemental (P.L. 108-324, P.L. 109-61, and P.L. 109-62) and other prior year funds; it excludes Title IX Supplemental Funds (\$805 million, P.L. 109-148), Hurricane Supplemental III (\$25 million, P.L. 109-148), and Pandemic Influenza (\$10 million, P.L. 109-148).

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

BUDGET/PROGRAM HIGHLIGHTS

Overview. A summary of the changes between FY 2006 and FY 2007 includes the following (dollars in millions):

| | |
|----------------|--|
| 20,031 | Normalized FY 2006 Current Estimate (FY 2006 column of the FY 2007 President's Budget) |
| - 844 | Program decrease for Hurricane Supplemental |
| - 910 | Program decrease for prior year balances carried forward |
| - 337 | One-time Congressional adds |
| + 681 | Net program changes in Defense Agencies (unclassified) |
| + 360 | Pricing changes in Defense Agencies (unclassified) |
| <u>+ 1,095</u> | Net growth in Classified programs |
| 20,076 | FY 2007 President's Budget Request |

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Hurricane Supplemental

- \$843.8 million Washington Headquarters Service

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

Program increase of \$910.1 million in FY 2006, and a program decrease from FY 2006 to FY 2007, comprised of:

- \$896.6 million for Coalition Support payments by DSCA to key cooperating nations, such as Pakistan and Jordan;
- \$6.4 million for Department of Defense Dependents Education Activity for repairs, maintenance, and/or purchase of information technology, text books, etc., for public schools that have unusually high concentrations of special needs military dependents enrolled;
- \$.5 million for Civil Military Programs
- \$6.6 million for Classified programs

Classified Programs Major Changes

Significant growth in Classified programs, totaling \$1,095 million, is primarily in the National Intelligence Programs. (\$304 million for pricing changes and \$791 million for program changes.) The multi-year implementation of the “Strengthening Intelligence” initiative, which began in FY 2005, provides funding and full-time equivalent increases in the Intelligence Agencies. Also, restores funding for the Military Intelligence Programs of the National Security Agency.

Other Defense Agencies Programs FY 2007 Highlights

Highlights of Other Defense Agencies FY 2007 funding include:

- Pricing adjustments for: civilian pay growth; fuel increase; non-pay purchase inflation and Foreign Currency Fluctuations (various Agencies, total \$+360 million)

OPERATION AND MAINTENANCE, DEFENSE-WIDE

- Establishment of the **Business Transformation Agency (BTA)**, which merges DoD programs, systems, projects and initiatives in the areas of business process reengineering, Core Business Mission Areas, and Investment Review Board matters, as determined by the Defense Business Systems Management Committee. The BTA will establish and enforce requirements, principles, standards, systems, procedures and practices governing business transformation. (BTA, \$+179.3 million; net change to O&M,D-W, \$-2.8 million)
- Increase of direct workyears (+95) at the **Defense Contract Audit Agency (DCAA)** to maintain an adequate level of contract audit services to DoD customers. (DCAA, \$+8.9 million)
- Decreases in full time equivalencies at **Defense Contract Management Agency (DCMA)** due to declining Foreign Military Sales program and other management efficiencies (DCMA, \$-29.5 million).
- Additional resources in FY 2007 to the Defense Language Office at **Defense Human Resources Activity (DHRA)** to award 3-year grants at fifty select ROTC schools to provide the development of programs in languages that are of strategic importance. (DHRA, \$+4.4 million)
- Consolidation of Travel Management activities to streamline and centrally manage DoD commercial travel (DHRA, \$+9.4 million).
- Decreases in systems funding requirements at DHRA due to completion of modernization and training development efforts (DHRA, \$-19.1 million).
- Defense Information Systems Network (DISN) funding transfers from DISA to the Army, Air Force, Navy, US Marine Corps, and Defense Agencies to fund the customer accounts, supporting the DISN governance and new subscription rates. (DISA, \$-44.3 million)
- Efficiencies reductions to DISN, the Defense Collaboration Tool Suite, and selected programs (DISA, \$-33.8 million).
- Coalition infrastructure/CENTRIXS upgrades for European Command, Joint Forces Command, Southern Command, Pacific Command, and Central Command based on Joint Chiefs of Staff requirements. (DISA, \$+27.0 million)

OPERATION AND MAINTENANCE, DEFENSE-WIDE

- Information Systems Security Program (ISSP) improvements in network protection (SIPR and NIPR) and persistent monitoring and adds required Information Assurance training for these improvements. (DISA, \$+35.0 million)
- Improvements required to implement the Ground Distributed Network for the National (Nuclear and Senior Leadership) Command and Control (NC2). (DISA, \$+25.9 million)
- Creation of a single coherent testing program concept under the auspices of the Major Range and Test Facility Concept/Joint Interoperability and Test Center with funding consolidated in DISA RDT&E. (DISA O&M, \$-30.8 million)
- Warstoppers program increase for medical readiness and land-based systems parts and repair (**Defense Logistics Agency (DLA)**, \$+10.6 million).
- Reduction for one-time system and workload costs charged by the Defense Finance and Accounting Service Working Capital Fund (DLA, \$-10.3 million).
- Full-time equivalent manpower decrease from 259 to 235 at the **Defense Legal Services Agency (DLSA)** as a result of the progress of Guantanamo trials and reduced backlog. (DLSA, \$-4.4 million)
- Increase in funding for the **Defense Security Service (DSS)** for Personnel Security Investigations for Industry (PSI for Industry) and the National Industrial Security Program (NISP) because of increased outsourcing to private industry, the greater dissemination of intelligence, a high turnover rate in industry in technical sectors and an increase in Single Scope Background Investigations. (DSS, \$+22.8 million)
- Support of the USSTRATCOM Center for Combating Weapons of Mass Destruction and a classified program technical adjustment from RD&TE (Defense Threat Reduction Agency (DTRA), \$+10.8 million)
- Completion of modeling and simulation efforts for Homeland Defense/Homeland Security and agency relocation efforts (DTRA, \$-3.5 million)
- Anticipated school closures, declining enrollment and reduced staffing. (Department of Defense Dependents Education (DoDDE), \$-55.5 million)

OPERATION AND MAINTENANCE, DEFENSE-WIDE

- Net reduction to schoolhouse Sustainment, Restoration and Modernization (DoDDE, \$-21.0 million).
- New initiatives at the **National Defense University (NDU)** for the National Security Education Program to include an expansion of the National Flagship Language Immersion Program and creation of a Civilian Linguist Reserve Corps. (NDU, \$+17.9 million)
- Transfer of a special access program from USD(I) to classified budget (**Office of the Secretary of Defense (OSD)**, \$-18.9 million).
- The Capital Security Cost Sharing (CSCS) program bill for the Department's pro-rata share of the Department of State's maintenance and upgrades of U.S. diplomatic facilities worldwide. Congressional reduction of \$61.3 million enacted in the FY 2006 Defense Appropriation Act. (OSD, \$+126.7 million)
- A Homeland Security Operations Center, the on-site collaboration watch desk for DoD within the Department of Homeland Security (DHS) facilities. (OSD, \$+8.0M)
- E-GOV and Federal government-wide Councils to support the Department's share. (OSD, \$+4.7 million)
- Expands the **United States Special Operations Command's (USSOCOM)** capabilities to lead, plan, and coordinate global operations against international terrorist networks while improving established capabilities to respond to a wide range of national threats. The additional funding supports the increased force structure needed to train, equip, and sustain the forces, including personnel; flight, ship/boat, and other operations; intel and communications; management; depot maintenance; base support; and, training and development. These increases support 14.5 flying hours per crew per month. (SOCOM, +\$608.6 million)
- Decreases to classified program (SOCOM, \$-6.0 million).
- Reduced requirements for the 160th Special Operations Aviation Regiment detachments due to realignment of forward staged aviation units (SOCOM, \$-5.5 million).
- Increased funding for **The Joint Staff (TJS) Joint Exercise Program (JEP)** for rising fuel costs (organic and commercial) and the OMB revised estimates of crude oil purchase cost. (TJS, \$+11.2 million)

OPERATION AND MAINTENANCE, DEFENSE-WIDE

- Full scale civil military homeland defense exercises, including training for response to natural, accidental, or terrorist catastrophic events, to be conducted as part of the Chairman of the Joint Chiefs of Staff (CJCS) exercise program. (TJS, \$+2.0 million)
- Functional transfer of the Joint Knowledge Development and Distribution Capability to USJFCOM to facilitate JKDDC's integration with the Joint National Training Capability programs (TJS, \$-8.2 million).
- Increase in rent charged by the Pentagon Reservation Maintenance Revolving Fund (TJS, \$+11.5 million).
- Establishment of the National Security Labor Relations Board (NSLRB) for the National Security Personnel System (Washington Headquarters Service (WHS), \$+17.0 million)
- Increases the funding level of the Boards and Commissions Program under the **WHS** to comply with the FY 2006 Defense Authorization Act and Secretary of Defense direction to evaluating policies and providing recommendations based on studies and analysis conducted. (WHS, \$+14.0 million)

OPERATION AND MAINTENANCE, DEFENSE-WIDE

| Agency | FY 2005 Actuals | Price Growth | Program Growth | FY 2006 Estimate | Price Growth | Program Growth | FY 2007 Estimate |
|--------------------|--------------------|-----------------|-------------------|---------------------|-----------------|-------------------|---------------------|
| AFIS | 147,998 | 3,522 | -5,980 | 145,540 | 3,492 | 1,297 | 150,329 |
| BTA | 0 | 0 | 0 | 0 | 0 | 179,255 | 179,255 |
| CMP | 104,719 | 2,513 | 6,301 | 113,533 | 2,498 | -9,528 | 106,503 |
| DAU | 103,421 | 2,859 | -1,579 | 104,701 | 2,379 | -2,409 | 104,671 |
| DCAA | 381,227 | 11,544 | -19,118 | 373,653 | 8,367 | 9,929 | 391,949 |
| DCMA | 1,017,597 | 29,727 | -20,300 | 1,027,024 | 22,443 | -9,170 | 1,040,297 |
| DFAS | 4,734 | 120 | -563 | 4,291 | 97 | -3,936 | 452 |
| DHRA | 363,901 | 9,286 | 34,814 | 408,001 | 9,236 | -42,885 | 374,352 |
| DISA | 1,168,312 | 1,366 | -151,200 | 1,018,478 | 26,676 | -46,536 | 998,618 |
| DLA | 378,384 | 9,129 | -53,910 | 333,603 | 5,435 | -41,536 | 297,502 |
| DLSA | 44,035 | 1,102 | -7,360 | 37,777 | 1,273 | -3,512 | 35,538 |
| DoDEA | 1,985,721 | 87,836 | -272,889 | 1,800,668 | 59,347 | -131,164 | 1,728,851 |
| DPMO | 15,302 | 408 | 129 | 15,839 | 319 | 33 | 16,191 |
| DSCA | 1,401,058 | 33,623 | -396,499 | 1,038,182 | 3,102 | -900,812 | 140,472 |
| DSS | 226,806 | 2,616 | 33,616 | 263,038 | 5,557 | 18,464 | 287,059 |
| DTRA | 312,628 | 8,157 | -5,987 | 314,798 | 7,133 | -7,376 | 314,555 |
| DTSA | 19,399 | 556 | 1,382 | 21,337 | 441 | 121 | 21,899 |
| NDU | 93,056 | 2,588 | -26,945 | 68,699 | 1,040 | 15,392 | 85,131 |
| OEA | 59,965 | 1,440 | 100,190 | 161,595 | 3,521 | -92,095 | 73,021 |
| OSD | 841,338 | 19,904 | -52,633 | 808,609 | 20,215 | -80,456 | 748,368 |
| TJS | 515,317 | -15,802 | 52,077 | 551,592 | 26,916 | 3,495 | 582,003 |
| USSOCOM | 3,104,545 | 140,326 | -1,079,060 | 2,165,811 | 97,044 | 589,765 | 2,852,620 |
| WHS | 472,452 | -11,798 | 810,118 | 1,270,772 | 53,516 | -857,327 | 466,961 |
| Classified | 8,772,573 | 310,562 | -1,099,554 | 7,983,581 | 304,606 | 790,872 | 9,079,059 |
| Grand Total | 21,534,488 | 651,584 | -2,154,950 | 20,031,122 | 664,653 | -620,119 | 20,075,656 |

FY 2005 actual obligations include \$4,272 million in Title IX, Iraq Freedom Fund, Hurricane and Global War on Terrorism Supplemental Funding. The FY 2006 Normalized Current Estimate includes \$1,754 million prior year funds for the Hurricane Supplemental (P.L. 108-324, P.L. 109-61, and P.L. 109-62) and other prior year carryover; it excludes Title IX Supplemental Funds (\$805 million, P.L. 109-148), Hurricane Supplemental III (\$25 million, P.L. 109-148), and Pandemic Influenza (\$10 million, P.L. 109-148).

OPERATION AND MAINTENANCE, DEFENSE-WIDE

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RESERVE FORCES

| | (\$ in Millions) | | | | | | |
|----------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2005 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
| Army Reserve | 2,017.3 | +52.0 | -120.2 | 1,949.1 | +54.3 | +295.8 | 2,299.2 |
| Navy Reserve | 1,364.1 | +85.2 | -219.8 | 1,229.5 | +31.2 | +28.1 | 1,288.8 |
| Marine Corps Reserve | 200.6 | +3.3 | -3.7 | 200.2 | +1.3 | +10.4 | 211.9 |
| Air Force Reserve | 2,262.8 | +128.5 | +77.2 | 2,468.5 | +152.3 | +103.0 | 2,723.8 |
| Army National Guard | 4,872.3 | +126.1 | -556.9 | 4,441.5 | +134.1 | +263.1 | 4,838.7 |
| Air National Guard | <u>4,551.7</u> | <u>+191.4</u> | <u>-99.6</u> | <u>4,643.5</u> | <u>+255.0</u> | <u>+437.5</u> | <u>5,336.0</u> |
| Total | 15,268.8 | +586.5 | -923.0 | 14,932.3 | +628.2 | +1,137.9 | 16,698.4 |

The Operation and Maintenance (O&M) appropriations provide funding for operating the Reserve Components' forces and maintaining their assigned equipment in a state of readiness to permit rapid deployment in the event of full or partial mobilization. Reserve Component personnel maintain adequate skill levels in highly technical specialties through training during weekend drills and active duty training. Concurrently, the Reserve Components contribute significant support to a variety of Active mission areas. The FY 2007 budget request of \$16,698.4 million for the Reserve Forces includes price growth of \$628.2 million and program increases of \$1,138.5 million. Summary program data for the Reserve Components is displayed below.

Reserve Forces Program Data

| | FY 2005 | | FY 2006 | | FY 2007 |
|---|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Selected Reserve End Strength | 821,964 | +13,144 | 835,108 | -21,869 | 813,239 |
| Civilian Personnel Full-Time Equivalents (FTEs) | 71,311 | +5,400 | 76,711 | +338 | 77,049 |
| Military Technicians (MEMO) | (60,436) | (+5,416) | (65,852) | (+703) | (66,555) |
| Ship Inventory (End FY) | 24 | -4 | 20 | -3 | 17 |
| Steaming Hours (in 000's of hours per year) | 30 | -2 | 28 | -5 | 23 |
| Total Aircraft Inventory (TAI) | 3,719 | -92 | 3,627 | -123 | 3,504 |
| Primary Authorized Aircraft (PAA) | 3,320 | +18 | 3,338 | -77 | 3,261 |
| Flying Hours (in 000's of hours) | 832 | -33 | 799 | +64 | 863 |

RESERVE FORCES

ARMY RESERVE

Program/Price Growth. The FY 2007 budget request for the Army Reserve increases by \$350.1 million from the FY 2006 level. This increase includes a net \$54.3 million for price growth and a net program increase of \$295.8 million.

Program Discussion. Primary program increases are for Land Forces OPTEMPO, Base Operations Support and Depot Maintenance. Other program increases include the Flying Hour Program, Aircraft Life Cycle Contract Support, Facility Strategy Investment Program, Information Management, Long Haul Communications, Medical and Dental Readiness, Army Continuing Education, Military Occupational Specialty Qualification Schools, Second Destination Transportation, Facility Sustainment, and disposal of an excess facility. Program decreases include the Extended Cold Weather Clothing System, Tactical Operations Centers, and Recruiting and Advertising. The civilian personnel increase of 94 End Strength is a result of an increase to Military Technicians.

Army Reserve Program Data

| | FY 2005 | | FY 2006 | | FY 2007 |
|--|----------------------|----------------------|------------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 189,005 | +15,995 | 205,000 | -5,000 | 200,000 |
| Civilian Personnel (FTEs) | 9,531 | +1,823 | 11,354 | +94 | 11,448 |
| Technicians (MEMO) | (6,512) | (+1,609) | (8,121) | (+94) | (8,215) |
| Total Aircraft Inventory (TAI) | 148 | 0 | 148 | 0 | 148 |
| Primary Authorized Aircraft (PAA) | 152 | 0 | 152 | 0 | 152 |
| Flying Hours (in 000's of hours) | 41 | -5 | 36 | +2 | 38 |
| Major Installations | 4 | 0 | 4 | 0 | 4 |
| Reserve Centers | 829 | +13 | 842 | 0 | 842 |

RESERVE FORCES

NAVY RESERVE

Program/Price Growth. The FY 2007 budget request for the Navy Reserve increases by \$59.3 million. This increase includes a net \$31.2 million for price growth and a net program increase of \$28.1 million.

Program Discussion. The Navy Reserve Selected Reserve end strength decreases by 969 in FY 2007 to 58,739 and civilian personnel full-time equivalents decreased to 996. The selected reserve end strength reductions are attributable to various force structure reductions including the decommissioning of two mine-hunting class ships and three Navy Reserve aviation squadrons. The decrease in Primary Aircraft Authorized (PAA) reflects the reductions from the TACAIR Integration (TAI) and Active Reserve Integration (ARI) initiatives.

Program increases include increased funds for operational spares and replacement parts for Navy Reserve ships, increased funds for use of consumable and repairable parts for all aircraft types, increased funds for aircraft inspections and special repair requirements, unfunded prior year fuel costs and increased funds for the flying hours program.

Navy Reserve Program Data

| | FY 2005 | | FY 2006 | | FY 2007 |
|--|-----------------------|----------------------|------------------------|----------------------|------------------------|
| | <u>Actuals</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 76,473 | -3,373 | 73,100 | -1,800 | 71,300 |
| Civilian Personnel (FTEs) | 1,271 | +77 | 1,348 | -352 | 996 |
| Total Aircraft Inventory (TAI)* | 408 | -42 | 366 | -25 | 341 |
| Primary Authorized Aircraft (PAA)** | 200 | -2 | 198 | -15 | 183 |
| Flying Hours (in 000's of hours) | 99 | -13 | 86 | +22 | 108 |
| Ship Inventory | 24 | -4 | 20 | -3 | 17 |
| Steaming Hours (in 000's of hours per year) | 30 | -2 | 28 | -5 | 23 |
| Reserve Centers | 169 | -2 | 160 | 0 | 153 |
| Major Installations | 6 | 0 | 6 | 0 | 6 |

* Total Aircraft Inventory includes aircraft flown by the Marine Corps Reserve.

** Does not include PAA for the Marine Corps Reserve.

RESERVE FORCES

MARINE CORPS RESERVE

Program/Price Growth. The FY 2007 budget request for the Marine Corps Reserve increases by \$11.7 million from the FY 2006 level. This increase includes a net \$1.3 million for price growth and a net program increase of \$10.4 million.

Program Discussion. The FY 2007 request supports manpower levels of 39,600 military end strength and 207 civilian full-time equivalents. Program increases are for Initial Issue items to include such items as New Enhanced Small Arms Protective Inserts (SAPI), improved load bearing equipment, and special purpose shelters for the operating forces, an increase in the operations and maintenance of new equipment associated with Procurement, Marine Corps (PMC) buys, an increase in Reserve Infrastructure support to maintain networking capabilities and contract service, an increase in estimated Defense Financial Accounting Service billings, and an increase in management support costs for Marine Corps Total Force Structure (MCTFS).

Marine Corps Reserve Program Data

| | FY 2005 | | FY 2006 | | FY 2007 |
|--|----------------------|----------------------|------------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 39,858 | -258 | 39,600 | 0 | 39,600 |
| Civilian Personnel (FTEs) | 182 | +25 | 207 | 0 | 207 |
| Primary Authorized Aircraft (PAA)* | 174 | -6 | 168 | -10 | 158 |
| Flying Hours (in 000's of hours)* | 30 | +17 | 47 | -8 | 39 |
| Divisions | 1 | 0 | 1 | 0 | 1 |
| Training Centers | 187 | 0 | 187 | 0 | 187 |

* Flying hour funding is budgeted in Navy Reserve appropriation.

RESERVE FORCES

AIR FORCE RESERVE

Program/Price Growth. The FY 2007 budget request for the Air Force Reserve increases by \$255.3 million from the FY 2006 level. This increase includes an increase of \$152.3 million for price growth and a net program increase of \$103.0 million.

Program Discussion. The FY 2007 request provides for the operation and training of 78 flying units with accompanying 133,767 O&M funded flying hours, 435 mission support units, and the flying and mission training of 74,900 Selected Reserve personnel. Major program increases in FY 2007 include the full year impact of the unit conversion to C-5 strategic airlift aircraft that began in FY 2006; the continued transition to the C-17 associate mission along with the establishment of a new Air Force Reserve C-17 associate wing in FY 2007; additional aircrew and maintenance manpower associated with the higher crew ratio for KC-135 aircraft; Future Total Force changes in the C-130 program; and recruiting and advertising funding to meet manning and readiness requirements.

Other program increases support depot maintenance requirements as C-5 and B-52 aircraft are scheduled for Programmed Depot Maintenance (PDM) and engine repair in FY 2007; additional funding for critical/degraded facility and infrastructure restoration and modernization; and the medical training platform to maintain and sustain year round training for medical service unit personnel who deploy in support of Aerospace Expeditionary Force rotations.

Major program decreases include the reduced requirement for aircraft/engine maintenance on C-130, KC-135, and F-16 aircraft primarily due to the completion of fuel tank maintenance and center wing inspection on the C-130s in FY 2006; the annualization of the unit conversion from C-141 unit equipped aircraft to C-5s; C-5 associate decrease due to the retirement of active Air Force C-5 aircraft; and a C-17 unit equipped adjustment as manpower is transferred to support the C-17 associate program.

Air Force Reserve Program Data

| | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|--|-----------------------|----------------------|------------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 75,802 | -1,802 | 74,000 | +900 | 74,900 |
| Civilian Personnel (FTEs) | 14,222 | -39 | 14,183 | +112 | 14,295 |
| Technicians (MEMO) | (9,407) | (547) | (9,954) | (125) | (10,079) |
| Total Aircraft Inventory (TAI) | 400 | -2 | 398 | -13 | 385 |
| Primary Authorized Aircraft (PAA) | 355 | +4 | 359 | -5 | 354 |
| Flying Hours (in 000's of hours) | 107 | +23 | 130 | +4 | 134 |
| Major Installations | 13 | 0 | 13 | 0 | 13 |

RESERVE FORCES

ARMY NATIONAL GUARD

Program/Price Growth. The FY 2007 budget request for the Army National Guard increases by \$397.8 million from the FY 2006 level. This increase includes a net \$134.1 million for price growth and a net program increase of \$263.7 million.

Program Discussion. The FY 2007 budget provides for the training and operations of 333,000 military end strength and supports an increase of 212 civilian full-time equivalents to 25,314 FTEs and civilian end strength of 27,667. Major program increases include Air OPTEMPO; Army Continuing Education; Automation; Base Communication/Audiovisual; Business Reengineering Initiative; Civil Support Teams; Civilian Personnel; Depot Maintenance; Ground OPTEMPO; and Military Support for Civil Authorities. Decreases include Base Operations Support; Information Systems; Family Programs; Printing; and Sustainment, Restoration and Modernization.

Army National Guard Program Data

| | FY 2005 | | FY 2006 | | FY 2007 |
|--|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 333,177 | +16,823 | 350,000 | (17,000) | 333,000 |
| Civilian Personnel (FTEs) | 22,221 | +2,881 | 25,102 | +212 | 25,314 |
| Technicians (Included in FTE total) | (21,786) | (+2,788) | (24,574) | (+212) | (24,786) |
| Total Aircraft Inventory (TAI) | 1,450 | -2 | 1,448 | -22 | 1,426 |
| Primary Authorized Aircraft (PAA) | 1,336 | -2 | 1,334 | -22 | 1,312 |
| Flying Hours (in 000's of hours) | 292 | -34 | 258 | -18 | 240 |
| Total Installations * | 283 | 0 | 283 | 0 | 283 |
| Divisions (Includes Brigades below) | 8 | 0 | 8 | 0 | 8 |
| Brigades ** | 38 | -2 | 36 | -2 | 34 |

* Includes 110 Training Centers.

** Includes 2 in ARNG Division Redesign Study

RESERVE FORCES

AIR NATIONAL GUARD

Program/Price Growth. The FY 2007 budget request for the Air National Guard (ANG) increases by \$692.5 million. This increase includes a net \$255.0 million for price growth and a net program increase of \$437.5 million.

Program Discussion. The FY 2007 budget request supports 88 flying units, 304,000 flying hours, and 24,789 civilian full-time equivalents.

Major program changes include addition of one Predator unit; continued conversion at Hickam AFB from C-130s to an eight (8) PAA C-17 unit and will be an associate unit with ANG and Active Air Force. Active AF will own the airplanes and ANG will fund their share of technician pay and flying hours. Memphis continues its conversion from C-141s to an 8 PAA C-5 unit with the delivery of four (4) C-5s in FY 2007. Martinsburg is converting from C-130s to a 10 PAA C-5 unit with seven (7) C-5s arriving in FY 2007 and three (3) in FY 2008. The C-130 program decreases by six (6) PAA due to aircraft conversions. The ANG force structure decreases by thirty (30) PAA for Future-Total-Force (FTF) initiatives.

Other program changes are for aircraft maintenance, contractor logistics support, and facility restoration and modernization.

Air National Guard Program Data

| | FY 2005 | | FY 2006 | | FY 2007 |
|--|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 106,430 | +370 | 106,800 | +200 | 107,000 |
| Civilian Personnel (FTEs) | 23,884 | +633 | 24,517 | +272 | 24,789 |
| Technicians (MEMO) | (22,731) | (+472) | (23,203) | (+272) | (23,475) |
| Total Aircraft Inventory (TAI) | 1,313 | -46 | 1,267 | -63 | 1,204 |
| Primary Authorized Aircraft (PAA) | 1,103 | +24 | 1,127 | -25 | 1,102 |
| Flying Hours (in 000's of Hrs) | 263 | -21 | 242 | +62 | 304 |
| Major Bases | 2 | 0 | 2 | 0 | 2 |
| Number of Installations | 177 | 0 | 177 | -5 | 172 |

RESERVE FORCES

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Defense Health Program

| | (\$ in Millions) | | | | | | |
|---|------------------|-----------------|---------------|-----------------|-----------------|---------------|-----------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Appropriation</u> | <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| Operation & Maintenance | 17,497.1 | +988.3 | +608.6 | 19,094.0 | +1,150.9 | +4.3 | 20,249.2 |
| Procurement | 368.3 | +10.5 | -3.5 | 375.3 | +12.2 | +8.8 | 396.3 |
| Research, Development, Test, & Evaluation | <u>523.1</u> | <u>+12.1</u> | <u>+1.7</u> | <u>536.9</u> | <u>+11.8</u> | <u>-418.1</u> | <u>130.6</u> |
| Total Defense Health Program | 18,388.5 | +1,010.9 | +606.8 | 20,006.2 | +1,174.9 | -405.0 | 20,776.1 |
| | | | | | | | |
| DoD Medicare Eligible Retiree Health Care Fund (MERHCF) | <u>6,075.2</u> | | | <u>6,666.3</u> | | | <u>7,206.8</u> |
| Total Costs | 24,463.7 | | | 26,672.5 | | | 27,982.9 |

*Department projection of DHP O&M receipts from the MERHCF.

The medical mission of the Department of Defense (DoD) is to enhance DOD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care. The Defense Health Program (DHP) appropriation supports worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, graduate medical education for the training of medical personnel, and occupational and industrial health care.

The Department's managed care program, called "TRICARE," is designed to provide military families with access to quality care that is cost-effective. The TRICARE program provides medical care to about 9.2 million eligible beneficiaries through a network of 70 military inpatient facilities, 409 military medical clinics, 417 dental clinics, 259 veterinary clinics, and three regional Managed Care Support (MCS) contracts valued at about \$6.5 billion in FY 2007. The TRICARE program offers a triple option benefit: (1) TRICARE Prime, a Health Maintenance Organization (HMO) style benefit requiring beneficiary enrollment; (2) TRICARE Extra, a Preferred Provider Organization (PPO) style benefit; and (3) TRICARE Standard, a fee-for-service option.

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

Defense Health Program

The FY 2007 Defense Health Program budget request of \$20,776.1 million includes realistic cost growth for pharmacy, managed care support contracts, and other health care services purchased from the private sector. Because the health coverage offered by the Department is so comprehensive, many private employers are dropping their employer coverage for military retirees and directing their employees to rely on TRICARE instead. To place the health benefit program on a sound fiscal basis for the long term, the Department is proposing to rebalance the share of costs between individuals and the government to approach the levels TRICARE had when the program was initiated by Congress in 1995. Further, the Department is proposing that cost shares be indexed so they will be adjusted annually for inflation.

This budget request includes savings of \$735 million for the proposed modest increases in TRICARE enrollment fees, deductibles, and pharmacy co-payments for retired military health care beneficiaries under age 65. This includes \$249 million in savings associated with the enactment of a legislative proposal to institute annual enrollment fees and increase deductibles for TRICARE Extra/Standard, as well as indexing these fees by an appropriate inflation measure. In addition, it includes \$486 million in savings associated with DoD regulation and policy changes for increased annual enrollment fees for TRICARE Prime and retail and mail order pharmacy co-payments.

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

Operation & Maintenance Program (\$ in Millions)

| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|--|----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| O&M Total | 17,497.1 | +988.3 | +608.6 | 19,094.0 | +1,150.9 | +4.3 | 20,249.2 |
| DoD Medicare Eligible Retiree Health Care Fund (MERHCF) | <u>6,075.2</u> | | | <u>6,666.3</u> | | | <u>7,206.8</u> |
| Total Health Care Costs | 23,572.3 | | | 25,760.3 | | | 27,456.0 |

*Department projection of DHP O&M receipts from the DoD MERHCF.

Defense Health Program

Program/Price Growth

The FY 2007 DHP O&M budget request of \$20,249.2 million reflects a net increase of \$1,155.2 million which includes price growth of \$1,150.9 million and a net program increase of \$4.3 million.

The net program increase of \$4.3 million includes:

Program Increases:

- \$137.9 million for military to civilian/contractor personnel in support of the department's Relieving Stress on the Force initiative,
- \$103.7 million for pharmacy program growth above general inflation,
- \$274.5 million for increased health care demands by beneficiaries,
- \$193.9 million for a one-time 1% congressional reduction in FY 2006,
- \$47.7 million for civilian pay and non-pay increases,
- \$33.9 million for increased computer system sustainment costs, and
- \$27.6 million for a one-time congressional reduction in FY 2006 for unobligated balances.

Program Decreases:

- \$735 million in savings for rebalancing the shares of costs between individuals and the government to sustain the benefit,
- \$60.1 million for one time congressional adds in FY 2006, and
- \$19.8 million for anticipated savings from Retail Pharmacy Federal Pricing Controls.

Defense Health Program

Procurement Program (\$ in Millions)

| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|---|---------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| Medical Equipment - Replacement/Modernization | 357.7 | +10.1 | -5.7 | 362.1 | +11.7 | +7.3 | 381.1 |
| Medical Equipment - New Facility Outfitting | 10.6 | +0.4 | +2.2 | 13.2 | +0.5 | +1.5 | 15.2 |
| Total | 368.3 | +10.5 | -3.5 | 375.3 | +12.2 | +8.8 | 396.3 |

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

The FY 2007 Procurement budget request of \$396.3 million is a \$21.0 million increase from the FY 2006 funding level. This reduction includes \$12.2 million in price growth and \$8.8 million in net program increase, which primarily includes increase for replacement of End User Devices.

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

| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|------------------|---------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| RDT&E | 523.1 | +12.1 | +1.7 | 536.9 | +11.8 | -418.1 | 130.6 |

The DHP RDT&E program funds health care related Information Management/Information Technology development, Small Business Innovative Research (SBIR), medical laboratory research, and the Armed Forces Radiobiological Research Institute. The FY 2007 RDT&E program budget request of \$130.6 million reflects a net decrease of \$406.3 million. This includes price growth of \$11.8 million and a net program reduction of \$418.1 million, which is primarily driven by one-time congressional adds in FY 2006 totaling almost \$400 million.

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

(\$ in millions)

| FY 2005 1/ <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
|-----------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| 1,147.8 | +24.5 | -236.3 | 936.1 | +20.6 | -29.8 | 926.9 |

Illegal drug use exacts a heavy toll on American society every year. Illegal drugs account for billions of dollars in direct and indirect costs including health care, lost revenue due to crime, social welfare costs and lost productivity. While cocaine continues to be the single most serious drug threat, heroin, synthetic drugs, methamphetamines, and marijuana are also serious. Additionally, there are clear linkages between international narcotics trafficking and international terrorism. Global and regional terrorists threatening United States' interests can finance their activities with the proceeds from narcotics trafficking.

The Drug Interdiction and Counterdrug Activities, Defense, appropriation is a central transfer account used to fund the Department's Counternarcotics (CN) Program. The Department of Defense (DoD) uses these resources to finance CN activities that fulfill its statutory responsibilities, use military-unique resources and capabilities, and advance the national priorities of the National Drug Control Strategy. DoD uses its counternarcotics authorities and funding to support efforts in the war on terrorism to implement the Department's Security Cooperation Guidance. The account provides inherent flexibility for the Department's CN program to respond effectively to the dynamic nature of the drug threat. It covers all CN resources with the exception of those resources for the Active components' military personnel, Service OPTEMPO, and military construction. The Services budget for the OPTEMPO portion of the program in their Operation & Maintenance appropriations.

In support of the National Drug Control Strategy and the U.S. Government's international and multi-agency approach to counter the flow of illegal drugs into the U.S., Congress authorized DoD to perform:

- mandatory counternarcotics detection and monitoring missions;
- DoD drug demand reduction activities;
- permissive counternarcotics support to domestic and host nation law enforcement and/or military forces; and
- other counternarcotics missions that support the war on terrorism, readiness, national security, and security cooperation goals.

DoD carries out these missions by:

- acting as the single lead federal agency to detect and monitor the aerial and maritime transit of illegal drugs toward the U.S.;
- collecting, analyzing and disseminating intelligence on drug activity;
- providing training for U.S. and foreign drug law enforcement agencies and foreign military forces with drug enforcement responsibilities; and

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

- approving and funding Governors' State Plans for National Guard use, when not in federal service, to support drug interdiction and other counternarcotics activities, as authorized by state laws.

While the DoD carries out drug demand reduction programs consistent with the first national counternarcotics priority to maintain the Armed Forces as an effective fighting force, most of its activities combat drug activity and, incidentally, the movement of other threats to the U.S., its friends and allies. DoD executes drug detection and monitoring and other programs using military command, control, communications and intelligence resources, as well as military operational planning capabilities. The Demand Reduction, Domestic Support and International Support counter-narcoterrorism policies are built upon this general policy. Accordingly, DoD will focus on counternarcotics activities that will contribute to:

- The war on terrorism;
- Security Cooperation Guidance;
- Military readiness; and
- National Security.

Narrative Explanation of Changes:

The Department's CTA program request of \$926.9 million for FY 2007 for the Central Transfer Account reflects price growth of \$20.6 million and a program decrease of \$29.8 million over the FY 2006 level of \$936.1 million, primarily because of one-time FY 2006 congressional increases to the Department's counter-narcoterrorism program. The Department's FY 2007 counter-narcoterrorism budget will continue to fund, within fiscal constraints, an array of effective programs that support the National Drug Control Strategy and Department goals. Four mission areas encompass the scope of the Department's program. These mission areas are:

- **DEMAND REDUCTION (\$134.2M)**: The Department has assimilated the President's goal of a 25% reduction in drug use over three years into its strategic plan. The approach emphasizes prevention of drug use through pre-accession and random drug testing, anti-drug education and treatment. Emphasis is placed on deterring drug use through cost effective drug testing with punitive consequences for members who are identified as drug users.

A total of \$20.4 million is for the National Guard State Plans and Service outreach programs, and the Young Marines outreach program, and \$113.9 million is for the continued support of DoD Demand Reduction Programs. These funds support drug testing for active duty military, National Guard and Reserve personnel, and DoD civilian employees; drug abuse prevention/education activities for military and civilian personnel and their dependents; and drug treatment for military personnel.

- **DOMESTIC SUPPORT (\$205.7M)**: In light of the conflicts in Iraq and Afghanistan and the Department's continuing global war against terror, DoD will limit its domestic contributions to the war on drugs to those functions that are militarily unique and benefit the Department's primary missions. Domestic support includes translation, intelligence, communications, aerial and

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

ground reconnaissance, transportation, border fence and road construction, eradication (excluding contraband destruction), and training. Additionally, the Department committed to improving information sharing between DoD and law enforcement agencies in support of counter-narcoterrorism objectives.

This funding supports federal, state and local drug law enforcement agencies (DLEAs) requests for domestic operational and logistical support, and will assist the DLEAs in their efforts to reduce drug-related crime. Of this amount, \$156.4 million is for a portion of the total National Guard State Plans that supports domestic law enforcement efforts and the counter-narcoterrorism schools; \$15.5 million is for Domestic Operational Support, such as US Northern Command (NORTHCOM) counter-narcoterrorism support to DLEAs and Title 10 National Guard translation efforts; and \$34.2 million is for domestic detection and monitoring efforts (Tethered Aerostats).

- **INTELLIGENCE, TECHNOLOGY AND OTHER (\$151.0M)**: DoD will continue to provide critical intelligence support to national policies designed to dismantle narcotics trafficking and international terrorist organizations benefiting from drug trafficking. Most of the collection and analysis is unique, and is essential to the national and international efforts. The use of new technology continues to be instrumental in combating narcoterrorist activities. DoD will continue to test, evaluate, develop and deploy technologies that are used to collect and survey suspect narcoterrorist smuggling operations in air, land, or sea.

Intelligence programs collect, process, analyze, and disseminate information required for counter-narcoterrorism operations. Technology programs increase the Department's abilities to target narco-terrorist activity. A total of \$88.4 million is for counter-narcoterrorism intelligence support and analysis; \$23.0 million is for signal intelligence (SIGINT) collection and processing; \$12.0 million is for Service and SOCOM command and control programs; and \$20.8 million is for CN Technology efforts.

- **INTERNATIONAL SUPPORT (\$436.0M)**: DoD has expanded its counternarcotics mission to include targeting those terrorists groups worldwide that use narcotics trafficking to support terrorist activities. In order to support the war on terrorism, DoD will use its resources in regions where terrorists benefit from illicit drug revenue or use drug smuggling systems.

Counter-narcoterrorism programs support efforts in the U.S. Central Command, U.S. Southern Command, U.S. Pacific Command, and U.S. European Command Area of Responsibilities (AORs) to detect, interdict, disrupt or curtail activities related to substances, material, weapons or resources used to finance, support, secure, cultivate, process or transport illegal drugs. \$203.5 million supports operations in these AORs, including Section 1033 support; \$177.9 million is for detection and monitoring platforms and assets; and \$54.6 million is for AOR Command and Control support, including operations of Joint-Interagency Task Forces West and South.

1/ FY 2005 value displayed includes Supplemental funding for Afghanistan (\$242 million).

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

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ENVIRONMENTAL RESTORATION (ER) TRANSFER APPROPRIATIONS

| | (\$ in millions) | | | | | | |
|--|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Total Environmental Restoration | 1,348.2 | 32.4 | 6.8 | 1,387.4 | 30.5 | -14.7 | 1,403.3 |

The Department's Environmental Restoration program focuses on reducing the risks to human health and the environment at active installations and Formerly Used Defense Sites (FUDS), while ensuring that DoD environmental cleanup policy conforms to existing laws and regulations. The DoD Environmental Restoration appropriations provide for: the identification, investigation, and cleanup of past contamination prior to 1986 from hazardous substances and wastes, and contamination prior to FY 2003 from unexploded ordnance (UXO), discarded military munitions, and munitions constituents at other than operational ranges; correction of other environmental damage; and the demolition and removal of unsafe buildings, structures, and debris. The program reduction of \$14.7 million primarily consists of the discontinuance of a one-time congressional increase to the FUDS account in FY 2006 and the exclusion of the Defense Logistics Agency's stockpile sites that are not eligible for environmental restoration funding and, therefore, no longer reported as part of the environmental restoration program.

ENVIRONMENTAL RESTORATION (ER) TRANSFER APPROPRIATIONS

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FORMER SOVIET UNION THREAT REDUCTION

| FY 2005 | Price | Program | (\$ in millions) | Price | Program | FY 2007 |
|----------------|---------------|----------------|-------------------------|---------------|----------------|-----------------|
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>FY 2006</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 407.9 | +9.7 | -7.2 | 410.4 | +9.0 | -47.3 | 372.1 |

The FY 2007 budget contains \$372.1 million to dismantle delivery systems and prevent the proliferation of weapons of mass destruction in Former Soviet Union (FSU) countries. The budget request decreased by \$38.3 million from the FY 2006 funding level. This includes \$9.0 million for price growth and a net program decrease of \$47.3 million. Programs with decreased funding include Chemical Weapons Destruction (\$-68.2 million), Weapons of Mass Destruction (WMD) Proliferation Prevention (\$-4.0 million), Strategic Nuclear Arms Elimination (\$-1.1 million), and Defense and Military Contacts (\$-.1 million). Programs with increased funding include Strategic Offensive Arms Elimination (\$+12.9 million), Weapons Storage Security (\$+1.1 million), Weapons Transportation Security (\$+2.3 million), Biological Weapons (BW) Proliferation Prevention (\$6.2 million) and Other Programs (\$+3.6 million). The following table shows price and program changes from FY 2005 to FY 2007 for the major programs:

| | (\$ in millions) | | | | | | |
|--|-------------------------|---------------|----------------|----------------|---------------|----------------|-----------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Current</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Strategic Offensive Arms Elimination - Russia | 52.5 | 1.3 | 8.9 | 62.7 | 1.4 | 12.9 | 77.0 |
| Strategic Nuclear Arms Elimination – Ukraine | - | - | 1.1 | 1.1 | - | -1.1 | - |
| Weapons Storage Security – Russia | 73.9 | 1.8 | 8.4 | 84.1 | 1.9 | 1.1 | 87.1 |
| Weapons Transportation Security – Russia | - | - | 30.0 | 30.0 | .7 | 2.3 | 33.0 |
| Chemical Weapons Destruction – Russia | 157.9 | 3.8 | -53.2 | 108.5 | 2.4 | -68.2 | 42.7 |
| Chemical Weapons Destruction – Albania | 6.8 | - | -6.8 | - | - | - | - |
| BW Proliferation Prevention – FSU | 68.7 | 1.6 | -9.5 | 60.8 | 1.3 | 6.2 | 68.3 |
| WMD Proliferation Prevention – FSU | 36.7 | .9 | 3.0 | 40.6 | .9 | -4.0 | 37.5 |
| Defense and Military Contacts | 8.0 | .2 | -.2 | 8.0 | .1 | -.1 | 8.0 |
| Other Program Support | 3.4 | .1 | 11.1 | 14.6 | .3 | 3.6 | 18.5 |
| Total | 407.9 | 9.7 | -7.2 | 410.4 | 9.0 | -47.3 | 372.1 |

The activities for the Former Soviet Union (FSU) Threat Reduction program for FY 2007 are as follows:

FORMER SOVIET UNION THREAT REDUCTION

Strategic Offensive and Nuclear Arms Elimination - Russia/Ukraine:

- Decommission 5 road mobile ICBM regiments;
- Eliminate 16 liquid fueled ICBM missile launchers;
- Supports the storage of 163 solid rocket motors - Ukraine;
- Transport, dismantle, and eliminate 89 liquid and/or solid fueled ICBMs and SLBMs.

Nuclear Weapons Storage and Transportation Security - Russia:

- Enhances the security, safety, control and accounting of up to 8 nuclear weapons storage sites identified by MOD;
- Supports movement and consolidation of nuclear weapons from Russian MOD operational sites to weapons dismantlement or secure storage facilities (funds 48 trainloads of deactivated nuclear warheads);
- Continue to procure up to 100 cargo rail cars that support the transportation of nuclear weapons to dismantlement or secure storage facilities.

Biological Weapons (BW) Proliferation Prevention - FSU:

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

Chemical Weapons (CW) Destruction - Russia:

- Completes equipment installation, systemization, and training program for operating personnel at the CW destruction facility at Shchuch'ye; and facilitates the Transfer of Custody to the Russian Federation.

Weapons of Mass Destruction Proliferation Prevention - FSU:

- Enhances the capability of non-Russian FSU military, internal security forces, border guards and customs in Ukraine, Kazakhstan, Azerbaijan, Uzbekistan, and Moldova to deter, detect, interdict illicit trafficking in WMD and related materials across borders and respond to WMD incidents at the borders and in country;
- FY 2007 funds will provide equipment, training, infrastructure and logistical support to these forces.

Defense and Military Contacts – FSU:

- Supports interaction between U.S. and FSU military forces to promote military reform and WMD nonproliferation (funds approximately 258 defense and military exchanges).

Other Program Support - FSU:

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

OFFICE OF THE INSPECTOR GENERAL

(\$ in Millions)

| FY 2005 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| 198.3 | +4.3 | +6.4 | 209.0 | +4.7 | +2.6 | 216.3 |

The Office of Inspector General (OIG) audits and investigates the programs and operations of the Department of Defense (DoD). The OIG also recommends policies and conducts activities to promote economy, efficiency, and effectiveness in DoD programs and operations by preventing and detecting fraud, waste and abuse. For the last three years, the OIG has achieved \$7.7 billion in savings and \$1.7 billion in recovery for the nation. The Inspector General is the only DoD Officer qualified to issue opinions on the financial statements of the Department of Defense. The OIG also informs DoD management and Congress about the problems and deficiencies in programs and operations and the progress of corrective actions.

The FY 2007 budget includes \$216.3 million for the OIG, an increase of \$7.3 million over the FY 2006 level. The increase is composed of \$+4.3 million for program increases for planned replacement cycle equipment purchases and personnel costs after the National Security Personnel System (NSPS) implementation and program decreases of \$-1.7 million for renewal of Microsoft Licenses and OIG employee training for NSPS implementation. Civilian full-time equivalents (FTEs) decreased by 18 to 1,403 FTEs in FY 2007 to support the within-grade buy in of civilians as the OIG agency converts to pay banding under the NSPS. Additional program growth in civilian pay and compensation is a result of increased employer contribution to benefits as the workforce's primary retirement plan shifts from the Civil Service Retirement System (CSRS) to the Federal Employee Retirement System (FERS). The OIG expects to realize continued growth in this area as the CSRS workforce retires and is replaced with FERS employees.

The budget includes funds to support the Department's goal of achieving auditable financial statements (\$34.7 million), other audit missions (\$58.6 million), investigations (\$68.5 million), policy and oversight (\$10.1 million), intelligence audits (\$4.4 million), plus administrative costs (\$38.7 million), and procurement (\$1.4 million).

OFFICE OF THE INSPECTOR GENERAL

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OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

| FY 2005 | Price | Program | (\$ in Millions) | Price | Program | FY 2007 |
|----------------|---------------|----------------|-------------------------|---------------|----------------|-----------------|
| <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>FY 2006</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| 10.0 | - | - | 0 | - | - | 10.0 |

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

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

The Department is requesting \$10 million in additional funds for FY 2007. The OCOTF is a permanent appropriation to be used only to finance contingency operations. New contingency requirements continually surface due to the dynamic international situation. The Military Departments, because of their relatively large Operation and Maintenance (O&M) accounts, are generally able to accommodate these new costs for a short time until other funding is available. However, the Defense Agencies, most notably the U.S. Special Operations Command (USSOCOM), and the combat support Defense Agencies, are less able to absorb the diversion of funds for these unforeseen contingency operations, making a small contingency fund vitally important.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

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OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

| (\$ in Millions) | | | | | | |
|--|--------------------------------|----------------------------------|------------------------------------|--------------------------------|----------------------------------|------------------------------------|
| FY 2005 <u>Actual</u>[*] | Price <u>Growth</u> | Program <u>Growth</u> | FY 2006 <u>Estimate</u> | Price <u>Growth</u> | Program <u>Growth</u> | FY 2007 <u>Estimate</u> |
| 175.8 | +1.3 | -116.3 | 60.8 | +1.3 | +1.1 | 63.2 |

* Includes \$36.0 million that was appropriated in the Supplemental for Defense, Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).

The Overseas Humanitarian, Disaster and Civic Aid (OHDACA) program includes three segments: the Humanitarian Mine Action Program, the Humanitarian Assistance Program, and Foreign Disaster Relief Assistance. In broad terms, OHDACA programs support U.S. military forces in meeting two key requirements. The first is to maintain a robust overseas presence aimed at shaping the international security environment in a manner that deters would-be aggressors, strengthens friends and allies, and promotes peace and stability in regions of tension. The second requirement is for U.S. forces to respond effectively when called upon to assist the victims of storms, earthquakes, and other natural or manmade disasters. An excellent example is the 2005 Tsunami relief effort (Operation Unified Assistance) responding to humanitarian needs in the Indian Ocean area.

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

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

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

The FY 2007 OHDACA budget request is \$63.2 million. The FY 2007 level represents an increase of \$2.4 million from the FY 2006 planned program (\$60.8 million). The details, by major category, are described below:

Humanitarian Mine Action Program and Funding

| | <u>(\$ in Millions)</u> | | |
|----------------------|-------------------------|----------------|----------------|
| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| Total Program | 10.0 | 10.0 | 10.0 |

The **Humanitarian Mine Action Program** requirement of \$10.0 million will support the geographical CoCom planned humanitarian demining activities. These CoCom plans include: assessments of newly designated countries; ongoing worldwide training operations; incremental funding of high-priority, emerging operations; and evaluations of current programs to determine if projected “end states” have been met.

Humanitarian Assistance Program and Funding

| | <u>(\$ in Millions)</u> | | |
|----------------------|-------------------------|----------------|----------------|
| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| Total Program | 155.8 | 40.8 | 43.2 |

The **Humanitarian Assistance Program** FY 2007 requirements of \$43.2 million include: transportation; provision of excess property; and other targeted assistance for disaster preparedness and mitigation. Funding also provides for acquisition, provision, and distribution of relief supplies; acquisition and shipment of transportation assets to assist in distribution; refurbishment and restoration of excess Defense equipment; and inspection, packaging and intermediary warehouse storage until excess items can be delivered.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

Foreign Disaster Relief Assistance/Emergency Response Funding

| | <u>(\$ in Millions)</u> | | |
|----------------------|-------------------------|----------------|----------------|
| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| Total Program | 10.0 | 10.0 | 10.0 |

The Foreign Disaster Relief Assistance/Emergency Response estimate for FY 2007 is \$10 million. This funding supports the capacity of the Department, through the CoComs, to respond to natural and manmade disasters and to the humanitarian aspects of security crises. Among the activities covered by this item are transportation of emergency assistance during foreign disasters and programs to prepare for such activities. The emergency response program includes transportation, logistical support, search and rescue, medical evacuation, and refugee assistance, in the form of both supplies and services. Projects also include those that assist Non-Government Organizations (NGO) and recipient countries in building capabilities to respond to emergencies building this capability reduces the potential need for United States military involvement in future crisis response.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

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SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|----------------------|-------------------------|----------------------|----------------------|-------------------------|
| FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate*</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate*</u> |
| 1.2 | - | -0.7 | 0.5 | - | -0.5 | 0.0 |

* Represents anticipated obligations.

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

The Department is not requesting funds for FY 2007. The amount represented in the above table is total projected obligation, not Budget Authority. The current account balance in the SISC account is \$26.6 million, which is available until expended.

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

The Department plans to use SISC funds in FY 2007 for support for international sporting competitions to include physical security, aviation, communications, explosive ordnance disposal, temporary facilities, related equipment, and the manpower costs associated with these requirements. In accordance with 10 U.S.C., section 2564, the Department will notify the congressional oversight committees 45 days prior to obligation of SISC funds of the programs and activities to be financed.

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IRAQ FREEDOM FUND

| FY 2005 | Price | Program | (\$ in Millions) | Price | Program | FY 2007 |
|----------------|---------------|-----------------|-------------------------|---------------|----------------|-----------------|
| <u>Actual*</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| 3,800.0 | - | -3,800.0 | - | - | - | - |

* The FY 2005 Actual column includes \$3,800.0 million of Title IX funds. FY 2006 Estimate does not include Supplemental funding of \$4,558.7 million.

The Iraq Freedom Fund (IFF) was initially established in Public Law 108-11, the Emergency Wartime Supplemental Appropriations Act for Fiscal Year (FY) 2003. In that legislation, Congress provided \$15,678.9 million in a special transfer account for the additional expenses of the ongoing military operations in Iraq and other operations and activities supporting the global war on terrorism. The funds may be used to finance the estimated partial costs of combat, stability operations, force reconstitution, replacement of munitions and equipment and other costs. The IFF is a two-year account with special transfer authority that provides flexibility to meet operational requirements. As unanticipated costs associated with the war on terrorism emerge, the Secretary of Defense may decide to finance those requirements through IFF resources. The Department must notify the congressional defense committees in writing not fewer than five days prior to making transfers from the IFF. Following the notification period, the Secretary may transfer funds from the IFF to the Components' appropriations.

Public Law 108-106, the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan for FY 2004, provided \$1,988.6 million in the FY 2004/FY 2005 Iraq Freedom Fund. These funds were used for the same purposes as the first IFF account with the exception that no funds were available to be transferred funds to the research, development, test and evaluation appropriations.

The Congress appropriated \$25.0 billion in the FY 2005 Defense Appropriations Act (P.L. 108-287), Title IX, war reserve contingency. The FY 2004/2005/2006 IFF is a three year transfer account with special transfer authority and was provided \$3.8 billion of the Title IX funds.

IRAQ FREEDOM FUND

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| | (\$ in millions) | | | | | | |
|---------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2005 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
| Army | 1,049.5 | +24.5 | -111.5 | 962.7 | +44.6 | -17.7 | 989.6 |
| Army Reserve | 31.1 | +1.1 | +4.7 | 36.9 | +1.0 | +9.4 | 47.3 |
| Army National Guard | 366.7 | +.1 | -56.8 | 310.0 | +1.0 | +26.4 | 337.4 |
| Navy | 7,065.8 | +381.7 | -1,255.1 | 6,192.4 | +439.0 | -20.4 | 6,611.0 |
| Navy Reserve | 710.1 | +56.4 | -97.3 | 669.2 | +55.3 | +17.3 | 741.8 |
| Air Force | 17,569.7 | +1,058.3 | -2,850.2 | 15,777.8 | +868.0 | +992.4 | 17,638.2 |
| Air Force Reserve | 1,720.7 | +113.6 | +201.2 | 2,035.5 | +140.6 | +85.1 | 2,261.2 |
| Air National Guard | 3,844.7 | +173.2 | -48.1 | 3,969.8 | +239.2 | +340.8 | 4,459.8 |
| USSOCOM | <u>757.6</u> | <u>+30.5</u> | <u>-106.7</u> | <u>681.4</u> | <u>+57.5</u> | <u>+95.4</u> | <u>834.3</u> |
| Total | 33,116.1 | 1,839.4 | -4,319.8 | 30,635.7 | +1,846.2 | +1,528.7 | 34,010.6 |

NOTE: FY 2005 actuals include Supplemental funding.

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

The FY 2007 budget request of \$34,010.6 million reflects a net increase of \$4,110.0 million above the FY 2006 estimate. This includes price growth of \$1,814.6 million and a net program increase of \$2,295.4 million.

ACTIVE ARMY

The Army's Land Forces Air Operations funds the combat major commands (MACOMs), as well as several other agencies and commands. The FY 2007 Flying Hour Program funds rotary wing aircraft at the average operating tempo (OPTEMPO) of 11.6 hours per crew per month. The program includes fuel, consumable parts, and depot level repair parts to maintain the fleet.

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

- Drug Interdiction and Counter-Drug activities,

AIR OPERATIONS

- Combat Aviation Training Brigade at Fort Hood (the Army’s collective trainer for the AH-64D Apache Longbow program),
- Combat Training Center support (National Training Center),
- Joint Readiness Training Center,
- Combat Maneuver Training Center), and
- Several other smaller units.

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

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

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

| | <u>(\$ in millions)</u> | | | | | | |
|-----------------------------------|-------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Funding Summary</u> | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Land Forces Air Operations | 529.0 | +18.0 | -116.0 | 431.0 | +23.0 | +110.0 | 564.0 |
| Depot Maintenance | 303.7 | +1.5 | -46.5 | 258.7 | +11.6 | -126.7 | 143.6 |
| Flight Training | 216.0 | +5.0 | +51.0 | 272.0 | +10.0 | -1.0 | 281.0 |
| Servicewide Support | <u>1.0</u> | <u>-</u> | <u>-</u> | <u>1.0</u> | <u>-</u> | <u>-</u> | <u>1.0</u> |
| Total | 1,049.7 | +24.5 | -111.5 | 962.7 | +44.6 | -17.7 | 989.6 |

AIR OPERATIONS

| Program Data | FY 2005 | Change | FY 2006 | Change | FY 2007 |
|------------------------------------|----------------|---------------|-----------------|---------------|-----------------|
| | Actual | | Estimate | | Estimate |
| Primary Authorized Aircraft | 2,139 | -15 | 2,124 | +91 | 2,215 |
| Total Aircraft Inventory | 2,701 | -53 | 2,648 | +60 | 2,708 |
| Flying Hours (000)* | 682.2 | -219.3 | 462.9 | +11.6 | 474.5 |
| Percent Executed | 108% | N/A | N/A | N/A | N/A |
| OPTEMPO (Hrs/Crew/Month) * | | | | | |
| Rotary Wing | 16.4 | -4.8 | 11.6 | - | 11.6 |

*FY 2005 executed flying hours and OPTEMPO include contingency operations (i.e., Operation Iraqi Freedom).

The FY 2007 budget request reflects a net increase of \$26.9 million above the FY 2006 level. This includes a price increase of \$44.6 million and a program decrease of \$-17.7 million.

Land Force Air Operations: The FY 2007 flying hour program supports an average OPTEMPO of 11.6 hours per crew per month. The FY 2007 budget request increases \$133 million from the FY 2006 level, with a price increase of \$23 million and a program increase of \$110 million. The FY 2007 program increase includes: increased repair costs and changing the mix of helicopters as the Army replaces low cost Vietnam era aircraft with higher cost modernized aircraft that have increased capability.

Depot Maintenance: The FY 2007 budget request reflects a net decrease of \$115 million from the FY 2006 level. The net decrease consists of a price increase of \$11 million and a program decrease of \$127 million. The program decrease is the result of reduced requirements associated with 15 helicopter crash damages and the reduction of the 13 UH-60A helicopters under the RECAP program.

Flight Training: The FY 2007 budget request increases \$9 million above the FY 2006 level and reflects a price increase of \$10 million and a minor program decrease of \$-1 million.

Servicewide Support: The FY 2007 budget request reflects a relatively steady program.

AIR OPERATIONS

ARMY RESERVE

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

| | (\$ in millions) | | | | | | |
|---------------------------------------|------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| <u>Funding Summary</u> | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Training Operations | 31.1 | +1.1 | +4.7 | 36.9 | +1.0 | +9.4 | 47.3 |
| | | | | | | | |
| <u>Program Data</u> | FY 2005 | | | FY 2006 | | | FY 2007 |
| | <u>Actual</u> | | <u>Change</u> | <u>Estimate</u> | | <u>Change</u> | <u>Estimate</u> |
| Primary Authorized Aircraft | 108 | | - | 108 | | - | 108 |
| Total Aircraft Inventory (TAI) | 108 | | - | 108 | | - | 108 |
| Flying Hours (000) | | | | | | | |
| Rotary | 13.7 | | -4.4 | 9.3 | | +2.1 | 11.4 |
| Fixed | 27.4 | | -1.0 | 26.4 | | +0.1 | 26.5 |
| Total | 41.1 | | -5.4 | 35.7 | | +2.2 | 37.9 |
| OPTEMPO: | | | | | | | |
| Rotary (Hours/Crew/Month) | 6.6 | | -1.5 | 5.1 | | +1.1 | 6.2 |
| Fixed (Aircraft Hours/Month) | 57.1 | | -2.1 | 55.0 | | - | 55.0 |

The FY 2007 budget request reflects a net increase of \$10 million. This includes a price increase of \$1.0 million and a program increase of \$9.4 million (+25 percent), which reflects increased rotary wing cost factors.

AIR OPERATIONS

ARMY NATIONAL GUARD

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

| | (\$ in millions) | | | | | | |
|-------------------------------------|------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| <u>Funding Summary</u> | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Flying Hour Program | 366.7 | +0.1 | -56.8 | 310.0 | +1.0 | +26.4 | 337.4 |
| | <u>FY 2005</u> | | | <u>FY 2006</u> | | | <u>FY 2007</u> |
| <u>Program Data</u> | <u>Actual</u> | | <u>Change</u> | <u>Estimate</u> | | <u>Change</u> | <u>Estimate</u> |
| Primary Authorized Aircraft | 1,336 | | -2 | 1,334 | | -22 | 1,312 |
| Total Aircraft Inventory | 1,450 | | -2 | 1,448 | | -22 | 1,426 |
| Flying Hours (000) | | | | | | | |
| Rotary | 235.7 | | -47.8 | 187.9 | | +6.1 | 194.0 |
| Fixed | 56.4 | | +14.1 | 70.5 | | -24.9 | 45.6 |
| Total | 292.1 | | -33.7 | 258.4 | | -18.8 | 239.6 |
| OPTEMPO: | | | | | | | |
| Rotary (Hours/Crew/Month) | 9.2 | | -1.9 | 7.3 | | +0.3 | 7.6 |
| Fixed (Aircraft Hours/Month) | 8.5 | | +1.2 | 9.7 | | +0.6 | 10.3 |

The FY 2007 budget request reflects a net increase of \$27.4 million. This includes a price change of \$1 million and a net program increase of \$26.4 million, which reflects increased requirements for modernization of the Army National Guard aviation system within is part of the Army Aviation Modernization Plan.

AIR OPERATIONS

ACTIVE NAVY

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

| | (\$ in millions) | | | | | | |
|----------------------------|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Funding Summary</u> | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Mission/Flight Operations | 3,639.5 | +297.8 | -624.7 | 3,312.6 | +258.9 | +16.3 | 3,587.8 |
| Fleet Air Training | 1,118.5 | +64.8 | -342.4 | 840.9 | +72.1 | -49.2 | 863.8 |
| Intermediate Maintenance | 67.5 | +1.9 | -12.0 | 57.4 | +1.5 | -2.4 | 56.5 |
| Air Ops and Safety Support | 123.8 | +2.4 | -14.9 | 111.3 | +3.6 | +6.4 | 121.3 |
| Air System Support | 471.1 | +6.1 | +13.9 | 463.3 | +19.0 | +3.5 | 485.8 |
| Depot Maintenance | 1,139.8 | -10.2 | -232.9 | 896.7 | +55.1 | -48.9 | 902.9 |
| Depot Operations Support | 71.7 | +1.7 | +27.0 | 100.4 | +3.4 | +40.4 | 144.2 |
| Flight Training | 414.1 | +15.6 | -40.6 | 389.1 | +23.0 | +13.3 | 425.4 |
| Blue Angels | <u>19.8</u> | <u>+1.6</u> | <u>-0.7</u> | <u>20.7</u> | <u>+2.4</u> | <u>+0.2</u> | <u>23.3</u> |
| Total | 7,065.8 | +381.7 | -1,255.1 | 6,192.4 | +439.0 | -20.4 | 6,611.0 |

| | FY 2005 | | FY 2006 | | FY 2007 |
|----------------------------------|---------------|---------------|-----------------|---------------|-----------------|
| <u>Program Data</u> | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Primary Authorized Aircraft | 2,392 | -84 | 2,308 | -37 | 2,271 |
| Total Aircraft Inventory (TAI) * | 3,726 | 67 | 3,793 | -5 | 3,788 |
| Total Flying Hours (000) | 1,144 | -142 | 1,002 | +11 | 1,013 |
| Tactical Fighter Wings | 10 | - | 10 | - | 10 |
| Average Crew Ratio | 1.47 | +0.07 | 1.54 | +0.01 | 1.55 |
| Hours Per Crew Per Month | 22.3 | -4.8 | 17.5 | +0.7 | 18.2 |
| Average T-Rating | T-2.3 | N/A | T-2.7 | N/A | T-2.5 |

AIR OPERATIONS

| <u>Program Data</u> | <u>FY 2005 Actual</u> | <u>Change</u> | <u>FY 2006 Estimate</u> | <u>Change</u> | <u>FY 2007 Estimate</u> |
|--|---------------------------|---------------|-----------------------------|---------------|-----------------------------|
| <u>Naval Aviation Installations</u> | | | | | |
| CONUS | 15 | - | 15 | - | 15 |
| Overseas | 8 | - | 8 | -1 | 7 |

* TAI includes Navy and Marine Corps Reserve aircraft.

The FY 2007 budget request increases by \$418.6 million above the FY 2006 level, reflecting price increases of \$439.0 million and program decreases of \$20.4 million below the FY 2006 level. The Primary Authorized Aircraft (PAA) decreases from FY 2006 to FY 2007 due to various force structure changes, including the retirement of S-3B squadron and the continued decommissioning of F-14s. In FY 2007, the flying hour budget is sufficient to achieve readiness and safety goals at or above those budgeted in FY 2006.

Mission/Flight Operations: The budget request reflects price growth of \$258.9 million and programmatic growth of \$16.3 million in FY 2007. This is driven by higher repairables and consumables consumption and funding the additional hours required to achieve a T-2.5 readiness level. In addition, changes in type/model/series flown, such as the retirement of S-3Bs and F-14s contribute to the programmatic changes.

Fleet Air Training: Fleet Air Training funding reflects pricing growth of \$72.1 million and programmatic decreases of \$49.2 million in FY 2007. The programmatic changes reflect increased fuel costs offset by reduced funding for repairables and consumables and reduction in flight hours in accordance with student load plan and Fleet aircrew requirements.

Navy Intermediate Maintenance: Funding reflects price growth of \$1.5 million and programmatic decreases of \$-2.4 million in FY 2007. The decrease is associated with a realignment of the Fleet Weapons Support Team from Fleet Readiness Accounts into Weapons Maintenance (1D4D).

Air Operations and Safety Support: Air Operations and Safety Support funding reflects a price increase of \$3.6 million and a program increase of \$6.4 million in FY 2007. The programmatic increase is the result of emerging requirements in Combat Identification systems and Marine Air Traffic Control and Lighting systems.

AIR OPERATIONS

Air System Support: Air System Support reflects a price increase of \$19.0 million and a program increase of \$3.5 million in FY 2007. The programmatic increase is associated with Program Related Logistics Support and Program Related Engineering Support for the following aircraft; F/A-18E/F, AV-8B, EA-6B and the T-45.

Aircraft Depot Maintenance: Aircraft Depot Maintenance funding reflects a price increase of \$55.1 million and a net program decrease of \$-48.9M million in FY 2007. The programmatic decrease is the result of the realignment for P-3 Special Structural Inspection Kits and a reduction for Aircraft Depot Maintenance Peacetime Workload.

Aircraft Depot Operations Support: Aircraft Depot Operations reflects a price increase of \$3.4 million and a net program increase of \$40.4 million in FY 2007. The programmatic increase is the result of the accelerated deployment of the Navy Converged Enterprise Resource Planning (ERP) Program, supporting the Naval Air Pacific Repair Activity (NAPRA) and the Naval Air Mediterranean Repair Activity (NAMRA) forward deployed maintenance programs.

Flight Training: Flight Training reflects price growth in FY 2007 of \$23.0 million and a program increase of \$13.3 million. The program increase is attributable to the increased production goals by 247 Pilots and Naval Flight Officers. In addition, the increase reflects the latest Integrated Production Plan (IPP), avoiding interruption to pilot training process and subsequent impacts to fleet squadrons.

Recruiting and Advertising: Recruiting and Advertising, which provides funding for the Blue Angels, remains relatively stable and continues to support 68 Blue Angels shows in FY 2007.

NAVY RESERVE

The Naval Air Reserve Force consists of 1 carrier air wing with a total of 6 squadrons, 1 long-range Anti-Submarine Warfare (ASW) patrol wing with a total of 6 squadrons, 1 helicopter wing with 7 squadrons, and 1 air logistics wing with 15 squadrons. The Fourth Marine Corps Air Wing (4th MAW) consists of 16 flying squadrons and supporting units, which are budgeted for and maintained by the Commander of the Naval Reserve Force. The Air Operations activity group provides funding for all aspects of Navy and Marine Corps Reserve air operations from flying hours to specialized training, maintenance, and associated support. The following table reflects the funding for the programs supporting Reserve Air Operations.

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| | (\$ in millions) | | | | | | |
|----------------------------|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Funding Summary</u> | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Mission/Flight Operations | 535.4 | +55.2 | -83.2 | 507.4 | +49.2 | +32.8 | 589.4 |
| Intermediate Maintenance | 19.1 | +0.4 | -3.5 | 15.9 | +0.4 | +0.7 | 17.0 |
| Air Ops and Safety Support | 1.9 | - | +0.2 | 2.1 | - | -0.1 | 2.0 |
| Depot Maintenance | 153.4 | +0.8 | -10.9 | 143.4 | +5.7 | -16.1 | 132.9 |
| Depot Operations Support | <u>0.3</u> | <u>-</u> | <u>+0.1</u> | <u>0.4</u> | <u>-</u> | <u>-</u> | <u>0.4</u> |
| Total | 710.1 | +56.4 | -97.3 | 669.2 | +55.3 | +17.3 | 741.8 |

| | FY 2005 | <u>Change</u> | FY 2006 | <u>Change</u> | FY 2007 |
|---------------------------------|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | | <u>Estimate</u> | | <u>Estimate</u> |
| <u>Program Data</u> | | | | | |
| Primary Authorized Aircraft | 408 | -42 | 366 | -25 | 341 |
| Total Aircraft Inventory (TAI)* | 408 | -42 | 366 | -25 | 341 |
| Total Flying Hours (000) | 129 | +4 | 133 | +14 | 147 |
| Tactical Fighter Wings | 1 | - | 1 | - | 1 |
| Hours Per Crew Per Month | 10.2 | -1.4 | 8.8 | 1.4 | 10.2 |
| Average T-rating | T-2.3 | N/A | T-2.8 | N/A | T-2.3 |

* TAI shown under the active account includes Navy and Marine Corps Reserve aircraft.

The FY 2007 request reflects a net increase of \$72.6 million above the FY 2006 funding level. This includes a price increase of \$55.3 million and real program growth of \$17.3 million above FY 2006 level. Programmatic increases in FY 2007 reflect increases for consumption for Aviation Depot Level reparables (AVDLRs) and consumable parts across all aircraft types, as well as increased workload standards for depot maintenance.

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ACTIVE AIR FORCE

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

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

| <u>Funding Summary</u> | <u>(\$ in millions)</u> | | | | | | |
|--|----------------------------------|--------------------------------|----------------------------------|------------------------------------|--------------------------------|----------------------------------|------------------------------------|
| | <u>FY 2005 Actual</u> | <u>Price Change</u> | <u>Program Change</u> | <u>FY 2006 Estimate</u> | <u>Price Change</u> | <u>Program Change</u> | <u>FY 2007 Estimate</u> |
| Primary Combat Forces | 3,851.5 | +250.7 | -929.9 | 3,172.3 | +319.4 | +816.1 | 4,307.9 |
| Primary Combat Weapons | 334.3 | +9.5 | -62.1 | 281.7 | +8.1 | -8.4 | 281.4 |
| Combat Enhancement Forces | 635.6 | +19.7 | -133.7 | 521.7 | +16.7 | +65.3 | 603.7 |
| Air Operations Training | 1,233.8 | +67.9 | +40.6 | 1,342.3 | +106.3 | -9.4 | 1,439.2 |
| Combat Communications | 1,794.2 | +61.1 | -409.1 | 1,446.2 | +81.7 | +91.7 | 1,619.6 |
| Global C3I & Early Warning | 1,243.8 | +32.7 | -109.6 | 1,166.9 | +37.2 | -56.7 | 1,147.4 |
| Other Combat Ops Spt Programs | 972.3 | +29.0 | -308.1 | 693.1 | +26.1 | -109.2 | 610.1 |
| Airlift Operations | 3,172.7 | +501.9 | -1,036.0 | 2,638.6 | +241.3 | +68.6 | 2,948.5 |
| Flight Training | 729.2 | +37.9 | +11.1 | 778.1 | +82.5 | -23.7 | 836.9 |
| Arms Control | 37.7 | +1.2 | +8.5 | 47.4 | +3.6 | -1.1 | 49.9 |
| Security Programs | 1,100.2 | +28.8 | +221.1 | 1,350.1 | +32.4 | +95.7 | 1,478.2 |
| Depot Maintenance (All Air Force) | <u>2,464.4</u> | <u>+17.9</u> | <u>-140.1</u> | <u>2,342.2</u> | <u>-87.3</u> | <u>+60.6</u> | <u>2,315.4</u> |
| Total | 17,569.7 | +1,058.3 | -2,847.3 | 15,780.7 | +868.0 | +989.5 | 17,638.2 |

The FY 2007 budget request reflects a net increase of \$1,857.5 million above the FY 2006 funding level. This includes a price increase of \$868.0 million and program increases totaling \$989.5 million.

AIR OPERATIONS

| <u>Program Data</u> | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|--|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Primary Aircraft Authorized (PAA) | | | | | |
| Bomber | 120 | 3 | 123 | - | 123 |
| Fighter/Attack | 1,365 | -3 | 1,362 | -36 | 1,326 |
| Trainer | 940 | -12 | 928 | 15 | 943 |
| Airlift | 337 | -2 | 335 | -9 | 326 |
| Tanker | 236 | -8 | 228 | - | 228 |
| Other | <u>370</u> | <u>+86</u> | <u>456</u> | <u>-35</u> | <u>421</u> |
| Total | 3,368 | +64 | 3,432 | -65 | 3,367 |
| Total Aircraft Inventory (TAI) | | | | | |
| Bomber | 169 | -20 | 149 | - | 149 |
| Fighter/Attack | 1,564 | +6 | 1,570 | -64 | 1,506 |
| Trainer | 1,288 | -146 | 1,142 | -11 | 1,131 |
| Airlift | 380 | -20 | 360 | -18 | 342 |
| Tanker | 264 | -3 | 261 | -10 | 251 |
| Other | <u>406</u> | <u>+116</u> | <u>522</u> | <u>-30</u> | <u>492</u> |
| Total | 4,071 | -67 | 4,004 | -133 | 3,871 |
| Flying Hours (000) | 1,351.4 | -148.0 | 1,203.4 | -20.9 | 1,182.5 |
| Air Expeditionary Forces (AEF) | 10 | - | 10 | - | 10 |
| Crew Ratio (Average per Aircraft) | | | | | |
| Bombers | 1.43 | - | 1.43 | - | 1.43 |
| Fighters | 1.25 | - | 1.25 | - | 1.25 |

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| <u>Program Data</u> | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|--|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| OPTEMPO (Hrs/Crew/Month) | | | | | |
| Bombers | 22.4 | -7.2 | 15.2 | -0.2 | 15.0 |
| Fighters | 15.3 | +1.1 | 16.4 | -0.2 | 16.2 |
| Primary Mission Capable (%) | | | | | |
| Bombers | 66.4 | | | | |
| Fighters | 77.2 | | | | |
| ICBM Inventory | | | | | |
| Minuteman III | 500 | - | 500 | - | 500 |
| Peacekeeper | 17 | -17 | - | - | - |
| Total | 517 | -17 | 500 | - | 500 |

Primary Combat Forces: The FY 2007 budget request includes a price increase of \$319.4 million and a program increase of \$816.1 million. The program change is primarily driven by: fund transfers in from procurement for the F-15 Contractor Logistics Support (\$116.1 million); equipment transformation initiative (\$11.5 million); an increase representing the restoral of the FY 2006 Air Force peacetime baseline for flying operations (\$476.0 million), an increase (\$299.6 million) that properly normalizes the baseline for FY 2007; a decrease to the Flying Hour Program due to a change in hours and/or consumption based on Mission Design Series (MDS) and changes in training requirements (\$-116.4 million); a decrease driven by the Air Force Transformation efforts to modernize and recapitalize force structure, streamlining organizational structure, process efficiencies and force structure reductions to become a more lethal, agile and balanced total force (\$-20.7 million) and a decrease to reflect improved funds management and preclude unobligated balances (\$-48.6 million).

Primary Combat Weapons: The FY 2007 budget request includes a price increase of \$8.1 million and a program decrease of \$-8.4 million. The program decrease is primarily driven by the Air Force Transformation efforts to modernize and recapitalize force structure, streamlining organization structure, process efficiencies and force structure reductions to become a more lethal, agile and balanced total force.

Combat Enhancement Forces: The FY 2007 budget request includes a price increase of \$16.7 million and a program increase of \$65.3 million. The program changes are primarily driven by: an increase representing the restoral of the FY 2006 Predator program,

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operations and support (\$85.0 million); an increase (\$9.5 million) to the Flying Hour Program due to a change in hours and/or consumption based on Mission Design Series (MDS) and changes in training requirements; an increase to the Predator program associated with the procurement of new orbits (\$5.8 million); a decrease driven by Air Force Transformation efforts to modernize and recapitalize force structure, streamlining organizational structure, process efficiencies and force structure reductions to become a more lethal, agile and balanced total force (-\$20.7 million); a decrease to reflect improved funds management and preclude unobligated balances (\$-10.4 million); and a one time decrease to the Theater Airborne Reconnaissance System to account for a one-time increase in the FY 2006 program.

Air Operations Training: The FY 2007 budget request includes a price increase of \$106.3 million and a program decrease of \$-9.4 million. The program change is primarily driven by: an increase in the Flying Hour Program Flying Hour Program due to a change in hours and/or consumption based on Mission Design Series (MDS) and changes in training requirements (\$23.3 million); an increase to fund A-76 studies to determine if activities should remain in-house labor or be contracted out (\$1.1 million); a decrease driven by Air Force Transformation efforts to modernize and recapitalize force structure, streamlining organizational structure, process efficiencies and force structure reductions to become a more lethal, agile and balanced total force (\$-20.7 million); a decrease to civilian pay based on requirements associated with updated assessment of special salary rates (\$-1.5 million); and a decrease to reflect improved funds management and preclude unobligated balances (\$-11.6 million).

Combat Communications: The FY 2007 budget request includes a price increase of \$81.7 million and a program increase of \$91.7 million. The program change is primarily driven by a transfer from Administrative and Servicewide accounts (\$29.4 million) to support the Northern Command's newly established warfighting communications program; an increase to the Global Hawk Unmanned Aerial Vehicle program providing all-weather, day or night, reconnaissance and surveillance in direct support of the combatant commanders in theater and Joint Forces Commander's (\$53.4 million); an increase to the Joint Military Intelligence Program supporting the Distributed Common Ground System that directly supports additional unmanned aerial vehicles (\$30.9 million); and a decrease in the Flying Hour Program due to a change in hours and/or consumption based on Mission Design Series (MDS) and changes in training requirements (\$-24.1 million).

Global C3I & Early Warning: The FY 2007 budget request includes a price increase of \$37.2 million and a program decrease of \$-56.6 million. The program change is primarily driven by: a fund transfer of the Counterspace Operations program to subactivity group 013E (Other Space Support Programs) to reflect appropriate program execution (\$-28.2 million); a fund transfer from Space-Based Infrared Systems to Research, Development, Test and Evaluation (RDT&E) for Geosynchronous Earth Orbiting Satellite, 1 and 2, and launch support at Cape Canaveral (\$-4.5 million); a fund transfer from the National Security Space Institute to the Space Warfare Center – Command, Control, Communication and Intelligence Space Professional Institute (\$7.0 million); an increase to the Flying Hour Program due to a change in hours and/or consumption based on Mission Design Series (MDS) and changes in training requirements (\$7.1 million); an increase for 5 new Competitive Sourcing and Privatization programs (\$2.5 million); a decrease driven

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by Air Force Transformation efforts to modernize and recapitalize force structure, streamlining organizational structure, process efficiencies and force structure reductions to become a more lethal, agile and balanced total force (\$-19.5 million) and a decrease to reflect improved funds management and preclude unobligated balances (\$-21.0 million).

Other Combat Operations Support Programs: The FY 2007 budget request includes a price increase of \$26.1 million and a program decrease of \$-109.0 million. The program change is primarily driven by an increase to Intelligence activities (\$17.7 million). This program is classified and details will be provided under separate cover upon request. In addition, an increase for the new Weapons of Mass Destruction (WMD) Responder Program that provides basic installation protection equipment and training assets (\$10.3 million); a decrease of the Air Base Program represented by a one-time requirement for security training and supplies; a decrease driven by Air Force Transformation efforts to modernize and recapitalize force structure, streamlining organizational structure, process efficiencies and force structure reductions to become a more lethal, agile and balanced total force (\$-32.9 million); a decrease to civil engineering for Pacific Air Force computer technical refresh (\$-20.3 million); a decrease to PACAF communications program (\$-11.0 million); decrease to the Flying Hour Program due to a change in hours and/or consumption based on Mission Design Series (MDS) and changes in training requirements (\$9.3 million); a decrease to reflect improved funds management and preclude unobligated balances (\$-9.3 million); reductions in Base Communication Life Cycle Infrastructure Adjustment, life-cycle refreshment of commercial equipment/software and base cable infrastructure upgrades (\$-9.1 million); and a decrease to the Language, Weapons of Mass Destruction and Homeland Defense programs (\$-4.9 million).

Airlift Operations: The FY 2007 budget request includes a price increase of \$241.3 million and a program increase of \$68.6 million. The program change is primarily driven by: an increase to the continuation of the C-17 Contractor Logistics Support (CLS) Transition (\$104.0 million); an increase to C-130E flying hours to accommodate increased crew ratio (\$39.1 million); an increase to Operational Support Airlift for contractual services in support of aircraft maintenance, aircraft lease, CLS and flight crew training (\$25.3 million); and increase in CLS for C-130J transition from Interim Contractor Support (\$21.6 million); a decrease driven by Air Force Transformation efforts to modernize and recapitalize force structure, streamlining organizational structure, process efficiencies and force structure reductions to become a more lethal, agile and balanced total force (\$-77.3 million); a decrease to the Flying Hour Program due to a change in hours and/or consumption based on Mission Design Series (MDS) and changes in training requirements (\$-29.8 million); and a decrease reflecting a baseline adjustment as part of the Air Force Smart Operations that refocuses centrally managed procurement (\$-9.7 million).

Flight Training: The FY 2007 budget request includes a price increase of \$82.5 million and a program decrease of \$-23.7 million. The program change is primarily driven by: a decrease by Air Force Transformation efforts to modernize and recapitalize force structure, streamlining organizational structure, process efficiencies and force structure reductions to become a more lethal, agile and balanced total force (\$-1.3 million); and a decrease to the Flying Hour Program due to a change in hours and/or consumption based on Mission Design Series (MDS) and changes in training requirements (\$-22.5 million).

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Arms Control: The FY 2007 budget request includes a price increase of \$3.6 million and a program decrease of \$1.1 million. The program change is primarily driven by: a minimal increase to the Counterproliferation program for increased contractor support in developing Counter-Chemical, Biological, Radiological, Nuclear Equipment standards and requirements (\$.2 million); a decrease to the Flying Hour Program due to a change in hours and/or consumption based on Mission Design Series (MDS) and changes in training requirements (\$-.7 million); and a decrease to the civilian pay account based on adjustments in mission requirements (\$-.7 million).

Security Programs: The FY 2007 budget request includes a price increase of \$32.4 million and a program increase of \$95.7 million. The program change is primarily driven by: an increase to Classified Programs, details provided under separate cover (\$116 million); a decrease to civilian pay due to staffing changes (\$-15.7 million); and a decrease in A-76 studies (\$-4.1 million).

Depot Maintenance (Air Force-wide): The FY 2007 budget request funds Depot Purchase Equipment Maintenance (DPEM) at 71% of the active force requirement. It includes a price decrease of \$87.3 million and program growth of \$60.6 million. The program growth funds Programmed Depot Maintenance (\$151.0 million) and aircraft repair for the B-1, B02, B-52, F-15, F-16, C-130 and OC-135 airframes. It also funds growth in aircraft software maintenance (\$22.7 million) with decreases to engine and missile maintenance (\$-63.2 million), Other Major End Items (\$-35.3 million), Depot Maintenance Exchangeable (\$-9.0 million), and other depot maintenance (\$-5.6 million).

AIR FORCE RESERVE

The Air Force Reserve Air Operations budget provides the resources to maintain and train units for immediate mobilization and to provide administrative support for the Air Reserve Personnel Center. The FY 2007 request provides for the operation and training of 78 flying units, 435 mission support units, 13 Air Force Reserve flying installations, and the flying and mission training of 74,900 Selected Reserve personnel. Activities supported include aircraft operations, base and depot level aircraft maintenance, medical treatment, civilian pay, travel, transportation, and maintenance of other equipment.

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| | (\$ in millions) | | | | | | |
|---------------------------------------|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| <u>Funding Summary</u> | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Primary Combat Forces | 1,276.3 | +106.5 | +196.4 | 1,579.2 | +150.1 | +69.2 | 1,789.5 |
| Mission/Flight Operations | 108.3 | +3.2 | -27.6 | 83.9 | +2.5 | +2.9 | 89.3 |
| Depot Maintenance | <u>336.2</u> | <u>+3.8</u> | <u>+32.4</u> | <u>372.4</u> | <u>-12.0</u> | <u>+13.0</u> | <u>373.3</u> |
| Total | 1,720.7 | +113.6 | +201.2 | 2,035.5 | +140.6 | +85.1 | 2,261.2 |
| | | | | | | | |
| <u>Program Data</u> | FY 2005 | | | FY 2006 | | | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | | <u>Estimate</u> | <u>Change</u> | | <u>Estimate</u> |
| Primary Aircraft Authorized | | | | | | | |
| Bomber | 8 | - | | 8 | - | | 8 |
| Fighter | 113 | - | | 113 | -15 | | 98 |
| Tankers | 72 | - | | 72 | - | | 72 |
| Airlift | 122 | +4 | | 126 | +10 | | 136 |
| Rescue | 18 | - | | 18 | - | | 18 |
| Weather Reconnaissance | 10 | - | | 10 | - | | 10 |
| Special Operations Forces | <u>12</u> | <u>-</u> | | <u>12</u> | <u>-</u> | | <u>12</u> |
| Total | 355 | +4 | | 359 | -5 | | 354 |
| | | | | | | | |
| Total Aircraft Inventory (TAI) | | | | | | | |
| Bomber | 9 | - | | 9 | - | | 9 |
| Fighter | 130 | - | | 130 | -21 | | 109 |
| Tanker | 84 | -12 | | 72 | - | | 72 |
| Airlift | 123 | +12 | | 135 | +9 | | 144 |
| Rescue | 20 | - | | 20 | -1 | | 19 |
| Weather Reconnaissance | 20 | -2 | | 18 | - | | 18 |
| Special Operations Forces | <u>14</u> | <u>-</u> | | <u>14</u> | <u>-</u> | | <u>14</u> |
| Total | 400 | -2 | | 398 | -13 | | 385 |

AIR OPERATIONS

| <u>Program Data</u> | FY 2005 | | FY 2006 | | FY 2007 |
|---------------------------------|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Flying Hours | 107.3 | +22.3 | 129.6 | +4.2 | 133.8 |
| Flying Hours (\$) | 458.1 | +126.7 | 584.8 | +264.1 | 722.2 |
| Crew Ratios | | | | | |
| (Average per Aircraft) | | | | | |
| Bombers | 1.31 | - | 1.31 | -.01 | 1.30 |
| Fighters | 1.25 | - | 1.25 | +.01 | 1.30 |
| OPTEMPO (Hrs/Crew/Month) | | | | | |
| Bombers | 17.1 | - | 17.1 | - | 17.1 |
| Fighters | 11.6 | -.6 | 11.0 | +1.3 | 12.3 |

The FY 2007 budget request increases \$225.7 million above the FY 2006 level. The price change is an increase of \$140.6 million and the program change is an increase of \$85.1 million.

Primary Combat Forces (Air Operations): The FY 2007 budget request reflects a net increase of \$219.3 million. This includes a price increase of \$150.1 million and a program increase of \$69.2 million. The program increases include: the C-5 Strategic Airlift (\$47 million), Training Test and Ferry (TTF) flying program (\$33 million), and C-17 Associate Squadrons (\$21 million); and a decrease due to the elimination of the C-141 mission from the Air Force Reserve as it transitions to the C-5 operations (\$-32 million).

Mission Support Operations: The FY 2007 budget request reflects a net increase of \$5.4 million. This includes a price increase of \$2.5 million and a program increase of \$2.9 million. The program increase is primarily attributed to increases to provide the medical training platform equipped with medical training equipment, augmented by reservists, to maintain and sustain year round training for Expeditionary Medical Support, Unit Type Code (UTC)/ Mission Specific Sustainment, and Contingency Aeromedical Staging Facility.

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Depot Maintenance: The FY 2007 budget request includes a net increase of \$1.0 million. This includes a price decrease of \$-12.0 million and a program increase of \$+13.0 million. The increase is mainly attributable to aircraft maintenance of the C-5 to include replacement of torque deck panels and pork chop fittings, as well as structural/corrosion workload.

AIR NATIONAL GUARD

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

| | (\$ in millions) | | | | | | |
|-----------------------------|---------------------------------|-------------------------------|---------------------------------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| <u>Funding Summary</u> | <u>FY 2005</u> <u>Actual</u> | <u>Price</u> <u>Change</u> | <u>Program</u> <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Price</u> <u>Change</u> | <u>Program</u> <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
| Aircraft Operations | 2,736.5 | +152.0 | -9.8 | 2,878.7 | +249.2 | +306.5 | 3,434.4 |
| Mission/Flight Ops | 525.8 | +14.9 | -52.6 | 488.1 | +12.6 | +12.1 | 512.8 |
| Depot Maintenance | <u>582.4</u> | <u>+6.3</u> | <u>+14.3</u> | <u>603.0</u> | <u>-22.6</u> | <u>+22.2</u> | <u>602.6</u> |
| Total | 3,844.7 | +173.2 | -48.1 | 3,969.8 | +239.2 | +340.8 | 4,549.8 |
| | <u>FY 2005</u> <u>Actual</u> | | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | | <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
| <u>Program Data</u> | | | | | | | |
| Primary Aircraft Authorized | | | | | | | |
| JSTARS | 14 | | - | 14 | | - | 14 |
| Fighter | 484 | | -13 | 471 | | +9 | 480 |
| Training | 98 | | +9 | 107 | | - | 107 |
| Tactical Airlift | 196 | | -4 | 192 | | -6 | 186 |
| Strategic Airlift | 24 | | - | 24 | | +11 | 35 |
| Tanker | 189 | | +10 | 199 | | -24 | 175 |
| Air Defense | 52 | | +23 | 75 | | -15 | 60 |

AIR OPERATIONS

| | FY 2005 | Change | FY 2006 | Change | FY 2007 |
|---------------------------------------|----------------|---------------|-----------------|---------------|-----------------|
| <u>Program Data</u> | <u>Actual</u> | | <u>Estimate</u> | | <u>Estimate</u> |
| Other | <u>46</u> | <u>-1</u> | <u>45</u> | <u>-</u> | <u>45</u> |
| Total | 1,103 | +24 | 1,127 | -25 | 1,102 |
| Total Aircraft Inventory (TAI) | | | | | |
| JSTARS | 18 | - | 18 | - | 18 |
| Fighter | 573 | -32 | 541 | -28 | 513 |
| Training | 116 | - | 116 | +20 | 136 |
| Tactical Airlift | 201 | -3 | 198 | -8 | 190 |
| Strategic Airlift | 25 | - | 25 | +12 | 37 |
| Tanker | 243 | -35 | 208 | -20 | 188 |
| Air Defense | 75 | +26 | 101 | -36 | 65 |
| Other | <u>62</u> | <u>-2</u> | <u>60</u> | <u>-3</u> | <u>57</u> |
| Total | 1,313 | -46 | 1,267 | -63 | 1,204 |
| Flying Hours (000) | 263 | -21 | 242 | 62 | 304 |
| Tactical Fighter Wing Equivalents | 6.4 | -0.2 | 6.2 | +0.1 | 6.3 |
| Crew Ratios | | | | | |
| (Average per Aircraft) | | | | | |
| JSTARS | 2.0 | - | 2.0 | - | 2.0 |
| Fighters | 1.5 | - | 1.5 | - | 1.5 |
| OPTEMPO (Hrs/Crew/Month) | | | | | |
| JSTARS | 25.7 | - | 25.7 | - | 25.7 |
| Fighter | 10.6 | - | 10.6 | - | 10.6 |

The Air National Guard (ANG) FY 2007 budget increases \$580.0 million from FY 2006 reflecting price growth of \$239.2 million and program increases of \$340.8 million.

AIR OPERATIONS

Primary Combat Forces Aircraft Operations: The FY 2007 budget request reflects a net increase of \$555.7 million. This includes price growth of \$249.2 million and a program increase of \$306.5 million. The program increases include increased Flying Hour Program (\$204.0 million); Contractor Logistics Support (\$34.5 million); Strategic Airlift Squadrons conversion from C-130s to C-5s (\$34.3 million); support three ground control stations, 24/7 Predator operations center, and launch and recovery equipment (\$30.4 million); KC-135 Squadrons increased flying hours (\$7.5 million); increased flying hours associated with the conversion from F15 A/B to F15 C/D (\$4.6 million); additional manpower and flying hours with the conversion to C-17s at Hickam AFB, HI (\$6.1 million).

Mission Support Operations: The FY 2007 budget reflects a net increase of \$24.7 million above the FY 2006 level. This includes price increases of \$12.6 million and program increases of \$12.1 million. Major drivers of the program changes include Mission Support - Military Technician Pay (\$7.2 million); Distributed Common Ground System Sustainment (\$2.8 million); Tactical Air Control Systems Repairables (\$2.5 million); costs associated with the activation of the 125th Special Tactics Squadron (\$1.8 million); supports the Engineering & Installation force structure, medical readiness, Air Traffic Controller and civil engineering function (\$2.8 million); and LEANE Equipment (\$-4.1 million).

Depot Maintenance: The FY 2007 budget reflects a net decrease of \$.4 million from the FY 2006 level which includes price decreases of \$-22.6 million and program increases of \$22.2 million. The FY 2007 budget includes program increases for aircraft programmed depot maintenance.

US SPECIAL OPERATIONS COMMAND

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

AIR OPERATIONS

| | (\$ in millions) | | | | | | |
|---------------------------------------|--------------------|---------------|----------------|--------------------|---------------|----------------|--------------------|
| <u>Funding Summary</u> | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| USSOCOM - SOF Operations | 757.6 | +30.5 | -106.7 | 681.4 | +57.5 | +95.4 | 834.3 |
| <u>Program Data</u> | <u>FY 2005</u> | | | <u>FY 2005</u> | | | <u>FY 2007</u> |
| | <u>Actual</u> | | <u>Change</u> | <u>Estimate</u> | | <u>Change</u> | <u>Estimate</u> |
| Primary Aircraft Authorized | | | | | | | |
| Tactical/Mobility | 200 | | +25 | 225 | | +2 | 227 |
| Training | <u>56</u> | | <u>+8</u> | <u>64</u> | | <u>-2</u> | <u>62</u> |
| Total | 256 | | 33 | 289 | | - | 289 |
| Total Aircraft Inventory (TAI) | | | | | | | |
| Tactical/Mobility | 230 | | +18 | 248 | | +8 | 256 |
| Training | <u>56</u> | | <u>+8</u> | <u>64</u> | | <u>-2</u> | <u>62</u> |
| Total | 289 | | 26 | 312 | | 6 | 318 |
| Flying Hours (000) | 90,950 | | -1,203 | 89,387 | | 13,982 | 103,369 |
| Crew Ratio (Average per Aircraft) | 1.6 | | - | 1.6 | | - | 1.6 |
| OPTEMPO (Hours/Crew/Month) | 18.3 | | -5.7 | 12.6 | | 0.9 | 13.5 |
| Primary Mission Readiness (%) | 75% | | - | 75% | | - | 75% |

The FY 2007 budget reflects a net increase of \$152.9 million above the FY 2006 level. This includes price increases of \$57.5 million and program increases of \$95.4 million. Program increases are the result of flying hour funding associated with the fielding of additional MH-47Gs, CV-22s and A/MH-6Ms. Additional increases are the result of: the transition of the Directional Infrared Countermeasures (DIRCM) system to O&M sustainment; civilian end strength increase (13) associated with Flight Operations; and additional capabilities and greater presence with the transition of responsibilities for the 160th Special Operations Aviation Regiment from CENTCOM Forward Presence.

AIR OPERATIONS

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BASE OPERATIONS SUPPORT

| | (\$ in Millions) | | | | | | |
|------------------------|--------------------------|------------------------|--------------------------|-----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2005 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimates</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
| Army | 6,238.6 | +256.5 | -1,269.0 | 5,226.1 | +174.2 | -164.9 | 5,235.4 |
| Navy | 3,640.0 | +67.0 | -486.0 | 3,221.0 | +121.0 | +128.0 | 3,470.0 |
| Marine Corps | 1,293.9 | +60.2 | +97.0 | 1,451.1 | +64.3 | +65.7 | 1,581.1 |
| Air Force | 6,827.4 | +123.7 | -1,770.8 | 5,180.3 | +153.8 | +170.8 | 5,504.9 |
| Army Reserve | 450.6 | +3.5 | +5.0 | 459.1 | +10.9 | +58.3 | 528.3 |
| Navy Reserve | 117.0 | +2.0 | -11.0 | 108.0 | +2.0 | -8.0 | 102.0 |
| Marine Corps Reserve | 41.0 | +1.9 | +29.6 | 72.5 | +0.5 | +4.4 | 77.4 |
| Air Force Reserve | 319.2 | +9.0 | -51.5 | 276.7 | +7.5 | +4.3 | 288.5 |
| Army National Guard | 811.9 | +19.0 | -202.7 | 628.2 | +14.0 | -10.4 | 631.8 |
| Air National Guard | 470.6 | +12.3 | -24.1 | 458.8 | +11.0 | +21.4 | 491.2 |
| Defense Health Program | <u>607.8</u> | <u>+13.6</u> | <u>+29.3</u> | <u>650.7</u> | <u>+12.4</u> | <u>+6.2</u> | <u>669.3</u> |
| Total | 20,818.0 | +568.7 | -3,654.2 | 17,732.5 | +571.6 | +275.8 | 18,579.9 |

* Values have been rounded.

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

- Personnel support includes: food and housing services for unaccompanied and deployed forces; religious services and programs; payroll support; personnel management; morale, welfare, and recreation services to military members and their families.
- Infrastructure support includes utility system operations; installation equipment maintenance; engineering services including fire protection, crash rescue, custodial, refuse collection, snow removal, and lease of real property; security protection and law enforcement; and motor pool transportation operations.

The FY 2007 budget request of \$18,579.9 million includes a net price increase of \$571.6 million and a net program increase of \$275.8 million. Specific changes are addressed in the following sections for each Active Component and Defense Health Program.

BASE OPERATIONS SUPPORT

| | Active Forces Program Data | | | | |
|---|----------------------------|---------------|-----------------|---------------|-----------------|
| | FY 2005 | | FY 2006 | | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Number of Active Major Installations | | | | | |
| CONUS | 237 | +1 | 238 | - | 238 |
| Overseas | 61 | -1 | 60 | - | 60 |
| Active Forces Personnel | | | | | |
| Military (End-Strength) | 65,630 | -5,868 | 59,762 | -1,247 | 58,515 |
| Civilian (Full-Time Equivalents) | 98,651 | -2,906 | 95,745 | -537 | 95,208 |

Installations: Active installations in the United States increase by 1 in FY 2006 with the acquisition and independent standup of Blount Island, Jacksonville, FL by the Marine Corps. The decrease of 1 active forces overseas installation from FY 2005 to FY 2006 is the Navy closure of Naval Station Roosevelt Roads.

Personnel: The military end strength decreases in FY 2006 are due primarily to continued efforts to convert military positions to civilian or contractor positions. These conversions will alleviate the stress on the operating forces. The civilian personnel assigned to base support activities decreases from FY 2006 to FY 2007 primarily due to a reduced footprint overseas and through increased efficiencies.

ARMY

| | (\$ in Millions) | | | | |
|---|------------------|---------------|-----------------|---------------|-----------------|
| | FY 2005 | | FY 2006 | | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Active Funding | 6,238.6 | -1,012.5 | 5,226.1 | +9.3 | 5,235.4 |
| Installations | | | | | |
| CONUS | 60 | - | 60 | - | 60 |
| Overseas | 30 | - | 30 | - | 30 |
| Personnel | | | | | |
| Military (End-Strength) | 2,750 | -908 | 1,842 | -230 | 1,612 |
| Civilian (Full-Time Equivalents) | 33,080 | -937 | 32,143 | -40 | 32,103 |

BASE OPERATIONS SUPPORT

The Army's FY 2007 Base Operations Support (BOS) request of \$5,235 million reflects a net increase of \$+9.4 million from the FY 2006 funding level. This net increase includes price growth of \$174.2 million, including an increase of \$24.0 million in foreign currency rate adjustments, and a program decrease of \$-164.9 million. The major changes in FY 2007 include:

- The program decrease reflects anticipated savings through improved efficiencies, streamlining headquarters operations, creating a more agile and responsive staff and reducing layers of review and approval (\$-164.9 million).

NAVY

| | (\$ in Millions) | | | | |
|---|---------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| | <u>FY 2005</u> <u>Actual</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
| Active Funding Installations | 3,640.0 | -419.0 | 3,221.0 | 249.0 | 3,470.0 |
| CONUS | 83 | - | 83 | - | 83 |
| Overseas | 15 | -1 | 14 | - | 14 |
| Personnel | | | | | |
| Military (End-Strength) | 23,546 | -1,880 | 21,666 | -155 | 21,511 |
| Civilian (Full-Time Equivalents) | 18,040 | -2,759 | 15,284 | -1,084 | 14,200 |

The Navy's FY 2007 Base Operations Support (BOS) request of \$3,470 million reflects a net increase of \$249 million from the FY 2006 funding level. This net increase includes price growth of \$121.0 million and a net program increase of \$128.0 million. The major changes in FY 2007 include:

- Program increases include funding for increased utilities support, utility market volatility and de-regulation impacts (\$136.0 million), and maintenance and repair for utilities and transportation infrastructure that transferred from Public Works Departments to Public Works Centers (\$60.0 million).
- Increased funding supports the Phase 2 implementation of Hazardous Waste Operations and Emergency Pay Requirements (\$10.0 million) and alignment of funding for Norfolk and Portsmouth Naval Shipyards to mission funding (\$45.0 million),

BASE OPERATIONS SUPPORT

- Increased funding supports the Air Operations, Youth Programs, Base Security, Environmental Compliance, Emergency Management, Quarters Operations, and Mishap Reductions (\$90 million).
- Program decrease reflects reduced presence in Europe (\$-67.0 million), Base Realignment and Closure reductions (\$-7.0 million), realignment of funds to support the Enterprise Information Technology program (\$-96 million), and a one-time decrease due to FY 2006 Congressional adds (\$-16 million).

MARINE CORPS

| | (\$ in Millions) | | | | |
|--|------------------|---------------|-----------------|---------------|-----------------|
| | FY 2005 | | FY 2006 | | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Active | | | | | |
| Funding | 1,293.9 | +157.2 | 1,451.1 | +130.0 | 1,581.1 |
| Installations | | | | | |
| CONUS | 20 | +1 | 21 | - | 21 |
| Overseas | 3 | - | 3 | - | 3 |
| Personnel | | | | | |
| Military (End-Strength) | 10,523 | -45 | 10,478 | - | 10,478 |
| Civilian (Full-Time Equivalent) | 8,709 | +141 | 8,850 | +148 | 8,998 |

The FY 2007 budget request for the active Marine Corps BOS reflects a net increase of \$130.0 million above the FY 2006 funding level. This net increase includes price growth of \$64.3 million, and a net program increase of \$65.7 million. Major changes include:

- Increased funding supports the First Response program, including medical kits, essential personnel suites, masks, and operation and maintenance costs associated with chemical and biological installation equipment (\$15.6 million), and supports and maintains Anti Terrorism compliance (\$3.1 million).
- Increase resulting from the military to civilian conversion (\$14.8 million) and increase for activities that provide emergency services for base operations to include the fire department emergency response, fire prevention, water rescue, and explosive ordnance disposal (\$3.6 million).

BASE OPERATIONS SUPPORT

- Funding to support collateral equipment for initial outfitting of military construction projects (\$8.6 million), increases for the Marine Corps Network Operations Security Command (MCNOSC) to support core fleet information technology, data and network capability requirements (\$5.3 million), and increase to support Mu Juk, Korea Marine Corps Base (\$3.5 million).

AIR FORCE

| | (\$ in Millions) | | | | |
|---|--------------------------|---------------|----------------------------|---------------|----------------------------|
| | FY 2005 <u>Actual</u> | <u>Change</u> | FY 2006 <u>Estimate</u> | <u>Change</u> | FY 2007 <u>Estimate</u> |
| Active Funding | 6,827.4 | -1,647.1 | 5,180.3 | +324.6 | 5,504.9 |
| Installations | | | | | |
| CONUS | 65 | - | 65 | - | 65 |
| Overseas | 12 | - | 12 | - | 12 |
| Personnel | | | | | |
| Military (End-Strength) | 26,195 | -2,928 | 23,267 | -847 | 22,420 |
| Civilian (Full-Time Equivalents) | 32,649 | 324 | 32,973 | 334 | 33,307 |

The Air Force's FY 2007 Base Operations Support (BOS) request of \$5,504.9 million reflects a net increase of \$324.6 million from the FY 2006 funding level. This net increase includes price growth of \$153.8 million and a net program increase of \$170.8 million. The major changes in FY 2007 include:

- An increase resulting from the Air Force Military-to-Civilian Conversion program that identified military members performing work not directly associated with the Air Force core war fighting mission and converted military positions to civilian positions (\$303.6 million).
- Funding to support municipal activities such as emergency services (fire protection/explosive ordinance disposal) and utility plan operations (\$22.8 million); base operating support primarily for food service contracts at training locations (\$5.7 million); and base communications Information Technology equipment cyclical replacement program (\$3.2 million).

BASE OPERATIONS SUPPORT

- The decreases include Competitive Sourcing and Privatization (CS&P) program (\$16.6 million); a decrease to reflect management efficiencies with the Air Force Transformation efforts (\$69.5 million); a decrease to reflect improved funds management and preclude unobligated balances (\$75.7 million); and a decrease in the Environmental Compliance/Conservation and Pollution Preventions programs to match execution trends (\$5.2 million).

DEFENSE HEALTH PROGRAM

| | (\$ in Millions) | | | | |
|---|------------------|---------------|-----------------|---------------|-----------------|
| | FY 2005 | | FY 2006 | | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Active | | | | | |
| Funding | 607.8 | +42.9 | 650.7 | +18.6 | 669.3 |
| Installations | | | | | |
| CONUS | 9 | - | 9 | - | 9 |
| Overseas | 1 | - | 1 | - | 1 |
| Personnel | | | | | |
| Military (End-Strength) | 2,616 | -107 | 2,509 | -15 | 2,494 |
| Civilian (Full-Time Equivalents) | 1,898 | +335 | 2,233 | +76 | 2,309 |

The Defense Health Program's (DHP) FY 2007 Base Operations Support (BOS) request of \$669.3 million reflects a net increase of \$18.6 million from the FY 2006 funding level. This net increase includes price growth of \$+12.4 million and a net program increase of \$+6.2 million. The major changes in FY 2007 are increased base operations, communications, environmental, and visual information costs.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

| | (\$ in Millions) | | | | | | |
|------------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2005 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
| Army | 458.4 | +18.4 | -56.2 | 420.6 | +14.5 | +83.5 | 518.6 |
| Navy | 461.7 | +9.6 | -43.6 | 427.7 | +9.0 | +92.4 | 529.1 |
| Marine Corps | 38.5 | +0.6 | +4.3 | 43.4 | +0.5 | -2.0 | 41.9 |
| Air Force | 2,937.4 | +77.4 | -59.8 | 2,955.0 | +82.9 | -63.2 | 2,974.7 |
| Defense-Wide | 981.0 | +23.5 | -50.0 | 954.5 | +20.9 | -15.5 | 959.9 |
| Army Reserve | 73.2 | +1.8 | +1.2 | 76.2 | +2.0 | +6.8 | 85.0 |
| Navy Reserve | 8.5 | +0.2 | +1.2 | 9.9 | +0.2 | +0.9 | 11.0 |
| Marine Corps Reserve | 3.3 | +0.1 | -0.2 | 3.2 | +0.1 | +1.8 | 5.1 |
| Air Force Reserve | 100.5 | +2.6 | -48.1 | 55.0 | +1.3 | -2.7 | 53.6 |
| Army National Guard | 118.3 | +3.1 | +10.6 | 132.0 | +4.0 | -13.4 | 122.6 |
| Air National Guard | 28.4 | +0.6 | -14.6 | 14.4 | +0.3 | +3.1 | 17.8 |
| Defense Health Program | 38.6 | +0.9 | +8.5 | 48.0 | +0.9 | +0.5 | 49.4 |
| Total | 5,247.8 | +56.5 | -164.4 | 5,139.9 | +47.7 | +181.1 | 5,368.7 |

Command, control, and communications (C³) resources provide seamless base level and worldwide communication networks for voice, data, and imagery traffic of sufficient quality, reliability, and flexibility to ensure responsive support to U.S. forces. This information infrastructure contains communications networks, computers, software, databases, applications, data, security services, and other capabilities that meet the information processing and transport needs of DoD users. The C³ program specifically funds telecommunications systems, leased circuits, and other services necessary for information transfer, messaging operations, and equipment associated with sending and receiving communications transmissions. Additionally, this program funds efforts to integrate command and control systems with communications in order to support the information needs of field commanders. The FY 2007 budget request of \$5,368.7 million includes price increases of +\$47.7 million and a net program increase of +\$181.1 million (3.5 percent) above the FY 2006 funding level.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

| Program Data | (\$ in Millions) | | | | |
|--------------------------------------|-----------------------|----------------------|------------------------|----------------------|------------------------|
| | FY 2005 | FY 2006 | | FY 2007 | |
| <u>Communications</u> | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Sustaining Base Communications | 1,403.1 | -160.7 | 1,242.5 | +11.4 | 1,253.9 |
| Long Haul Communications | 662.4 | -98.6 | 563.8 | +134.9 | 698.8 |
| Deployable and Mobile Communications | 331.3 | -26.7 | 304.6 | +34.5 | 339.1 |
| <u>Command and Control</u> | <u>2,224.5</u> | <u>+97.9</u> | <u>2,322.4</u> | <u>+9.5</u> | <u>2,331.9</u> |
| National | 1,227.5 | +25.4 | 1,252.9 | -16.6 | 1,236.4 |
| Operational | 760.6 | +44.1 | 804.7 | +6.7 | 811.5 |
| Tactical | 236.4 | +28.4 | 264.8 | +19.3 | 284.1 |
| <u>C3-Related</u> | <u>626.5</u> | <u>+80.1</u> | <u>706.6</u> | <u>+38.5</u> | <u>745.1</u> |
| Navigation | 87.7 | +18.0 | 105.7 | +5.1 | 110.8 |
| Meteorology | 170.5 | -35.4 | 135.1 | +2.9 | 138.0 |
| Combat Identification | 2.1 | +0.4 | 2.5 | -0.4 | 2.1 |
| Information Assurance Activities | 366.2 | +97.1 | 463.3 | +30.9 | 494.2 |
| Total | 5,247.8 | -107.9 | 5,139.9 | +228.8 | 5,368.7 |

* May not add due to rounding.

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

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

communications. The FY 2007 budget request of \$2,291.7 million reflects a total pricing and program change of +\$180.8 million (8.6 percent) over the FY 2006 funding level. The following are the significant changes:

- The Army's budget request of \$372.6 million includes a total pricing and program change of +\$100.6 million primarily due to funds realignment for voice, video, data, and circuits that are packaged together for 404 core DoD sites. Joint customer on integrated Service installations had resources realigned to the lead supporting Service.
- The Navy's budget request of \$367.4 million includes a total pricing and program change of +\$87.4 million due to the phasing of life cycle maintenance for communication equipment, the new TELEPORTS lines reaching full operating status in FY 2007, and bandwidth expansion for the Global Information Grid (GIG). The increase also supports the Maritime Interdiction Operations (MIO) pilot program to establish an Intelligence Exploitation Team (IET) and establishment of Joint Tactical Radio System (JTRS) Joint Program Executive Office (PEO).
- The Defense-Wide budget request of \$394.9 million includes a total pricing and program change of -\$16.7 million, mostly due to DISN Subscription rate decrease and non recoverable cost savings by DISA and decreased levels of communication engineering support, partially offset by U.S. Special Operations Command (SOCOM) increase to support Scalable Measurement Platform for the Internet deployable communications and global airtime commensurate with force structure growth and equipment demands, including Unmanned Aerial Vehicles.

Command and Control (C2): This category represents the facilities, systems, and manpower essential to a commander for planning, directing, coordinating, and controlling operations of assigned forces. These command and control capabilities cover the National Command Authority, through the joint operational and theater level echelon, and down to the front-line tactical elements. Additionally, this category includes funding for the Defense portion of the National Airspace System and other air traffic control activities. The FY 2007 budget request of \$2,331.9 million reflects a total pricing and program change of +\$9.5 million (0.4 percent) over the FY 2006 funding level. Major changes include:

- The Navy's budget request of \$110.3 million reflects a total pricing and program change of +\$26.6 million, mostly due to the operations, life cycle support, IT maintenance for the Deployable Joint Command and Control (DJC2) and operation and maintenance for FORCENet Trusted Information Systems (TIS).
- The Air Force's budget request of \$1,819.5 million reflects a total pricing and program change of -\$33.6 million, based on the anticipated savings from the Transformation Initiatives. In an effort to modernize and recapitalize the force structure, the Air Force has initiated a transformation flight plan focusing on three major areas: streamlining the organizational structure, incorporating process efficiencies, and continuing force structure reductions to become a more lethal, agile, and balanced total force. These three areas will produce savings in Air Force readiness and personnel accounts, necessary to produce the investment

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

capital associated with Air Force transformation that will continue through the Future Years Defense Program. The decreases will affect programs, such as: Communications, Atmospheric Early Warning System, Battle Control System-Fixed (BCS-F), North Warning System, E-4B National Airborne Operations Center (NAOC), NAOC Ground Communications Network, Weather Services, Global Command and Control (C2) System, Tactical Terminal, Integrated Broadcast System, Distributed Common Ground System, Combatant Commanders Integrated C2 System, Information Operations, and Shared Early Warning System.

- The Defense-Wide budget request of \$364.7 million includes a pricing and program change of +\$21.4 million, mostly due to SOCOM's increases to fund technical support, Capital Equipment Replacement Program, consumables and infrastructure; support standup of the United States Marine Corps Forces Special Operations Command and increased force structure for Center for Special Operations, United States Army Special Operations Command, Air Force Special Operations Command and Naval Special Warfare Command; support Special Operations Forces Tactical Assured Connectivity System for additional SOF deployable nodes (medium) and one transit case variant; and support Tactical Local Area Network (TACLAN) increase for over 1,300 fielded devices (laptops and field computing devices) commensurate with force structure growth.

C3-Related: This category includes various programs and functions related to, and supportive of, communications, command, and control requirements and includes both communications security and computer security. Included are communication resources to support navigation, meteorological reporting, combat identification that provides positive identification of friendly forces to prevent fratricide, and information assurance to protect information systems against denial of service and unauthorized (accidental or intentional) disclosure, modification, or destruction of the information system or data. The FY 2007 budget request of \$745.1 million reflects a total pricing and program change of +38.5 million (5.4 percent) above the FY 2006 funding level. The significant changes include:

- The Navy's budget request of \$51.4 million includes a total pricing and program change of -\$12.6 million for completion of costs associated with the stand-up of the information warfare fusion center, a decrease in Computer Network Defense life cycle support, and a decrease in contractor support.
- The Air Force's budget request of \$333.5 million includes a total pricing and program change of +\$46.7 million, mostly due to (1) Navigation program increased by \$5.1 million for the military to civilian conversion for Air Traffic Control positions and increased maintenance repair costs for systems stationed in Europe; (2) Meteorology program increased by \$2.8 million due to an increase in the Civilian Pay program for Weather Operations; and (3) Information Assurance Activities increased by \$39.3 million. The Information Assurance Activities increases are due to the Information Security (INFOSEC) procurement, maintenance and support for secure telecommunication and information systems to include PKI with a focus on Air Force Networks. Increased sustainment support provides the AF Cryptologic Product Support Group at Kelly USA (previously known as Kelly AFB) with additional technical assistance and engineering support for the Cryptographic Modernization effort. This is a

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major investment program (Department of Defense wide) to replace outdated and vulnerable Communications Security equipment currently operating in a wide variety of Air, Ground and Space platforms.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

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DEPOT MAINTENANCE

| | <u>(Dollars in Millions)</u> | | | | | | |
|--|----------------------------------|-------------------------------|---------------------------------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| | <u>FY 2005*</u> <u>Actual</u> | <u>Price</u> <u>Change</u> | <u>Program</u> <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Price</u> <u>Change</u> | <u>Program</u> <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
| Active Forces | | | | | | | |
| Army | 2,641.9 | 15.3 | -1,870.9 | 786.3 | 34.4 | 153.7 | 974.4 |
| Navy | 6,222.2 | 143.1 | -768.8 | 5,596.5 | 179.5 | -409.0 | 5,367.0 |
| Marine Corps | 331.2 | -7.9 | -233.9 | 89.4 | -2.1 | 23.9 | 111.2 |
| Air Force | 2,464.4 | 17.9 | -140.1 | 2,342.2 | -87.4 | 60.6 | 2,315.4 |
| USSOCOM | 241.7 | 6.0 | 15.7 | 263.4 | 5.8 | 30.5 | 299.7 |
| Subtotal | 11,901.4 | 174.4 | -2,998.0 | 9,077.8 | 130.2 | -140.3 | 9,067.7 |
| Reserve and National Guard Forces | | | | | | | |
| Army Reserve | 70.5 | 0.7 | 19.7 | 90.8 | 2.5 | 38.2 | 131.5 |
| Navy Reserve | 235.7 | 2.9 | -23.8 | 214.8 | 7.4 | -17.5 | 204.7 |
| Marine Corps Reserve | 11.9 | -0.3 | 2.1 | 13.7 | -0.1 | 0.1 | 13.7 |
| Air Force Reserve | 336.2 | 3.8 | 32.4 | 372.4 | -12.0 | 12.9 | 373.3 |
| Army National Guard | 226.8 | 4.4 | 19.2 | 250.4 | 13.7 | 87.7 | 351.8 |
| Air National Guard | 582.4 | 6.2 | 14.4 | 603.0 | -22.6 | 22.2 | 602.6 |
| Subtotal | 1,463.5 | 17.7 | 64.0 | 1,545.1 | -11.1 | 143.6 | 1,677.6 |
| Grand Total | 13,364.9 | 192.1 | -2,934.0 | 10,622.9 | 119.1 | 3.3 | 10,745.3 |

*The FY 2005 Actual column includes Supplemental Funding. The FY 2006/2007 columns do not include Supplemental funding.

The Depot Maintenance program funds the overhaul, repair, and maintenance of aircraft, missiles, ships, submarines, combat vehicles and other equipment. Depot maintenance efforts are performed at both public (DoD) and private (contractor) facilities. These efforts provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, and to renovate assets that are being transferred from active forces to reserve components.

Major Program Highlights: The FY 2007 DoD Depot Maintenance budget request reflects a net funding increase of \$122.4 million above the FY 2006 funding level. This is comprised of \$119.1 million of net price increase and a net program increase of \$3.3 million. Major programmatic changes are discussed below.

DEPOT MAINTENANCE

Department of Army:

| | <u>(Dollars in Millions)</u> | | | | | | |
|----------------------------|------------------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2005* | Price | Program | FY 2006 | Price | Program | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 2,641.9 | +15.3 | -1,870.9 | 786.3 | +34.4 | +153.7 | 974.4 |
| Army Reserve | 70.5 | +0.7 | +19.7 | 90.8 | +2.5 | +38.2 | 131.5 |
| Army National Guard | 226.8 | +4.4 | +19.2 | 250.4 | +13.7 | +87.7 | 351.8 |
| Total | 2,939.2 | +20.4 | -1,832.0 | 1,127.5 | +50.6 | +279.6 | 1,457.7 |

*The FY 2005 Actual column includes Supplemental Funding. The FY 2006/2007 columns do not include Supplemental funding.

The Department of Army depot maintenance program reflects an increase of \$+330.2 million from the FY 2006 funding level. The increase is the sum of price change of \$+50.6 million and program change of \$+279.6 million.

- The Active Army program reflects a program increase of \$+153.7 million from FY 2006. This increase is the result of program increases in aircraft and combat vehicles, communication equipment, and other heavy equipment offset by program decreases for 15 Helicopter Crash Damages, a quantity reduction to overhaul 13 UH-60A helicopters, and a decrease to the Patriot Missile Program scheduled for depot maintenance. Major program changes from FY 2006 to FY 2007 include \$+74.9 million to fund 1 additional AH-64D Helicopter overhaul and 135 additional shop shelters; \$+17.1 million to fund armaments (650 M2 50 mm Machine Guns, 4,587 M16A2 Rifles, 400 M240B Machine Guns, and 1,500 M249 Squad Automatic Weapons); and \$+61.7 million funds 25 Bradley Fighting Vehicles.
- The Army Reserve program increases by \$+38.2 million from FY 2006. The Army Reserve net program increase of \$+38.2 million is primarily the result of program changes in support of tactical vehicles (\$+15.7 million) and other end item maintenance (\$+21.9 million).
- The Army National Guard program increases \$87.7 million from FY 2006. The Army National Guard net program increase of \$87.7 million is primarily the result of program changes to support Rotary Wing Aircraft maintenance (\$22.8 million), combat vehicles sustainment maintenance for the M88 Recovery Vehicle, M60AVLB, and the M2/M3 Infantry Fighting Vehicles/Cavalry Fighting Vehicles (\$+4.4 million), and other end items such as calibration of bio-medical equipment, general weapon systems, and calibration of Civil Support Teams (CSTs) Chemical, Biological, Radiological, and Nuclear (CBRN) equipment (example: radiation survey instruments) (\$+61.0 million).

DEPOT MAINTENANCE

Department of Navy:

| | <u>(Dollars in Millions)</u> | | | | | | |
|----------------------|----------------------------------|-------------------------------|---------------------------------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| | <u>FY 2005*</u> <u>Actual</u> | <u>Price</u> <u>Change</u> | <u>Program</u> <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Price</u> <u>Change</u> | <u>Program</u> <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
| Navy | 6,222.2 | +143.1 | -768.8 | 5,596.5 | +179.5 | -409.0 | 5,367.0 |
| Marine Corps | 331.2 | -7.9 | -233.9 | 89.4 | -2.1 | +23.9 | 111.2 |
| Navy Reserve | 235.7 | +2.9 | -23.8 | 214.8 | +7.4 | -17.5 | 204.7 |
| Marine Corps Reserve | 11.9 | -0.3 | +2.1 | 13.7 | -0.1 | +0.1 | 13.7 |
| Total | 6,801.0 | +137.8 | -1,024.4 | 5,914.4 | +184.7 | -402.5 | 5,696.6 |

*The FY 2005 Actual column includes Supplemental Funding. The FY 2006/2007 columns do not include Supplemental funding.

The Department of Navy depot maintenance program reflects a decrease of \$-217.8 million from FY 2006 funding levels. The decrease is the sum of price change of \$+184.7 million and program change of \$-402.5 million.

- The Active Navy depot maintenance program decreases by \$409.0 million from FY 2006. The major program changes from FY 2006 to FY 2007 include decreases in the number of ships undergoing maintenance and a decrease in the scope of anticipated repairs (\$-346.2 million), reduced standard depot level maintenance repairs, phased depot maintenance repairs, engine overhauls, and other depot maintenance decreases associated with expeditionary airfields and ship inactivation programs (\$-42.0 million).
- The Active Marine Corps depot maintenance program increases by \$23.9 million. The major program increases from FY 2006 to FY 2007 include \$+14.0 million to fund 25 additional combat vehicles; \$+6.0 million for 20 additional electronic communications; \$+0.5 million for 30 additional engineering maintenance requirements; and \$+3.4 million for 86 additional automotive depot maintenance actions.
- The Navy Reserve Depot Maintenance program decreases by \$-17.5 million from FY 2006. This decrease is attributable to decommissioning two Mine Hunter Coastal (MHC) ships and reducing Reserve aircraft inventory (predominantly F/A-18 and P-3 Maritime Patrol aircraft).
- The Marine Corps Reserve Depot Maintenance program increases by \$0.1 million from FY 2006. Major program changes from FY 2006 to FY 2007 include an increase in other end item maintenance for such items as 11 tractors, one additional 12 ½ ton Power Unit, two Dropside Trailers, and other required communication equipment and a decrease in combat vehicle maintenance to include items such as two 25MM Light Assault Vehicles (LAV) and one 125MM combat tank as well as a decrease in ordnance maintenance.

DEPOT MAINTENANCE

Department of Air Force:

| | <u>(Dollars in Millions)</u> | | | | | | |
|---------------------------|------------------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2005* | Price | Program | FY 2006 | Price | Program | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Air Force | 2,464.4 | +17.9 | -140.1 | 2,342.2 | -87.4 | +60.6 | 2,315.4 |
| Air Force Reserve | 336.2 | +3.8 | +32.4 | 372.4 | -12.0 | +12.9 | 373.3 |
| Air National Guard | 582.4 | +6.2 | +14.4 | 603.0 | -22.6 | +22.2 | 602.6 |
| Total | 3,383.0 | +27.9 | -93.3 | 3,317.6 | -122.0 | +95.7 | 3,291.3 |

*The FY 2005 Actual column includes Supplemental Funding. The FY 2006/2007 columns do not include Supplemental funding.

The Department of Air Force depot maintenance program reflects a decrease of \$-26.3 million from the FY 2006 funding level. The decrease is the sum of price change of \$-122.0 million and program change of \$+95.7 million.

- The Active Air Force depot maintenance program increases by \$+60.6 million from FY 2006. The major program changes from FY 2006 to FY 2007 for the Active Air Force include increasing Programmed Depot Maintenance (PDM) for the B-1 Aircraft (+1 PDM), B-52 Aircraft (+1 PDM), and C-130 Aircraft (+6 PDM) (\$151.0 million) and Depot Purchased Equipment Maintenance (DPEM) Software upgrades for the B-52's new radar/navigation system, B-1 munitions inventory, Combat and Recovery HH-60 helicopter, C-130/HH-60, C-130J, and KC-135R/T (\$+22.7 million). The program increases were offset by decreases in Engine and Missile overhauls (\$-63.2 million), Other Major End Items (OMEI) for the Modular Control System and reduced automated test equipment repair requirements (\$-35.8 million), and Non-Material Support Division Exchangeables (\$-9.0 million) and Area Base Support and Weapon System Storage (\$-5.6 million).
- The Air Force Reserve depot maintenance program increases by \$12.0 million from FY 2006. The major program changes from FY 2006 to FY 2007 for the Air Force Reserve provide the aircraft maintenance to support the C-5 mission as three aircraft are scheduled for extensive depot maintenance repair. The program increases were offset by decreases in the C-130 platform as fewer aircraft (6) and engines (2) require maintenance in FY 2007.
- The Air National Guard depot maintenance program increases by \$22.2 million from FY 2006. This program change in FY 2007 is attributed primarily to 12 additional PDM aircraft maintenance actions.

DEPOT MAINTENANCE

US Special Operations Command:

| | <u>(Dollars in Millions)</u> | | | | | | |
|----------------|----------------------------------|-------------------------------|---------------------------------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| | <u>FY 2005*</u> <u>Actual</u> | <u>Price</u> <u>Change</u> | <u>Program</u> <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Price</u> <u>Change</u> | <u>Program</u> <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
| USSOCOM | 241.7 | +6.0 | +15.7 | 263.4 | +5.8 | +30.5 | 299.7 |

*The FY 2005 Actual column includes Supplemental Funding. The FY 2006/2007 columns do not include Supplemental funding.

The US Special Operations Command (USSOCOM) depot maintenance program increases \$30.5 million from FY 2006. The major program changes from FY 2006 to FY 2007 support the Directional Infrared Countermeasures System (DIRCM) which is designed to protect SOF aircraft against infrared missile threats. The DIRCM program transitions to Operation and Maintenance (O&M) appropriation account in FY 2007 (\$8.6 million). The remaining \$+21.9 million program increase covers such items as expiring warranty coverage for various SOF unique weapon systems (\$+2.2 million), increase maintenance requirements for the various Unmanned Vehicles, both aerial and ground systems (\$+3.5 million), maintenance for Special Operations Vehicles deployed worldwide (\$+0.6 million), overhauls of the MK-16 Diving Systems, Dry Dock Shelters and the Advanced Seal Delivery System for Naval Special Warfare Command (\$+6.6 million), and intelligence and communications depot maintenance requirements (\$9.0 million).

Maintenance Backlog

Between FY 2006 and FY 2007, depot maintenance funding increases by \$122.4 million (+1.0 percent). The percentage of funded executable requirements decreased from 80.7 percent in FY 2006 (\$10,622.9 million of \$13,166.0 million executable requirement is funded) to 80.2 percent in FY 2007 (\$10,745.3 million of \$13,400.4 million executable requirement is funded). Executable requirements are those maintenance requirements that can be accommodated within current physical depot maintenance capacity. The table below displays funded and unfunded (maintenance backlog) for the depot maintenance program.

DEPOT MAINTENANCE

| | FY 2005 (Actual) | | FY 2006 | | FY 2007 | | FY 2006 % Funded | FY 2007 % Funded |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|----------------------|----------------------|
| | Funded Executable Requirement | Unfunded Deferred Requirement | Funded Executable Requirement | Unfunded Deferred Requirement | Funded Executable Requirement | Unfunded Deferred Requirement | | |
| <u>Department of Army</u> ¹ | <u>2,939.2</u> | <u>667.5</u> | <u>1,127.5</u> | <u>1,083.7</u> | <u>1,457.7</u> | <u>547.9</u> | <u>51.0%</u> | <u>72.7%</u> |
| Aircraft | 446.5 | 236.6 | 377.2 | 215.2 | 323.5 | 174.9 | 63.7% | 64.9% |
| Combat Vehicle | 738.0 | 145.2 | 171.7 | 310.3 | 245.1 | 151.2 | 35.6% | 61.8% |
| Other | 1,754.7 | 285.7 | 578.6 | 558.2 | 889.1 | 221.8 | 50.9% | 80.0% |
| <u>Department of Navy</u> ^{1,2} | <u>6,801.0</u> | <u>341.7</u> | <u>5,914.4</u> | <u>676.4</u> | <u>5,696.6</u> | <u>934.5</u> | <u>89.7%</u> | <u>85.9%</u> |
| Ship | 4,518.0 | 87.9 | 4,188.6 | 123.3 | 3,952.2 | 189.1 | 97.1% | 95.4% |
| Aircraft | 1,379.8 | 60.6 | 1,121.4 | 188.0 | 1,127.0 | 392.0 | 85.6% | 74.2% |
| Combat Vehicles | 195.1 | 21.1 | 75.8 | 148.6 | 88.3 | 154.2 | 33.8% | 36.4% |
| Other | 708.1 | 172.1 | 528.6 | 216.5 | 529.1 | 199.2 | 70.9% | 72.6% |
| <u>Department of Air Force</u> ¹ | <u>3,383.0</u> | <u>273.8</u> | <u>3,317.6</u> | <u>783.0</u> | <u>3,291.3</u> | <u>1,172.7</u> | <u>80.9%</u> | <u>73.7%</u> |
| Aircraft | 1,811.4 | 88.3 | 1,604.1 | 304.7 | 1,785.1 | 496.0 | 84.0% | 78.3% |
| Other | 1,571.6 | 185.5 | 1,713.5 | 478.3 | 1,506.2 | 676.7 | 78.2% | 69.0% |
| <u>US Special Operations Command</u> | <u>241.7</u> | <u>0.0</u> | <u>263.4</u> | <u>0.0</u> | <u>299.7</u> | <u>0.0</u> | <u>100.0%</u> | <u>100.0%</u> |
| Aircraft | 133.0 | 0.0 | 142.4 | 0.0 | 154.1 | 0.0 | 100.0% | 100.0% |
| Other | 108.7 | 0.0 | 121.0 | 0.0 | 145.6 | 0.0 | 100.0% | 100.0% |
| <u>Total</u> | <u>13,364.9</u> | <u>1,283.0</u> | <u>10,622.9</u> | <u>2,543.1</u> | <u>10,745.3</u> | <u>2,655.1</u> | <u>80.7%</u> | <u>80.2%</u> |
| Ship | 4,518.0 | 87.9 | 4,188.6 | 123.3 | 3,952.2 | 189.1 | 97.1% | 95.4% |
| Aircraft | 3,770.7 | 385.5 | 3,245.1 | 707.9 | 3,389.7 | 1,062.9 | 82.1% | 76.1% |
| Combat Vehicles | 933.1 | 166.3 | 247.5 | 458.9 | 333.4 | 305.4 | 35.0% | 52.2% |
| Other | 4,143.1 | 643.3 | 2,941.7 | 1,253.0 | 3,070.0 | 1,097.7 | 70.1% | 73.7% |
| ¹ Includes Active, Reserve and Guard Component Programs ² Marine Corps numbers are included in Navy numbers above | | | | | | | | |

ENVIRONMENTAL PROGRAMS

| | FY 2005 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
|--|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| Environmental Restoration | 1,348.2 | 32.4 | 6.8 | 1,387.4 | 30.5 | -14.6 | 1,403.3 |
| Environmental Compliance | 1,684.9 | 40.4 | -163.7 | 1,561.6 | 34.4 | -68.7 | 1,527.3 |
| Environmental Conservation | 187.9 | 4.5 | 27.8 | 220.2 | 4.8 | -30.0 | 195.0 |
| Pollution Prevention | 124.8 | 3.0 | 13.2 | 141.0 | 3.1 | -15.8 | 128.3 |
| Environmental Technology | 256.3 | 6.2 | -11.5 | 250.9 | 5.5 | -56.7 | 199.7 |
| Base Realignment & Closure (BRAC) | <u>250.3</u> | <u>6.0</u> | <u>307.3</u> | <u>563.6</u> | <u>12.4</u> | <u>-23.2</u> | <u>552.7</u> |
| Total Environmental Program* | 3,852.4 | 92.5 | 179.9 | 4,124.7 | 90.7 | -209.0 | 4,006.4 |

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

The Department of Defense Environmental Program addresses five overriding and interconnected goals: (1) to support the readiness of U. S. Forces by ensuring access to air, land, and water for training and operations; (2) to improve the quality of life by protecting military personnel and families from environmental, safety, and health hazards; (3) to ensure that weapons systems, logistics, installations, et. al., have greater performance, lower total ownership costs, and minimal health and environmental effects; (4) to serve customers, clients, and stakeholders through public participation and advocacy; and (5) to enhance international security through military-to-military cooperation. To help achieve these goals, the Department established its environmental program around five pillars -- cleanup, compliance, conservation, pollution prevention, and environmental technology. Much of this program is addressed in the Defense Environmental Annual Report to Congress. The FY 2007 budget request of \$4,006.4 million decreases by \$118.3 million, which includes price growth of \$90.7 million and a net program reduction of \$209.0 million (-5.1 percent). The reduction primarily reflects a discontinuance of one-time FY 2006 congressional adds and completion of some long term projects to meet compliance requirements. Each of the Department's environmental pillars is discussed below.

Environmental Restoration

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

ENVIRONMENTAL PROGRAMS

restoration has increased while more sites continue to be cleaned up and closed out. In FY 1996, DoD began a relative risk approach to environmental cleanup. This process enables the Department to prioritize cleanup activities that pose the greatest danger to the health and safety of the environment and public in the context of regulatory agreements. The relative risk process is the key tool used by the Department in the planning, programming, and budgeting of the cleanup program as well as its execution.

Also in FY 1996, the Department developed specific clean-up goals that have been briefed to the Congress, the regulator community, and the public. Accordingly, the Department funds its environmental restoration program to ensure the Military Departments and Defense Agencies meet all legal agreements and ensure compliance with DoD cleanup goals. As required by the Presidential Management Plan and the Office of Management and Budget (OMB) FY 2006 budget guidance, the current budget exhibits and justification make explicit links between the cleanup goals and the funded DoD program. The budget exhibits also clearly identify funding requirements for response actions to address UXO, discarded military munitions, and munitions constituents at other than operational ranges. As shown in the various Component DERA budget exhibits for FY 2007, Army, Navy, and Air Force cleanup programs are essentially on schedule to meet the Department's cleanup goals; DLA is ahead of schedule, which is necessary in some cases to meet legal requirements and agreements with states and regulatory agencies; and FUDS is falling behind. The FUDS program is unique in that there are no physical boundaries such as a military installation fence line to establish a finite limit of potential contaminated sites and the number of potential new FUDS sites is boundless. While investigations and analyses have been completed for most potential cleanup sites at our military installations, FUDS is still adding new sites. The FUDS baseline number of high relative risk sites for measuring against the DoD cleanup goals initially contained 224 sites in FY 1997. Since that time, an additional 187 high relative risk sites have been identified for a total of 411 sites. Of the 411 FUDS sites categorized as high relative risk, 189 sites have been removed from the list as of September 2005.

Between FY 2006 and FY 2007, the Department's Defense Environmental Restoration Program increases by \$15.9 million, reflecting price growth of \$30.5 million and programmatic reductions of \$14.6 million (-1.1 percent). The program reductions of \$14.7 million primarily consists of the discontinuance of a one-time congressional increase to the FUDS account in FY 2006 and the exclusion of the Defense Logistics Agency's stockpile sites that are not eligible for environmental restoration funding and, therefore, no longer reported as part of the environmental restoration program.

ENVIRONMENTAL PROGRAMS

Environmental Compliance

The FY 2007 compliance program includes sufficient resources to enable the Department's day-to-day operations to comply with state and local government enforcement of current environmental laws and regulations. Environmental Compliance projects include the replacement and upgrade of waste water treatment plants to comply with Clean Water Act standards, hazardous waste management, testing and remediation of underground storage tanks, and monitoring waste water treatment systems. In FY 2007, the environmental compliance program decreases by \$34.3 million. This decrease reflects a price growth of \$34.4 million and a programmatic decrease of \$68.7 million (-4.4 percent) as DoD completes some long term projects to meet compliance requirements. The program decrease of \$68.7 million primarily consists of: a decrease in Army and Army National Guard both recurring and nonrecurring costs (-\$44.1 million); a decrease due to one time projects in the Department of the Navy(-\$17.8 million) and other recurring efforts (-\$6.7 million); minor increases in the Marine Corps nonrecurring projects (+\$0.9 million) and Air Force (+\$1.2 million) offset a decrease in Defense Wide requirements due to a reduction of one-time projects (-\$2.2 million).

Environmental Conservation

The Department of Defense is the steward of nearly 30 million acres of public lands. The DoD has a responsibility to protect, maintain, and enhance the natural and cultural resources found on these lands. Through the conservation program, biological and cultural resources are managed to help support the military mission. Additionally, conservation activities are required by law (e.g., Endangered Species Act, Sikes Act, and National Historic Preservation Act) and must be funded. In FY 2007, the Environmental Conservation funding decreases by \$25.2 million, reflecting a price growth of \$4.8 million and a program decrease of \$30.0 million (-13.6 percent). The program decrease of \$30.0 million primarily consists of a decrease in the Defense-wide program in the Range Environmental Protection Initiative (-\$16.7 million) due to discontinuance of a one-time congressional add in FY 2006; a decrease in Army (-\$7.3 million); Navy (-\$1.6 million); Marine Corps (-\$0.9 million), and Air Force non recurring projects (-\$2.8 million).

Pollution Prevention

The Pollution Prevention program targets the reduction of hazardous material, solid waste, toxic releases, air emissions, and water pollution at the source. The funding requested for FY 2006 will support these efforts, as well as implementation of Executive Order 13148, "Greening the Government through Leadership in Environmental Management," and Executive Order 13101, "Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition." In FY 2007, the Pollution Prevention program decreases by \$12.7 million. This reflects a price increase of \$3.1 million and a program decrease of \$15.8 million (-11.2 percent). The program decrease of \$15.8 million primarily results from decreases in the Air Force's non-recurring projects (- \$11.6 million); decreases in the Defense-wide (-\$5.4 million); offset by a minor increase in the Army's program (\$1.2 million).

ENVIRONMENTAL PROGRAMS

Environmental Technology

Technology development is important to meet DoD-unique environmental needs with programs that yield quick results and have high payoffs, including accelerating the development and deployment of technologies that address issues such as shipboard discharges and remediation of soil, surface, and ground water contamination from explosives. The FY 2007 request allows DoD to continue environmental research, development, test, demonstration, and validation activities to provide technologies that result in direct operational savings, mitigate future liabilities, and permit the Department to meet its environmental obligations more cost-effectively. In FY 2007, the Environmental Technology program decreases by \$51.2 million. This reflects a price increase of \$5.5 million and a program decrease of \$56.7 million (-22.6 percent). The program decrease of \$56.7 million is primarily the result of the discontinuance of several one-time FY 2006 congressional increases to the Military Department's Research, Development, Test & Evaluation (RDT&E) appropriation.

Base Realignment and Closure (BRAC)

The DoD is striving to complete scheduled base closures as rapidly as possible to realize potential savings to the government and to make property available to local communities for redevelopment. To do this, the DoD must complete environmental restoration and compliance work at these bases. In FY 2007, the BRAC environmental program decreases by \$10.9 million. This reflects a price increase of \$12.4 million and a program decrease of \$23.2 million (-4.1 percent). The program decrease primarily reflects investment changes by the Army due to performance based contracting strategies and a decrease in Air Force program requirements.

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

| <u>ENVIRONMENTAL RESTORATION</u> */ | FY 2005 | | FY 2006 | | FY 2007 |
|---|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Cleanup</u> | | | | | |
| Army | 290.7 | -2.6 | 288.1 | 7.5 | 295.6 |
| Navy | 140.6 | +53.7 | 194.3 | 18.7 | 213.0 |
| Air Force | 253.9 | +19.5 | 273.4 | +27.2 | 300.6 |
| Formerly Used Defense Sites | 127.7 | -13.2 | 114.5 | +18.2 | 132.7 |
| Defense-Wide | <u>9.4</u> | <u>+5.9</u> | <u>15.3</u> | <u>-3.6</u> | <u>11.7</u> |
| Subtotal | 822.2 | +63.4 | 885.6 | +67.9 | 953.6 |
| <u>Investigations and Analysis</u> | | | | | |
| Army | 57.1 | -13.0 | 44.1 | +2.5 | 46.6 |
| Navy | 82.0 | -24.0 | 58.0 | -7.6 | 50.4 |
| Air Force | 94.5 | -11.6 | 82.9 | -8.5 | 74.4 |
| Formerly Used Defense Sites | 99.7 | +4.2 | 103.9 | -28.3 | 75.6 |
| Defense-Wide | <u>2.5</u> | <u>-1.3</u> | <u>1.2</u> | <u>-1.2</u> | <u>0</u> |
| Subtotal | 335.9 | -45.9 | 290.1 | -43.0 | 247.1 |
| <u>Program Oversight</u> | | | | | |
| Army | 53.5 | +17.2 | 70.7 | +1.0 | 71.7 |
| Navy | 43.2 | +6.0 | 49.2 | -8.2 | 41.0 |
| Air Force | 48.1 | -2.9 | 45.2 | +3.6 | 48.8 |
| Formerly Used Defense Sites | 38.3 | -2.9 | 35.4 | -0.9 | 34.5 |
| Defense-Wide | <u>7.0</u> | <u>+4.4</u> | <u>11.4</u> | <u>-4.9</u> | <u>6.5</u> |
| Subtotal | 190.1 | 21.8 | 211.9 | -9.4 | 202.5 |
| <u>Total</u> | | | | | |
| Army | 401.3 | +1.5 | 402.8 | +11.0 | 413.8 |
| Navy | 265.8 | +35.7 | 301.5 | +2.9 | 304.4 |
| Air Force | 396.5 | +5.0 | 401.5 | +22.4 | 423.9 |
| Formerly Used Defense Sites | 265.7 | -11.9 | 253.8 | -11.0 | 242.8 |
| Defense-Wide | <u>18.9</u> | <u>+8.9</u> | <u>27.8</u> | <u>-9.4</u> | <u>18.4</u> |
| Total Environmental Restoration | 1,348.2 | 39.2 | 1,387.4 | +15.9 | 1,403.3 |

*/ This display shows the amounts budgeted by functional area for each of the five Environmental Restoration transfer appropriations – one for each Department, one for Formerly Used Defense Sites, and one for Defense-wide. The FY 2005 amounts (executed in various Component appropriations) are included for comparability purposes. The Formerly Used Defense Sites and Defense-Wide amounts for FY 2007 have been adjusted from the O-1 book.

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

| <u>ENVIRONMENTAL COMPLIANCE</u> | FY 2005 | | FY 2006 | | FY 2007 |
|---------------------------------------|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 602.0 | -51.7 | 550.3 | -32.0 | 518.3 |
| Navy | 449.8 | -46.7 | 403.1 | -15.6 | 387.5 |
| Marine Corps | 103.9 | -0.7 | 103.2 | +3.2 | 106.4 |
| Air Force | 359.3 | -23.4 | 335.9 | +8.5 | 344.4 |
| Defense-Wide | <u>169.9</u> | <u>-0.8</u> | <u>169.1</u> | <u>+1.5</u> | <u>170.6</u> |
| Total Environmental Compliance | 1,684.9 | -123.3 | 1,561.6 | -34.3 | 1,527.3 |

(\$ in Millions)

| <u>ENVIRONMENTAL CONSERVATION</u> | FY 2005 | | FY 2006 | | FY 2007 |
|---|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 82.6 | +21.4 | 104.0 | -5.0 | 99.0 |
| Navy | 16.8 | -0.7 | 16.1 | -1.3 | 14.8 |
| Marine Corps | 12.8 | +2.0 | 14.8 | -0.5 | 14.3 |
| Air Force | 54.1 | -15.0 | 39.1 | -2.0 | 37.1 |
| Defense-Wide | <u>21.6</u> | <u>+24.6</u> | <u>46.2</u> | <u>-16.4</u> | <u>29.8</u> |
| Total Environmental Conservation | 187.9 | +32.3 | 220.2 | -25.2 | 195.0 |

(\$ in Millions)

| <u>POLLUTION PREVENTION</u> | FY 2005 | | FY 2006 | | FY 2007 |
|-----------------------------------|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 19.9 | +1.6 | 21.5 | +1.6 | 23.1 |
| Navy | 25.5 | -5.2 | 20.3 | +0.3 | 20.6 |
| Marine Corps | 8.7 | +4.4 | 13.1 | +0.5 | 13.6 |
| Air Force | 55.7 | +18.4 | 74.1 | -10.0 | 64.1 |
| Defense-Wide | <u>15.0</u> | <u>-3.0</u> | <u>12.0</u> | <u>-5.1</u> | <u>6.9</u> |
| Total Pollution Prevention | 124.8 | +16.2 | 141.0 | -12.7 | 128.3 |

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

| <u>ENVIRONMENTAL TECHNOLOGY</u> | FY 2005 | | FY 2006 | | FY 2007 |
|---|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Army</u> | | | | | |
| RDT&E, Army | 87.3 | -26.2 | 61.1 | -13.8 | 47.3 |
| <u>Navy</u> | | | | | |
| RDT&E, Navy | 57.8 | -1.8 | 55.9 | -20.0 | 35.9 |
| <u>Air Force</u> | | | | | |
| RDT&E, Air Force | 4.8 | +5.7 | 10.5 | -7.6 | 2.9 |
| Aircraft Procurement, Air Force | 2.3 | - | 2.3 | +0.1 | 2.4 |
| Missile Procurement, Air Force | 0.9 | - | 0.9 | - | 0.9 |
| Operation and Maintenance, Air Force | <u>2.1</u> | <u>+1.2</u> | <u>3.3</u> | <u>+6.0</u> | <u>9.3</u> |
| Total Air Force | 10.1 | +6.9 | 17.0 | -1.5 | 15.5 |
| <u>Defense-Wide</u> | | | | | |
| Strategic Environmental R&D Program (SERDP) | 54.9 | +20.5 | 75.4 | -8.2 | 67.2 |
| Env Security Technology Certification Program | 41.3 | -4.9 | 36.4 | -7.6 | 28.8 |
| Defense Warfighter Protection | <u>4.9</u> | <u>+0.1</u> | <u>5.0</u> | = | <u>5.0</u> |
| Total Defense-Wide | 101.1 | +15.7 | 116.8 | -15.8 | 101.0 |
| <u>Total</u> | | | | | |
| Army | 87.3 | -26.2 | 61.1 | -13.8 | 47.3 |
| Navy | 57.8 | -1.8 | 55.9 | -20.0 | 35.9 |
| Air Force | 10.1 | +6.9 | 17.0 | -1.5 | 15.5 |
| Defense-Wide | <u>101.1</u> | <u>+15.7</u> | <u>116.8</u> | <u>-15.8</u> | <u>101.0</u> |
| Total Environmental Technology | 256.3 | -5.3 | 250.9 | -51.2 | 199.7 |

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

| <u>BASE REALIGNMENT&CLOSURE (BRAC)</u> | FY 2005 | | FY 2006 | | FY 2007 |
|--|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>BRAC 95</u> | | | | | |
| Army | 95.0 | +2.3 | 97.3 | -52.3 | 45.0 |
| Navy | 0.0 | +256.0 | 256.0 | +45.8 | 301.8 |
| Air Force | 148.8 | -26.9 | 121.9 | -6.3 | 115.6 |
| Defense-Wide | <u>6.5</u> | <u>-0.5</u> | <u>6.0</u> | <u>+0.1</u> | <u>6.1</u> |
| Total BRAC 95 | 250.3 | +230.9 | 481.2 | -12.6 | 468.6 |
| <u>BRAC 2005</u> | | | | | |
| Army | 0.0 | +34.3 | 34.3 | +39.2 | 73.5 |
| Navy | 0.0 | +17.1 | 17.1 | -10.6 | 6.5 |
| Air Force | 0.0 | +28.8 | 28.8 | -26.8 | 2.0 |
| Defense-Wide | <u>+0.0</u> | <u>+2.2</u> | <u>2.2</u> | <u>+0.0</u> | <u>2.2</u> |
| Total BRAC 2005 | 0.0 | +82.3 | 82.3 | +1.8 | 84.1 |
| <u>BRAC Grand Total</u> | | | | | |
| Army | 95.0 | +36.6 | 131.6 | -13.1 | 118.5 |
| Navy | 0.0 | +273.1 | 273.1 | +35.2 | 308.3 |
| Air Force | 148.8 | +1.9 | 150.7 | -33.1 | 117.6 |
| Defense-Wide | <u>6.5</u> | <u>+1.7</u> | <u>8.2</u> | <u>+0.1</u> | <u>8.3</u> |
| BRAC Grand Total | 250.3 | +313.0 | 563.6 | -10.9 | 552.7 |

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) AND DEMOLITION PROGRAMS^{1/}

| | (\$ in millions) | | | | | | |
|------------------------------------|--------------------------|------------------------|--------------------------|---|------------------------|--------------------------|----------------------------|
| | FY 2005 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate^{2/}</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
| Army | 1,473 | 76 | 265 | 1,814 | 50 | -53 | 1,811 |
| Navy | 1,565 | 31 | -288 | 1,308 | 31 | -138 | 1,201 |
| Marine Corps | 555 | 14 | -25 | 544 | 13 | -84 | 473 |
| Air Force | 2,508 | 65 | -836 | 1,737 | 42 | -96 | 1,683 |
| Defense-Wide | 91 | 2 | 20 | 113 | 3 | -30 | 86 |
| Army Reserve | 134 | 3 | 59 | 196 | 5 | 15 | 216 |
| Navy Reserve ^{3/} | 97 | 3 | -33 | 67 | 2 | -17 | 52 |
| Marine Corps Reserve ^{3/} | 17 | - | -7 | 10 | - | - | 10 |
| Air Force Reserve | 101 | 3 | -55 | 49 | 1 | 10 | 60 |
| Army National Guard | 307 | 8 | 23 | 338 | 8 | 42 | 388 |
| Air National Guard | <u>187</u> | <u>5</u> | <u>-17</u> | <u>175</u> | <u>4</u> | <u>76</u> | <u>255</u> |
| Subtotal | 7,035 | 210 | -894 | 6,351 | 159 | -275 | 6,235 |
| Defense Health Program | <u>683</u> | <u>18</u> | <u>-165</u> | <u>536</u> | <u>13</u> | <u>-23</u> | <u>526</u> |
| Total | 7,718 | 228 | -1,059 | 6,887 | 172 | -298 | 6,761 |

^{1/} Only includes O&M & DHP FSRM.

^{2/} FY 2006 estimate excludes emergency supplemental funding.

^{3/} FY 2006 estimate reflect Component fact-of-life adjustments and congressional general reduction.

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

The FY 2007 budget request of \$6,761 million includes price growth of \$172 million and a net program decrease of \$298 million (-4.3 percent) below the FY 2006 funding level. The decrease is attributed to a realignment of facility sustainment funding to other support for operational forces in order to preserve military readiness.

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) AND DEMOLITION PROGRAMS^{1/}

- This request includes \$6,671 million for the FSRM program, which includes price growth of \$170 million and a net program decrease of \$299 million (-4.4 percent) below the FY 2006 funded level. In aggregate, the FY 2007 request funds 90 percent of the facilities sustainment requirement, which is greater than prior executed levels.
- The budget also includes \$90 million for the demolition program, a 3 percent increase over the FY 2006 funded level.

The following data provides details on FSRM and the demolition program and the personnel data associated with these efforts.

| | <u>FACILITIES SUSTAINMENT</u> | | | | | | |
|------------------------|-------------------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| | (\$ in millions) | | | | | | |
| | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 1,309 | 68 | 292 | 1,669 | 46 | 27 | 1,742 |
| Navy | 1,134 | 23 | 68 | 1,225 | 29 | -114 | 1,140 |
| Marine Corps | 447 | 12 | 7 | 466 | 11 | -21 | 456 |
| Air Force | 1,561 | 41 | 7 | 1,609 | 39 | -166 | 1,482 |
| Defense-Wide | 67 | 2 | 31 | 100 | 2 | -34 | 68 |
| Army Reserve | 134 | 3 | 55 | 192 | 5 | 10 | 207 |
| Navy Reserve | 49 | 1 | -5 | 45 | 1 | -1 | 45 |
| Marine Corps Reserve | 11 | 0 | -2 | 9 | - | - | 9 |
| Air Force Reserve | 43 | 2 | 1 | 46 | 1 | - | 47 |
| Army National Guard | 304 | 8 | 23 | 335 | 8 | 39 | 382 |
| Air National Guard | <u>90</u> | <u>2</u> | <u>59</u> | <u>151</u> | <u>4</u> | <u>3</u> | <u>158</u> |
| Subtotal | 5,149 | 162 | 536 | 5,847 | 146 | -257 | 5,736 |
| Defense Health Program | <u>289</u> | <u>8</u> | <u>22</u> | <u>319</u> | <u>8</u> | <u>15</u> | <u>342</u> |
| Total | 5,438 | 170 | 558 | 6,166 | 154 | -242 | 6,078 |

**FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM)
AND DEMOLITION PROGRAMS^{1/}**

RESTORATION AND MODERNIZATION

(\$ in millions)

| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|------------------------|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 148 | 8 | -35 | 121 | 3 | -71 | 53 |
| Navy | 386 | 7 | -358 | 35 | 1 | -26 | 10 |
| Marine Corps | 103 | 3 | -33 | 73 | 2 | -63 | 12 |
| Air Force | 933 | 24 | -829 | 128 | 3 | 70 | 201 |
| Defense-Wide | 23 | 1 | -12 | 12 | - | 5 | 17 |
| Army Reserve | - | - | - | - | - | - | - |
| Navy Reserve | 47 | 1 | -28 | 20 | - | -15 | 5 |
| Marine Corps Reserve | 6 | - | -5 | 1 | - | - | 1 |
| Air Force Reserve | 58 | 1 | -56 | 3 | - | 10 | 13 |
| Army National Guard | - | - | - | - | - | - | - |
| Air National Guard | <u>95</u> | <u>2</u> | <u>-73</u> | <u>24</u> | <u>1</u> | <u>72</u> | <u>97</u> |
| Subtotal | 1,799 | 47 | -1,429 | 417 | 10 | -18 | 409 |
| Defense Health Program | <u>394</u> | <u>10</u> | <u>-187</u> | <u>217</u> | <u>5</u> | <u>-38</u> | <u>184</u> |
| Total | 2,193 | 57 | -1,616 | 634 | 15 | -56 | 593 |

**FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM)
AND DEMOLITION PROGRAMS^{1/}**

| | <u>TOTAL SRM PROGRAM</u> | | | | | | |
|------------------------|---------------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| | (\$ in millions) | | | | | | |
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 1,457 | 76 | 257 | 1,790 | 49 | -44 | 1,795 |
| Navy | 1,520 | 30 | -290 | 1,260 | 30 | -140 | 1,150 |
| Marine Corps | 550 | 14 | -25 | 539 | 13 | -84 | 468 |
| Air Force | 2,494 | 65 | -822 | 1,737 | 42 | -96 | 1,683 |
| Defense-Wide | 90 | 2 | 20 | 112 | 3 | -30 | 85 |
| Army Reserve | 134 | 3 | 55 | 192 | 5 | 10 | 207 |
| Navy Reserve | 96 | 2 | -33 | 65 | 2 | -17 | 50 |
| Marine Corps Reserve | 17 | - | -7 | 10 | - | - | 10 |
| Air Force Reserve | 101 | 3 | -55 | 49 | 1 | 10 | 60 |
| Army National Guard | 304 | 8 | 23 | 335 | 8 | 39 | 382 |
| Air National Guard | <u>185</u> | <u>5</u> | <u>-15</u> | <u>175</u> | <u>4</u> | <u>76</u> | <u>255</u> |
| Subtotal | 6,948 | 208 | -892 | 6,264 | 157 | -276 | 6,145 |
| Defense Health Program | <u>683</u> | <u>18</u> | <u>-165</u> | <u>536</u> | <u>13</u> | <u>-23</u> | <u>526</u> |
| Total | 7,631 | 226 | -1,057 | 6,800 | 170 | -299 | 6,671 |

**FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM)
AND DEMOLITION PROGRAMS^{1/}**

DEMOLITION COSTS

(\$ in millions)

| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|------------------------|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 16 | - | 8 | 24 | 1 | -9 | 16 |
| Navy | 45 | 1 | 2 | 48 | 1 | 2 | 51 |
| Marine Corps | 5 | - | - | 5 | - | - | 5 |
| Air Force | 14 | - | -14 | - | - | - | - |
| Defense-Wide | 1 | - | - | 1 | - | - | 1 |
| Army Reserve | - | - | 4 | 4 | - | 5 | 9 |
| Navy Reserve | 1 | - | 1 | 2 | - | - | 2 |
| Marine Corps Reserve | - | - | - | - | - | - | - |
| Air Force Reserve | - | - | - | - | - | - | - |
| Army National Guard | 3 | - | - | 3 | - | 3 | 6 |
| Air National Guard | <u>2</u> | <u>=</u> | <u>-2</u> | <u>=</u> | <u>=</u> | <u>=</u> | <u>=</u> |
| Subtotal | 87 | 1 | -1 | 87 | 2 | 1 | 90 |
| Defense Health Program | - | - | - | - | - | - | - |
| Total | 87 | 1 | -1 | 87 | 2 | 1 | 90 |

Army

- The Army is requesting \$1,811 million in FY 2007 for FSRM in its Operation and Maintenance (O&M), Army appropriation. These funds reflect a net decrease of \$3 million from the FY 2006 funding level: \$+50 million in price growth and \$-53 million in program reduction. SRM funding for FY 2007 will fund critical facility requirements and upgrade deteriorating facilities at 90 Army installations worldwide. The FY 2007 program maintains facilities sustainment at 90 percent of requirement.
- The Army request includes \$16.0 million for its demolition program, which reflects a decrease of \$8 million from the FY 2006 funded level.

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) AND DEMOLITION PROGRAMS^{1/}

Navy

- The Navy is requesting \$1,201 million in FY 2007 for FSRM in its O&M, Navy appropriation. These funds reflect a net decrease of \$107 million from the FY 2006 funding level: \$+31 million in price growth and \$-138 (-11.0 percent) million in program reduction. The FY 2007 program maintains facilities sustainment at 95 percent of requirement.
- The Navy request includes \$51.0 million for demolition, which reflects price growth of \$1.0 million over the FY 2006 funded level.

Marine Corps

- The Marine Corps is requesting \$473 million in FY 2006 for FSRM in its O&M, Marine Corps appropriation. These funds reflect a net decrease of \$71 million from the FY 2006 funding level: \$+13 million in price growth and \$-84 million (-15.6 percent) in program reduction. The FY 2007 program achieves a 94 percent sustainment level.
- The Marine Corps request includes \$5.0 million for its demolition program, consistent with prior year funding levels.

Air Force

- The Air Force is requesting \$1,683 million in FY 2007 for FSRM in its O&M, Air Force appropriation. These funds reflect a net decrease of \$54 million from the FY 2006 funding level: \$+42.0 million in price growth and \$-96 million (-5.5 percent) in program reduction. The FY 2007 program achieves an 86 percent sustainment level and funds critical annual maintenance and repair activities.
- The Air Force program does not include any funding for demolition.

Defense-Wide

- The Defense-Wide activities are requesting \$86 million in FY 2007 for FSRM in the O&M, Defense-Wide appropriation. These funds reflect a net decrease of \$27 million from the FY 2006 funding level: \$+3 million in price growth and \$-30 million (-27 percent) in program reduction.
- Defense-Wide activities request includes \$1.0 million for demolition, which is the same as the FY 2006 funded level.

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) AND DEMOLITION PROGRAMS^{1/}

Defense Health Program (DHP)

- The DHP is requesting \$526 million in FY 2007 for FSRM in its O&M budget activity. These funds reflect a net decrease of \$10 million from the FY 2006 funding level: \$+13 million for price growth and \$-23 million for program reduction. The program funds the maintenance of military medical facilities, such as heating and air conditioning units, and plumbing and electrical systems, that are required to support active duty, military dependents, eligible retirees, and family members.
- The DHP does not include any funding for demolition.

Guard and Reserve Forces

- The Guard and Reserve Forces are requesting \$981 million in FY 2007, which reflects an increase of \$146 million from the FY 2006 funding level: \$+20 million in price growth and \$+126 million in program growth. The program supports the maintenance and restoration of real property facilities including, buildings, roads, grounds, and airfields of the Guard and Reserve. These facilities support the combat readiness for the Guard and Reserve that enables them to augment the active forces.
- The Guard and Reserve Forces request includes \$17 million for their demolition programs, which is an increase of \$8 million from the FY 2006 funded level.

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM)
AND DEMOLITION PROGRAMS^{1/}

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LAND FORCES

(\$ in Millions)

| | FY 2005 * | Price | Program | FY 2006** | Price | Program | FY 2007 |
|---------------------|------------------|---------------|-----------------|------------------|---------------|----------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army *** | 3,415.2 | +122.7 | -919.3 | 2,618.6 | +98.2 | +119.6 | 2,836.4 |
| Marine Corps | 2,402.8 | +26.2 | -2,026.3 | 402.7 | +2.5 | +98.3 | 503.5 |
| Total | 5,818.0 | +148.9 | -2,945.6 | 3,021.3 | +100.7 | +217.9 | 3,339.9 |

* Includes FY 2005 Supplemental funding.

** FY 2006 excludes war related and disaster funds (Title IX, Hurricane, X-Year).

*** Includes BA 1/BA 4 final adjustments not reflected in the FY 2007 President Budget Submission

The Land Forces program describes those resources committed to the training and sustainment of the Department's land forces. Land Forces encompass the Land Forces Activity Group within the Army and the Operating Forces Activity Group for the Marine Corps. The Marine Corps' land forces include Marine divisions, service support groups, helicopter groups, and light anti-aircraft missile battalions that constitute the Marine air-ground team and Marine security forces.

The FY 2007 budget request increased \$318.6 million from the FY 2006 baseline; \$100.7 million in price change and \$217.9 million in program change.

ARMY

The Army Land Forces program provides Operating Tempo (OPTEMPO) resources to train and sustain the active component combat forces execution of approved training strategies that support readiness levels consistent with mission requirements. The budget supports the Active Component ground OPTEMPO training strategy, encompassing actual miles driven from home station training (HST) and Combat Training Center (CTC) rotations as well as virtual miles associated with using simulators, such as the Close Combat Tactical Trainer (CCTT) and the Unit Conduct of Fire Trainer (UCOFT).

To support Army transformation, the Army reduced FY 2007 OPTEMPO funding (ground and air) for units that are preparing to deploy, will be deployed, or are recovering from deployment in support of the Global War on Terror (GWOT). The FY 2007 budget supports funding for ground units that remain uncommitted for either OIF or OEF at the same level (615 miles) as was provided in FY 2006.

LAND FORCES

Land Forces supports a training strategy that provides soldiers, from the infantryman to the corps commander, a full range of realistic training exercises. Funding in FY 2007 will permit the Army to train 10 brigades at the National Training Center (NTC), 10 brigades (8 Active Component and 2 Army National Guard) at the Joint Readiness Training Center (JRTC), and 4 brigades at the Joint Multi-National Readiness Center. Additionally, three corps and seven division staffs are trained through the Battle Command Training Program (BCTP). The Army Land Forces Budget supports a FY 2007 force that has increased capability through the conversion of brigade combat teams (BCTs) into modular brigades and the addition of three modular brigades.

The FY 2007 Army Land Forces program reflects an increase of \$217.8 million from the FY 2006 funding level, the net of price growth of \$98.2 million and program increase of \$+119.6 million. The FY 2007 program increase is primarily associated with the conversion of brigade combat teams (BCTs) into modular brigades and the addition of three modular brigades.

MARINE CORPS

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

The FY 2007 program reflects an increase of \$100.8 million from the FY 2006 funding level. This increase is the sum of the price change of +2.5 million and a program change of \$+98.3 million. Major program changes from FY 2006 to FY 2007 include cyclic programmed equipment purchases for Improved Load Bearing Equipment, Family of Ballistic Protection, Critical Low Density Secondary Repairable (5th Ech), Family of Shelters and Shelter Equipment (\$+33.1 million); increase to MARFORLANT for its re-designation and establishment as a Marine Forces Command (COMMARFORCOM) in support of U.S. Joint Forces Command (JFCOM) (\$+5.1 million); Increase to establish Marine Forces North as United States Marine Corps (USMC) component to U.S. Northern Command (NORTHCOM) (\$+3.6 million); Increase to establish Marine Central Headquarters (MARCENT) (\$+3.0 million); and increase for Marine Corps Foreign Language Program (\$+3.0 million) due to increased involvement with foreign nations.

LAND FORCES

| <u>ARMY OPTEMPO Miles</u> | <u>Program Data</u> <u>Army OPTEMPO</u> | | |
|--|--|---------------------------------|---------------------------------|
| | <u>FY 2005</u> <u>Actual*</u> | <u>FY 2006</u> <u>Budget</u> | <u>FY 2007</u> <u>Budget</u> |
| Live Training (Home Station & National Training Center) | | | |
| Requirement (No Contingency Ops) | 809 | 809 | 809 |
| Actual/Program | 896 | 525 | 525 |
| Virtual Training (CCTT and UCFT Simulators) | | | |
| Requirement | 90 | 90 | 90 |
| Actual/Program | 95 | 90 | 90 |
| Other Live Training (Actual Only) | 0 | (Not Projected) | (Not Projected) |
| Total Requirement | 899 | 899 | 899 |
| Total Actual/Program | 991 | 615 | 615 |

* FY 2005 Actual Miles data includes miles driven in contingency operations (i.e., Operation Iraqi Freedom).

Marine Corps Combat Ready Days

| | <u>FY 2005</u> <u>Actual</u> | <u>FY 2006</u> <u>Estimate</u> | <u>FY 2007</u> <u>Estimate</u> |
|--|---------------------------------|-----------------------------------|-----------------------------------|
| Funds Allocated to Training & Equipment Maintenance (\$M) | 480.0 | 317.2 | 433.7 |
| Combat Ready Days-Equipment & Training (CRED-ET) | 91,834 | 94,000 | 96,000 |
| Cost per CRED-ET (\$000) | 5.227 | 3.374 | 4.518 |
| Total Possible CRED-ETs | 113,571 | 109,699 | 109,699 |
| % Achieved | 81% | 86% | 88% |

LAND FORCES

Land Forces Personnel Data

| | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|---------------------------------------|----------------|---------------|-------------------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Active Forces Personnel</u> | | | (End Strength) | | |
| Army Officer | 36,495 | -3,771 | 32,724 | 130 | 32,854 |
| Army Enlisted | <u>278,500</u> | <u>-2,633</u> | <u>275,867</u> | <u>1,523</u> | <u>277,390</u> |
| Subtotal Army | 314,995 | -6,404 | 308,591 | 1,653 | 310,244 |
| Marine Corps Officer | 9,285 | 1 | 9,286 | 115 | 9,401 |
| Marine Corps Enlisted | <u>107,386</u> | 12 | <u>107,398</u> | 634 | <u>108,032</u> |
| Subtotal Marine Corps | 116,671 | 13 | 116,684 | 749 | 117,433 |
| Total Officer | 45,780 | -3,770 | 42,010 | 245 | 42,255 |
| Total Enlisted | <u>385,886</u> | <u>-2,621</u> | <u>383,265</u> | <u>2,157</u> | <u>385,422</u> |
| Total Active Forces Personnel | 431,666 | -6,391 | 425,275 | 2,402 | 427,677 |
| <u>Civilian Personnel</u> | | | (Full Time Equivalents) | | |
| Army Civilians | 2,996 | -313 | 2,683 | 0 | 2,683 |
| Marine Corps Civilians | <u>366</u> | <u>3</u> | <u>369</u> | <u>18</u> | <u>387</u> |
| Total Civilian Personnel | 3,362 | -310 | 3,052 | 18 | 3,070 |

LAND FORCES

Body Armor

(\$ in Millions)

| | FY 2005 <u>Actual *</u> | FY 2006 <u>Estimate*</u> | FY 2007 <u>Estimate</u> |
|---------------------|------------------------------------|-------------------------------------|------------------------------------|
| Army | 498.6 | 840.0 | 40.0 |
| Marine Corps | 90.0 | 345.0 | 51.5 |
| SOCOM | 41.5 | 12.2 | 11.0 |
| Total | 630.1 | 1,197.2 | 102.5 |

* Includes Supplemental Funding of \$578.1 million and \$1,143.0 million in FY 2005 and FY 2006, respectively. The above numbers do not include additional Supplemental Funding for the Navy and the Air Force in FY 2005 (\$156.4 million) and FY 2006 (\$98.3 million). The Navy and the Air Force do not have any body armor funding requirements in the baseline.

The funding is increasing due to more personnel deployed, replacement of older equipment with the latest technology in body protection, and additional protective items. The funding is provided to purchase “suite” of body armors to protect Service members from hostile enemy attacks. Each suite includes Outer Tactical Vest (OTV), Enhanced Small Arms Protective Inserts (ESAPI), Deltoid Auxiliary Protectors (DAP), and ESAPI Side Plates. The total cost for each suite is \$3,125.

To date (as of end of January 2006), the following number of sets of individual body armor have been received by each Service since the beginning of FY 2004:

| | Body Armor Set |
|---------------------|-----------------------|
| Army | 722,000 |
| Navy | 67,168 |
| Marine Corps | 113,022 |
| Air Force | 86,600 |
| Total | 988,790 |

LAND FORCES

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MOBILIZATION

| | (\$ in Millions) | | | | | | |
|--------------|------------------|---------------|-----------------|-----------------|---------------|---------------|-----------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 424.8 | +14.2 | -79.7 | 359.3 | +26.5 | -116.9 | 268.9 |
| Navy | 874.8 | +1.0 | -181.9 | 693.9 | +11.8 | +94.5 | 800.2 |
| Marine Corps | 99.4 | +1.3 | -27.2 | 73.5 | +1.1 | +1.5 | 76.1 |
| Air Force | <u>4,761.6</u> | <u>+536.3</u> | <u>-1,394.4</u> | <u>3,903.5</u> | <u>+235.6</u> | <u>+120.4</u> | <u>4,259.5</u> |
| Total | 6,160.6 | +552.8 | -1,683.2 | 5,030.2 | +275.0 | +99.5 | 5,404.7 |

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

The Mobilization program increases by \$374.5 million from FY 2006 to FY 2007. This includes price growth of \$275.0 million and a net program increase of \$99.5 million. The price growth is primarily associated with the impact of higher fuel rates and normal inflation. The majority of the program increase is associated with the Air Force's Airlift Operations and the Navy's activation and inactivation program. The increases are partially offset by decreases in the Army's Other Mobilization Programs.

| | (\$ in Millions) | | | | |
|---|------------------|---------------|-----------------|---------------|-----------------|
| | FY 2005 | | FY 2006 | | FY 2007 |
| <u>Afloat Prepositioned Fleet (APF)</u> | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Army APF | 182.5 | -11.8 | 170.7 | -7.8 | 162.9 |
| Navy Maritime Prepo Ships (MPS) | 399.7 | +5.9 | 405.6 | +4.0 | 409.6 |
| Navy Maritime Prepo Ships (Enhanced) | 46.5 | +12.8 | 59.3 | +5.7 | 65.0 |
| CENTCOM Ammo Prepo Ship | 9.7 | +3.1 | 12.8 | -1.3 | 11.5 |

MOBILIZATION

| | | | | | |
|----------------------|--------------|-------------|--------------|--------------|--------------|
| Air Force APF | <u>61.2</u> | <u>-2.9</u> | <u>58.3</u> | <u>+11.2</u> | <u>69.5</u> |
| Total | 699.6 | +7.1 | 706.7 | +11.8 | 718.5 |

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

- Strategic Mobilization consists of the Army Power Projection Program (AP3), which supports Combatant Commanders' Operations Plans, the Defense Planning Guidance and the Army Vision deployment objectives. The components of AP3 make up the bridge that links current and future force projection capability. AP3 seeks a balanced, synchronized, rapid fort to foxhole capability projected into areas of operations, without relying on conventional Sea and Aerial Ports of Debarkation, where an adversary's anti-access efforts can be focused. AP3 enables the Army to rapidly deploy a versatile, lethal, expandable, and sustainable CONUS-based military force capable of achieving decisive victory anywhere in the world. The Army forces consist of 12/10/8 APF ships in FY 2005/FY 2006/FY 2007, respectively.
- The Navy's Sealift Program provides the worldwide capability to deploy combat forces and/or supporting material that may be required to meet national contingency objectives. The program is divided into two functional areas: (1) Prepositioned assets and (2) Surge assets. Funding for all sealift surge ships is in the National Defense Sealift Fund appropriation. Operation and Maintenance, Navy account funds the daily operation of the prepositioned assets, as well as the biennial exercise costs associated with the Hospital Ships and Aviation Logistics Support Ships. This program also provides support for various sea lift programs, including Sealift Enhancement Feature upgrades, Naval Control of Shipping Command Post exercises, Merchant Cargo Delivery System training and exercises, force protection for delivery ships against chemical, biological, and radiological threats, Cargo Afloat Rig Team training, alternating coast exercises, and the Offshore Petroleum Discharge System.
- The Air Force funds four prepositioned ships to support mobility operations with the capabilities to sustain contingency operations and wartime requirements through prepositioning of War Reserve Material (WRM). The WRM provides provisioning of nuclear weapons storage and sustainment of contingency hospitals and clinics.

MOBILIZATION

Other Mobilization Programs

| | (\$ in Millions) | | | | |
|-----------------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
| | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Army</u> | <u>242.3</u> | <u>-53.9</u> | <u>188.4</u> | <u>-82.4</u> | <u>106.0</u> |
| Prepositioned Stocks | 148.4 | -50.6 | 97.8 | -31.2 | 66.6 |
| Industrial Preparedness | 15.7 | -0.2 | 15.5 | -10.8 | 4.7 |
| Other Prepositioned Exercises | 73.8 | -2.6 | 71.2 | -40.5 | 30.7 |
| | 4.4 | -0.5 | 3.9 | +0.1 | 4.0 |
| <u>Navy</u> | <u>418.8</u> | <u>-202.6</u> | <u>216.2</u> | <u>+97.9</u> | <u>314.1</u> |
| Activations/Inactivations | 221.8 | -100.4 | 121.4 | +80.4 | 201.8 |
| Fleet Hospital Program | 37.2 | -9.7 | 27.5 | +3.4 | 30.9 |
| Industrial Readiness | 2.3 | -0.7 | 1.6 | +0.1 | 1.7 |
| Coast Guard Support | 16.9 | +0.5 | 17.4 | +2.8 | 20.2 |
| Other Sealift/Surge Exercises | 131.1 | -92.6 | 38.5 | +10.6 | 49.1 |
| | 9.5 | +0.3 | 9.8 | +0.6 | 10.4 |
| <u>Marine Corps</u> | <u>99.4</u> | <u>-25.9</u> | <u>73.5</u> | <u>+2.6</u> | <u>76.1</u> |
| Prepositioned Equipment | 99.4 | -25.9 | 73.5 | +2.6 | 76.1 |
| <u>Air Force</u> | <u>4,700.4</u> | <u>-855.2</u> | <u>3,845.2</u> | <u>+344.8</u> | <u>4,190.0</u> |
| Airlift Operations | 3,172.8 | -534.2 | 2,638.6 | +317.2 | 2,955.8 |
| Airlift Operations C3I | 40.6 | +9.7 | 50.3 | -3.0 | 47.3 |
| Mobilization Preparedness | 124.5 | -10.5 | 114.0 | +21.2 | 135.2 |
| Depot Maintenance | 420.6 | -30.4 | 390.2 | -78.5 | 311.7 |
| Facilities Sustainment, Res & Mod | 290.7 | -141.2 | 149.5 | +29.7 | 179.2 |
| Base Support | 651.2 | -148.6 | 502.6 | +58.2 | 560.8 |
| Total Other Mobilization | 5,218.6 | -1,083.7 | 4,134.9 | 445.3 | 4,580.2 |

MOBILIZATION

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

- In FY 2007, a net decrease of -\$82.4 million reflects the Army's reduced maintenance requirements due to the continued use of the equipment and the concomitant delay in the reset of APS. Available APS stocks will not require the initially projected amount of Care of Supplies in Storage, cyclic maintenance, or replacement of dated medical items in FY 2007.

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

- Activation/Inactivation: Program increases include inactivation of a reactor compartment encapsulation/disposal and hull recycling in the Nuclear Surface Ship Inactivations/Disposals program (+\$47.8 million), inactivation and advance planning requirements in the Submarine Inactivations/Disposals program (+\$68.8 million), and scheduled requirements for Aircraft Represervations (+\$1.7 million). Program decreases include advance funding efforts in the Nuclear Surface Inactivation/Disposal and Submarine decontamination programs (-\$10.8 million), and realignment of the Information Resource Management support and mission funding for shipyards to Budget Activity 1 (-\$28.4 million).
- Other Sealift/Surge: Changes include an increase in funding to update and modernize the authorized medical allowance list, equipment and supplies on-board the two hospital ships (USNS COMFORT and USNS MERCY) to ensure accomplishment of patient care mission during biennial exercises for the Medical Treatment Facility and Naval Medical Logistics Command (+\$8.8 million). Additional funds are budgeted for the Naval Support Element for travel, supplies, consumables and other costs incurred during sealift exercises in support of Maritime Prepositioning Force (+\$1.3 million).

MOBILIZATION

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

- The major change affecting this program in FY 2007 is largely due to a one-time increase for exercise funding (+\$1.5 million).

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

- FY 2007 increases by +\$344.8 million due to pricing growth of +\$235.5 million and a net program growth of +\$109.3 million. The program increases are mostly due to C-17 Contractor Logistics Support (CLS) Transition from Interim Contractor Support funding to provide critical engine CLS and aircrew training (+\$104.0 million), C-130 crew ratio increase (+\$39.1 million), restoration and modernization (+\$29.0 million), operational airlift support (+\$25.3 million), C-130J CLS (+\$21.5 million), and base operations – airlift (+\$15.6 million). The program decreases are mostly due to Air Force Transformation savings (-\$77.3 million), decrease in requirements for the Mobility Air Forces training aircraft and engine depot maintenance support (-\$40.4 million), and revised Flying Hour Program (-\$29.7 million).

MOBILIZATION

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RECRUITING, ADVERTISING, AND EXAMINING

Overall funding in recruiting, advertising, and examining provides support for recruiting commands and stations throughout the United States for local, regional, and national advertising to access and retain quality enlisted and officer personnel. It provides for the U.S. Military Entrance Processing Command (MEPCOM), which includes the Military Entrance Processing Stations (MEPS) that process all enlisted personnel entering on active duty. Total FY 2007 funding decreases by \$113.1 million. Of this amount, there is a \$32.5 million increase for price growth, which is offset by a decrease of \$145.8 million for program changes.

RECRUITING, ADVERTISING, AND EXAMINING

| | (\$ in Millions) | | | | | | |
|------------------------|------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 558.7 | +14.2 | -92.1 | 480.8 | +11.3 | +48.3 | 540.4 |
| Navy | 285.6 | +9.9 | -18.5 | 277.0 | +9.5 | -41.0 | 245.5 |
| Marine Corps | 110.4 | +2.6 | +1.4 | 114.4 | +2.5 | -8.0 | 108.9 |
| Air Force | 120.7 | +3.6 | +12.0 | 136.3 | +3.0 | -1.3 | 138.0 |
| Defense Health Program | 33.1 | +1.0 | +3.2 | 37.3 | +0.9 | +2.0 | 40.2 |
| Defense-Wide | 30.7 | +0.6 | -10.1 | 21.2 | +0.4 | -10.4 | 11.2 |
| Army Reserve | 110.4 | +2.1 | -24.8 | 87.7 | +2.0 | -1.1 | 88.6 |
| Navy Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Marine Corps Reserve | 7.8 | +0.1 | 0 | 7.9 | +0.2 | 0 | 8.1 |
| Air Force Reserve | 21.3 | +0.5 | -7.0 | 14.8 | +0.3 | +3.1 | 18.2 |
| Army National Guard | 221.2 | +8.4 | +32.7 | 262.3 | +2.2 | -137.8 | 126.7 |
| Air National Guard | <u>19.1</u> | <u>+0.5</u> | <u>-10.3</u> | <u>9.3</u> | <u>+0.2</u> | <u>+0.5</u> | <u>10.0</u> |
| Total | 1,519.0 | +43.5 | -113.5 | 1,449.0 | +32.5 | -145.8 | 1,335.9 |

RECRUITING, ADVERTISING, AND EXAMINING

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

Recruiting

The recruiting mission is to maintain the highest quality force possible. The recruiting funds provide support for recruiting commands and stations throughout the United States. Recruiting costs are for those items essential to the accomplishment of the recruiting mission, including meals, lodging, and travel of applicants; recruiter expenses, travel and per diem; civilian pay; vehicle operation and maintenance; lease of office space; and other incidental expenses necessary to support the recruiting mission. The FY 2007 Recruiting program reflects an increase of \$20.0 million. Of this amount, \$11.6 million is for price growth and \$8.4 million is for program growth.

| | <u>RECRUITING</u> | | | | | | |
|----------------------|-------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| | (\$ in Millions) | | | | | | |
| | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 185.8 | +4.5 | -10.6 | 179.7 | +4.1 | +28.2 | 212.0 |
| Navy | 142.6 | +2.6 | +24.8 | 170.0 | +3.1 | -25.0 | 148.1 |
| Marine Corps | 64.7 | +1.0 | +4.4 | 70.1 | +1.4 | +0.3 | 71.8 |
| Air Force | 59.5 | +1.5 | -2.6 | 58.4 | +1.3 | -3.1 | 56.6 |
| Army Reserve | 42.5 | +0.9 | -5.1 | 38.3 | +0.7 | -3.0 | 36.0 |
| Navy Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Marine Corps Reserve | 4.8 | +0.1 | -0.2 | 4.7 | +0.1 | +0.1 | 4.9 |
| Air Force Reserve | 9.1 | +0.2 | -4.2 | 5.1 | +0.1 | +1.0 | 6.2 |
| Army National Guard | 45.9 | +0.9 | -7.9 | 38.9 | +0.7 | +9.8 | 49.4 |
| Air National Guard | <u>6.3</u> | <u>+0.2</u> | <u>-3.0</u> | <u>3.5</u> | <u>+0.1</u> | <u>+0.1</u> | <u>3.7</u> |
| Total | 561.2 | +11.9 | -4.4 | 568.7 | +11.6 | +8.4 | 588.7 |

RECRUITING, ADVERTISING, AND EXAMINING

Advertising

The advertising funds provide for local, regional, national and corporate advertising to access quality enlisted and officer personnel. All advertising is designed to increase public awareness and describe employment opportunities. The Services fund a media mix of advertising that includes television and radio; magazines and newspapers; internet websites and banner advertising; informational videos; direct mail campaigns; and recruiting booklets, pamphlets, and posters. The Operation and Maintenance (O&M), Defense-Wide appropriation funds a joint program managed by the Defense Human Resources Activity. This program consists of a corporate campaign for joint service recruiting and advertising, market research and studies, and survey requirements for the Active and Reserve Components. This joint funding is used for consolidated lead lists, direct mail campaigns, youth and adult influencer public opinion polls, and Selective Service System direct market mailings. The FY 2007 Advertising program reflects a decrease of \$149.8 million. This amount is the result of an \$16.9 million increase for price growth and a \$166.7 million decrease for program changes.

| | <u>ADVERTISING</u> | | | | | | |
|----------------------|-------------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| | <u>(\$ in Millions)</u> | | | | | | |
| | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 240.4 | +5.8 | -61.8 | 184.4 | +4.2 | +11.2 | 199.8 |
| Navy | 143.0 | +7.3 | -43.3 | 107.0 | +6.4 | -11.0 | 102.4 |
| Marine Corps | 45.7 | +1.6 | +1.0 | 48.3 | +1.1 | -8.3 | 41.1 |
| Air Force | 58.8 | +1.4 | +9.8 | 70.0 | +1.5 | 0 | 71.5 |
| Defense-Wide | 30.8 | +0.6 | -10.3 | 21.1 | +0.7 | -15.5 | 6.3 |
| Army Reserve | 67.9 | +2.1 | -20.6 | 49.4 | +1.1 | +2.1 | 52.6 |
| Navy Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Marine Corps Reserve | 3.0 | +0.1 | +0.1 | 3.2 | +0.1 | -0.1 | 3.2 |
| Air Force Reserve | 12.1 | +0.3 | -2.7 | 9.7 | +0.2 | +2.1 | 12.0 |
| Army National Guard | 175.3 | +6.5 | +41.6 | 223.4 | +1.5 | -147.6 | 77.3 |
| Air National Guard | <u>12.8</u> | <u>+0.3</u> | <u>-7.3</u> | <u>5.8</u> | <u>+0.1</u> | <u>+0.4</u> | <u>6.3</u> |
| Total | 789.8 | +26.0 | -93.5 | 722.3 | +16.9 | -166.7 | 572.5 |

RECRUITING, ADVERTISING, AND EXAMINING

Examining

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

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

The FY 2007 Examining program reflects an increase of \$16.7 million. This amount is the sum of \$4.0 million for price growth and \$12.7 million for program growth.

| | <u>EXAMINING</u> <u>(\$ in Millions)</u> | | | | | | |
|------------------------|---|-------------------------------|---------------------------------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| | <u>FY 2005</u> <u>Actual</u> | <u>Price</u> <u>Change</u> | <u>Program</u> <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Price</u> <u>Change</u> | <u>Program</u> <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
| Army | 132.5 | +4.0 | -19.8 | 116.7 | +3.0 | +10.5 | 130.2 |
| Air Force | 2.4 | +0.7 | +0.9 | 4.0 | +0.1 | +0.3 | 4.4 |
| Defense Health Program | <u>33.1</u> | <u>+0.9</u> | <u>+3.3</u> | <u>37.3</u> | <u>+0.9</u> | <u>+1.9</u> | <u>40.1</u> |
| Total | 168.0 | +5.6 | -15.6 | 158.0 | +4.0 | +12.7 | 174.7 |

SHIP OPERATIONS

(\$ in Millions)

| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|---------------------------------------|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Appropriation Summary</u> | | | | | | | |
| <u>Active Forces</u> | <u>9,196</u> | <u>+499</u> | <u>-1,588</u> | <u>8,109</u> | <u>+363</u> | <u>+42</u> | <u>8,514</u> |
| Mission and Other Ship Operations | 3,167 | +312 | -613 | 2,866 | +236 | +65 | 3,167 |
| Ship Operational Support and Training | 625 | +16 | -66 | 575 | +16 | +54 | 645 |
| Ship Maintenance | 4,298 | +138 | -591 | 3,846 | +93 | -217 | 3,723 |
| Ship Depot Operations Support | 1,106 | +33 | -318 | 822 | +18 | +140 | 979 |
| <u>Reserve Forces</u> | <u>160</u> | <u>+10</u> | <u>-37</u> | <u>134</u> | <u>+3</u> | <u>-1</u> | <u>136</u> |
| Mission and Other Ship Operations | 71 | 8 | -18 | 60 | 1 | 3 | 64 |
| Ship Operational Support and Training | 5 | 0 | -3 | 3 | 0 | -2 | 1 |
| Ship Maintenance | 80 | 2 | -12 | 70 | 2 | -2 | 70 |
| Ship Depot Operations Support | 4 | 0 | -4 | 1 | 0 | 0 | 1 |
| Grand Total | 9,356 | 509 | -1,625 | 8,243 | 366 | 41 | 8,650 |

NOTE: Columns may not add due to rounding.

Description of Operations Financed:

- The subactivity groups within ship operations and ship maintenance fund the active and reserve operating tempo (OPTEMPO), engineering and logistical support, maintenance, planning, and technical support to maintain and deploy combat-ready ships. From these activities, the Navy purchases ship fuel, repair parts, utilities, consumable supplies, repair parts, and maintenance from fleet intermediate maintenance facilities and public and private shipyards. Funding to charter logistics support and other ships from the Military Sealift Command, payments to the Department of Energy for consumed nuclear fuel as well as storage and processing of expended nuclear cores are also financed within these subactivity groups.
- The FY 2007 active and reserve ship operation and maintenance budget increased by +\$407 million from the FY 2006 level. The increase from FY 2006 to FY 2007 is composed of a price increase of +\$366 million and a net program increase of +\$41 million.

SHIP OPERATIONS

Program Data

The FY 2007 budget request provides \$8,514 million for active ship operations and maintenance, which includes price growth of +\$363 million and a net program increase of +\$42 million above the FY 2006 level.

The key components of the +\$42 million active program change from FY 2006 to FY 2007 are:

- Net decrease in the number (-10) and scope of scheduled ship availabilities (-\$123 million).
- Increase associated with 151 steaming days for USNS SACAGAWEA (T-AKE 2), 91 steaming days for USNS GRASP (T-ARS 51), 273 steaming days for USNS GRAPPLE (T-ARS 53), and 273 steaming days for T-AKE 3.
- Funding for ship repair parts and consumables to ensure the requirement is fully funded in accordance with the last three years of execution experience.

The FY 2007 Operation and Maintenance, Navy Reserve ship operations and maintenance request includes price growth of +\$3 million and a net program decrease of -\$1 million below the FY 2006 level. The main components of the program change are decreases in maintenance requirements for FFG (Guided Missile Frigate) and MCM (Minesweeper) class ships, and the decommissioning of four MHC (Minesweeper) class ships: USS OSPREY (MHC-51), USS HERON (MHC-52), USS ROBIN (MHC-54) and USS BLACKHAWK (MHC-58) as well as the transfer of USS Avenger (MCM-1) to the active force.

| <u>Ship Inventory (End of Year)</u> | FY 2005 | | FY 2006 | | FY 2007 |
|---|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Navy Active | 281 | +2 | 283 | +2 | 285 |
| MSC Charter/Support | 44 | +4 | 48 | +3 | 51 |
| Battle Force Ships (Active) | 325 | +6 | 331 | +5 | 336 |
| Reserve Battle Force (Included in Navy Active Total) | 15 | -1 | 14 | -1 | 13 |
| Reserve Non-Battle Force | 9 | -3 | 6 | -2 | 4 |
| Naval Reserve Force | 24 | -4 | 20 | -3 | 17 |
| Total Battle Force Ships (Active plus Reserve) minus MSC | 305 | -2 | 303 | -1 | 302 |

SHIP OPERATIONS

Battle Force Ships Inventory Adjustments by Category

| | <u>FY 2006 Ending Inventory</u> | <u>Gains</u> | <u>Losses</u> | <u>FY 2007 Ending Inventory</u> |
|------------------------------------|---------------------------------|--------------|---------------|---------------------------------|
| Aircraft Carriers | 12 | - | -1 | 11 |
| Fleet Ballistic Missile Submarines | 14 | - | - | 14 |
| Guided Missile (SSGN) Submarines | 4 | - | - | 4 |
| Surface Combatants | 102 | +4 | - | 106 |
| Nuclear Attack Submarines | 55 | +1 | -4 | 52 |
| Amphibious Warfare Ships | 33 | +5 | -4 | 34 |
| Combat Logistics Ships | 30 | +3 | -1 | 32 |
| Mine Warfare Ships | 16 | - | -2 | 14 |
| Support Ships | 17 | +1 | - | 18 |
| Total | 283 | +14 | -12 | 285 |

| | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|---|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Operating Tempo (Underway Days Per Quarter)</u> | | | | | |
| Non-Deployed Fleet | 25 | -1 | 24 | - | 24 |
| Deployed Fleet | 56 | -17 | 39 | -3 | 36 |
| Reserve Fleet | 16 | +1 | 17 | - | 17 |
| <u>Shipyears (Less Charter Ships)</u> | | | | | |
| Conventional, O&M,N | 173 | +8 | 181 | +2 | 183 |
| Nuclear, O&M,N | 78 | +5 | 83 | - | 83 |
| Conventional, O&M,NR | 24 | -1 | 23 | -4 | 19 |
| <u>Operating Months (Less Charter Ships)</u> | | | | | |
| Conventional, O&M,N | 1,761 | -151 | 1,610 | +11 | 1,621 |
| Nuclear (Surface), O&M,N | 804 | -7 | 797 | -72 | 725 |
| Conventional, O&M,NR | 260 | - | 260 | -44 | 216 |

SHIP OPERATIONS

| | FY 2005 | | FY 2006 | | FY 2007 |
|---|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Deployed Operating Months</u> | | | | | |
| Conventional, O&M,N | 690 | -254 | 436 | -83 | 353 |
| Nuclear (surface), O&M,N | 28 | -7 | 15 | - | 15 |
| Conventional, O&M,NR | 22 | -22 | 0 | - | 0 |
| <u>Ship Maintenance</u> | | | | | |
| <u>Active</u> | | | | | |
| Overhauls | 4 | -1 | 3 | 1 | 4 |
| Selected Restricted Availabilities | 54 | 2 | 56 | -6 | 50 |
| Phased Maintenance Availabilities | 23 | -5 | 18 | -6 | 12 |
| Planned Incremental Availabilities | 2 | 1 | 3 | 1 | 4 |
| <u>Reserve</u> | | | | | |
| Overhauls | n/a | n/a | n/a | n/a | n/a |
| Selected Restricted Availabilities | 5 | 0 | 5 | -1 | 4 |
| Phased Maintenance Availabilities | 10 | -5 | 5 | -1 | 4 |

Ship Operations

Shipyear data provides a more accurate indicator of the overall force level for that year. A shipyear measures that portion of a fiscal year that a ship serves in the fleet. For example, a ship decommissioning on June 30th would have 0.75 shipyears for that fiscal year (October through June) – whereas the end-of-year ship inventory would be zero. There is a net increase of 2 shipyears from FY 2006 to FY 2007 reflecting the increased ship inventory. Shipyear data is not affected by the OPTEMPO reductions discussed below.

Operating month data is also a good measure of ship operations costs. Operating months reflect the part of the fiscal year that a ship is fully available for missions. The complement of operating months is repair months. For example, a ship not available for missions while undergoing a 3-month repair period would have 9 operating months and 3 repair months (assuming it was not to be commissioned or decommissioned in that particular year).

The changes from FY 2006 to FY 2007 for the active conventional forces reflect the net decrease of 83 conventional deployed operating months as a result of the peacetime OPTEMPO reduction due to continuing GWOT operations. Deployed steaming days are funded at 36 days per quarter from 39 days per quarter in FY 2006.

SHIP OPERATIONS

Ship Maintenance

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

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

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

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

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

SHIP OPERATIONS

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UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

| FY 2005¹ | Price | Program | FY 2006² | Price | Program | FY 2007 |
|----------------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|------------------------|
| <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| 3,104.5 | 140.3 | -1,079.0 | 2,165.8 | 97.0 | 589.8 | 2,852.6 |

¹The FY 2005 Actual column includes \$592,844 thousand of FY 2005 Supplemental funds (PL 109-13), \$465 thousand of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), \$111,248 thousand of Iraq Freedom Fund transfers, and \$273,928 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

²The FY 2006 Estimate column excludes \$490,000 thousand of FY 2006 Title IX obligations (PL 109-148) and \$7,491 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148).

The United States Special Operations Command (USSOCOM) is a unified command with responsibilities to lead, plan, synchronize and, when directed, conduct global operations to disrupt, defeat and destroy terrorist networks that threaten the United States, its citizens and interests worldwide. USSOCOM has been appointed by the Secretary of Defense as the lead planner for the Global War on Terrorism (GWOT) and to act as the supported command for selected GWOT missions. USSOCOM also organizes, trains, and equips special operations forces (SOF) provided to Geographic Combatant Commanders, American Ambassadors, and their country teams. SOF are comprised of specially selected, trained, and organized soldiers, sailors, and airmen from the Armed Services. Their training, education, initiative, and experience set them apart from all others in the Department of Defense. The USSOCOM 2007 Budget Estimate submission focuses on the planning and preparation required to place SOF operators on the global battlefield in exactly the right place with the appropriate equipment, technologies and optimum training. Fundamental to mission success is the readiness of our SOF warriors and their unique skill sets, including the Reserve and National Guard who fight along side our active duty forces.

The FY 2007 Budget Estimate initiates fundamental changes necessary to expand USSOCOM's capabilities to lead, plan, and coordinate global operations against international terrorist networks while improving established capabilities to respond to a wide range of national threats. The FY 2007 increases represent the beginning of substantial new investments in USSOCOM personnel which will ultimately add thousands of new Rangers, SEALs, Civil Affairs, and other individuals to ensure that the United States is able to apply specially skilled forces whenever and wherever they are needed. The FY 2007 estimate also reflects significant O&M increases associated with the initial establishment of the United States Marine Corps Forces Special Operations Command (MARSOC).

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

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

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

The USSOCOM Fiscal Year 2007 Budget Estimate submission requests the resources necessary to continue to provide full spectrum, multi-mission global SOF that provides a comprehensive set of unique capabilities for the nation.

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

This table displays USSOCOM, Operation and Maintenance (O&M), Defense-Wide funding by Budget Activity (BA) and Budget Sub-Activity (BSA).

| | <u>FY 2005 Actuals</u> | <u>Price Growth</u> | <u>Program Growth</u> | <u>FY 2006 Estimate</u> | <u>Price Growth</u> | <u>Program Growth</u> | <u>FY 2007 Estimate</u> |
|--|----------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| <u>BA 1 – OPERATING FORCES</u> | <u>2,916.6</u> | <u>132.4</u> | <u>-1,068.7</u> | <u>1,980.3</u> | <u>92.6</u> | <u>585.2</u> | <u>2,658.1</u> |
| OPERATIONAL FORCES | | | | | | | |
| FLIGHT OPERATIONS | 757.6 | 37.9 | -114.1 | 681.3 | 57.5 | 95.5 | 834.3 |
| SHIP/BOAT OPERATIONS | 63.6 | 2.3 | -10.7 | 55.2 | 2.1 | 8.9 | 66.2 |
| COMBAT DEV ACTIVITIES | 698.6 | 34.9 | -329.0 | 404.5 | 12.1 | 216.1 | 632.7 |
| OTHER OPERATIONS | 556.8 | 27.8 | -342.2 | 242.3 | 5.8 | 75.5 | 323.6 |
| OPERATIONAL SUPPORT | | | | | | | |
| FORCE RELATED TRAINING | 40.7 | 1.3 | -7.4 | 34.6 | .8 | -.4 | 35.0 |
| OPERATIONAL SUPPORT | 90.8 | 3.0 | -38.9 | 54.9 | 1.5 | -2.3 | 54.1 |
| INTELLIGENCE & COMM | 206.9 | 10.3 | -53.2 | 164.0 | 3.6 | 110.0 | 277.6 |
| MGT/OPERATIONAL HQTRS | 164.7 | 4.4 | -53.8 | 115.3 | 3.7 | 52.3 | 171.3 |
| DEPOT MAINTENANCE | 198.2 | 4.9 | -62.5 | 140.6 | 3.8 | 33.9 | 178.3 |
| BASE SUPPORT | 29.6 | .7 | -14.5 | 15.8 | .3 | 1.7 | 17.8 |
| MFP-3 | 109.3 | 4.9 | -42.4 | 71.8 | 1.4 | -6.0 | 67.2 |
| <u>BA 3 - SKILL AND ADVANCED TRAINING</u> | <u>124.3</u> | <u>6.0</u> | <u>-9.0</u> | <u>121.3</u> | <u>2.9</u> | <u>5.0</u> | <u>129.2</u> |
| SPECIALIZED SKILL TRAINING | 113.3 | 5.7 | -5.9 | 113.1 | 2.7 | 3.4 | 119.1 |
| PROF DEVELOPMENT EDUCATION | 7.3 | .2 | -1.1 | 6.4 | .1 | .3 | 6.9 |
| BASE SUPPORT | 3.7 | .1 | -2.0 | 1.8 | .1 | 1.3 | 3.2 |
| <u>BA 4 - LOGISTICS OPERATIONS</u> | <u>63.6</u> | <u>1.9</u> | <u>-1.3</u> | <u>64.2</u> | <u>1.5</u> | <u>-.4</u> | <u>65.3</u> |
| ACQ/PROGRAM MANAGEMENT | 63.6 | 1.9 | -1.3 | 64.2 | 1.5 | -.4 | 65.3 |
| TOTAL SPECIAL OPERATIONS COMMAND | 3,104.5 | 140.3 | -1,079.0 | 2,165.8 | 97.0 | 589.8 | 2,852.6 |

*Numbers may not add due to rounding

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

Narrative Explanation of Changes:

USSOCOM's FY 2007 budget estimate increases by \$686.8 million of which \$90.0 million is price growth and \$589.7 million is program growth. An explanation of the program changes includes the following:

Budget Activity 1: Operating Forces

Flight Operations: (FY 2007 Price Growth \$57.5 million, Program Increase \$95.5 million.)

Program increase includes; \$42.9 million increase in the Flying Hour Program is associated with fielding three additional MH-47Gs, three additional CV-22s, and five additional A/MH-6Ms, and higher costs per flying hour; an additional \$26.0 million increase to support expanded operational aviation requirements associated with CENTCOM Forward Presence beginning in FY 2007; a \$24.9 million dollar increase supports the beginning of O&M sustainment for the Directional Infrared Countermeasure System (DIRCM); a \$6.9 million dollar increase provides sustainment for an increase in combat aviation advisors to train indigenous Air Force personnel. Additional program growth of \$2.1 million provides civilian pay for an additional 14 civilians at Air Force Special Operations Command. Flight Operations also includes the following FY 2007 reductions; a -\$5.4 million reduction associated with the realignment of forward staged aviation units, realignment of O&M (-\$1.9 million) to procurement within the MC130 Aerial Refueling effort.

Ship/Boat Operations: (FY 2007 Price Growth \$2.1 million, Program Increase \$8.9 million.)

Program growth includes: A \$7.7 million increase to support 48 new civilians, additional military personnel, and increased maintenance and operational support for Naval Special Warfare combatant craft such as MK V Special Operations Craft, Rigid Hull Inflatable Boat (RIB), Riverine Craft, and SEAL Delivery Vehicles (SDVs). Another \$1.2 million in program growth was provided to operate and sustain additional surface support craft used for recovery and safety requirements associated with Naval Special Warfare maritime and underwater mobility platforms.

Combat Development Activities: (FY 2007 Price Growth \$12.1 million, Program Increase \$216.1 million.)

See Classified Submission provided under separate cover.

Other Operations: (FY 2007 Price Growth \$5.8 million, Program Increase \$75.5 million.)

A significant O&M increase of \$63.0 million will provide operational capability for the newly established Marine Corps Forces Special Operations Command (MARSOC). A programmatic increase of \$3.7 million will support additional Psychological Operations Broadcast Systems (POBS). An additional \$4.0 million supports the enhancement of Naval Special Warfare's capability to provide training in advanced operational techniques and tactics. Other increases totaling \$3.2 million provide additional sustainment for psychological operations units, civil affairs units, and SOF tactical vehicles. Also included in this sub activity is a \$2.4 million increase for MILCON

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

O&M collateral equipment requirements. FY 2007 program also includes a \$.8 million reduction to Naval Special Warfare's Phased Equipment Replacement (PERP) program.

Force Related Training: (FY 2007 Price Growth \$.8 million, Program Decrease -\$.4 million.)

A Programmatic reduction of \$-.4 million represents a decrease in exercise costs to reflect recent execution trends.

Operational Support: (FY 2007 Price Growth \$1.5 million, Program Decrease -\$2.3 million.)

A \$-2.3 million reduction in the Operational Support sub activity is due to the realignment of requirements associated with Special Applications for Contingencies.

Intelligence and Communications: (FY 2007 Price Growth \$3.6 million, Program Increase \$110.0 million.)

The programmatic increases are associated with the following initiatives; \$4.3 million for an additional 47 civilian FTEs to provide increased intelligence and mission planning capabilities, \$6.9 million to support fielding of additional Tactical Local Area Network systems (TACLAN) to correspond with force structure growth, \$11.8 million to fund technical support, capital equipment replacement, consumables, workstations, servers, hubs, routers, and printers for a variety of Command, Control, Communication, and Information systems, \$2.5 million to support SOF unique communication and intelligence requirements at the newly established Marine Corps Forces Special Forces Command (MARSOC), an increase of \$6.7 million for deployed communication capabilities such as airtime, connectivity, and deployable communication kits supporting additional force structure, situational awareness and mission planning. A programmatic increase of \$79 million in this sub activity supports classified communication and intelligence capabilities. Program also includes a - \$1.2 million reduction in sustainment requirements for the Combat Survivor Evader Locator (CSEL) radio.

Management/Operational Headquarters: (FY 2007 Price Growth \$3.7 million, Program Increase \$52.3 million.)

Program growth includes \$25.3 million for 227 additional civilian workyears at HQ USSOCOM, Theater Special Operations Commands, Naval Special Warfare Command, US Army Special Operations Command, and Air Force Special Operations Command. These civilians will support workload growth and new mission responsibilities associated with the Global War on Terrorism. A \$2.1 million increase represents the addition of nine civilians and associated O&M costs for the initial start-up of the United States Marine Corps Forces Special Operations Command (MARSOC). Other O&M increases totaling \$3.1 million will fund cost increases for facility rentals, information assurance initiatives, increased OPSEC capabilities, and increased force structure support at the Theater Special Operations Commands. Additionally, \$21.8 million was added to increase intelligence capabilities supporting USSOCOM's GWOT mission.

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

Depot Maintenance: (FY 2007 Price Growth \$3.8 million, Program Increase \$33.9 million.)

Program growth of \$11.6 million will increase sustainment and maintenance for SOF warrior systems such as Body Armor Load carrying System (BALCS), Light Weight Protective Combat Uniform (LEPCU), Modular Integrated Communications Helmut (MICH), Unmanned Vehicles (UVs), Heavy Sniper Rifle (HSR), and Military Liaison Element (MLE) equipment, special operations tactical vehicles, and the Very Shallow Water Mine Countermeasure system (VSWMCM). A \$15.2 million increase to maintain, repair, and replace additional Naval Special Warfare diving and underwater communications systems associated with maritime mobility platforms and Combat Swimmer operations. An increase of \$5.2 million will support maintenance and sustainment of SOF unique aircraft systems onboard the AC-130 Gunship. Another \$1.9 million in maintenance program growth supports CV-22 simulators and training systems to correspond with four additional aircraft in FY 2007.

Base Support: (FY 2007 Price Growth \$.3 million, Program Increase \$1.7 million.)

Programmatic increase related to initial O&M facility costs associated the completion of Naval Special Warfare MILCON projects.

MFP 3: (FY 2007 Price Growth \$1.4 million, Program decrease -\$6.0 million.)

See Classified Submission provided under separate cover.

Budget Activity 3: Skill and Advanced Training

Specialized Skill Training: (FY 2007 Price Growth \$2.7 million, Program Increase \$3.4 million.)

In FY 2007 the Specialized Skill Training sub activity retains the increases begun in FY 2006. Another increase in FY 2007 supports the second phase of civilian manpower increases (49 instructor positions) at United States Army John F. Kennedy Special Warfare Center (USAJFKSWC). These instructors are required to meet the training goal of 750 Special Forces Soldiers each year to fulfill requirements associated with the Global War on Terrorism.

Professional Development Education: (FY 2007 Price Growth \$.1 million, Program Increase \$.3 million.)

Programmatic growth represents schoolhouse cost increases and 2 additional civilians at the Air Force Special Operations School.

Base Support: (FY 2007 Price Growth \$.1 million, Program Increase \$1.3 million.)

Programmatic increase related to increased tenant support costs associated with new SOF training facilities.

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

Budget Activity 4: Logistics Operations

Acquisition and Program Management: (FY 2007 Price growth \$1.5 million, Program Decrease -\$0.4 million.)

Overall program decrease represents the net effect of; \$.7 million for civilian pay increases to better reflect recent execution trends, a - \$1.1 million reduction to O&M program management costs associated with the CAAP radar program and the termination of the Towed Decoy modification.

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

USSOCOM FLYING OPERATIONS

Supports Special Operations Aviation Assets. These aviation assets include Army and Air Force active and Air Force guard and reserve units operating and maintaining uniquely equipped fixed and rotary wing aircraft. Funding satisfies operations and maintenance requirements necessary to provide highly trained aircrews and mission capable aircraft to accomplish Special Operations Forces (SOF) aviation missions including insertion, extraction, resupply, aerial fire support, air-to-air refueling, psychological operations, aerial security, medical evacuation, electronic warfare, mine dispersal, and command and control.

| | FY 2005 | | FY 2006 | | FY 2007 |
|---|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Aircraft Inventory</u> | | | | | |
| | | | | | |
| <u>Primary Aircraft Authorized (PAA) (End FY)</u> | | | | | |
| Air Force Special Operations Command | | | | | |
| Tactical/Mobility | 88 | 5 | 93 | 4 | 97 |
| Training | <u>22</u> | <u>3</u> | <u>25</u> | - | <u>25</u> |
| Total | 110 | 8 | 118 | 4 | 122 |
| | | | | | |
| <u>Primary Aircraft Authorized (PAA) (End FY)</u> | | | | | |
| United States Army Special Operations Command | | | | | |
| Tactical/Mobility | 112 | 20 | 132 | -2 | 130 |
| Training | <u>34</u> | <u>5</u> | <u>39</u> | <u>-2</u> | <u>37</u> |
| Total | 146 | 25 | 171 | -4 | 167 |
| | | | | | |
| <u>Total Aircraft Inventory (TAI) (End FY)</u> | | | | | |
| Tactical/Mobility | 230 | 18 | 248 | 8 | 256 |
| Training | <u>56</u> | <u>8</u> | <u>64</u> | <u>-2</u> | <u>62</u> |
| Total | 286 | 26 | 312 | 6 | 318 |
| | | | | | |

TRAINING AND EDUCATION

The Training and Education program provides funds (including the costs of staff, curricula, equipment, and services) for the training and educational requirements primarily for military personnel. The principal effort is to acquire and maintain a trained force of personnel able to effectively man and support DoD's military units, ships, aircraft, and installed weapon systems. To accomplish this goal, resources are required to finance the operation of a wide range of training centers, Service schools and colleges, DoD and joint-Service schools, Reserve Officer Training Corps (ROTC) units, Service academies, and the Uniformed Services University of Health Services (USUHS), and to finance the Health Professional Scholarship Program (HPSP). Resources to finance base support activities are also included. The FY 2007 budget request reflects a total funding increase of \$253.9 million. Of this amount, \$265.2 million is for price growth and \$-11.3 million is for overall program decrease.

| | <u>(\$ in Millions)</u> | | | | | | |
|---|---------------------------------|-------------------------------|---------------------------------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| | <u>FY 2005</u> <u>Actual</u> | <u>Price</u> <u>Growth</u> | <u>Program</u> <u>Growth</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Price</u> <u>Growth</u> | <u>Program</u> <u>Growth</u> | <u>FY 2007</u> <u>Estimate</u> |
| Army | 2,052.6 | +58.6 | +200.6 | 2,311.8 | +68.8 | +28.8 | 2,409.4 |
| Navy | 1,458.9 | +45.2 | -63.3 | 1,440.8 | +48.2 | -5.6 | 1,483.4 |
| Marine Corps | 492.5 | +16.5 | -45.8 | 463.2 | +9.1 | +6.8 | 479.1 |
| Air Force | 2,572.7 | +87.5 | -241.9 | 2,418.3 | +116.7 | -55.7 | 2,479.3 |
| American Forces Information Services(AFIS) | 16.7 | +0.8 | 0.0 | 17.5 | +0.8 | 0.0 | 18.3 |
| Defense Acquisition University (DAU) | 103.4 | +2.9 | -1.6 | 104.7 | +2.4 | -2.4 | 104.7 |
| Defense Contract Audit Agency (DCAA) | 5.3 | +0.2 | +0.1 | 5.6 | +0.1 | 0 | 5.7 |
| Defense Human Resources Agency (DHRA) | 23.3 | +0.4 | +2.5 | 26.2 | +0.5 | -2.1 | 24.5 |
| Defense Security Services (DSS) | 0.9 | 0.0 | 0.0 | 0.9 | 0.0 | 0.0 | 0.9 |
| Defense Threat Reduction Agency (DTRA) | 5.3 | +0.1 | -0.6 | 4.8 | +0.1 | -0.1 | 4.8 |
| National Defense University (NDU) | 93.1 | +2.6 | -26.9 | 68.8 | +1.0 | +15.4 | 85.2 |
| USSOCOM | 124.3 | +3.1 | -6.4 | 121.0 | +2.8 | +5.4 | 129.2 |
| Defense Health Program (DHP) | 446.3 | +15.2 | -14.3 | 447.2 | +14.7 | -1.8 | 460.1 |
| Total | 7,395.3 | +233.1 | -197.6 | 7,430.8 | +265.2 | -11.3 | 7,684.7 |

TRAINING AND EDUCATION

| | (\$ in Millions) | | | | | | |
|---|---------------------------------|-------------------------------|---------------------------------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| | <u>FY 2005</u> <u>Actual</u> | <u>Price</u> <u>Growth</u> | <u>Program</u> <u>Growth</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Price</u> <u>Growth</u> | <u>Program</u> <u>Growth</u> | <u>FY 2007</u> <u>Estimate</u> |
| <u>Recruit Training</u> | | | | | | | |
| Army 1/ | 66.5 | +2.6 | -5.2 | 63.9 | +2.4 | +18.0 | 84.3 |
| Navy | 6.9 | +0.2 | -1.9 | 79.0 | +0.2 | +0.8 | 10.0 |
| Marine Corps | 10.9 | +0.2 | -0.4 | 10.7 | +0.2 | +0.6 | 11.5 |
| Air Force | <u>9.8</u> | <u>+0.2</u> | <u>-3.8</u> | <u>6.2</u> | <u>+0.1</u> | <u>0</u> | <u>6.3</u> |
| Total | 94.1 | +3.2 | -11.3 | 159.8 | +2.9 | +19.4 | 112.1 |
| <u>Specialized Skills Training</u> | | | | | | | |
| Army | 447.2 | +14.4 | +42.9 | 504.5 | +13.8 | +6.3 | 524.6 |
| Navy | 456.2 | +12.2 | +12.5 | 480.9 | +11.0 | +25.9 | 517.8 |
| Marine Corps | 46.0 | 0 | -6.0 | 40.0 | -0.2 | +1.3 | 41.1 |
| Air Force | 326.5 | +9.1 | +24.9 | 360.5 | +9.2 | -18.3 | 351.4 |
| AFIS | 16.4 | +0.8 | 0 | 17.2 | +0.8 | 0 | 18.0 |
| DTRA | 5.3 | +0.1 | -0.6 | 4.8 | +0.1 | -0.1 | 4.8 |
| Defense Health Program | 160.7 | +5.5 | -23.9 | 142.3 | +4.7 | -3.6 | 143.4 |
| USSOCOM | <u>113.3</u> | <u>+2.8</u> | <u>-3.1</u> | <u>113.0</u> | <u>+2.7</u> | <u>+3.4</u> | <u>119.1</u> |
| Total | 1,571.6 | +44.9 | +46.7 | 1,663.2 | +42.1 | +14.9 | 1,720.2 |
| <u>Officer Acquisition</u> | | | | | | | |
| Army | 101.4 | +2.7 | -7.8 | 96.3 | +2.3 | +13.8 | 112.4 |
| Navy | 123.2 | +3.5 | -2.1 | 124.6 | +3.0 | +7.4 | 135.0 |
| Marine Corps | 0.4 | 0 | 0 | 0.4 | 0 | 0 | 0.4 |
| Air Force | 79.3 | +2.3 | -3.7 | 77.9 | +1.8 | +1.7 | 81.4 |
| Defense Health Program | <u>253.3</u> | <u>+8.6</u> | <u>+10.7</u> | <u>272.6</u> | <u>+8.9</u> | <u>+2.4</u> | <u>283.9</u> |
| Total | 557.6 | +17.1 | -2.9 | 571.8 | +16.0 | +25.3 | 613.1 |

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

TRAINING AND EDUCATION

| | (\$ in Millions) | | | | | | |
|---------------------------------|------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| <u>Professional Development</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| Army | 109.6 | +2.6 | +0.4 | 112.6 | +2.6 | 0 | 115.2 |
| Navy | 128.3 | +3.6 | +7.8 | 139.7 | +3.4 | -21.5 | 121.6 |
| Marine Corps | 11.6 | +0.3 | -0.9 | 11.0 | +0.2 | +5.1 | 16.4 |
| Air Force | 171.2 | +4.6 | -5.3 | 170.5 | +3.9 | +0.8 | 175.2 |
| AFIS | 0.3 | 0 | 0 | 0.3 | 0 | 0 | 0.3 |
| DAU | 103.4 | +2.9 | -1.6 | 104.7 | +2.4 | -2.4 | 104.7 |
| DCAA | 5.3 | +0.2 | +0.1 | 5.6 | +0.1 | 0 | 5.7 |
| DHRA | 23.3 | +0.4 | +2.5 | 26.2 | +0.5 | -2.1 | 24.5 |
| DSS | 0.9 | 0 | 0 | 0.9 | 0 | 0 | 0.9 |
| NDU | 93.1 | +2.6 | -26.9 | 68.7 | +1.0 | +15.4 | 85.1 |
| USSOCOM | 7.3 | +0.2 | -1.0 | 6.5 | +0.1 | +0.3 | 6.9 |
| Defense Health Program | <u>32.3</u> | <u>+1.1</u> | <u>-1.1</u> | <u>32.3</u> | <u>+1.1</u> | <u>-0.6</u> | <u>32.8</u> |
| Total | 686.6 | +18.5 | -26.0 | 679.1 | +15.3 | -4.8 | 689.4 |
| | | | | | | | |
| <u>Senior ROTC</u> | | | | | | | |
| Army | 224.8 | +5.9 | +37.1 | 267.7 | +6.0 | -0.3 | 273.4 |
| Navy | 96.3 | +5.4 | -41.6 | 60.0 | +3.1 | +41.9 | 105.1 |
| Air Force | <u>83.1</u> | <u>+2.0</u> | <u>+11.8</u> | <u>96.9</u> | <u>+2.1</u> | <u>-3.7</u> | <u>95.3</u> |
| Total | 404.2 | +13.3 | +7.3 | 424.6 | +11.2 | +37.9 | 473.8 |
| | | | | | | | |
| <u>Flight Training</u> | | | | | | | |
| Army | 532.6 | +15.7 | +73.2 | 621.5 | +26.0 | -9.8 | 637.7 |
| Navy | 414.1 | +15.6 | -40.6 | 389.1 | +23.1 | +13.2 | 425.4 |
| Marine Corps | 0.2 | 0 | +0.2 | 0.2 | 0 | 0 | 0.2 |
| Air Force | <u>728.2</u> | <u>+37.9</u> | <u>+11.0</u> | <u>778.1</u> | <u>+82.5</u> | <u>-23.7</u> | <u>836.9</u> |
| Total | 1,675.1 | +69.2 | +43.8 | 1,788.9 | +131.6 | -20.3 | 1,900.2 |

TRAINING AND EDUCATION

| <u>Training Support</u> | (\$ in Millions) | | | | | | |
|-------------------------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|-------------------------------|---------------------------------|-----------------------------------|
| | <u>FY 2005</u> <u>Estimate</u> | <u>Price</u> <u>Growth</u> | <u>Program</u> <u>Growth</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Price</u> <u>Growth</u> | <u>Program</u> <u>Growth</u> | <u>FY 2007</u> <u>Estimate</u> |
| Army | 570.4 | +14.7 | +60.1 | 645.2 | +15.7 | +0.7 | 661.6 |
| Navy | 233.9 | +4.7 | -1.2 | 237.4 | +4.4 | -73.3 | 168.5 |
| Marine Corps | 138.5 | +3.3 | -9.3 | 132.5 | +2.7 | +9.4 | 144.6 |
| Air Force | <u>113.3</u> | <u>+3.3</u> | <u>-4.5</u> | <u>112.1</u> | <u>+2.7</u> | <u>-25.8</u> | <u>89.0</u> |
| Total | 1,056.1 | +26.0 | +45.1 | 1,127.2 | +25.5 | -89.0 | 1,063.7 |

Base Support/Facilities Sustainment Restoration and Modernization

2/

| | | | | | | | |
|--------------|------------|-------------|-------------|------------|----------|-------------|------------|
| Army | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Navy | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Marine Corps | 227.7 | +11.2 | -37.8 | 201.1 | +4.7 | -13.8 | 192.0 |
| Air Force | 1,060.3 | +28.1 | -272.3 | 816.1 | +14.4 | +13.3 | 843.8 |
| USSOCOM | <u>3.7</u> | <u>+0.1</u> | <u>-2.3</u> | <u>1.5</u> | <u>0</u> | <u>+1.7</u> | <u>3.2</u> |
| Total | 1,291.7 | +39.4 | -312.4 | 1,018.7 | +19.1 | +1.2 | 1,039.0 |

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

PROGRAM DATA (Hours in Thousands)

| <u>Flying Hours</u> | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|---------------------|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 240 | -33 | 207 | -16 | 191 |
| Navy | 270 | +1 | 271 | -11 | 260 |
| Air Force | <u>410</u> | <u>0</u> | <u>410</u> | <u>+2</u> | <u>412</u> |
| Total | 920 | -32 | 888 | -25 | 863 |

TRAINING AND EDUCATION

WORKLOAD INDICATORS (Student/Trainee Workyears)

| | FY 2005 | | FY 2006 | | FY 2007 |
|----------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Army</u> | <u>58,878</u> | <u>+12,592</u> | <u>71,470</u> | <u>+4,209</u> | <u>75,679</u> |
| Recruit Training | 10,707 | +4,213 | 14,920 | +1,788 | 16,708 |
| One Station Unit Training | 10,097 | +1,218 | 11,315 | -1,651 | 9,664 |
| Specialized Skill 3/ | 30,527 | +6,472 | 36,999 | +3,778 | 40,777 |
| Officer Acquisition | 4,552 | +247 | 4,799 | +56 | 4,855 |
| Flight Training | 1,276 | -4 | 1,272 | -13 | 1,259 |
| Professional Development | 1,719 | +446 | 2,165 | +251 | 2,416 |
| <u>Navy</u> | <u>43,637</u> | <u>-2,460</u> | <u>41,177</u> | <u>-1,432</u> | <u>39,745</u> |
| Recruit Training | 6,640 | -1,250 | 5,390 | -377 | 5,013 |
| One Station Unit Training | 0 | 0 | 0 | 0 | 0 |
| Specialized Skill 3/ | 20,084 | -234 | 19,850 | -562 | 19,288 |
| Officer Acquisition | 5,862 | -249 | 5,613 | -190 | 5,423 |
| Senior ROTC | 5,713 | -50 | 5,663 | -245 | 5,418 |
| Flight Training | 2,833 | -698 | 2,135 | +45 | 2,180 |
| Professional Development | 2,505 | +21 | 2,526 | -103 | 2,423 |
| <u>Marine Corps</u> | <u>17,247</u> | <u>+1,896</u> | <u>19,143</u> | <u>-85</u> | <u>19,058</u> |
| Recruit Training | 8,324 | +404 | 8,728 | +12 | 8,740 |
| One Station Unit Training | 0 | 0 | 0 | 0 | 0 |
| Specialized Skill 3/ | 7,597 | +965 | 8,562 | -8 | 8,554 |
| Officer Acquisition | 356 | -37 | 319 | 0 | 319 |
| Flight Training | 0 | 0 | 0 | 0 | 0 |
| Professional Development | 970 | +564 | 1,534 | -89 | 1,445 |

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

TRAINING AND EDUCATION

(Student/Trainee Workyears)

| | FY 2005 | | FY 2006 | | FY 2007 |
|--------------------------------------|----------------------|-----------------------|-----------------------|--------------------|-----------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Air Force</u> | <u>23,461</u> | <u>-120</u> | <u>23,341</u> | <u>+934</u> | <u>24,275</u> |
| Recruit Training | 4,059 | -60 | 3,999 | +119 | 4,118 |
| One Station Unit Training | 0 | 0 | 0 | 0 | 0 |
| Specialized Skill 3/ | 11,888 | -349 | 11,539 | +170 | 11,709 |
| Officer Acquisition | 4,365 | -99 | 4,266 | +84 | 4,350 |
| Flight Training | 1,580 | +38 | 1,618 | +36 | 1,654 |
| Professional Development | 1,569 | +350 | 1,919 | +525 | 2,444 |
| <u>Defense Health Program</u> | <u>98,668</u> | <u>+15,235</u> | <u>113,903</u> | <u>-289</u> | <u>113,614</u> |
| Recruit Training | 0 | 0 | 0 | 0 | 0 |
| One Station Unit Training | 0 | 0 | 0 | 0 | 0 |
| Specialized Skill | 85,743 | +14,472 | 100,215 | -375 | 99,840 |
| Officer Acquisition | 5,524 | +66 | 5,590 | +95 | 5,685 |
| Flight Training | 0 | 0 | 0 | 0 | 0 |
| Professional Development | 7,401 | +697 | 8,098 | -9 | 8,089 |
| <u>USSOCOM</u> | <u>3,152</u> | <u>+861</u> | <u>4,013</u> | <u>+73</u> | <u>4,086</u> |
| Recruit Training | 0 | 0 | 0 | 0 | 0 |
| One Station Unit Training | 0 | 0 | 0 | 0 | 0 |
| Specialized Skill | 2,989 | +848 | 3,837 | +82 | 3,919 |
| Officer Acquisition | 0 | 0 | 0 | 0 | 0 |
| Flight Training | 0 | 0 | 0 | 0 | 0 |
| Professional Development | 163 | +13 | 176 | -9 | 167 |

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

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

TRANSPORTATION

| | (\$ in Millions) | | | | | | |
|----------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2005 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2007 <u>Estimate</u> |
| Army | 1,272.9 | +21.3 | -783.3 | 510.9 | -14.3 | -45.5 | 451.1 |
| Navy | 344.8 | +7.0 | -156.0 | 195.6 | +10.0 | +13.0 | 218.6 |
| Marine Corps | 285.5 | -1.0 | -247.7 | 36.8 | +2.7 | -15.4 | 24.1 |
| Air Force | 356.8 | -4.2 | -168.5 | 184.1 | +8.0 | -15.9 | 176.2 |
| Defense-Wide | 198.7 | -4.5 | +11.6 | 205.8 | +7.7 | +12.3 | 225.9 |
| Army Reserve | 3.1 | +0.1 | +1.1 | 4.3 | +0.1 | +2.7 | 7.1 |
| Navy Reserve | 4.1 | +0.2 | -0.3 | 4.0 | +0.1 | -0.1 | 4.0 |
| Marine Corps Reserve | 0.6 | - | +0.2 | 0.8 | - | - | 0.8 |
| Air Force Reserve | 2.9 | +0.1 | -1.0 | 2.0 | - | - | 2.0 |
| Army National Guard | 6.8 | +0.2 | +1.4 | 8.4 | +0.2 | +0.2 | 8.8 |
| Air National Guard | <u>17.8</u> | <u>+0.1</u> | <u>-6.4</u> | <u>11.5</u> | <u>+0.4</u> | <u>+2.6</u> | <u>14.5</u> |
| Total | 2,494.0 | +19.3 | -1,349.1 | 1,164.2 | +14.9 | -46.1 | 1,133.1 |

* May not add due to rounding.

Transportation cost, which is a subset of operations cost such as airlift and sealift, funds the movement of materiel between contractors' plants, military logistics centers, and field activities throughout the world. The Components purchase transportation from DoD activities in the Defense Working Capital Funds (DWCF) and from commercial sources. Transportation consists of two types: First Destination and Second Destination (explained subsequently). In addition to DoD military supplies and equipment, other major commodities shipped include overseas mail, subsistence items, and Base Exchange stock.

In FY 2007, total DoD transportation costs are \$1,133.1 million, a net decrease of \$-31.2 million from the FY 2006 estimate of \$1,164.2 million. This net decrease includes price growth of \$14.9 million and a net program decrease of \$-46.1 million (4.0 percent). The price growth is mostly due to changes in the Working Capital Fund approved transportation rates. The FY 2007 program decreases are mostly due to the Army's constrained resources and a balance within Army priorities, the Marine Corps expeditionary forces transportation program to meet total force reduction requirements, and the Air Force's projected savings by more effectively using less expensive modes of transportation for future shipments. These decreases are partially offset by the increases in the Navy Exchange sales volume, including the transfer of Ship Store operations in Bahrain to the Navy Exchange Command Resale, and the Joint Staff's increase to support Full Scale Civil Military Exercises.

TRANSPORTATION

First Destination Transportation

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

| <u>First Destination Transportation</u> | | | | | | | |
|--|----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| (\$ in Millions) | | | | | | | |
| | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> | <u>Price</u> | <u>Program</u> | <u>FY 2007</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Major Commodity</u> (Military Supplies and Equip) | <u>8.0</u> | <u>+0.1</u> | = | <u>8.1</u> | = | = | <u>8.1</u> |
| <u>Mode of Shipment</u> | <u>8.0</u> | <u>+0.1</u> | = | <u>8.1</u> | = | = | <u>8.1</u> |
| <u>Military Commands</u> | <u>5.0</u> | = | = | <u>5.0</u> | = | = | <u>5.0</u> |
| Sealift | 1.0 | - | - | 1.0 | - | - | 1.0 |
| Airlift | 4.0 | - | - | 4.0 | - | - | 4.0 |
| <u>Commercial</u> | <u>3.0</u> | <u>+0.1</u> | = | <u>3.1</u> | = | = | <u>3.1</u> |
| Surface | 3.0 | +0.1 | - | 3.1 | - | - | 3.1 |

Second Destination Transportation

Funding for Second Destination Transportation (SDT) finances the movement of equipment and materiel among and between depots, logistics centers, and field activities including: retrograde cargo; Post Office mail; ammunition; support of classified and special programs; spare parts and other cargo by either military airlift and sealift worldwide, commercial surface transportation, or commercial air carriers operating daily flights over regular routes within the Continental United States and Alaska; accessory transportation services such as vessel per diem, retention charges; and other cargo. The following table summarizes SDT funding:

TRANSPORTATION

Second Destination Transportation

(\$ in millions)

| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
|---------------------------------|----------------|---------------|-----------------|-----------------|---------------|----------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Major Commodity</u> | 2,486.0 | +19.2 | -1,349.1 | 1,156.1 | +14.9 | -46.1 | 1,125.0 |
| Supplies and Equip | 1,825.8 | +11.0 | -1,124.7 | 712.1 | +1.3 | -37.9 | 675.6 |
| Mail Overseas | 417.4 | +5.9 | -178.0 | 245.3 | +7.2 | -13.7 | 238.8 |
| Subsistence | 41.3 | +0.4 | -0.6 | 41.1 | +1.5 | -1.9 | 40.7 |
| Base Exchange | 201.5 | +1.9 | -45.8 | 157.6 | +4.9 | +7.4 | 169.9 |
| <u>Mode of Shipment</u> | | | | | | | |
| <u>Military Commands</u> | 1,619.7 | +4.5 | -806.2 | 818.1 | +7.2 | -57.7 | 767.6 |
| Surface | 68.9 | -7.5 | +16.7 | 78.1 | +0.4 | -0.1 | 78.4 |
| Sealift | 366.6 | +4.0 | -56.7 | 314.2 | -1.4 | +35.3 | 348.1 |
| Airlift | 1,184.2 | +8.0 | -766.4 | 425.8 | +8.2 | -92.8 | 341.2 |
| <u>Commercial</u> | 866.3 | +14.7 | -543.0 | 338.0 | +7.7 | +11.6 | 357.3 |
| Surface | 206.0 | +1.0 | -145.9 | 61.2 | +1.9 | +15.3 | 78.4 |
| Sea | - | - | - | - | - | - | - |
| Air | 542.6 | +8.7 | -395.9 | 155.4 | +3.5 | +3.8 | 162.7 |
| Other* | 117.6 | +5.0 | -1.2 | 121.4 | +2.3 | -7.5 | 116.2 |

*May not add due to rounding.

**Other includes container leasing, shipping equipment (e.g., cranes), storage costs, cargo tracking systems, etc.

TRANSPORTATION

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CIVILIAN PERSONNEL

| <u>By Department/Defense-Wide</u> | <u>FY 2005</u> | <u>Change</u> | <u>FY 2006</u> | <u>Change</u> | <u>FY 2007</u> |
|---|-----------------|---------------|-----------------|----------------|-----------------|
| | <u>Estimate</u> | | <u>Estimate</u> | | <u>Estimate</u> |
| Army | 230,719 | 2,624 | 233,343 | 1,542 | 234,885 |
| Navy | 190,303 | 2,215 | 192,518 | -1,973 | 190,545 |
| Air Force | 163,243 | 2,420 | 165,663 | 586 | 166,249 |
| Defense-Wide | <u>107,562</u> | <u>2,643</u> | <u>110,205</u> | <u>-427</u> | <u>109,778</u> |
| DoD Total | 691,827 | 9,902 | 701,729 | -272 | 701,457 |
| | | | | | |
| <u>By Type of Hire</u> | | | | | |
| U.S. Direct Hire | 638,246 | 12,004 | 650,250 | -341 | 649,909 |
| Foreign National Direct Hire | 14,741 | -354 | 14,387 | -463 | 13,924 |
| Total – Direct Hire | 652,987 | 11,650 | 664,637 | -804 | 663,833 |
| Foreign National Indirect Hire | <u>38,840</u> | <u>-1,748</u> | <u>37,092</u> | <u>532</u> | <u>37,624</u> |
| DoD Total | 691,827 | 9,902 | 701,729 | -272 | 701,457 |
| | | | | | |
| <u>By Appropriation</u> | | | | | |
| Operation and Maint, Active & Defense-Wide | 389,620 | 2,553 | 392,173 | 13,883 | 406,056 |
| Operation and Maintenance, Reserve | 25,225 | 1,632 | 26,857 | 111 | 26,968 |
| Operation and Maintenance, National Guard | 46,463 | 3,156 | 49,619 | 484 | 50,103 |
| Research, Development, Test, and Evaluation | 28,447 | -1,263 | 27,184 | 375 | 27,559 |
| Military Construction | 8,342 | -289 | 8,053 | -116 | 7,937 |
| Family Housing | 2,063 | -19 | 2,044 | -144 | 1,900 |
| Defense Working Capital Funds | 191,667 | <u>4,132</u> | 195,799 | <u>-14,865</u> | 180,934 |
| DoD Total | 691,827 | 9,902 | 701,729 | -272 | 701,457 |

CIVILIAN PERSONNEL

| ARMY | | | | | |
|---|------------------------|----------------------|------------------------|----------------------|------------------------|
| <u>Direct Hires by Appropriation</u> | | | | | |
| | FY 2005 | | FY 2006 | | FY 2007 |
| | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Operation and Maintenance, Army</u> | | | | | |
| U. S. Direct Hire | 122,236 | -1,462 | 120,774 | 1,566 | 122,340 |
| Foreign National Direct Hire | <u>7,506</u> | <u>-254</u> | <u>7,252</u> | <u>11</u> | <u>7,263</u> |
| Total Direct Hire | 129,742 | -1,716 | 128,026 | 1,577 | 129,603 |
| <u>Operation and Maintenance, Army Reserve</u> | | | | | |
| U. S. Direct Hire | 9,531 | 1,823 | 11,354 | 94 | 11,448 |
| Foreign National Direct Hire | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Direct Hire | 9,531 | 1,823 | 11,354 | 94 | 11,448 |
| <u>Operation and Maintenance, Army National Guard</u> | | | | | |
| U. S. Direct Hire | 22,579 | 2,523 | 25,102 | 212 | 25,314 |
| Foreign National Direct Hire | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Direct Hire | 22,579 | 2,523 | 25,102 | 212 | 25,314 |
| <u>Research, Development, Test & Evaluation, Army</u> | | | | | |
| U. S. Direct Hire | 18,363 | -1,125 | 17,238 | -175 | 17,063 |
| Foreign National Direct Hire | <u>116</u> | <u>23</u> | <u>139</u> | <u>0</u> | <u>139</u> |
| Total Direct Hire | 18,479 | -1,102 | 17,377 | -175 | 17,202 |

CIVILIAN PERSONNEL

ARMY

| <u>Direct Hires by Appropriation</u> | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|--|-----------------|---------------|-----------------|---------------|-----------------|
| | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Military Construction, Army</u> | | | | | |
| Foreign National Direct Hire | 243 | 40 | 283 | -2 | 281 |
| Total Direct Hire | 6,044 | -383 | 5,661 | -66 | 5,595 |
| <u>Family Housing, Army</u> | | | | | |
| U. S. Direct Hire | 571 | -73 | 498 | 0 | 498 |
| Foreign National Direct Hire | 50 | -3 | 47 | 0 | 47 |
| Total Direct Hire | 621 | -76 | 545 | 0 | 545 |
| <u>Working Capital Fund, Army</u> | | | | | |
| U. S. Direct Hire | 25,405 | 2,759 | 28,164 | -108 | 28,056 |
| Foreign National Direct Hire | 67 | 0 | 67 | 0 | 67 |
| Total Direct Hire | 25,472 | 2,759 | 28,231 | -108 | 28,123 |
| <u>Coalition Provisional Authority, Army</u> | | | | | |
| U. S. Direct Hire | 13 | -1 | 12 | 0 | 12 |
| Foreign National Direct Hire | 0 | 0 | 0 | 0 | 0 |
| Total Direct Hire | 13 | -1 | 12 | 0 | 12 |
| <u>Army Total</u> | | | | | |
| U. S. Direct Hire | 204,499 | 4,021 | 208,520 | 1,525 | 210,045 |
| Foreign National Direct Hire | 7,982 | -194 | 7,788 | 9 | 7,797 |
| Total Direct Hire | 212,481 | 3,827 | 216,308 | 1,534 | 217,842 |

CIVILIAN PERSONNEL

ARMY

| | <u>FY 2005</u> | <u>Change</u> | <u>FY 2006</u> | <u>Change</u> | <u>FY 2007</u> |
|--|----------------------|----------------------|----------------------|-----------------|----------------------|
| <u>Indirect Hires by Appropriation</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Operation and Maintenance, Army | 17,438 | -1,217 | 16,221 | 6 | 16,227 |
| Military Construction, Army | 245 | -17 | 228 | 2 | 230 |
| Family Housing, Army | 349 | 50 | 399 | 0 | 399 |
| Working Capital Fund, Army | <u>206</u> | <u>-14</u> | <u>192</u> | <u>-5</u> | <u>187</u> |
| Total Indirect Hire | 18,238 | -1,198 | 17,040 | 3 | 17,043 |
| | | | | | |
| <u>Army Total</u> | | | | | |
| Total Direct Hire | 212,481 | 3,822 | 216,303 | 1,539 | 217,842 |
| Total Indirect Hire | <u>18,238</u> | <u>-1,198</u> | <u>17,040</u> | <u>3</u> | <u>17,043</u> |
| Total Army Civilians | 230,719 | 2,624 | 233,343 | 1,542 | 234,885 |

NAVY

| | | | | | |
|--|--------------|-------------|--------------|-------------|--------------|
| <u>Direct Hires by Appropriation</u> | | | | | |
| <u>Operation and Maintenance, Navy</u> | | | | | |
| U. S. Direct Hire | 76,773 | 314 | 77,087 | 11,527 | 88,614 |
| Foreign National Direct Hire | <u>2,767</u> | <u>-242</u> | <u>2,525</u> | <u>-483</u> | <u>2,042</u> |
| Total Direct Hire | 79,540 | 72 | 79,612 | 11,044 | 90,656 |
| | | | | | |
| <u>Operation and Maintenance, Marine Corps</u> | | | | | |
| U. S. Direct Hire | 11,848 | 395 | 12,243 | 642 | 12,885 |
| Foreign National Direct Hire | <u>0</u> | <u>0</u> | <u>0</u> | <u>-</u> | <u>-</u> |
| Total Direct Hire | 11,848 | 395 | 12,243 | 642 | 12,885 |

CIVILIAN PERSONNEL

| <u>Direct Hires by Appropriation</u> | <u>FY 2005</u> | <u>Change</u> | <u>FY 2006</u> | <u>Change</u> | <u>FY 2007</u> |
|---|-----------------|---------------|-----------------|---------------|-----------------|
| <u>Operation and Maintenance, Navy Reserve</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| U. S. Direct Hire | 1,290 | -177 | 1,113 | -95 | 1,018 |
| Foreign National Direct Hire | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Direct Hire | 1,290 | -177 | 1,113 | -95 | 1,018 |
| <u>Operation and Maintenance, Marine Corps Reserve</u> | | | | | |
| U. S. Direct Hire | 182 | 25 | 207 | 0 | 207 |
| Foreign National Direct Hire | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Direct Hire | 182 | 25 | 207 | 0 | 207 |
| <u>Research, Development, Test and Evaluation, Navy</u> | | | | | |
| U. S. Direct Hire | 1,043 | 108 | 1,151 | 6 | 1,157 |
| Foreign National Direct Hire | <u>307</u> | <u>-24</u> | <u>283</u> | <u>0</u> | <u>283</u> |
| Total Direct Hire | 1,350 | 84 | 1,434 | 6 | 1,440 |
| <u>Military Construction, Navy</u> | | | | | |
| U. S. Direct Hire | 1,933 | 98 | 2,031 | -52 | 1,979 |
| Foreign National Direct Hire | <u>58</u> | <u>3</u> | <u>61</u> | <u>0</u> | <u>61</u> |
| Total Direct Hire | 1,991 | 101 | 2,092 | -52 | 2,040 |
| <u>Working Capital Fund, Navy</u> | | | | | |
| U. S. Direct Hire | 81,590 | 1,692 | 83,282 | -13,447 | 69,835 |
| Foreign National Direct Hire | <u>57</u> | <u>82</u> | <u>139</u> | <u>76</u> | <u>215</u> |
| Total Direct Hire | 81,547 | 1,774 | 83,421 | -13,371 | 70,050 |
| <u>Family Housing, Navy</u> | | | | | |
| U. S. Direct Hire | 823 | 14 | 837 | -144 | 693 |
| Foreign National Direct Hire | <u>148</u> | <u>-3</u> | <u>145</u> | <u>0</u> | <u>145</u> |
| Total Direct Hire | 971 | 1 | 982 | -144 | 838 |

CIVILIAN PERSONNEL

| | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|--|-----------------|---------------|-----------------|---------------|-----------------|
| | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Direct Hires</u> | | | | | |
| <u>Foreign Military Financing, Navy</u> | | | | | |
| U. S. Direct Hire | 6 | 0 | 6 | 0 | 6 |
| Foreign National Direct Hire | <u>55</u> | <u>1</u> | <u>56</u> | <u>0</u> | <u>56</u> |
| Total Direct Hire | 61 | 1 | 62 | 0 | 62 |
| | | | | | |
| <u>Total Navy</u> | | | | | |
| U. S. Direct Hire | 163,458 | 2,049 | 165,507 | -2,205 | 163,302 |
| Foreign National Direct Hire | <u>3,392</u> | <u>-183</u> | <u>3,209</u> | <u>-407</u> | <u>2,802</u> |
| Total Direct Hire | 166,850 | 1,866 | 168,716 | -2,612 | 166,104 |
| | | | | | |
| <u>Total – Marine Corps</u> | | | | | |
| U. S. Direct Hire | 12,030 | 420 | 12,450 | 642 | 13,092 |
| Foreign National Direct Hire | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Direct Hire | 12,030 | 420 | 12,450 | 642 | 13,092 |
| | | | | | |
| <u>Total Department of Navy (DON)</u> | | | | | |
| U. S. Direct Hire | 175,488 | 2,469 | 177,957 | -1,563 | 176,394 |
| Foreign National Direct Hire | <u>3,392</u> | <u>-183</u> | <u>3,209</u> | <u>-407</u> | <u>2,802</u> |
| Total Direct Hire | 178,880 | 2,286 | 181,166 | -1,970 | 179,196 |

CIVILIAN PERSONNEL

| | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|--|-----------------|---------------|-----------------|---------------|-----------------|
| | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Foreign National Indirect Hire</u> | | | | | |
| Operation and Maintenance, Navy | 5,971 | -75 | 5,896 | -26 | 5,870 |
| Operation and Maintenance, Marine Corps | 3,518 | -157 | 3,361 | 0 | 3,361 |
| Research, Development, Test, and Eval, Navy | 3 | 0 | 3 | 0 | 3 |
| Military Construction, Navy | 62 | 10 | 72 | 0 | 72 |
| Working Capital Fund, Navy | <u>1,740</u> | <u>155</u> | <u>1,895</u> | <u>23</u> | <u>1,918</u> |
| Total Indirect Hire | 11,294 | -67 | 11,227 | -3 | 11,224 |
| <u>Total Department of the Navy</u> | | | | | |
| Navy | 174,755 | 1,952 | 176,707 | -2,615 | 174,092 |
| Marine Corps | 15,548 | 263 | 15,811 | 642 | 16,453 |
| Total Civilians | 190,303 | 2,215 | 192,518 | 1,973 | 190,545 |

AIR FORCE

| | | | | | |
|--|--------------|-----------|--------------|------------|--------------|
| <u>Direct Hires by Appropriation</u> | | | | | |
| <u>Operation and Maintenance, Air Force</u> | | | | | |
| U. S. Direct Hire | 81,279 | 3,505 | 84,784 | 383 | 85,167 |
| Foreign National Direct Hire | <u>2,062</u> | <u>16</u> | <u>2,078</u> | <u>-89</u> | <u>1,989</u> |
| Total Direct Hire | 83,341 | 3,521 | 86,862 | 294 | 87,156 |

CIVILIAN PERSONNEL

| <u>Direct Hires by Appropriation</u> | <u>FY 2005</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
|---|-----------------------------------|------------------|-----------------------------------|-------------------|-----------------------------------|
| <u>Operation and Maintenance, Air Force Reserve</u> | | | | | |
| U. S. Direct | 14,222 | -39 | 14,183 | 112 | 14,295 |
| Foreign National Direct Hire | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Direct Hire | 14,222 | -39 | 14,183 | 112 | 14,295 |
| <u>Operation and Maintenance, Air National Guard</u> | | | | | |
| U. S. Direct | 23,884 | 633 | 24,517 | 272 | 24,789 |
| Foreign National Direct Hire | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Direct Hire | 23,884 | 633 | 24,517 | 272 | 24,789 |
| <u>Research, Development, Test, and Evaluation, Air Force</u> | | | | | |
| U. S. Direct Hire | 7,274 | -239 | 7,035 | 275 | 7,310 |
| Foreign National Direct Hire | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Direct Hire | 7,274 | -239 | 7,035 | 275 | 7,310 |
| <u>Working Capital Fund, Air Force</u> | | | | | |
| U. S. Direct Hire | 27,934 | -1,229 | 26,705 | -80 | 26,625 |
| Foreign National Direct Hire | <u>122</u> | <u>0</u> | <u>122</u> | <u>0</u> | <u>122</u> |
| Total Direct Hire | 28,056 | -1,229 | 26,827 | -80 | 26,747 |
| <u>Air Force Total</u> | | | | | |
| U. S. Direct Hire | 154,495 | 2,965 | 157,400 | 127 | 157,587 |
| Foreign National Direct Hire | <u>2,177</u> | <u>23</u> | <u>2,200</u> | <u>-89</u> | <u>2,111</u> |
| Total Direct Hire | 156,672 | 2,988 | 159,296 | 38 | 159,698 |

CIVILIAN PERSONNEL

| <u>Indirect Hires by Appropriation</u> | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|--|---------------------|--------------------|---------------------|-------------------|---------------------|
| | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Operation and Maintenance, Air Force | 6,352 | -580 | 5,772 | 548 | 6,320 |
| Working Capital Fund, Air Force | <u>219</u> | <u>12</u> | <u>231</u> | <u>0</u> | <u>231</u> |
| Total Indirect Hire | 6,571 | -568 | 6,003 | 548 | 6,551 |
| | | | | | |
| <u>Air Force Total</u> | | | | | |
| Total Direct Hire | 156,672 | 2,988 | 159,660 | 38 | 159,698 |
| Total Indirect Hire | <u>6,571</u> | <u>-568</u> | <u>6,003</u> | <u>548</u> | <u>6,551</u> |
| Total Air Force Civilians | 163,243 | 2,420 | 165,663 | 586 | 166,249 |

DEFENSE-WIDE ACTIVITIES

Direct Hires by Appropriation

Operation and Maintenance, Defense-Wide

| | | | | | |
|------------------------------|------------|----------|------------|-----------|------------|
| U. S. Direct Hire | 48,224 | 1,931 | 50,155 | 497 | 50,652 |
| Foreign National Direct Hire | <u>448</u> | <u>8</u> | <u>456</u> | <u>-5</u> | <u>451</u> |
| Total Direct Hire | 48,672 | 1,939 | 50,611 | 492 | 51,103 |

Research, Development, Test, & Evaluation, Defense-Wide

| | | | | | |
|------------------------------|----------|----------|----------|----------|----------|
| U. S. Direct Hire | 1,341 | 122 | 1,463 | 141 | 1,604 |
| Foreign National Direct Hire | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Direct Hire | 1,341 | 122 | 1,463 | 141 | 1,604 |

Working Capital Fund

| | | | | | |
|------------------------------|------------|------------|------------|----------|------------|
| U. S. Direct Hire | 51,243 | 636 | 51,879 | -1,314 | 50,565 |
| Foreign National Direct Hire | <u>742</u> | <u>-12</u> | <u>730</u> | <u>0</u> | <u>730</u> |
| Total Direct Hire | 51,985 | 624 | 52,609 | -1,314 | 51,295 |

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

| <u>Direct Hires by Appropriation</u> | <u>FY 2005</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
|--|-----------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| <u>Pentagon Reservation Fund</u> | | | | | |
| U. S. Direct Hire | 1,064 | 212 | 1,276 | 108 | 1,384 |
| <u>National Defense Stockpile</u> | | | | | |
| U. S. Direct Hire | 142 | 1 | 143 | -9 | 134 |
| <u>Building Maintenance Fund</u> | | | | | |
| U. S. Direct Hire | 47 | 11 | 58 | 0 | 58 |
| <u>Defense Health Program</u> | | | | | |
| U. S. Direct Hire | 389 | 105 | 494 | 0 | 494 |
| <u>U. S. Court of Appeals for the Armed Forces</u> | | | | | |
| U. S. Direct Hire | 52 | 7 | 59 | 0 | 59 |
| <u>Office of the Inspector General</u> | | | | | |
| U. S. Direct Hire | 1,292 | 129 | 1,421 | -18 | 1,403 |
| <u>Total Defense-Wide Activities</u> | | | | | |
| U. S. Direct Hire | 103,883 | 3,097 | 106,980 | -588 | 106,392 |
| Foreign National Direct Hire | <u>1,101</u> | <u>53</u> | <u>1,154</u> | <u>-12</u> | <u>1,142</u> |
| Total Direct Hire | 104,984 | 3,150 | 108,134 | -600 | 107,534 |

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

| | FY 2005 | | FY 2006 | | FY 2007 |
|---|------------------------|----------------------|------------------------|----------------------|------------------------|
| <u>Indirect Hires by Appropriation</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Operation and Maintenance, Defense-Wide | 587 | -288 | 299 | -6 | 293 |
| Office of the Inspector General | 1 | 0 | 1 | 0 | 1 |
| Defense Health Program | 0 | 4 | 4 | 0 | 4 |
| Working Capital Fund, Defense-Wide | <u>2,342</u> | <u>51</u> | <u>2,393</u> | <u>-10</u> | <u>2,383</u> |
| Total Indirect Hire | 2,930 | -233 | 2,697 | -16 | 2,681 |
| Total Direct Hire | 104,632 | 2,876 | 107,508 | -411 | 107,097 |
| Total Indirect Hire | <u>2,930</u> | <u>-233</u> | <u>2,697</u> | <u>-16</u> | <u>2,681</u> |
| Total Defense-Wide Civilians | 107,562 | 2,643 | 110,205 | -427 | 109,778 |

CIVILIAN PERSONNEL

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MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

ACTIVE FORCE PERSONNEL

(End Strength)

| | FY 2005 | | FY 2006 | | FY 2007 |
|------------------------------------|-----------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | <u>Actual</u> ^{/1} | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>DoD Total by Type</u> | <u>1,389,394</u> | <u>-27,494</u> | <u>1,361,900</u> | <u>-29,600</u> | <u>1,332,300</u> |
| Officer | 226,619 | -7,096 | 219,523 | -5,452 | 214,071 |
| Enlisted | 1,149,919 | -19,642 | 1,130,277 | -24,048 | 1,106,229 |
| Cadets | 12,856 | -756 | 12,100 | -100 | 12,000 |
| <u>DoD Total by Service</u> | <u>1,389,394</u> | <u>-27,494</u> | <u>1,361,900</u> | <u>-29,600</u> | <u>1,332,300</u> |
| Army | 492,728 | -10,328 | 482,400 | +0 | 482,400 |
| Navy | 362,941 | -10,241 | 352,700 | -12,000 | 340,700 |
| Marine Corps | 180,029 | -5,029 | 175,000 | +0 | 175,000 |
| Air Force | 353,696 | -1,896 | 351,800 | -17,600 | 334,200 |

^{/1} Includes end strength funded from Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

(End Strength)

| <u>End Strength by Service</u> | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|--------------------------------|----------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | <u>Actual</u> ¹ | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Army</u> | <u>492,728</u> | <u>-10,328</u> | <u>482,400</u> | <u>+0</u> | <u>482,400</u> |
| Officer | 81,656 | -3,006 | 78,650 | +150 | 78,800 |
| Enlisted | 406,923 | -7,173 | 399,750 | -150 | 399,600 |
| Cadets | 4,149 | -149 | 4,000 | +0 | 4,000 |
| <u>Navy</u> | <u>362,941</u> | <u>-10,241</u> | <u>352,700</u> | <u>-12,000</u> | <u>340,700</u> |
| Officer | 52,826 | -931 | 51,895 | -800 | 51,095 |
| Enlisted | 305,735 | -9,030 | 296,705 | -11,100 | 285,605 |
| Cadets | 4,380 | -280 | 4,100 | -100 | 4,000 |
| <u>Marine Corps</u> | <u>180,029</u> | <u>-5,029</u> | <u>175,000</u> | <u>+0</u> | <u>175,000</u> |
| Officer | 18,885 | -485 | 18,400 | +0 | 18,400 |
| Enlisted | 161,144 | -4,544 | 156,600 | +0 | 156,600 |
| <u>Air Force</u> | <u>353,696</u> | <u>-1,896</u> | <u>351,800</u> | <u>-17,600</u> | <u>334,200</u> |
| Officer | 73,252 | -2,674 | 70,578 | -4,802 | 65,776 |
| Enlisted | 276,117 | +1,105 | 277,222 | -12,798 | 264,424 |
| Cadets | 4,327 | -327 | 4,000 | +0 | 4,000 |
| <u>DoD Total</u> | <u>1,389,394</u> | <u>-27,494</u> | <u>1,361,900</u> | <u>-29,600</u> | <u>1,332,300</u> |
| Officer | 226,619 | -7,096 | 219,523 | -5,452 | 214,071 |
| Enlisted | 1,149,919 | -19,642 | 1,130,277 | -24,048 | 1,106,229 |
| Cadets | 12,856 | -756 | 12,100 | -100 | 12,000 |

¹ Includes end strength funded from Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

(Average Strength)

| <u>Average Strength by Service</u> | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|------------------------------------|----------------------------|------------------------|------------------------------|-----------------------|-------------------------|
| | <u>Actual ¹</u> | <u>Change</u> | <u>Estimate ²</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Army</u> | <u>614,800</u> | <u>-85,602</u> | <u>529,198</u> | <u>-44,885</u> | <u>484,313</u> |
| Officer | 97,088 | -9,575 | 87,513 | -9,214 | 78,299 |
| Enlisted | 513,671 | -76,002 | 437,669 | -35,671 | 401,998 |
| Cadets | 4,041 | -25 | 4,016 | +0 | 4,016 |
| <u>Navy</u> | <u>372,356</u> | <u>-19,627</u> | <u>352,729</u> | <u>-5,970</u> | <u>346,759</u> |
| Officer | 55,353 | -3,123 | 52,230 | -212 | 52,018 |
| Enlisted | 312,775 | -16,425 | 296,350 | -5,572 | 290,778 |
| Cadets | 4,228 | -79 | 4,149 | -186 | 3,963 |
| <u>Marine Corps</u> | <u>188,809</u> | <u>-8,427</u> | <u>180,382</u> | <u>-6,322</u> | <u>174,060</u> |
| Officer | 20,351 | -725 | 19,626 | -940 | 18,686 |
| Enlisted | 168,458 | -7,702 | 160,756 | -5,382 | 155,374 |
| <u>Air Force</u> | <u>384,298</u> | <u>-17,603</u> | <u>366,695</u> | <u>-15,821</u> | <u>350,874</u> |
| Officer | 77,505 | -2,324 | 75,181 | -4,485 | 70,696 |
| Enlisted | 302,590 | -15,388 | 287,202 | -11,350 | 275,852 |
| Cadets | 4,203 | +109 | 4,312 | +14 | 4,326 |
| <u>DoD Total</u> | <u>1,560,263</u> | <u>-131,259</u> | <u>1,429,004</u> | <u>-72,998</u> | <u>1,356,006</u> |
| Officer | 250,297 | -15,747 | 234,550 | -14,851 | 219,699 |
| Enlisted | 1,297,494 | -115,517 | 1,181,977 | -57,975 | 1,124,002 |
| Cadets | 12,472 | 5 | 12,477 | -172 | 12,305 |

¹ Includes end strength funded from Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005 (P.L. 109-13).

² FY 2006 estimate includes average strength funded from appropriations provided by Title IX of the FY 2006 DoD Appropriations Act (P.L. 109-148).

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

U.S. SPECIAL OPERATIONS COMMAND (USSOCOM) SUPPORT

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

| | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Army</u> | <u>17,374</u> | <u>+1,269</u> | <u>18,643</u> | <u>+1,098</u> | <u>19,741</u> |
| Officer | 3,420 | +132 | 3,552 | +251 | 3,803 |
| Enlisted | 13,954 | +1,137 | 15,091 | +847 | 15,938 |
| <u>Navy</u> | <u>5,309</u> | <u>+339</u> | <u>5,648</u> | <u>+691</u> | <u>6,339</u> |
| Officer | 855 | +25 | 880 | +139 | 1,019 |
| Enlisted | 4,454 | +314 | 4,768 | +552 | 5,320 |
| <u>Marine Corps</u> | <u>58</u> | <u>+24</u> | <u>82</u> | <u>+1,391</u> | <u>1,473</u> |
| Officer | 32 | +7 | 39 | +225 | 264 |
| Enlisted | 26 | +17 | 43 | +1,166 | 1,209 |
| <u>Air Force</u> | <u>8,587</u> | <u>+1,316</u> | <u>9,903</u> | <u>+767</u> | <u>10,670</u> |
| Officer | 1,695 | +183 | 1,878 | +235 | 2,113 |
| Enlisted | 6,892 | +1,133 | 8,025 | +532 | 8,557 |
| <u>DoD Total</u> | <u>31,328</u> | <u>+2,948</u> | <u>34,276</u> | <u>+3,947</u> | <u>38,223</u> |
| Officer | 6,002 | +347 | 6,349 | +850 | 7,199 |
| Enlisted | 25,326 | +2,601 | 27,927 | +3,097 | 31,024 |

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

(Military End Strength/ Civilian Full-Time Equivalentts)

| | FY 2005 | | FY 2006 | | FY 2007 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Total Selected Reserve</u> | <u>820,745</u> | <u>+27,755</u> | <u>848,500</u> | <u>-22,800</u> | <u>825,700</u> |
| Trained in Units | 687,758 | +10,038 | 697,796 | -22,029 | 675,767 |
| Individual Mobilization Augmentees (IMAs) | 19,728 | +1,514 | 21,242 | -2,349 | 18,893 |
| Training Pipeline | 44,464 | +11,351 | 55,815 | +1,630 | 57,445 |
| Full-time Duty | 68,795 | +4,852 | 73,647 | -52 | 73,595 |
| | | | | | |
| Active Military Support to Reserves | 8,559 | -336 | 8,223 | -411 | 7,812 |
| | | | | | |
| Civilian FTEs For Reserves/National Guard | 71,311 | +5,400 | 76,711 | +338 | 77,049 |
| (Technicians Included Above) | 60,436 | +5,416 | 65,852 | +703 | 66,555 |
| | | | | | |
| <u>Selected Reserve By Service</u> | <u>820,745</u> | <u>+27,755</u> | <u>848,500</u> | <u>-22,800</u> | <u>825,700</u> |
| Army Reserve | 189,005 | +15,995 | 205,000 | -5,000 | 200,000 |
| Navy Reserve | 76,473 | -3,373 | 73,100 | -1,800 | 71,300 |
| Marine Corps Reserve | 39,858 | -258 | 39,600 | + | 39,600 |
| Air Force Reserve | 75,802 | -1,802 | 74,000 | +900 | 74,900 |
| Army National Guard | 333,177 | +16,823 | 350,000 | -17,100 | 332,900 |
| Air National Guard | 106,430 | +370 | 106,800 | +200 | 107,000 |

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

(Military End Strength/ Civilian Full-Time Equivalents)

| | FY 2005 | | FY 2006 | | FY 2007 |
|---|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Army Reserve (AR)</u> | <u>189,005</u> | <u>+15,995</u> | <u>205,000</u> | <u>-5,000</u> | <u>200,000</u> |
| Trained in Units | 162,127 | +12,140 | 174,267 | -1,773 | 172,494 |
| Individual Mobilization Augmentees (IMAs) | 4,871 | +1,129 | 6,000 | -2,500 | 3,500 |
| Training Pipeline | 6,614 | +2,849 | 9,463 | -873 | 8,590 |
| Full-time Duty | 15,393 | -123 | 15,270 | +146 | 15,416 |
| Active Military Support to AR | 277 | + | 277 | -131 | 146 |
| Civilian FTE for AR | 9,531 | +1,823 | 11,354 | +94 | 11,448 |
| (Technicians Included Above) | 6,512 | +1,609 | 8,121 | +94 | 8,215 |
| | | | | | |
| <u>Navy Reserve (NR)</u> | <u>76,473</u> | <u>-3,373</u> | <u>73,100</u> | <u>-1,800</u> | <u>71,300</u> |
| Trained in Units | 62,279 | -2,853 | 59,426 | -1,374 | 58,052 |
| Individual Mobilization Augmentees (IMAs) | 213 | -45 | 168 | +101 | 269 |
| Training Pipeline | 274 | -160 | 114 | +301 | 415 |
| Full-time Duty | 13,707 | -315 | 13,392 | -828 | 12,564 |
| Active Military Support to NR | 2,481 | -291 | 2,190 | -264 | 1,926 |
| Civilian FTEs for NR | 1,271 | +77 | 1,348 | -352 | 996 |
| (Technicians Included Above) | 0 | 0 | 0 | 0 | 0 |
| | | | | | |
| <u>Marine Corps Reserve (MCR)</u> | <u>39,858</u> | <u>-258</u> | <u>39,600</u> | <u>+</u> | <u>39,600</u> |
| Trained in Units | 32,764 | -836 | 31,928 | + | 31,928 |
| Individual Mobilization Augmentees (IMAs) | 1,706 | +422 | 2,128 | + | 2,128 |
| Training Pipeline | 3,132 | +151 | 3,283 | + | 3,283 |
| Full-time Duty | 2,256 | +5 | 2,261 | + | 2,261 |
| Active Military Support to MCR | 4,401 | +4 | 4,405 | + | 4,405 |
| Civilian FTEs for MCR | 182 | +25 | 207 | 0 | 207 |
| (Technicians Included Above) | 0 | 0 | 0 | 0 | 0 |

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

(Military End Strength/ Civilian Full-Time Equivalents)

| | FY 2004 | | FY 2005 | | FY 2006 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Air Force Reserve (AFR)</u> | <u>75,802</u> | <u>-1,802</u> | <u>74,000</u> | <u>+900</u> | <u>74,900</u> |
| Trained in Units | 59,236 | -3,614 | 55,622 | +499 | 56,121 |
| Individual Mobilization Augmentees (IMAs) | 12,938 | +8 | 12,946 | +50 | 12,996 |
| Training Pipeline | 1,720 | +1,422 | 3,142 | -66 | 3,076 |
| Full-time Duty | 1,908 | +382 | 2,290 | +417 | 2,707 |
| Active Military Support for AFR | 661 | -57 | 604 | -5 | 599 |
| Civilian FTEs for AFR | 14,222 | -39 | 14,183 | +112 | 14,295 |
| (Technicians Included Above) | 9,407 | +547 | 9,954 | +125 | 10,079 |
| | | | | | |
| <u>Army National Guard (ARNG)</u> | <u>333,177</u> | <u>+16,823</u> | <u>350,000</u> | <u>-17,100</u> | <u>332,900</u> |
| Trained in Units | 282,438 | +2,930 | 285,368 | -19,464 | 265,904 |
| Individual Mobilization Augmentees (IMAs) | 0 | + | 0 | + | 0 |
| Training Pipeline | 27,335 | +9,952 | 37,287 | +2,268 | 39,555 |
| Full-time Duty | 23,404 | +3,941 | 27,345 | +96 | 27,441 |
| Active Military Support to ARNG | 194 | + | 194 | + | 194 |
| Civilian FTEs for ARNG | 22,221 | +2,881 | 25,102 | +212 | 25,314 |
| (Technicians Included Above) | 21,786 | +2,788 | 24,574 | +212 | 24,786 |
| | | | | | |
| <u>Air National Guard (ANG)</u> | <u>106,430</u> | <u>+370</u> | <u>106,800</u> | <u>+200</u> | <u>107,000</u> |
| Trained in Units | 88,914 | +2,271 | 91,185 | +83 | 91,268 |
| Individual Mobilization Augmentees (IMAs) | 0 | + | 0 | + | 0 |
| Training Pipeline | 5,389 | -2,863 | 2,526 | + | 2,526 |
| Full-time Duty | 12,127 | +962 | 13,089 | +117 | 13,206 |
| Active Military Support for ANG | 545 | +8 | 553 | -11 | 542 |
| Civilian FTEs for ANG | 23,884 | +633 | 24,517 | +272 | 24,789 |
| (Technicians Included Above) | 22,731 | +472 | 23,203 | +272 | 23,475 |

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

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DOD CUSTOMER FUEL PRICES

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

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

In FY 2005, increases in world fuel market prices, along with the impact of hurricane damage on the U.S. refining industry, necessitated a significant price change, and drove an increase to the current stabilized rate of \$84.00 per barrel. The FY 2006 budget, however, only reflected funding to meet an overall composite rate of \$61.74 per barrel. Due to this significant increase in cost, the Department is requesting \$2.6 billion in the FY 2006 Global War on Terror Supplemental to fund the price growth. As a result, the FY 2007 budget requests funding to reflect the increase from \$61.74 to \$84.00. The budgeted increase is reflected as price growth, since the customer's budget does not include the funding necessary to meet the stabilized price of \$84.00 per barrel in FY 2006.

The following table reflects the composite price and stabilized prices by fuel product that DoD customers are paying and will pay for fuel in each fiscal year. Because of the repricing occurring in both FY 2005 and FY 2006, the composite prices provided below represent the current or last paid prices charged to DoD customers.

(Rates in Dollars)

| <u>Product Type</u> | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> | |
|----------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| | <u>Gallon</u> | <u>Barrel</u> | <u>Gallon</u> | <u>Barrel</u> | <u>Gallon</u> | <u>Barrel</u> |
| AVGAS OCONUS | \$7.79 | \$327.18 | \$8.95 | \$375.90 | \$8.95 | \$375.90 |
| AVGAS CONUS | \$1.97 | \$82.74 | \$2.27 | \$95.34 | \$2.27 | \$95.34 |
| Motor Gas Leaded | \$2.09 | \$87.78 | \$2.40 | \$100.80 | \$2.40 | \$100.80 |
| Motor Gas Unleaded | \$1.78 | \$74.76 | \$2.05 | \$86.10 | \$2.05 | \$86.10 |
| Premium | \$2.01 | \$84.42 | \$2.32 | \$97.44 | \$2.32 | \$97.44 |
| Midgrade | \$1.79 | \$75.18 | \$2.06 | \$86.52 | \$2.06 | \$86.52 |
| Regular | \$1.70 | \$71.40 | \$1.95 | \$81.90 | \$1.95 | \$81.90 |
| Gasohol | \$1.79 | \$75.18 | \$2.06 | \$86.52 | \$2.06 | \$86.52 |

DOD CUSTOMER FUEL PRICES

| | | | | | | |
|---------------------------|--------|---------|--------|---------|--------|---------|
| Jet Fuel Widecut | \$1.79 | \$75.18 | \$2.06 | \$86.52 | \$2.06 | \$86.52 |
| Jet Fuel Commercial Grade | \$1.74 | \$73.08 | \$2.00 | \$84.00 | \$2.00 | \$84.00 |

| <u>Product Type</u> | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> | |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>Gallon</u> | <u>Barrel</u> | <u>Gallon</u> | <u>Barrel</u> | <u>Gallon</u> | <u>Barrel</u> |
| JP-5 | \$1.76 | \$73.92 | \$2.02 | \$84.84 | \$2.02 | \$84.84 |
| JP-8 | \$1.74 | \$73.08 | \$2.00 | \$84.00 | \$2.00 | \$84.00 |
| Distillates | \$1.73 | \$72.66 | \$1.99 | \$83.58 | \$1.99 | \$83.58 |
| Diesel (Generic) | \$1.70 | \$71.40 | \$1.95 | \$81.90 | \$1.95 | \$81.90 |
| Diesel KSN PC&S | \$1.65 | \$69.30 | \$1.90 | \$79.80 | \$1.90 | \$79.80 |
| Diesel KS1 PC&S | \$1.71 | \$71.82 | \$1.97 | \$82.75 | \$1.97 | \$82.74 |
| Diesel FS2 PC&S | \$1.49 | \$62.58 | \$1.72 | \$72.24 | \$1.72 | \$72.24 |
| Diesel FS1 PC&S | \$1.70 | \$71.40 | \$1.95 | \$81.90 | \$1.95 | \$81.90 |
| Diesel DF2 High Sulfur | \$1.56 | \$65.52 | \$1.79 | \$75.18 | \$1.79 | \$75.18 |
| Diesel DL2 Low Sulfur | \$1.82 | \$76.44 | \$2.09 | \$87.78 | \$2.09 | \$87.78 |
| Diesel DL1 Low Sulfur | \$2.00 | \$84.00 | \$2.30 | \$96.60 | \$2.30 | \$96.60 |
| Diesel DF1 High Sulfur | \$1.74 | \$73.08 | \$2.00 | \$84.00 | \$2.00 | \$84.00 |
| Residuals | \$1.31 | \$55.02 | \$1.50 | \$63.00 | \$1.50 | \$63.00 |
| Navy Reclaimed | \$1.01 | \$42.42 | \$1.00 | \$42.00 | \$1.00 | \$42.00 |
| Into Plane Jet Fuel | \$1.97 | \$82.74 | \$2.27 | \$95.34 | \$2.27 | \$95.34 |
| Into Plane AVGAS | \$4.31 | \$181.02 | \$4.95 | \$207.90 | \$4.95 | \$207.90 |
| Local Purchase Jet Fuel | \$3.22 | \$135.24 | \$3.70 | \$155.40 | \$3.70 | \$155.40 |
| Local Purchase Ground Fuel | \$2.74 | \$115.08 | \$3.15 | \$132.30 | \$3.15 | \$132.30 |
| Bunker - Marine | \$1.32 | \$55.44 | \$1.52 | \$63.84 | \$1.52 | \$63.84 |
| Bunker - Intermediate | \$1.10 | \$46.20 | \$1.27 | \$53.34 | \$1.27 | \$53.34 |
| Local Purchase Bunker | \$2.36 | \$99.12 | \$2.72 | \$114.24 | \$2.72 | \$114.24 |
| Special Fuels JPTS | \$3.90 | \$163.80 | \$3.90 | \$163.80 | \$3.90 | \$163.80 |
| Composite Price | \$1.74 | \$73.08 | \$2.00 | \$84.00 | \$2.00 | \$84.00 |

FOREIGN CURRENCY FLUCTUATION RATES

Foreign Currency Fluctuations, Defense

The Foreign Currency Fluctuations, Defense (FCF,D) appropriation was established in FY 1979 to enable execution of budgeted programs with minimal concern for adverse variations in foreign currency exchange rates. This centralized account is managed by the Under Secretary of Defense (Comptroller). Funds are transferred from this appropriation to selected DoD Components' Operation and Maintenance and Military Personnel appropriations to offset net losses in purchasing power because of unfavorable fluctuations in the foreign currency exchange rates of specified currencies. If a net gain results, the asset is transferred from the gaining appropriation to the FCF,D appropriation to replenish the fund. Unobligated balances from the prior two years for Operation and Maintenance and Military Personnel appropriations can be transferred to the FCF,D for further replenishing the fund. The specified currencies are shown below as well as the rates used to formulate the budget. The Department will use these rates to measure foreign currency fluctuation during execution. These rates are expressed in terms of units of foreign currency that can be purchased with one (1) U.S. dollar. The FY 2007 budget recognizes that the U.S. dollar has declined in value compared to other countries' currencies and the rates reflect the U.S. dollar's reduced value.

| <u>FOREIGN CURRENCY EXCHANGE RATES</u> | | | | |
|--|-----------------------------|-------------------------------|-----------------------|----------------------------|
| (Units of Foreign Currency Per One U.S. Dollar) | | | | |
| <u>Country</u> | <u>Monetary Unit</u> | <u>Execution Rates</u> | | <u>President's</u> |
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>Budget Rates</u> |
| | | | | <u>FY 2007</u> |
| Denmark | Krone | 7.7996 | 6.0170 | 6.4710 |
| European Community | Euro | 1.0314 | .8785 | .8530 |
| Japan | Yen | 125.4900 | 115.0000 | 113.3000 |
| Norway | Krone | 7.6394 | 6.7510 | 6.7680 |
| Iceland | Krona | - | 82.1990 | 74.0730 |
| Singapore | Dollar | 1.8037 | 1.7410 | 1.7040 |
| South Korea | Won | 1,255.0000 | 1,205.2000 | 1,151.0000 |
| Turkey | Lira | 1,694,915.0000* | 1.514427 | 1.491817 |
| United Kingdom | Pound | 0.6517 | 0.5930 | 0.5750 |

On January 1, 2005, the Central Bank of Turkey redenominated the Turkey Lira by dropping six zeros off the currency, i.e., the Department's New Turkey Lira rate for FY 2006 is 1.514427; for FY 2007, 1.491817.

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KEY ACTIVITY INDICATORS

| | FY 2005 | | FY 2006 | | FY 2007 |
|---|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>ARMY</u> | | | | | |
| Active Duty Military Personnel (End Strength) | 492,728 | -10,328 | 482,400 | 0 | 482,400 |
| Civilian Personnel (O&M FTEs) | 147,180 | -2,933 | 144,247 | +1,583 | 144,830 |
| Total Aircraft Inventory (TAI) | 2,701 | -53 | 2,648 | +60 | 2,708 |
| Primary Authorized Aircraft (PAA) | 2,139 | -15 | 2,124 | +91 | 2,215 |
| Flying Hours (000s) | 682 | -219 | 463 | +12 | 475 |
| Training Workloads | 58,878 | +12,592 | 71,470 | +4,209 | 75,679 |
| Major Installations | 90 | 0 | 90 | 0 | 90 |
| | | | | | |
| <u>NAVY</u> | | | | | |
| Active Duty Military Personnel (End Strength) | 362,941 | -10,241 | 352,700 | -12,000 | 340,700 |
| Civilian Personnel (O&M FTEs) | 85,511 | +2,792 | 88,303 | +8,223 | 96,526 |
| Total Aircraft Inventory (TAI) | 3,726 | +67 | 3,793 | -5 | 3,788 |
| Primary Authorized Aircraft (PAA) (Active) | 1,893 | +415 | 2,308 | -37 | 2,271 |
| Flying Hours (000's) | 871 | -143 | 728 | 0 | 728 |
| Ship Inventory (Ship Years) | 251 | +13 | 264 | +2 | 266 |
| Steaming Hours (000's) (Conventional) | 332 | -89 | 243 | -16 | 227 |
| Steaming Hours (000's) (Nuclear) | 122 | -20 | 102 | 0 | 102 |
| Training Workloads | 43,637 | -2,460 | 41,177 | -1,432 | 39,745 |
| Major Installations | 98 | -1 | 97 | 0 | 97 |
| | | | | | |
| <u>MARINE CORPS</u> | | | | | |
| Active Duty Military Personnel (End Strength) | 180,029 | -5,029 | 175,000 | 0 | 175,000 |
| Civilian Personnel (O&M FTEs) | 17,794 | +670 | 18,464 | +53 | 18,517 |
| Training Workloads | 17,247 | +1,896 | 19,143 | -85 | 19,058 |
| Major Installations | 22 | +1 | 23 | 0 | 23 |
| Major Supply Depots | 2 | 0 | 2 | 0 | 2 |

KEY ACTIVITY INDICATORS

| | <u>FY 2005</u> <u>Actual</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
|--|---------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| <u>AIR FORCE</u> | | | | | |
| Active Duty Military Personnel (End Strength) | 353,696 | -1,896 | 351,800 | -17,600 | 334,200 |
| Civilian Personnel (O&M FTEs) | 90,039 | +3,547 | 93,586 | +1,251 | 94,837 |
| Total Aircraft Inventory (TAI) | 4,071 | -67 | 4,004 | -133 | 3,871 |
| Primary Assigned Aircraft (PAA) | 3,368 | +64 | 3,432 | -65 | 3,367 |
| Flying Hours (000's) | 1,351 | -148 | 1,203 | -21 | 1,182 |
| Training Workloads | 23,461 | -120 | 23,341 | +934 | 24,275 |
| Major Installations | 77 | 0 | 77 | 0 | 77 |
| <u>ARMY RESERVE</u> | | | | | |
| Total Selected Reserve Strength (End Strength) | 189,005 | +15,995 | 205,000 | -5,000 | 200,000 |
| Civilian Personnel (O&M FTEs) | 9,531 | +1,823 | 11,354 | +94 | 11,448 |
| (Technicians Included Above) | 6,512 | +1,609 | 8,121 | +94 | 8,215 |
| Flying Hours (000's) | 41 | -5 | 36 | +2 | 38 |
| Primary Authorized Aircraft (PAA) | 152 | 0 | 152 | 0 | 152 |
| Major Installations | 6 | +1 | 7 | -3 | 4 |
| Training Locations (Installations and Reserve Centers) | 829 | +13 | 842 | 0 | 842 |
| <u>NAVY RESERVE</u> | | | | | |
| Total Selected Reserve Strength (End Strength) | 76,473 | -3,373 | 73,100 | -1,800 | 71,300 |
| Civilian Personnel (O&M FTEs) | 1,271 | +77 | 1,348 | -352 | 996 |
| Primary Authorized Aircraft (PAA) | 200 | -2 | 198 | -15 | 183 |
| Flying Hours (000's) | 99 | -13 | 86 | +22 | 108 |
| Ship Inventory | 24 | -4 | 20 | -3 | 17 |
| Steaming Hours (000's) | 30 | -2 | 28 | -4 | 24 |
| Training Centers | 162 | -8 | 154 | -7 | 147 |
| Major Installations | 6 | 0 | 6 | 0 | 6 |

KEY ACTIVITY INDICATORS

| | <u>FY 2005</u> | <u>Change</u> | <u>FY 2006</u> | <u>Change</u> | <u>FY 2007</u> |
|---|-----------------------|----------------------|------------------------|----------------------|------------------------|
| | <u>Actual</u> | | <u>Estimate</u> | | <u>Estimate</u> |
| <u>MARINE CORPS RESERVE</u> | | | | | |
| Total Selected Reserve Personnel (End Strength) | 39,858 | -258 | 39,600 | 0 | 39,600 |
| Civilian Personnel (O&M FTEs) | 182 | +25 | 207 | 0 | 207 |
| Division/Wing Team | 1/1 | 0 | 1/1 | 0 | 1/1 |
| Training Centers | 185 | 0 | 185 | 0 | 185 |
| | | | | | |
| <u>AIR FORCE RESERVE</u> | | | | | |
| Total Selected Reserve Strength (End Strength) | 75,802 | -1,802 | 74,000 | +900 | 74,900 |
| Civilian Personnel (O&M FTEs) | 14,222 | -39 | 14,183 | +112 | 14,295 |
| (Technicians Included Above) | 9,407 | +547 | 9,954 | +125 | 10,079 |
| Total Aircraft Inventory (TAI) | 400 | -2 | 398 | -13 | 385 |
| Primary Authorized Aircraft (PAA) | 355 | +4 | 359 | -5 | 354 |
| Flying Hours (000's) | 107 | +23 | 130 | +4 | 134 |
| Major Installations | 13 | 0 | 13 | 0 | 13 |
| | | | | | |
| <u>ARMY NATIONAL GUARD</u> | | | | | |
| Total Selected Reserve Strength (End Strength) | 333,177 | +16,823 | 350,000 | -17,100 | 332,900 |
| Civilian Personnel (O&M FTEs) | 22,221 | +2,881 | 25,102 | +212 | 25,314 |
| (Military Technicians Included Above) | 21,786 | +2,788 | 24,574 | +212 | 24,786 |
| Primary Aircraft Authorized (PAA) | 1,336 | -2 | 1,334 | -22 | 1,312 |
| Flying Hours (000's) | 292 | -34 | 258 | -18 | 240 |
| Training Locations | 283 | 0 | 283 | 0 | 283 |

KEY ACTIVITY INDICATORS

| | <u>FY 2005</u> <u>Actual</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
|--|---------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| <u>AIR NATIONAL GUARD</u> | | | | | |
| Total Selected Reserve Strength (End Strength) | 106,430 | +370 | 106,800 | +200 | 107,000 |
| Civilian Personnel (O&M FTEs) | 23,884 | +633 | 24,517 | +272 | 24,789 |
| (Technicians Included Above) | 22,731 | +472 | 23,203 | +272 | 23,475 |
| Total Aircraft Inventory (TAI) | 1,313 | -46 | 1,267 | -63 | 1,204 |
| Primary Authorized Aircraft (PAA) | 1,103 | +24 | 1,127 | -25 | 1,102 |
| Flying Hours (000's) | 263 | -21 | 242 | +62 | 304 |
| Major Installations | 2 | 0 | 2 | 0 | 2 |
| Other Operating Locations | 177 | 0 | 177 | -5 | 172 |
| <u>DEFENSE HEALTH PROGRAM</u> | | | | | |
| Total Aircraft Inventory (TAI)/(PAA) | <u>6</u> | <u>-6</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fixed | 0 | 0 | 0 | 0 | 0 |
| Rotary | 6 | -6 | 0 | 0 | 0 |
| Total Flying Hours (000's) | <u>1</u> | <u>-1</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fixed | 0 | 0 | 0 | 0 | 0 |
| Rotary | 1 | -1 | 0 | 0 | 0 |
| Training Workloads | | | | | |
| HPSP/FAP/HPLRP | 4,544 | +56 | 4,600 | +93 | 4,693 |
| USUHS | 980 | +10 | 990 | +2 | 992 |
| Other Education & Training | 93,144 | +15,169 | 108,313 | -384 | 107,929 |
| Medical Centers and Hospitals | 70 | 0 | 70 | - | 70 |
| Average Daily Patient Load | 2,379 | -41 | 2,337 | - | 2,274 |

KEY ACTIVITY INDICATORS

| | <u>FY 2005</u> <u>Actual</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
|--|---------------------------------|----------------|-----------------------------------|----------------|-----------------------------------|
| <u>SPECIAL OPERATIONS COMMAND</u> | | | | | |
| Total Aircraft Inventory (TAI) | <u>286</u> | <u>+26</u> | <u>312</u> | <u>+6</u> | <u>318</u> |
| AFSOC | 126 | +10 | 136 | +5 | 141 |
| USASOC | 160 | +16 | 176 | +1 | 177 |
| Primary Authorized Aircraft (PAA) | <u>256</u> | <u>+33</u> | <u>289</u> | <u>0</u> | <u>289</u> |
| AFSOC | 110 | +8 | 118 | +4 | 122 |
| USASOC | 146 | +25 | 171 | -4 | 167 |
| Total Flying Hours (000's) | <u>91</u> | <u>-1</u> | <u>90</u> | <u>+14</u> | <u>104</u> |
| AFSOC | 49 | +5 | 54 | +14 | 68 |
| USASOC | 42 | -6 | 36 | 0 | 36 |

KEY ACTIVITY INDICATORS

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LEGISLATIVE PROPOSALS

The FY 2007 budget includes funding and legislation for new authorities to enhance retention and improve quality-of-life for military and civilian members of the Department of Defense. The following table provides a summary of the legislative proposal and the associated cost.

| | <u>(\$ in Millions)</u> <u>FY 2007</u> |
|---|---|
| Operation and Maintenance, Army | 17.9 |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | 17.9 |

Civilian Personnel Initiatives

Flexible Spending Accounts for Annuitants and Surviving Spouses– Enables federal retirees and their survivors to participate in the flexible spending accounts.

| | |
|---|---|
| Operation and Maintenance, Army | - |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | - |

Payment of Federal Employees Health Benefits (FEHB) Premiums with Pre-Tax Dollars for Federal Retirees, their Survivors, and Survivors Killed in the Line-of-Duty– Enables federal retirees, their survivors, and survivors of employees killed in the line of duty to continue to pay FEHB premiums from pre-tax dollars.

| | |
|---|---|
| Operation and Maintenance, Army | - |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | - |

LEGISLATIVE PROPOSALS

Deployment Temporary Change of Station – Removes adverse impact on civilian employees serving on extended deployments and provides ample benefits and incentives to encourage longer deployments.

| | |
|---|-------------|
| Operation and Maintenance, Army | 11.4 |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | <u>11.4</u> |

Appointments of Retires Military and Leave Accrual– Eliminates the 180-day waiting period prior to retired military appointments to DoD civilian positions and allows for similar leave accrual as civilians.

| | |
|---|----------|
| Operation and Maintenance, Army | - |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | <u>-</u> |

Department of Defense National Security Personnel System (NSPS) Clarification on Participation of Laboratory

Personnel – Clarifies law to ensure government employees working in Defense laboratories that are not included in a Laboratory Demonstration Project are included in the NSPS.

| | |
|---|----------|
| Operation and Maintenance, Army | - |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | <u>-</u> |

LEGISLATIVE PROPOSALS

Military Community and Family Policy Initiatives

Authority to Waive Tuition Requirements for Children of Foreign Military and Civilian Members Assigned to the Supreme Headquarters Allied Powers Europe (SHAPE) – Allows for a tuition-free enrollment in DoD schools for individuals assigned to SHAPE headquarters.

| | |
|---|------------|
| Operation and Maintenance, Army | 5.7 |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | <u>5.7</u> |

DoD Computer/Electronic Accommodations Program (CAP) Eligibility to Support Wounded Service Members (WSMs)– Allows CAP to provide assistive technology to recovering WSMs during rehabilitation, medical evaluation, and the non-DoD transition.

| | |
|---|-----------|
| Operation and Maintenance, Army | .8 |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | <u>.8</u> |

Severely Injured Service Member to Accept Gifts – Allows for the acceptance of gifts from individuals, organizations, and private sector entities to assist with the rehabilitation provided by the Federal Government.

| | |
|---|----------|
| Operation and Maintenance, Army | - |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | <u>-</u> |

LEGISLATIVE PROPOSALS

Health Affairs Initiatives

Accounting for Military Treatment Facilities (MTFs) Medical Service Account (MSA) Collections – Modifies procedure for recording when MSA reimbursements are collected back into the Military Health System.

| | |
|---|---|
| Operation and Maintenance, Army | - |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | - |

Expands Definition of the Mental Health Providers Authorized to Perform Mental Health Evaluations of Members of the Armed Services – Allows clinical social workers with master degrees to perform mental health evaluations on members of the Armed Forces.

| | |
|---|---|
| Operation and Maintenance, Army | - |
| Operation and Maintenance, Navy | - |
| Operation and Maintenance, Marine Corps | - |
| Operation and Maintenance, Air Force | - |
| Total | - |

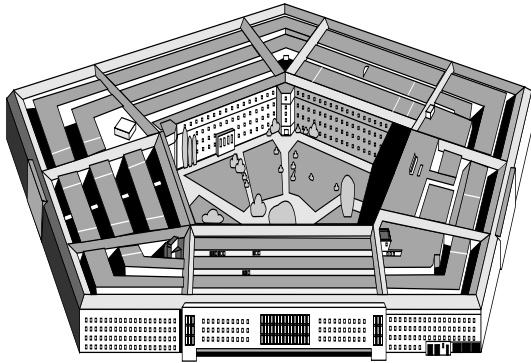
WORLD WIDE WEB ADDRESS

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

<http://www.dod.mil/comptroller/defbudget/fy2007/index.html>

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**MILITARY PERSONNEL (M-1)
And
OPERATION AND MAINTENANCE (O-1)
PROGRAMS**



Department of Defense Budget

Fiscal Year 2007

February 2006

Office of the Under Secretary of Defense (Comptroller)

UNCLASSIFIED

Preface

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

The M-1 and O-1 are provided annually to the DoD oversight committees of the Congress coincident with the transmittal of the President's Budget. This document is also provided to Office of Assistance Secretary of Defense (Public Affairs) for use by non-DoD activities, and is available to the public on the Internet at <http://www.dod.mil/comptroller>.

Office of the Under Secretary of Defense (Comptroller)

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M-1

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| National Guard Personnel, Army | 4 |
| Grand Total Army Military Personnel | 4 |
| <u>Navy</u> | |
| Military Personnel, Navy | 5 |
| Reserve Personnel, Navy | 7 |
| Grand Total Navy Military Personnel | 7 |
| <u>Marine Corps</u> | |
| Military Personnel, Marine Corps | 8 |
| Reserve Personnel, Marine Corps | 10 |
| Grand Total Marine Corps Military Personnel | 10 |
| <u>Air Force</u> | |
| Military Personnel, Air Force | 11 |
| Reserve Personnel, Air Force | 13 |
| National Guard Personnel, Air Force | 14 |
| Grand Total Air Force Military Personnel | 14 |
| <u>Grand Total</u> | |
| Active Forces | 15 |
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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, ARMY | | | |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 2010A | 5 | BASIC PAY | 5,555,906 | 5,211,608 | 4,773,474 |
| 2010A | 10 | RETIRED PAY ACCRUAL | 1,507,308 | 1,380,698 | 1,266,221 |
| 2010A | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 398,479 | | |
| 2010A | 25 | BASIC ALLOWANCE FOR HOUSING | 1,386,650 | 1,439,430 | 1,191,126 |
| 2010A | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 212,850 | 198,952 | 181,536 |
| 2010A | 35 | INCENTIVE PAYS | 97,849 | 108,791 | 99,060 |
| 2010A | 40 | SPECIAL PAYS | 360,045 | 252,223 | 229,703 |
| 2010A | 45 | ALLOWANCES | 268,091 | 161,524 | 145,446 |
| 2010A | 50 | SEPARATION PAY | 44,261 | 70,183 | 69,415 |
| 2010A | 55 | SOCIAL SECURITY TAX | 419,535 | 395,154 | 365,133 |
| | | TOTAL BUDGET ACTIVITY 01: | 10,250,974 | 9,218,563 | 8,321,114 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 2010A | 60 | BASIC PAY | 13,518,820 | 11,365,369 | 10,514,144 |
| 2010A | 65 | RETIRED PAY ACCRUAL | 3,699,723 | 3,011,772 | 2,786,578 |
| 2010A | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 2,025,505 | | |
| 2010A | 80 | BASIC ALLOWANCE FOR HOUSING | 3,796,680 | 3,122,568 | 2,524,779 |
| 2010A | 85 | INCENTIVE PAYS | 85,847 | 99,252 | 85,392 |
| 2010A | 90 | SPECIAL PAYS | 1,452,442 | 940,898 | 601,536 |
| 2010A | 95 | ALLOWANCES | 1,163,497 | 796,330 | 703,574 |
| 2010A | 100 | SEPARATION PAY | 344,921 | 318,516 | 305,407 |
| 2010A | 105 | SOCIAL SECURITY TAX | 1,029,371 | 859,400 | 804,228 |
| | | TOTAL BUDGET ACTIVITY 02: | 27,116,806 | 20,514,105 | 18,325,638 |
| | | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN | | | |
| 2010A | 110 | ACADEMY CADETS | 51,510 | 53,392 | 55,818 |
| | | TOTAL BUDGET ACTIVITY 03: | 51,510 | 53,392 | 55,818 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 2010A | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 1,280,650 | 811,859 | 855,617 |
| 2010A | 120 | SUBSISTENCE-IN-KIND | 1,697,196 | 807,621 | 582,540 |
| 2010A | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 928 | 3,193 | 3,288 |
| | | TOTAL BUDGET ACTIVITY 04: | 2,978,774 | 1,622,673 | 1,441,445 |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 2010A | 125 | ACCESSION TRAVEL | 94,344 | 205,707 | 203,641 |
| 2010A | 130 | TRAINING TRAVEL | 75,676 | 36,541 | 53,366 |
| 2010A | 135 | OPERATIONAL TRAVEL | 274,132 | 281,395 | 138,488 |
| 2010A | 140 | ROTATIONAL TRAVEL | 383,310 | 457,404 | 361,210 |
| 2010A | 145 | SEPARATION TRAVEL | 127,755 | 170,685 | 173,210 |
| 2010A | 150 | TRAVEL OF ORGANIZED UNITS | 15,011 | 9,759 | 3,709 |
| 2010A | 155 | NON-TEMPORARY STORAGE | 23,955 | 40,829 | 42,121 |
| 2010A | 160 | TEMPORARY LODGING EXPENSE | 30,856 | 23,068 | 23,053 |
| | | TOTAL BUDGET ACTIVITY 05: | 1,025,039 | 1,225,388 | 998,798 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, ARMY | | | |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 2010A | 170 | APPREHENSION OF MILITARY DESERTERS | 838 | 1,398 | 1,407 |
| 2010A | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 10,102 | 294 | 203 |
| 2010A | 180 | DEATH GRATUITIES | 378,222 | 116,738 | 6,761 |
| 2010A | 185 | UNEMPLOYMENT BENEFITS | 201,932 | 152,539 | 153,072 |
| 2010A | 190 | SURVIVOR BENEFITS | 5,587 | 3,677 | 3,378 |
| 2010A | 195 | EDUCATION BENEFITS | 2,979 | 4,214 | 2,184 |
| 2010A | 200 | ADOPTION EXPENSES | 442 | 446 | 746 |
| 2010A | 210 | TRANSPORTATION SUBSIDY | 5,542 | 4,308 | 4,344 |
| 2010A | 215 | PARTIAL DISLOCATION ALLOWANCE | 610 | 2,468 | 2,489 |
| 2010A | 216 | SGLI EXTRA HAZARD PAYMENTS | 70,869 | 22,808 | |
| 2010A | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | 81,894 | 84,175 |
| 2010A | 218 | JUNIOR ROTC | | 28,241 | 28,925 |
| | | TOTAL BUDGET ACTIVITY 06: | 677,123 | 419,025 | 287,684 |
| 2010A | 220 | LESS REIMBURSABLES | (260,571) | (298,174) | (318,594) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, ARMY | 41,839,655 | 32,754,972 | 29,111,903 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | RESERVE PERSONNEL, ARMY | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 2070A | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 881,451 | 928,074 | 1,103,645 |
| 2070A | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 31,966 | 48,989 | 28,932 |
| 2070A | 30 | PAY GROUP F TRAINING (RECRUITS) | 155,311 | 172,750 | 177,571 |
| 2070A | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 1,769 | 335 | |
| 2070A | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 575,902 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 1,646,399 | | 1,310,148 |
| 2070A | 60 | MOBILIZATION TRAINING | 6,859 | 19,031 | 22,053 |
| 2070A | 70 | SCHOOL TRAINING | 122,423 | 179,008 | 193,406 |
| 2070A | 80 | SPECIAL TRAINING | 188,865 | 166,440 | 173,222 |
| 2070A | 90 | ADMINISTRATION AND SUPPORT | 1,442,085 | 1,588,216 | 1,532,726 |
| 2070A | 100 | EDUCATION BENEFITS | 43,302 | 108,594 | 113,090 |
| 2070A | 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 96,278 | | |
| 2070A | 120 | HEALTH PROFESSION SCHOLARSHIP | 30,497 | 34,219 | 35,880 |
| 2070A | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 79,939 | | |
| 2070A | 130 | OTHER PROGRAMS | 49,160 | 43,475 | 25,132 |
| | | TOTAL BUDGET ACTIVITY 01: | | 3,289,131 | |
| | | TOTAL BUDGET ACTIVITY 02: | 2,059,408 | | 2,095,509 |
| | | TOTAL DIRECT - RESERVE PERSONNEL, ARMY | 3,705,807 | 3,289,131 | 3,405,657 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | NATIONAL GUARD PERSONNEL, ARMY | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 2060A | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 1,766,055 | 1,703,330 | 1,752,136 |
| 2060A | 30 | PAY GROUP F TRAINING (RECRUITS) | 249,199 | 370,061 | 310,889 |
| 2060A | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 21,949 | 29,685 | 21,592 |
| 2060A | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 966,174 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 3,003,377 | | 2,084,617 |
| 2060A | 70 | SCHOOL TRAINING | 305,930 | 284,562 | 263,772 |
| 2060A | 80 | SPECIAL TRAINING | 437,664 | 203,919 | 146,562 |
| 2060A | 90 | ADMINISTRATION AND SUPPORT | 2,366,975 | 2,473,918 | 2,562,455 |
| 2060A | 100 | EDUCATION BENEFITS | 113,716 | 220,042 | 196,174 |
| 2060A | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 136,261 | | |
| | | TOTAL BUDGET ACTIVITY 01: | | 5,285,517 | |
| | | TOTAL BUDGET ACTIVITY 02: | 3,360,546 | | 3,168,963 |
| | | TOTAL DIRECT - NATIONAL GUARD PERSONNEL, ARMY | 6,363,923 | 5,285,517 | 5,253,580 |
| | | TOTAL DIRECT - ARMY MILITARY PERSONNEL APPROPRIATIONS | 51,909,385 | 41,329,620 | 37,771,140 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1004A | 300 | ARMY | | 2,727,452 | 2,891,198 |
| 1005A | 300 | RESERVE PERSONNEL, ARMY | | 716,969 | 742,233 |
| 1006A | 300 | NATIONAL GUARD PERSONNEL, ARMY | | 1,219,403 | 1,232,152 |
| | | GRAND TOTAL DIRECT - ARMY MILITARY PERSONNEL COSTS | 51,909,385 | 45,993,444 | 42,636,723 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, NAVY | | | |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 1453N | 5 | BASIC PAY | 3,261,142 | 3,203,743 | 3,262,932 |
| 1453N | 10 | RETIRED PAY ACCRUAL | 896,815 | 848,992 | 864,677 |
| 1453N | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 288,233 | | |
| 1453N | 25 | BASIC ALLOWANCE FOR HOUSING | 975,093 | 917,095 | 1,058,250 |
| 1453N | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 119,940 | 116,963 | 118,701 |
| 1453N | 35 | INCENTIVE PAYS | 180,447 | 170,837 | 176,448 |
| 1453N | 40 | SPECIAL PAYS | 280,903 | 329,940 | 346,524 |
| 1453N | 45 | ALLOWANCES | 119,616 | 90,018 | 92,258 |
| 1453N | 50 | SEPARATION PAY | 31,859 | 62,716 | 33,187 |
| 1453N | 55 | SOCIAL SECURITY TAX | 247,521 | 242,789 | 247,353 |
| | | TOTAL BUDGET ACTIVITY 01: | 6,401,569 | 5,983,093 | 6,200,330 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 1453N | 60 | BASIC PAY | 8,049,707 | 7,905,599 | 7,983,057 |
| 1453N | 65 | RETIRED PAY ACCRUAL | 2,213,671 | 2,094,984 | 2,115,509 |
| 1453N | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,682,857 | | |
| 1453N | 80 | BASIC ALLOWANCE FOR HOUSING | 2,907,926 | 2,729,595 | 3,126,811 |
| 1453N | 85 | INCENTIVE PAYS | 99,733 | 108,875 | 110,364 |
| 1453N | 90 | SPECIAL PAYS | 887,757 | 911,837 | 927,683 |
| 1453N | 95 | ALLOWANCES | 596,719 | 479,909 | 480,800 |
| 1453N | 100 | SEPARATION PAY | 147,948 | 204,628 | 199,473 |
| 1453N | 105 | SOCIAL SECURITY TAX | 615,803 | 599,777 | 605,705 |
| | | TOTAL BUDGET ACTIVITY 02: | 17,202,121 | 15,035,204 | 15,549,402 |
| | | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN | | | |
| 1453N | 110 | MIDSHIPMEN | 55,651 | 56,350 | 56,412 |
| | | TOTAL BUDGET ACTIVITY 03: | 55,651 | 56,350 | 56,412 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 1453N | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 635,162 | 613,845 | 613,611 |
| 1453N | 120 | SUBSISTENCE-IN-KIND | 355,128 | 341,190 | 346,276 |
| 1453N | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 28 | 500 | 500 |
| | | TOTAL BUDGET ACTIVITY 04: | 990,318 | 955,535 | 960,387 |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 1453N | 125 | ACCESSION TRAVEL | 60,506 | 58,225 | 55,392 |
| 1453N | 130 | TRAINING TRAVEL | 66,492 | 70,486 | 74,363 |
| 1453N | 135 | OPERATIONAL TRAVEL | 245,504 | 236,107 | 193,731 |
| 1453N | 140 | ROTATIONAL TRAVEL | 304,430 | 286,637 | 279,737 |
| 1453N | 145 | SEPARATION TRAVEL | 105,275 | 99,284 | 93,326 |
| 1453N | 150 | TRAVEL OF ORGANIZED UNITS | 45,674 | 19,406 | 19,521 |
| 1453N | 155 | NON-TEMPORARY STORAGE | 7,598 | 7,034 | 6,892 |
| 1453N | 160 | TEMPORARY LODGING EXPENSE | 7,295 | 6,867 | 6,871 |
| 1453N | 165 | OTHER | 3,663 | 6,063 | 6,272 |
| | | TOTAL BUDGET ACTIVITY 05: | 846,437 | 790,109 | 736,105 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, NAVY | | | |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 1453N | 170 | APPREHENSION OF MILITARY DESERTERS | 550 | 725 | 725 |
| 1453N | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 628 | 506 | 511 |
| 1453N | 180 | DEATH GRATUITIES | 28,624 | 4,561 | 3,336 |
| 1453N | 185 | UNEMPLOYMENT BENEFITS | 96,790 | 103,505 | 70,386 |
| 1453N | 190 | SURVIVOR BENEFITS | 1,797 | 1,461 | 1,354 |
| 1453N | 195 | EDUCATION BENEFITS | 1,716 | 2,107 | 5,109 |
| 1453N | 200 | ADOPTION EXPENSES | 232 | 346 | 346 |
| 1453N | 210 | TRANSPORTATION SUBSIDY | 4,840 | 4,849 | 4,549 |
| 1453N | 215 | PARTIAL DISLOCATION ALLOWANCE | 1,140 | 1,461 | 1,032 |
| 1453N | 216 | SGLI EXTRA HAZARD PAYMENTS | 21,225 | 105,533 | |
| 1453N | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | 20,704 | 20,940 |
| 1453N | 218 | JUNIOR R.O.T.C | | 13,094 | 13,492 |
| | | TOTAL BUDGET ACTIVITY 06: | 157,542 | 258,852 | 121,780 |
| 1453N | 220 | LESS REIMBURSABLES | (359,784) | (325,891) | (353,405) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, NAVY | 25,293,854 | 22,753,252 | 23,271,011 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | RESERVE PERSONNEL, NAVY | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 1405N | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 662,063 | 562,184 | 625,339 |
| 1405N | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY) | 5,794 | 7,266 | 7,715 |
| 1405N | 30 | PAY GROUP F TRAINING (RECRUITS) | 4,542 | 11,438 | 16,037 |
| 1405N | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 203,229 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 875,628 | | 649,091 |
| 1405N | 60 | MOBILIZATION TRAINING | 7,109 | 6,971 | 7,491 |
| 1405N | 70 | SCHOOL TRAINING | 20,668 | 34,451 | 31,198 |
| 1405N | 80 | SPECIAL TRAINING | 83,080 | 65,527 | 59,861 |
| 1405N | 90 | ADMINISTRATION AND SUPPORT | 971,669 | 962,673 | 977,626 |
| 1405N | 100 | EDUCATION BENEFITS | 1,277 | 24,542 | 20,827 |
| 1405N | 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 36,594 | | |
| 1405N | 120 | HEALTH PROFESSION SCHOLARSHIP | 28,584 | 32,246 | 31,872 |
| 1405N | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 74,482 | | |
| | | TOTAL BUDGET ACTIVITY 01: | | 1,707,298 | |
| | | TOTAL BUDGET ACTIVITY 02: | 1,223,463 | | 1,128,875 |
| | | TOTAL DIRECT - RESERVE PERSONNEL, NAVY | 2,099,091 | 1,707,298 | 1,777,966 |
| | | TOTAL DIRECT - NAVY MILITARY PERSONNEL APPROPRIATIONS | 27,392,945 | 24,460,550 | 25,048,977 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1000N | 300 | NAVY | | 2,028,599 | 2,074,177 |
| 1002N | 300 | RESERVE PERSONNEL, NAVY | | 291,754 | 287,140 |
| | | GRAND TOTAL DIRECT - NAVY MILITARY PERSONNEL COSTS | 27,392,945 | 26,780,903 | 27,410,294 |

Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, MARINE CORPS | | | |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 1105N | 5 | BASIC PAY | 1,172,937 | 1,166,662 | 1,131,638 |
| 1105N | 10 | RETIRED PAY ACCRUAL | 325,866 | 310,001 | 301,438 |
| 1105N | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 101,226 | | |
| 1105N | 25 | BASIC ALLOWANCE FOR HOUSING | 309,010 | 302,897 | 327,019 |
| 1105N | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 44,396 | 42,449 | 42,639 |
| 1105N | 35 | INCENTIVE PAYS | 48,246 | 47,665 | 47,079 |
| 1105N | 40 | SPECIAL PAYS | 14,900 | 4,463 | 4,508 |
| 1105N | 45 | ALLOWANCES | 42,404 | 23,086 | 24,106 |
| 1105N | 50 | SEPARATION PAY | 11,916 | 12,188 | 12,514 |
| 1105N | 55 | SOCIAL SECURITY TAX | 89,468 | 88,461 | 85,620 |
| | | TOTAL BUDGET ACTIVITY 01: | 2,160,369 | 1,997,872 | 1,976,561 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 1105N | 60 | BASIC PAY | 3,815,637 | 3,713,757 | 3,708,158 |
| 1105N | 65 | RETIRED PAY ACCRUAL | 1,053,072 | 980,696 | 979,106 |
| 1105N | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 852,518 | | |
| 1105N | 80 | BASIC ALLOWANCE FOR HOUSING | 940,976 | 864,389 | 1,024,902 |
| 1105N | 85 | INCENTIVE PAYS | 8,858 | 8,276 | 8,360 |
| 1105N | 90 | SPECIAL PAYS | 224,114 | 123,048 | 126,406 |
| 1105N | 95 | ALLOWANCES | 269,593 | 206,067 | 213,304 |
| 1105N | 100 | SEPARATION PAY | 63,682 | 72,201 | 75,522 |
| 1105N | 105 | SOCIAL SECURITY TAX | 289,092 | 283,558 | 283,089 |
| | | TOTAL BUDGET ACTIVITY 02: | 7,517,542 | 6,251,992 | 6,418,847 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 1105N | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 352,046 | 305,469 | 304,767 |
| 1105N | 120 | SUBSISTENCE-IN-KIND | 223,418 | 245,574 | 255,101 |
| 1105N | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 750 | 742 | 750 |
| | | TOTAL BUDGET ACTIVITY 04: | 576,214 | 551,785 | 560,618 |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 1105N | 125 | ACCESSION TRAVEL | 43,223 | 44,030 | 45,331 |
| 1105N | 130 | TRAINING TRAVEL | 8,505 | 9,736 | 9,523 |
| 1105N | 135 | OPERATIONAL TRAVEL | 90,803 | 100,738 | 90,676 |
| 1105N | 140 | ROTATIONAL TRAVEL | 122,750 | 124,836 | 126,686 |
| 1105N | 145 | SEPARATION TRAVEL | 47,562 | 49,242 | 50,659 |
| 1105N | 150 | TRAVEL OF ORGANIZED UNITS | 2,563 | 1,705 | 1,755 |
| 1105N | 155 | NON-TEMPORARY STORAGE | 5,138 | 5,189 | 5,351 |
| 1105N | 160 | TEMPORARY LODGING EXPENSE | 12,346 | 12,467 | 12,857 |
| 1105N | 165 | OTHER | 2,428 | 2,414 | 2,524 |
| | | TOTAL BUDGET ACTIVITY 05: | 335,318 | 350,357 | 345,362 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, MARINE CORPS | | | |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 1105N | 170 | APPREHENSION OF MILITARY DESERTERS | 3,157 | 1,622 | 1,668 |
| 1105N | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 213 | 16 | 17 |
| 1105N | 180 | DEATH GRATUITIES | 165,201 | 165,079 | 2,208 |
| 1105N | 185 | UNEMPLOYMENT BENEFITS | 63,700 | 71,450 | 52,317 |
| 1105N | 190 | SURVIVOR BENEFITS | 1,441 | 714 | 686 |
| 1105N | 195 | EDUCATION BENEFITS | 744 | 1,029 | 959 |
| 1105N | 200 | ADOPTION EXPENSES | 127 | 256 | 363 |
| 1105N | 210 | TRANSPORTATION SUBSIDY | 1,438 | 1,143 | 1,270 |
| 1105N | 215 | PARTIAL DISLOCATION ALLOWANCE | 730 | 661 | 682 |
| 1105N | 216 | SGLI EXTRA HAZARD PAYMENTS | 9,853 | 40,000 | |
| 1105N | 218 | JUNIOR R.O.T.C | | 5,249 | 5,392 |
| | | TOTAL BUDGET ACTIVITY 06: | 246,604 | 287,219 | 65,562 |
| 1105N | 220 | LESS REIMBURSABLES | (19,368) | (30,967) | (32,134) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, MARINE CORPS | 10,816,679 | 9,408,258 | 9,334,816 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | RESERVE PERSONNEL, MARINE CORPS | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 1108N | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 131,125 | 142,551 | 153,729 |
| 1108N | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 16,205 | 23,406 | 35,186 |
| 1108N | 30 | PAY GROUP F TRAINING (RECRUITS) | 79,394 | 86,817 | 89,381 |
| 1108N | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 14 | 5 | |
| 1108N | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 118,590 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 345,328 | | 278,296 |
| 1108N | 60 | MOBILIZATION TRAINING | 1,042 | 2,623 | 2,715 |
| 1108N | 70 | SCHOOL TRAINING | 14,960 | 13,449 | 15,591 |
| 1108N | 80 | SPECIAL TRAINING | 38,484 | 37,606 | 48,785 |
| 1108N | 90 | ADMINISTRATION AND SUPPORT | 158,276 | 162,616 | 168,228 |
| 1108N | 95 | PLATOON LEADER CLASS | 15,367 | 12,708 | 12,892 |
| 1108N | 100 | EDUCATION BENEFITS | 16,539 | 28,664 | 24,351 |
| 1108N | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 11,831 | | |
| | | TOTAL BUDGET ACTIVITY 01: | | 510,445 | |
| | | TOTAL BUDGET ACTIVITY 02: | 256,499 | | 272,562 |
| | | TOTAL DIRECT - RESERVE PERSONNEL, MARINE CORPS | 601,827 | 510,445 | 550,858 |
| | | TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL APPROPRIATIONS | 11,418,506 | 9,918,703 | 9,885,674 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1001N | 300 | MARINE CORPS | | 981,905 | 1,050,586 |
| 1003N | 300 | RESERVE PERSONNEL, MARINE CORPS | | 136,589 | 144,647 |
| | | GRAND TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL COSTS | 11,418,506 | 11,037,197 | 11,080,907 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, AIR FORCE | | | |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 3500F | 5 | BASIC PAY | 4,545,182 | 4,538,264 | 4,400,999 |
| 3500F | 6 | ARMY SECURITY | 5,091 | | |
| 3500F | 10 | RETIRED PAY ACCRUAL | 1,222,821 | 1,183,482 | 1,161,030 |
| 3500F | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 393,788 | | |
| 3500F | 25 | BASIC ALLOWANCE FOR HOUSING | 1,095,884 | 1,060,176 | 1,045,115 |
| 3500F | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 168,341 | 168,030 | 163,045 |
| 3500F | 35 | INCENTIVE PAYS | 348,208 | 309,109 | 297,388 |
| 3500F | 40 | SPECIAL PAYS | 244,259 | 255,377 | 222,322 |
| 3500F | 45 | ALLOWANCES | 150,045 | 103,404 | 99,021 |
| 3500F | 50 | SEPARATION PAY | 61,612 | 69,175 | 63,194 |
| 3500F | 55 | SOCIAL SECURITY TAX | 345,197 | 344,739 | 334,906 |
| | | TOTAL BUDGET ACTIVITY 01: | 8,580,428 | 8,031,756 | 7,787,020 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 3500F | 60 | BASIC PAY | 8,166,519 | 8,013,646 | 7,837,974 |
| 3500F | 61 | ARMY SECURITY | 59,480 | | |
| 3500F | 65 | RETIRED PAY ACCRUAL | 2,195,711 | 2,062,760 | 2,056,123 |
| 3500F | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,561,963 | | |
| 3500F | 80 | BASIC ALLOWANCE FOR HOUSING | 2,289,578 | 1,944,987 | 1,934,212 |
| 3500F | 85 | INCENTIVE PAYS | 34,277 | 34,034 | 34,304 |
| 3500F | 90 | SPECIAL PAYS | 364,093 | 323,618 | 313,765 |
| 3500F | 95 | ALLOWANCES | 659,968 | 557,957 | 565,007 |
| 3500F | 100 | SEPARATION PAY | 163,201 | 137,684 | 147,903 |
| 3500F | 105 | SOCIAL SECURITY TAX | 627,003 | 613,044 | 599,605 |
| | | TOTAL BUDGET ACTIVITY 02: | 16,121,793 | 13,687,730 | 13,488,893 |
| | | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN | | | |
| 3500F | 110 | ACADEMY CADETS | 53,011 | 55,056 | 57,971 |
| | | TOTAL BUDGET ACTIVITY 03: | 53,011 | 55,056 | 57,971 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 3500F | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 840,777 | 787,710 | 782,617 |
| 3500F | 120 | SUBSISTENCE-IN-KIND | 211,486 | 145,538 | 151,011 |
| 3500F | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 1,254 | 1,254 | 1,254 |
| | | TOTAL BUDGET ACTIVITY 04: | 1,053,517 | 934,502 | 934,882 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, AIR FORCE | | | |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 3500F | 125 | ACCESSION TRAVEL | 58,959 | 80,017 | 75,318 |
| 3500F | 130 | TRAINING TRAVEL | 85,300 | 95,149 | 97,386 |
| 3500F | 135 | OPERATIONAL TRAVEL | 176,502 | 174,595 | 158,472 |
| 3500F | 140 | ROTATIONAL TRAVEL | 495,927 | 500,872 | 515,190 |
| 3500F | 145 | SEPARATION TRAVEL | 126,095 | 117,801 | 159,474 |
| 3500F | 150 | TRAVEL OF ORGANIZED UNITS | 7,817 | 7,406 | 4,069 |
| 3500F | 155 | NON-TEMPORARY STORAGE | 26,581 | 25,909 | 27,800 |
| 3500F | 160 | TEMPORARY LODGING EXPENSE | 38,331 | 36,521 | 36,100 |
| | | TOTAL BUDGET ACTIVITY 05: | 1,015,512 | 1,038,270 | 1,073,809 |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 3500F | 170 | APPREHENSION OF MILITARY DESERTERS | 100 | 100 | 100 |
| 3500F | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 595 | 671 | 671 |
| 3500F | 180 | DEATH GRATUITIES | 23,985 | 6,040 | 3,101 |
| 3500F | 185 | UNEMPLOYMENT BENEFITS | 60,175 | 49,099 | 47,792 |
| 3500F | 190 | SURVIVOR BENEFITS | 2,198 | 1,317 | 1,222 |
| 3500F | 195 | EDUCATION BENEFITS | 4,142 | 1,882 | 1,882 |
| 3500F | 200 | ADOPTION EXPENSES | 600 | 582 | 582 |
| 3500F | 210 | TRANSPORTATION SUBSIDY | 4,201 | 3,815 | 3,803 |
| 3500F | 215 | PARTIAL DISLOCATION ALLOWANCE | 5,439 | 6,985 | 7,786 |
| 3500F | 216 | EXTRA HAZARD REIMBURSE FOR SGLI | 24,632 | | |
| 3500F | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | 41,979 | 44,657 |
| 3500F | 218 | JUNIOR ROTC | | 18,379 | 20,095 |
| | | TOTAL BUDGET ACTIVITY 06: | 126,067 | 130,849 | 131,691 |
| 3500F | 220 | LESS REIMBURSABLES | (381,532) | (313,043) | (319,400) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, AIR FORCE | 26,568,796 | 23,565,120 | 23,154,866 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | RESERVE PERSONNEL, AIR FORCE | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 3700F | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 515,203 | 560,729 | 585,006 |
| 3700F | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 104,251 | 112,039 | 115,702 |
| 3700F | 30 | PAY GROUP F TRAINING (RECRUITS) | 33,680 | 54,771 | 55,331 |
| 3700F | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 48 | 97 | 100 |
| 3700F | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 230,764 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 883,946 | | 756,139 |
| 3700F | 60 | MOBILIZATION TRAINING | 350 | 1,800 | 1,800 |
| 3700F | 70 | SCHOOL TRAINING | 109,786 | 108,264 | 110,222 |
| 3700F | 80 | SPECIAL TRAINING | 118,837 | 127,237 | 122,687 |
| 3700F | 90 | ADMINISTRATION AND SUPPORT | 177,228 | 209,905 | 246,869 |
| 3700F | 100 | EDUCATION BENEFITS | 10,800 | 56,415 | 55,733 |
| 3700F | 110 | ROTC - SENIOR, JUNIOR | 66,542 | | |
| 3700F | 120 | HEALTH PROFESSION SCHOLARSHIP | 27,700 | 28,963 | 29,387 |
| 3700F | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 9,554 | | |
| 3700F | 130 | OTHER PROGRAMS (ADMIN & SUPPORT) | 17,262 | 25,474 | 35,491 |
| | | TOTAL BUDGET ACTIVITY 01: | | 1,285,694 | |
| | | TOTAL BUDGET ACTIVITY 02: | 538,059 | | 602,189 |
| | | TOTAL DIRECT - RESERVE PERSONNEL, AIR FORCE | 1,422,005 | 1,285,694 | 1,358,328 |

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Exhibit M-1
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | NATIONAL GUARD PERSONNEL, AIR FORCE | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 3850F | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 766,991 | 816,030 | 901,071 |
| 3850F | 30 | PAY GROUP F TRAINING (RECRUITS) | 54,851 | 67,061 | 72,665 |
| 3850F | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 12,626 | 4,547 | 455 |
| 3850F | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 295,577 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 1,130,045 | | 974,191 |
| 3850F | 70 | SCHOOL TRAINING | 169,226 | 142,144 | 141,790 |
| 3850F | 80 | SPECIAL TRAINING | 237,206 | 134,505 | 80,353 |
| 3850F | 90 | ADMINISTRATION AND SUPPORT | 962,963 | 1,075,970 | 1,137,353 |
| 3850F | 100 | EDUCATION BENEFITS | 36,491 | 74,051 | 66,043 |
| 3850F | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 63,535 | | |
| | | TOTAL BUDGET ACTIVITY 01: | | 2,314,308 | |
| | | TOTAL BUDGET ACTIVITY 02: | 1,469,421 | | 1,425,539 |
| | | TOTAL DIRECT - NATIONAL GUARD PERSONNEL, AIR FORCE | 2,599,466 | 2,314,308 | 2,399,730 |
| | | TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL APPROPRIATIONS | 30,590,267 | 27,165,122 | 26,912,924 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1007F | 300 | AIR FORCE | | 2,032,519 | 2,058,270 |
| 1008F | 300 | RESERVE PERSONNEL, AIR FORCE | | 254,333 | 268,104 |
| 1009F | 300 | NATIONAL GUARD PERSONNEL, AIR FORCE | | 385,869 | 409,546 |
| | | GRAND TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL COSTS | 30,590,267 | 29,837,843 | 29,648,844 |

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Exhibit M-1
FY 2007 President's Budget

| ID | MILITARY PERSONNEL, GRAND TOTAL | (DOLLARS IN THOUSANDS) | | |
|-----|---|------------------------|-------------------|-------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 5 | BASIC PAY | 14,535,167 | 14,120,277 | 13,569,043 |
| 6 | ARMY SECURITY | 5,091 | | |
| 10 | RETIRED PAY ACCRUAL | 3,952,810 | 3,723,173 | 3,593,366 |
| 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,181,726 | | |
| 25 | BASIC ALLOWANCE FOR HOUSING | 3,766,637 | 3,719,598 | 3,621,510 |
| 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 545,527 | 526,394 | 505,921 |
| 35 | INCENTIVE PAYS | 674,750 | 636,402 | 619,975 |
| 40 | SPECIAL PAYS | 900,107 | 842,003 | 803,057 |
| 45 | ALLOWANCES | 580,156 | 378,032 | 360,831 |
| 50 | SEPARATION PAY | 149,648 | 214,262 | 178,310 |
| 55 | SOCIAL SECURITY TAX | 1,101,721 | 1,071,143 | 1,033,012 |
| | TOTAL BUDGET ACTIVITY 01: | 27,393,340 | 25,231,284 | 24,285,025 |
| | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 60 | BASIC PAY | 33,550,683 | 30,998,371 | 30,043,333 |
| 61 | ARMY SECURITY | 59,480 | | |
| 65 | RETIRED PAY ACCRUAL | 9,162,177 | 8,150,212 | 7,937,316 |
| 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 6,122,843 | | |
| 80 | BASIC ALLOWANCE FOR HOUSING | 9,935,160 | 8,661,539 | 8,610,704 |
| 85 | INCENTIVE PAYS | 228,715 | 250,437 | 238,420 |
| 90 | SPECIAL PAYS | 2,928,406 | 2,299,401 | 1,969,390 |
| 95 | ALLOWANCES | 2,689,777 | 2,040,263 | 1,962,685 |
| 100 | SEPARATION PAY | 719,752 | 733,029 | 728,305 |
| 105 | SOCIAL SECURITY TAX | 2,561,269 | 2,355,779 | 2,292,627 |
| | TOTAL BUDGET ACTIVITY 02: | 67,958,262 | 55,489,031 | 53,782,780 |
| | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN | | | |
| 110 | ACADEMY CADETS | 160,172 | 164,798 | 170,201 |
| | TOTAL BUDGET ACTIVITY 03: | 160,172 | 164,798 | 170,201 |
| | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 3,108,635 | 2,518,883 | 2,556,612 |
| 120 | SUBSISTENCE-IN-KIND | 2,487,228 | 1,539,923 | 1,334,928 |
| 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 2,960 | 5,689 | 5,792 |
| | TOTAL BUDGET ACTIVITY 04: | 5,598,823 | 4,064,495 | 3,897,332 |

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Exhibit M-1
FY 2007 President's Budget

| ID | | (DOLLARS IN THOUSANDS) | | |
|-----|--|------------------------|-------------------|-------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | MILITARY PERSONNEL, GRAND TOTAL | | | |
| | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 125 | ACCESSION TRAVEL | 257,032 | 387,979 | 379,682 |
| 130 | TRAINING TRAVEL | 235,973 | 211,912 | 234,638 |
| 135 | OPERATIONAL TRAVEL | 786,941 | 792,835 | 581,367 |
| 140 | ROTATIONAL TRAVEL | 1,306,417 | 1,369,749 | 1,282,823 |
| 145 | SEPARATION TRAVEL | 406,687 | 437,012 | 476,669 |
| 150 | TRAVEL OF ORGANIZED UNITS | 71,065 | 38,276 | 29,054 |
| 155 | NON-TEMPORARY STORAGE | 63,272 | 78,961 | 82,164 |
| 160 | TEMPORARY LODGING EXPENSE | 88,828 | 78,923 | 78,881 |
| 165 | OTHER | 6,091 | 8,477 | 8,796 |
| | TOTAL BUDGET ACTIVITY 05: | 3,222,306 | 3,404,124 | 3,154,074 |
| | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 170 | APPREHENSION OF MILITARY DESERTERS | 4,645 | 3,845 | 3,900 |
| 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 11,538 | 1,487 | 1,402 |
| 180 | DEATH GRATUITIES | 596,032 | 292,418 | 15,406 |
| 185 | UNEMPLOYMENT BENEFITS | 422,597 | 376,593 | 323,567 |
| 190 | SURVIVOR BENEFITS | 11,023 | 7,169 | 6,640 |
| 195 | EDUCATION BENEFITS | 9,581 | 9,232 | 10,134 |
| 200 | ADOPTION EXPENSES | 1,401 | 1,630 | 2,037 |
| 210 | TRANSPORTATION SUBSIDY | 16,021 | 14,115 | 13,966 |
| 215 | PARTIAL DISLOCATION ALLOWANCE | 7,919 | 11,575 | 11,989 |
| 216 | SGLI EXTRA HAZARD PAYMENTS | 126,579 | 168,341 | |
| 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | 144,577 | 149,772 |
| 218 | JUNIOR ROTC | | 64,963 | 67,904 |
| | TOTAL BUDGET ACTIVITY 06: | 1,207,336 | 1,095,945 | 606,717 |
| 220 | LESS REIMBURSABLES | (1,021,255) | (968,075) | (1,023,533) |
| | TOTAL DIRECT - ACTIVE | 104,518,984 | 88,481,602 | 84,872,596 |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | 7,770,475 | 8,074,231 |
| | GRAND TOTAL DIRECT - ACTIVE PERSONNEL COSTS | 104,518,984 | 96,252,077 | 92,946,827 |

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Exhibit M-1
FY 2007 President's Budget

| ID | RESERVE PERSONNEL, GRAND TOTAL | (DOLLARS IN THOUSANDS) | | |
|-----|---|------------------------|------------------|------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 2,189,842 | 2,193,538 | 2,467,719 |
| 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 158,216 | 191,700 | 187,535 |
| 30 | PAY GROUP F TRAINING (RECRUITS) | 272,927 | 325,776 | 338,320 |
| 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 1,831 | 437 | 100 |
| 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 1,128,485 | | |
| | TOTAL BUDGET ACTIVITY 01: | 3,751,301 | | 2,993,674 |
| 60 | MOBILIZATION TRAINING | 15,360 | 30,425 | 34,059 |
| 70 | SCHOOL TRAINING | 267,837 | 335,172 | 350,417 |
| 80 | SPECIAL TRAINING | 429,266 | 396,810 | 404,555 |
| 90 | ADMINISTRATION AND SUPPORT | 2,749,258 | 2,923,410 | 2,925,449 |
| 95 | PLATOON LEADER CLASS | 15,367 | 12,708 | 12,892 |
| 100 | EDUCATION BENEFITS | 71,918 | 218,215 | 214,001 |
| 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 199,414 | | |
| 120 | HEALTH PROFESSION SCHOLARSHIP | 86,781 | 95,428 | 97,139 |
| 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 175,806 | | |
| 130 | OTHER PROGRAMS | 66,422 | 68,949 | 60,623 |
| | TOTAL BUDGET ACTIVITY 01: | | 6,792,568 | |
| | TOTAL BUDGET ACTIVITY 02: | 4,077,429 | | 4,099,135 |
| | TOTAL DIRECT - RESERVE | 7,828,730 | 6,792,568 | 7,092,809 |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | 1,399,645 | 1,442,124 |
| | GRAND TOTAL DIRECT - RESERVE PERSONNEL COSTS | 7,828,730 | 8,192,213 | 8,534,933 |

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Exhibit M-1
FY 2007 President's Budget

| ID | | (DOLLARS IN THOUSANDS) | | |
|-----|---|------------------------|--------------------|--------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | NATIONAL GUARD PERSONNEL, GRAND TOTAL | | | |
| | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 2,533,046 | 2,519,360 | 2,653,207 |
| 30 | PAY GROUP F TRAINING (RECRUITS) | 304,050 | 437,122 | 383,554 |
| 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 34,575 | 34,232 | 22,047 |
| 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 1,261,751 | | |
| | TOTAL BUDGET ACTIVITY 01: | 4,133,422 | | 3,058,808 |
| 70 | SCHOOL TRAINING | 475,156 | 426,706 | 405,562 |
| 80 | SPECIAL TRAINING | 674,870 | 338,424 | 226,915 |
| 90 | ADMINISTRATION AND SUPPORT | 3,329,938 | 3,549,888 | 3,699,808 |
| 100 | EDUCATION BENEFITS | 150,207 | 294,093 | 262,217 |
| 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 199,796 | | |
| | TOTAL BUDGET ACTIVITY 01: | | 7,599,825 | |
| | TOTAL BUDGET ACTIVITY 02: | 4,829,967 | | 4,594,502 |
| | TOTAL DIRECT - NATIONAL GUARD | 8,963,389 | 7,599,825 | 7,653,310 |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | 1,605,272 | 1,641,698 |
| | GRAND TOTAL DIRECT - NATIONAL GUARD PERSONNEL COSTS | 8,963,389 | 9,205,097 | 9,295,008 |
| | GRAND TOTAL DIRECT - MILITARY PERSONNEL | 121,311,103 | 113,649,387 | 110,776,768 |

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Department of Defense
FY 2007 President's Budget

Exhibit O-1

| <u>Appropriation Summary</u> | Total Obligational Authority (Dollars in Thousands) | | |
|---|--|-------------------|-------------------|
| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| <u>Department of the Army</u> | | | |
| OPERATION & MAINTENANCE, ARMY | 60,327,095 | 45,505,704 | 24,902,380 |
| OPERATION & MAINTENANCE, ARMY RESERVE | 2,017,313 | 2,011,101 | 2,299,202 |
| OPERATION & MAINTENANCE, ARMY NATIONAL GUARD | 4,872,300 | 4,708,505 | 4,838,665 |
| Total Department of the Army | 67,216,708 | 52,225,310 | 32,040,247 |
| <u>Department of the Navy</u> | | | |
| OPERATION & MAINTENANCE, NAVY | 33,892,238 | 31,769,782 | 31,330,984 |
| OPERATION & MAINTENANCE, MARINE CORPS | 6,237,908 | 5,489,460 | 3,878,962 |
| OPERATION & MAINTENANCE, NAVY RESERVE | 1,364,111 | 1,643,911 | 1,288,764 |
| OPERATION & MAINTENANCE, MARINE CORPS RESERVE | 200,637 | 242,070 | 211,911 |
| Total Department of the Navy | 41,694,894 | 39,145,223 | 36,710,621 |
| <u>Department of the Air Force</u> | | | |
| OPERATION & MAINTENANCE, AIR FORCE | 34,494,921 | 32,617,931 | 31,342,307 |
| OPERATION & MAINTENANCE, AIR FORCE RESERVE | 2,262,807 | 2,475,554 | 2,723,800 |
| OPERATION & MAINTENANCE, AIR NATIONAL GUARD | 4,551,700 | 4,691,532 | 5,336,017 |
| Total Department of the Air Force | 41,309,428 | 39,785,017 | 39,402,124 |
| <u>Defense-Wide</u> | | | |
| OPERATION & MAINTENANCE, DEFENSE-WIDE | 21,534,488 | 20,870,792 | 20,075,656 |
| OFFICE OF THE INSPECTOR GENERAL | 198,325 | 209,300 | 216,297 |
| DRUG INTERDICTION & COUNTER-DRUG ACT., DEF. | | 936,094 | 926,890 |
| DEFENSE HEALTH PROGRAM | 18,388,481 | 20,327,728 | 20,776,121 |

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Department of Defense
 FY 2007 President's Budget
 Exhibit O-1

| <u>Appropriation Summary</u> | Total Obligational Authority (Dollars in Thousands) | | |
|---|--|--------------------|--------------------|
| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| <u>Transfer Accounts and Miscellaneous</u> | | | |
| ENVIRONMENTAL RESTORATION FUND, ARMY | | 402,848 | 413,794 |
| ENVIRONMENTAL RESTORATION FUND, NAVY | | 301,520 | 304,409 |
| ENVIRONMENTAL RESTORATION FUND, AIR FORCE | | 401,461 | 423,871 |
| ENVIRONMENTAL RESTORATION FUND, DEFENSE | | 27,821 | 18,431 |
| ENVIRONMENTAL RESTORATION FORMERLY USED SITES | | 253,762 | 242,790 |
| AFGHANISTAN SECURITY FORCES FUND | 995,000 | | |
| IRAQ SECURITY FORCES FUND | 5,490,000 | | |
| PAYMENT TO KAHO'OLAWA ISLAND FUND | 421 | | |
| US COURT OF APPEALS FOR THE ARMED FORCES, DEFENSE | 10,536 | 11,098 | 11,721 |
| SUPPORT OF INT'L SPORTING COMPETITIONS, DEFENSE | 1,165 | 505 | |
| OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND | | | 10,000 |
| EMERGENCY RESPONSE FUND | | 17,984 | |
| EMERGENCY RESPONSE FUND, DEFENSE | 424,947 | | |
| IRAQ FREEDOM FUND, DEFENSE | | 4,558,686 | |
| OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID | 175,809 | 60,789 | 63,204 |
| FORMER SOVIET UNION (FSU) THREAT REDUCTION | 407,873 | 410,437 | 372,128 |
| Total Miscellaneous | 7,505,751 | 6,446,911 | 1,860,348 |
| Total Operation and Maintenance Title: | 197,848,075 | 179,946,375 | 152,008,304 |

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Department of Defense
 FY 2007 President's Budget
 Exhibit O-1

| | | Total Obligational Authority (Dollars in Thousands) | | |
|---|--|--|-------------------|-------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 2020A Operation & Maintenance, Army | | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | | |
| <u>LAND FORCES</u> | | | | |
| 2020A | 010 DIVISIONS | 1,564,242 | 766,677 | 992,281 |
| 2020A | 020 CORPS COMBAT FORCES | 369,595 | 388,504 | 430,556 |
| 2020A | 030 CORPS SUPPORT FORCES | 405,806 | 291,663 | 388,518 |
| 2020A | 040 EAC SUPPORT FORCES | 1,023,675 | 787,712 | 884,236 |
| 2020A | 050 LAND FORCES OPERATIONS SUPPORT | 1,021,498 | 1,200,705 | 1,189,294 |
| | TOTAL LAND FORCES | 4,384,816 | 3,435,261 | 3,884,885 |
| <u>LAND FORCES READINESS</u> | | | | |
| 2020A | 060 FORCE READINESS OPERATIONS SUPPORT | 1,786,583 | 1,816,966 | 1,971,662 |
| 2020A | 070 LAND FORCES SYSTEMS READINESS | 532,167 | 521,543 | 571,894 |
| 2020A | 080 LAND FORCES DEPOT MAINTENANCE | 2,641,903 | 2,056,278 | 974,354 |
| | TOTAL LAND FORCES READINESS | 4,960,653 | 4,394,787 | 3,517,910 |
| <u>LAND FORCES READINESS SUPPORT</u> | | | | |
| 2020A | 090 BASE OPERATIONS SUPPORT | 6,238,634 | 5,226,135 | 5,235,492 |
| 2020A | 100 FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 1,473,412 | 1,814,297 | 1,810,774 |
| 2020A | 110 MANAGEMENT AND OPERATIONAL HQ | 231,667 | 209,205 | 252,976 |
| 2020A | 120 UNIFIED COMMANDS | 118,368 | 100,023 | 108,594 |
| 2020A | 130 MISCELLANEOUS ACTIVITIES | 31,060,179 | 19,703,234 | 219,469 |
| | TOTAL LAND FORCES READINESS SUPPORT | 39,122,260 | 27,052,894 | 7,627,305 |
| | TOTAL, BA 01: OPERATING FORCES* | 48,467,729 | 34,882,942 | 15,030,100 |
| <u>BUDGET ACTIVITY 02: MOBILIZATION</u> | | | | |
| <u>MOBILITY OPERATIONS</u> | | | | |
| 2020A | 140 STRATEGIC MOBILITY | 260,701 | 245,928 | 197,583 |
| 2020A | 150 ARMY PREPOSITIONING STOCKS | 148,410 | 97,814 | 66,594 |
| 2020A | 160 INDUSTRIAL PREPAREDNESS | 15,732 | 15,518 | 4,700 |
| | TOTAL MOBILITY OPERATIONS | 424,843 | 359,260 | 268,877 |
| | TOTAL, BA 02: MOBILIZATION | 424,843 | 359,260 | 268,877 |
| <u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u> | | | | |
| <u>ACCESSION TRAINING</u> | | | | |
| 2020A | 170 OFFICER ACQUISITION | 101,418 | 96,330 | 112,359 |
| 2020A | 180 RECRUIT TRAINING | 28,130 | 30,251 | 38,480 |
| 2020A | 190 ONE STATION UNIT TRAINING | 38,359 | 33,940 | 45,827 |
| 2020A | 200 SENIOR RESERVE OFFICERS TRAINING CORPS | 224,777 | 267,709 | 273,430 |
| | TOTAL ACCESSION TRAINING | 392,684 | 428,230 | 470,096 |
| <u>BASIC SKILLS AND ADVANCED TRAINING</u> | | | | |
| 2020A | 210 SPECIALIZED SKILL TRAINING | 447,239 | 504,509 | 524,645 |
| 2020A | 220 FLIGHT TRAINING | 532,626 | 621,506 | 637,726 |
| 2020A | 230 PROFESSIONAL DEVELOPMENT EDUCATION | 109,603 | 120,376 | 115,231 |

* Includes adjustments between Budget Activity 01 and Budget Activity 04 not reflected in the FY 2007 President's Budget.

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Note: FY 2005 and FY 2006 reflect emergency supplemental funding.

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|--|--|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 2020A Operation & Maintenance, Army | | | | | |
| 2020A | 240 | TRAINING SUPPORT | 570,440 | 648,485 | 661,743 |
| | | TOTAL BASIC SKILLS AND ADVANCED TRAINING | 1,659,908 | 1,894,876 | 1,939,345 |
| <u>RECRUITING AND OTHER TRAINING AND EDUCATION</u> | | | | | |
| 2020A | 250 | RECRUITING AND ADVERTISING | 526,577 | 854,146 | 516,857 |
| 2020A | 260 | EXAMINING | 132,523 | 121,888 | 130,238 |
| 2020A | 270 | OFF-DUTY AND VOLUNTARY EDUCATION | 248,490 | 260,009 | 273,188 |
| 2020A | 280 | CIVILIAN EDUCATION AND TRAINING | 149,991 | 119,843 | 136,568 |
| 2020A | 290 | JUNIOR ROTC | 135,039 | 138,544 | 148,215 |
| | | TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | 1,192,620 | 1,494,430 | 1,205,066 |
| TOTAL, BA 03: TRAINING AND RECRUITING | | | 3,245,212 | 3,817,536 | 3,614,507 |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | | |
| <u>SECURITY PROGRAMS</u> | | | | | |
| 2020A | 300 | SECURITY PROGRAMS | 956,690 | 1,147,623 | 782,719 |
| | | TOTAL SECURITY PROGRAMS | 956,690 | 1,147,623 | 782,719 |
| <u>LOGISTICS OPERATIONS</u> | | | | | |
| 2020A | 310 | SERVICEWIDE TRANSPORTATION | 1,272,891 | 860,894 | 451,070 |
| 2020A | 320 | CENTRAL SUPPLY ACTIVITIES | 496,648 | 598,735 | 453,386 |
| 2020A | 330 | LOGISTIC SUPPORT ACTIVITIES | 428,465 | 384,266 | 415,582 |
| 2020A | 340 | AMMUNITION MANAGEMENT | 356,573 | 317,421 | 308,552 |
| | | TOTAL LOGISTICS OPERATIONS | 2,554,577 | 2,161,316 | 1,628,590 |
| <u>SERVICEWIDE SUPPORT</u> | | | | | |
| 2020A | 350 | ADMINISTRATION | 1,517,728 | 564,170 | 701,834 |
| 2020A | 360 | SERVICEWIDE COMMUNICATIONS | 726,419 | 803,451 | 957,811 |
| 2020A | 370 | MANPOWER MANAGEMENT | 258,577 | 236,454 | 276,963 |
| 2020A | 380 | OTHER PERSONNEL SUPPORT | 251,535 | 187,721 | 200,993 |
| 2020A | 390 | OTHER SERVICE SUPPORT | 1,412,722 | 777,774 | 833,850 |
| 2020A | 400 | ARMY CLAIMS ACTIVITIES | 84,061 | 193,387 | 203,144 |
| 2020A | 410 | REAL ESTATE MANAGEMENT | 57,808 | 43,562 | 48,934 |
| | | TOTAL SERVICEWIDE SUPPORT | 4,308,850 | 2,806,519 | 3,223,529 |
| <u>SUPPORT OF OTHER NATIONS</u> | | | | | |
| 2020A | 420 | SUPPORT OF NATO OPERATIONS | 308,146 | 288,242 | 310,277 |
| 2020A | 430 | MISC. SUPPORT OF OTHER NATIONS | 61,048 | 42,266 | 43,781 |
| | | TOTAL SUPPORT OF OTHER NATIONS | 369,194 | 330,508 | 354,058 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES* | | | 8,189,311 | 6,445,966 | 5,988,896 |
| Total Operation & Maintenance, Army | | | 60,327,095 | 45,505,704 | 24,902,380 |

* Includes adjustments between Budget Activity 01 and Budget Activity 04 not reflected in the FY 2007 President's Budget.

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|--|--|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 1804N Operation & Maintenance, Navy | | | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | | | |
| <u>AIR OPERATIONS</u> | | | | | |
| 1804N | 010 | MISSION AND OTHER FLIGHT OPERATIONS | 3,639,524 | 3,762,368 | 3,587,750 |
| 1804N | 020 | FLEET AIR TRAINING | 1,118,457 | 842,035 | 863,788 |
| 1804N | 030 | INTERMEDIATE MAINTENANCE | 67,502 | 57,054 | 56,502 |
| 1804N | 040 | AIR OPERATIONS AND SAFETY SUPPORT | 123,764 | 111,304 | 121,303 |
| 1804N | 050 | AIR SYSTEMS SUPPORT | 471,122 | 464,332 | 485,830 |
| 1804N | 060 | AIRCRAFT DEPOT MAINTENANCE | 1,139,793 | 1,038,348 | 902,864 |
| 1804N | 070 | AIRCRAFT DEPOT OPERATIONS SUPPORT | 71,743 | 100,846 | 144,243 |
| | | TOTAL AIR OPERATIONS | 6,631,905 | 6,376,287 | 6,162,280 |
| <u>SHIP OPERATIONS</u> | | | | | |
| 1804N | 080 | MISSION AND OTHER SHIP OPERATIONS | 3,167,363 | 3,027,875 | 3,166,923 |
| 1804N | 090 | SHIP OPERATIONS SUPPORT & TRAINING | 624,620 | 575,876 | 645,040 |
| 1804N | 100 | SHIP DEPOT MAINTENANCE | 4,297,859 | 4,061,305 | 3,722,690 |
| 1804N | 110 | SHIP DEPOT OPERATIONS SUPPORT | 1,106,297 | 817,634 | 979,341 |
| | | TOTAL SHIP OPERATIONS | 9,196,139 | 8,482,690 | 8,513,994 |
| <u>COMBAT OPERATIONS/SUPPORT</u> | | | | | |
| 1804N | 120 | COMBAT COMMUNICATIONS | 337,811 | 300,080 | 318,105 |
| 1804N | 130 | ELECTRONIC WARFARE | 14,836 | 18,501 | 52,039 |
| 1804N | 140 | SPACE SYSTEMS AND SURVEILLANCE | 169,799 | 123,491 | 164,454 |
| 1804N | 150 | WARFARE TACTICS | 320,252 | 362,737 | 356,815 |
| 1804N | 160 | OPERATIONAL METEOROLOGY AND OCEANOGRAPHY | 258,855 | 251,862 | 267,193 |
| 1804N | 170 | COMBAT SUPPORT FORCES | 2,130,709 | 2,067,936 | 1,073,662 |
| 1804N | 180 | EQUIPMENT MAINTENANCE | 196,227 | 171,489 | 170,116 |
| 1804N | 190 | DEPOT OPERATIONS SUPPORT | 3,073 | 3,647 | 3,855 |
| | | TOTAL COMBAT OPERATIONS/SUPPORT | 3,431,562 | 3,299,743 | 2,406,239 |
| <u>WEAPONS SUPPORT</u> | | | | | |
| 1804N | 200 | CRUISE MISSILE | 149,226 | 177,591 | 132,602 |
| 1804N | 210 | FLEET BALLISTIC MISSILE | 812,134 | 820,304 | 946,811 |
| 1804N | 220 | IN-SERVICE WEAPONS SYSTEMS SUPPORT | 52,299 | 70,201 | 115,230 |
| 1804N | 230 | WEAPONS MAINTENANCE | 494,375 | 468,318 | 433,856 |
| 1804N | 240 | OTHER WEAPON SYSTEMS SUPPORT | | | 300,901 |
| | | TOTAL WEAPONS SUPPORT | 1,508,034 | 1,536,414 | 1,929,400 |
| <u>WORKING CAPITAL FUND SUPPORT</u> | | | | | |
| 1804N | 250 | NWCF SUPPORT | | -50,000 | |
| | | TOTAL WORKING CAPITAL FUND SUPPORT | | -50,000 | |
| <u>BASE SUPPORT</u> | | | | | |
| 1804N | 260 | ENTERPRISE INFORMATION | | | 713,421 |
| 1804N | 270 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 1,564,870 | 1,527,522 | 1,201,313 |
| 1804N | 280 | BASE OPERATING SUPPORT | 3,640,701 | 3,433,912 | 3,470,443 |
| | | TOTAL BASE SUPPORT | 5,205,571 | 4,961,434 | 5,385,177 |
| TOTAL, BA 01: OPERATING FORCES | | | 25,973,211 | 24,606,568 | 24,397,090 |

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|--|--|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 1804N Operation & Maintenance, Navy | | | | | |
| <u>BUDGET ACTIVITY 02: MOBILIZATION</u> | | | | | |
| <u>READY RESERVE AND PREPOSITIONING FORCE</u> | | | | | |
| 1804N | 290 | SHIP PREPOSITIONING AND SURGE | 596,596 | 525,985 | 545,607 |
| | | TOTAL READY RESERVE AND PREPOSITIONING FORCE | 596,596 | 525,985 | 545,607 |
| <u>ACTIVATIONS/INACTIVATIONS</u> | | | | | |
| 1804N | 300 | AIRCRAFT ACTIVATIONS/INACTIVATIONS | 7,831 | 3,112 | 4,626 |
| 1804N | 310 | SHIP ACTIVATIONS/INACTIVATIONS | 213,983 | 123,305 | 197,171 |
| | | TOTAL ACTIVATIONS/INACTIVATIONS | 221,814 | 126,417 | 201,797 |
| <u>MOBILIZATION PREPARATION</u> | | | | | |
| 1804N | 320 | FLEET HOSPITAL PROGRAM | 37,203 | 27,429 | 30,928 |
| 1804N | 330 | INDUSTRIAL READINESS | 2,274 | 1,633 | 1,660 |
| 1804N | 340 | COAST GUARD SUPPORT | 16,897 | 19,604 | 20,236 |
| | | TOTAL MOBILIZATION PREPARATION | 56,374 | 48,666 | 52,824 |
| | | TOTAL, BA 02: MOBILIZATION | 874,784 | 701,068 | 800,228 |
| <u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u> | | | | | |
| <u>ACCESSION TRAINING</u> | | | | | |
| 1804N | 350 | OFFICER ACQUISITION | 123,216 | 121,612 | 134,960 |
| 1804N | 360 | RECRUIT TRAINING | 6,964 | 9,956 | 9,973 |
| 1804N | 370 | RESERVE OFFICERS TRAINING CORPS | 96,290 | 101,270 | 105,067 |
| | | TOTAL ACCESSION TRAINING | 226,470 | 232,838 | 250,000 |
| <u>BASIC SKILLS AND ADVANCED TRAINING</u> | | | | | |
| 1804N | 380 | SPECIALIZED SKILL TRAINING | 456,195 | 476,404 | 517,787 |
| 1804N | 390 | FLIGHT TRAINING | 414,124 | 353,279 | 425,434 |
| 1804N | 400 | PROFESSIONAL DEVELOPMENT EDUCATION | 128,319 | 136,914 | 121,568 |
| 1804N | 410 | TRAINING SUPPORT | 233,936 | 237,973 | 168,461 |
| | | TOTAL BASIC SKILLS AND ADVANCED TRAINING | 1,232,574 | 1,204,570 | 1,233,250 |
| <u>RECRUITING AND OTHER TRAINING AND EDUCATION</u> | | | | | |
| 1804N | 420 | RECRUITING AND ADVERTISING | 285,603 | 297,141 | 245,469 |
| 1804N | 430 | OFF-DUTY AND VOLUNTARY EDUCATION | 132,694 | 150,191 | 148,588 |
| 1804N | 440 | CIVILIAN EDUCATION AND TRAINING | 65,981 | 69,700 | 75,337 |
| 1804N | 450 | JUNIOR ROTC | 43,772 | 42,320 | 46,649 |
| | | TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | 528,050 | 559,352 | 516,043 |
| | | TOTAL, BA 03: TRAINING AND RECRUITING | 1,987,094 | 1,996,760 | 1,999,293 |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | | |
| <u>SERVICEWIDE SUPPORT</u> | | | | | |
| 1804N | 460 | ADMINISTRATION | 810,071 | 670,531 | 719,357 |
| 1804N | 470 | EXTERNAL RELATIONS | 3,707 | 3,332 | 3,555 |
| 1804N | 480 | CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT | 106,323 | 97,515 | 103,611 |
| 1804N | 490 | MILITARY MANPOWER AND PERSONNEL MANAGEMENT | 196,018 | 229,823 | 186,113 |

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Note: FY 2005 and FY 2006 reflect emergency supplemental funding.

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|---|--|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 1804N Operation & Maintenance, Navy | | | | | |
| 1804N | 500 | OTHER PERSONNEL SUPPORT | 242,843 | 243,291 | 274,108 |
| 1804N | 510 | SERVICEWIDE COMMUNICATIONS | 619,973 | 726,545 | 798,527 |
| 1804N | 520 | MEDICAL ACTIVITIES | 21,558 | | |
| | | TOTAL SERVICEWIDE SUPPORT | 2,000,493 | 1,971,037 | 2,085,271 |
| <u>LOGISTICS OPERATIONS AND TECHNICAL SUPPORT</u> | | | | | |
| 1804N | 530 | SERVICEWIDE TRANSPORTATION | 344,814 | 271,693 | 218,575 |
| 1804N | 540 | ENVIRONMENTAL PROGRAMS | 265,872 | | |
| 1804N | 550 | PLANNING, ENGINEERING AND DESIGN | 296,688 | 290,386 | 242,607 |
| 1804N | 560 | ACQUISITION AND PROGRAM MANAGEMENT | 931,427 | 791,093 | 518,512 |
| 1804N | 570 | HULL, MECHANICAL AND ELECTRICAL SUPPORT | 46,954 | 46,939 | 58,202 |
| 1804N | 580 | COMBAT/WEAPONS SYSTEMS | 50,613 | 44,438 | 43,143 |
| 1804N | 590 | SPACE AND ELECTRONIC WARFARE SYSTEMS | 63,002 | 71,576 | 81,528 |
| | | TOTAL LOGISTICS OPERATIONS AND TECHNICAL SUPPORT | 1,999,370 | 1,516,125 | 1,162,567 |
| <u>INVESTIGATIONS AND SECURITY PROGRAMS</u> | | | | | |
| 1804N | 600 | NAVAL INVESTIGATIVE SERVICE | 333,884 | 382,696 | 391,438 |
| | | TOTAL INVESTIGATIONS AND SECURITY PROGRAMS | 333,884 | 382,696 | 391,438 |
| <u>SUPPORT OF OTHER NATIONS</u> | | | | | |
| 1804N | 650 | INTERNATIONAL HEADQUARTERS AND AGENCIES | 18,064 | 10,149 | 10,478 |
| 1804N | 660 | PRESIDENTIAL DRAWDOWN AUTHORITY | 83,333 | | |
| | | TOTAL SUPPORT OF OTHER NATIONS | 101,397 | 10,149 | 10,478 |
| <u>CANCELLED ACCOUNTS</u> | | | | | |
| 1804N | 670 | CANCELLED ACCOUNT ADJUSTMENTS | 4,155 | | |
| | | TOTAL CANCELLED ACCOUNTS | 4,155 | | |
| 1804N | 999 | OTHER PROGRAMS | 617,850 | 585,379 | 484,619 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 5,057,149 | 4,465,386 | 4,134,373 |
| | | Total Operation & Maintenance, Navy | 33,892,238 | 31,769,782 | 31,330,984 |

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Total Obligational Authority
 (Dollars in Thousands)
FY 2005 FY 2006 FY 2007

1106N Operation & Maintenance, Marine Corps

BUDGET ACTIVITY 01: OPERATING FORCESEXPEDITIONARY FORCES

| | | | | | |
|-------|-----|-----------------------------------|------------------|------------------|------------------|
| 1106N | 010 | OPERATIONAL FORCES | 2,402,800 | 1,768,674 | 503,462 |
| 1106N | 020 | FIELD LOGISTICS | 528,979 | 485,067 | 424,331 |
| 1106N | 030 | DEPOT MAINTENANCE | 331,141 | 263,794 | 111,210 |
| 1106N | 040 | BASE SUPPORT | | 296 | |
| | | TOTAL EXPEDITIONARY FORCES | 3,262,920 | 2,517,831 | 1,039,003 |

USMC PREPOSITIONING

| | | | | | |
|-------|-----|----------------------------------|---------------|---------------|---------------|
| 1106N | 050 | MARITIME PREPOSITIONING | 95,466 | 86,092 | 70,801 |
| 1106N | 060 | NORWAY PREPOSITIONING | 3,938 | 5,022 | 5,284 |
| | | TOTAL USMC PREPOSITIONING | 99,404 | 91,114 | 76,085 |

BASE SUPPORT

| | | | | | |
|-------|-----|---|------------------|------------------|------------------|
| 1106N | 070 | SUSTAINMENT, RESTORATION, & MODERNIZATION | 485,385 | 473,709 | 419,418 |
| 1106N | 080 | BASE OPERATING SUPPORT | 1,115,883 | 1,358,915 | 1,428,003 |
| | | TOTAL BASE SUPPORT | 1,601,268 | 1,832,624 | 1,847,421 |

TOTAL, BA 01: OPERATING FORCES

4,963,592 4,441,569 2,962,509

BUDGET ACTIVITY 03: TRAINING AND RECRUITINGACCESSION TRAINING

| | | | | | |
|-------|-----|---------------------------------|---------------|---------------|---------------|
| 1106N | 090 | RECRUIT TRAINING | 10,867 | 10,755 | 11,581 |
| 1106N | 100 | OFFICER ACQUISITION | 420 | 369 | 390 |
| | | TOTAL ACCESSION TRAINING | 11,287 | 11,124 | 11,971 |

BASIC SKILLS AND ADVANCED TRAINING

| | | | | | |
|-------|-----|---|----------------|----------------|----------------|
| 1106N | 110 | SPECIALIZED SKILL TRAINING | 45,971 | 39,679 | 41,130 |
| 1106N | 120 | FLIGHT TRAINING | 183 | 176 | 187 |
| 1106N | 130 | PROFESSIONAL DEVELOPMENT EDUCATION | 11,567 | 10,537 | 16,476 |
| 1106N | 140 | TRAINING SUPPORT | 138,530 | 132,303 | 144,692 |
| | | TOTAL BASIC SKILLS AND ADVANCED TRAINING | 196,251 | 182,695 | 202,485 |

RECRUITING AND OTHER TRAINING AND EDUCATION

| | | | | | |
|-------|-----|--|----------------|----------------|----------------|
| 1106N | 150 | RECRUITING AND ADVERTISING | 141,582 | 123,465 | 108,883 |
| 1106N | 160 | OFF-DUTY AND VOLUNTARY EDUCATION | 42,256 | 50,590 | 55,524 |
| 1106N | 170 | JUNIOR ROTC | 15,008 | 16,702 | 17,257 |
| | | TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | 198,846 | 190,757 | 181,664 |

BASE SUPPORT

| | | | | | |
|-------|-----|--|----------------|----------------|----------------|
| 1106N | 180 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 65,282 | 66,836 | 50,810 |
| 1106N | 190 | BASE OPERATING SUPPORT | 162,380 | 117,162 | 141,242 |
| | | TOTAL BASE SUPPORT | 227,662 | 183,998 | 192,052 |

TOTAL, BA 03: TRAINING AND RECRUITING

634,046 568,574 588,172

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|---|--|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 1106N Operation & Maintenance, Marine Corps | | | | | |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | | |
| <u>SERVICEWIDE SUPPORT</u> | | | | | |
| 1106N | 200 | SPECIAL SUPPORT | 296,341 | 235,164 | 255,058 |
| 1106N | 210 | SERVICE-WIDE TRANSPORTATION | 285,518 | 200,256 | 24,140 |
| 1106N | 220 | ADMINISTRATION | 38,392 | 27,248 | 34,266 |
| | | TOTAL SERVICEWIDE SUPPORT | 620,251 | 462,668 | 313,464 |
| <u>CANCELLED ACCOUNTS</u> | | | | | |
| 1106N | 230 | CANCELLED ACCOUNT ADJUSTMENT | 91 | | |
| | | TOTAL CANCELLED ACCOUNTS | 91 | | |
| <u>BASE SUPPORT</u> | | | | | |
| 1106N | 240 | SUSTAINMENT, RESTORATION, AND MODERNIZATION | 5,027 | 3,101 | 2,913 |
| 1106N | 250 | BASE OPERATING SUPPORT | 14,901 | 13,548 | 11,904 |
| | | TOTAL BASE SUPPORT | 19,928 | 16,649 | 14,817 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 640,270 | 479,317 | 328,281 |
| Total Operation & Maintenance, Marine Corps | | | 6,237,908 | 5,489,460 | 3,878,962 |

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| | | Total Obligational Authority (Dollars in Thousands) | | |
|--|---|--|-------------------|-------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 3400F Operation & Maintenance, Air Force | | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | | |
| <u>AIR OPERATIONS</u> | | | | |
| 3400F | 010 PRIMARY COMBAT FORCES | 3,851,529 | 5,419,203 | 4,307,850 |
| 3400F | 020 PRIMARY COMBAT WEAPONS | 334,319 | 281,665 | 281,366 |
| 3400F | 030 COMBAT ENHANCEMENT FORCES | 635,650 | 606,660 | 603,703 |
| 3400F | 040 AIR OPERATIONS TRAINING (OJT, MAINTAIN SKILLS) | 1,233,762 | 1,342,294 | 1,439,196 |
| 3400F | 050 COMBAT COMMUNICATIONS | 1,794,246 | 1,446,203 | 1,619,591 |
| 3400F | 070 DEPOT MAINTENANCE | 1,966,926 | 2,042,735 | 1,943,368 |
| 3400F | 080 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 1,312,354 | 1,043,193 | 924,187 |
| 3400F | 090 BASE SUPPORT | 3,531,857 | 2,635,387 | 2,405,434 |
| | TOTAL AIR OPERATIONS | 14,660,643 | 14,817,340 | 13,524,695 |
| <u>COMBAT RELATED OPERATIONS</u> | | | | |
| 3400F | 100 GLOBAL C3I AND EARLY WARNING | 1,243,847 | 1,166,880 | 1,147,409 |
| 3400F | 110 NAVIGATION/WEATHER SUPPORT | 216,730 | 236,031 | 243,878 |
| 3400F | 120 OTHER COMBAT OPS SPT PROGRAMS | 972,262 | 693,109 | 610,059 |
| 3400F | 130 JCS EXERCISES | 31,431 | 29,130 | 29,240 |
| 3400F | 140 MANAGEMENT/OPERATIONAL HQ | 391,700 | 249,826 | 241,730 |
| 3400F | 150 TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES | 424,325 | 340,251 | 350,629 |
| | TOTAL COMBAT RELATED OPERATIONS | 3,280,295 | 2,715,227 | 2,622,945 |
| <u>SPACE OPERATIONS</u> | | | | |
| 3400F | 160 LAUNCH FACILITIES | 300,757 | 329,644 | 324,467 |
| 3400F | 170 LAUNCH VEHICLES | 64,150 | 91,852 | 59,713 |
| 3400F | 180 SPACE CONTROL SYSTEMS | 221,360 | 248,002 | 255,325 |
| 3400F | 190 SATELLITE SYSTEMS | 60,882 | 72,005 | 81,845 |
| 3400F | 200 OTHER SPACE OPERATIONS | 275,299 | 271,055 | 320,801 |
| 3400F | 210 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 190,069 | 177,267 | 133,825 |
| 3400F | 220 BASE SUPPORT | 528,638 | 540,705 | 553,394 |
| | TOTAL SPACE OPERATIONS | 1,641,155 | 1,730,530 | 1,729,370 |
| TOTAL, BA 01: OPERATING FORCES | | 19,582,093 | 19,263,097 | 17,877,010 |
| <u>BUDGET ACTIVITY 02: MOBILIZATION</u> | | | | |
| <u>MOBILITY OPERATIONS</u> | | | | |
| 3400F | 230 AIRLIFT OPERATIONS | 3,172,707 | 2,638,644 | 2,948,518 |
| 3400F | 240 AIRLIFT OPERATIONS C3I | 40,628 | 50,258 | 47,313 |
| 3400F | 250 MOBILIZATION PREPAREDNESS | 185,701 | 172,302 | 204,721 |
| 3400F | 260 PAYMENTS TO TRANSPORTATION BUSINESS AREA | | | 7,134 |
| 3400F | 270 DEPOT MAINTENANCE | 420,606 | 390,242 | 311,703 |
| 3400F | 280 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 290,742 | 149,520 | 179,242 |
| 3400F | 290 BASE SUPPORT | 651,168 | 502,555 | 560,838 |
| | TOTAL MOBILITY OPERATIONS | 4,761,552 | 3,903,521 | 4,259,469 |
| TOTAL, BA 02: MOBILIZATION | | 4,761,552 | 3,903,521 | 4,259,469 |

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|--|--|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 3400F Operation & Maintenance, Air Force | | | | | |
| <u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u> | | | | | |
| <u>ACCESSION TRAINING</u> | | | | | |
| 3400F | 300 | OFFICER ACQUISITION | 79,304 | 77,905 | 81,429 |
| 3400F | 310 | RECRUIT TRAINING | 9,759 | 6,213 | 6,306 |
| 3400F | 320 | RESERVE OFFICERS TRAINING CORPS (ROTC) | 83,137 | 96,942 | 95,282 |
| 3400F | 330 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 70,729 | 33,348 | 43,461 |
| 3400F | 340 | BASE SUPPORT | 76,975 | 73,279 | 75,354 |
| | | TOTAL ACCESSION TRAINING | 319,904 | 287,687 | 301,832 |
| <u>BASIC SKILLS AND ADVANCED TRAINING</u> | | | | | |
| 3400F | 350 | SPECIALIZED SKILL TRAINING | 326,516 | 360,542 | 351,352 |
| 3400F | 360 | FLIGHT TRAINING | 729,155 | 778,128 | 836,910 |
| 3400F | 370 | PROFESSIONAL DEVELOPMENT EDUCATION | 171,216 | 170,454 | 175,225 |
| 3400F | 380 | TRAINING SUPPORT | 113,336 | 112,075 | 89,025 |
| 3400F | 390 | DEPOT MAINTENANCE | 8,789 | 13,987 | 12,558 |
| 3400F | 400 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 305,799 | 153,489 | 134,126 |
| 3400F | 410 | BASE SUPPORT | 606,774 | 555,962 | 590,856 |
| | | TOTAL BASIC SKILLS AND ADVANCED TRAINING | 2,261,585 | 2,144,637 | 2,190,052 |
| <u>RECRUITING AND OTHER TRAINING AND EDUCATION</u> | | | | | |
| 3400F | 420 | RECRUITING AND ADVERTISING | 118,324 | 132,349 | 133,600 |
| 3400F | 430 | EXAMINING | 2,355 | 3,355 | 3,713 |
| 3400F | 440 | OFF-DUTY AND VOLUNTARY EDUCATION | 184,806 | 176,287 | 192,847 |
| 3400F | 450 | CIVILIAN EDUCATION AND TRAINING | 124,448 | 141,076 | 115,394 |
| 3400F | 460 | JUNIOR ROTC | 50,037 | 55,846 | 60,380 |
| | | TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | 479,970 | 508,913 | 505,934 |
| TOTAL, BA 03: TRAINING AND RECRUITING | | | 3,061,459 | 2,941,237 | 2,997,818 |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | | |
| <u>LOGISTICS OPERATIONS</u> | | | | | |
| 3400F | 470 | LOGISTICS OPERATIONS | 783,370 | 837,431 | 892,899 |
| 3400F | 480 | TECHNICAL SUPPORT ACTIVITIES | 426,093 | 628,764 | 629,064 |
| 3400F | 490 | SERVICEWIDE TRANSPORTATION | 356,826 | 184,078 | 176,222 |
| 3400F | 500 | DEPOT MAINTENANCE | 68,078 | 47,203 | 47,817 |
| 3400F | 510 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 313,662 | 236,536 | 252,911 |
| 3400F | 520 | BASE SUPPORT | 1,078,557 | 1,042,966 | 993,307 |
| | | TOTAL LOGISTICS OPERATIONS | 3,026,586 | 2,976,978 | 2,992,220 |
| <u>SERVICEWIDE ACTIVITIES</u> | | | | | |
| 3400F | 530 | ADMINISTRATION | 371,731 | 238,260 | 254,311 |
| 3400F | 540 | SERVICE-WIDE COMMUNICATIONS | 352,274 | 491,197 | 510,987 |
| 3400F | 550 | PERSONNEL PROGRAMS | 280,443 | 235,376 | 222,416 |
| 3400F | 560 | ARMS CONTROL | 37,698 | 47,399 | 49,933 |
| 3400F | 570 | OTHER SERVICEWIDE ACTIVITIES | 1,450,428 | 771,072 | 280,473 |
| 3400F | 580 | OTHER PERSONNEL SUPPORT | 39,377 | 43,432 | 37,775 |
| 3400F | 590 | CIVIL AIR PATROL | 22,257 | 23,379 | 21,087 |
| 3400F | 600 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 23,888 | 12,821 | 16,267 |

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Note: FY 2005 and FY 2006 reflect emergency supplemental funding.

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|---|-----|---|--|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 3400F Operation & Maintenance, Air Force | | | | | |
| 3400F | 610 | BASE SUPPORT | 353,318 | 300,519 | 325,670 |
| | | TOTAL SERVICEWIDE ACTIVITIES | 2,931,414 | 2,163,455 | 1,718,919 |
| <u>SECURITY PROGRAMS</u> | | | | | |
| 3400F | 620 | SECURITY PROGRAMS | 1,100,178 | 1,350,073 | 1,478,190 |
| | | TOTAL SECURITY PROGRAMS | 1,100,178 | 1,350,073 | 1,478,190 |
| <u>SUPPORT TO OTHER NATIONS</u> | | | | | |
| 3400F | 630 | INTERNATIONAL SUPPORT | 31,639 | 19,570 | 18,681 |
| | | TOTAL SUPPORT TO OTHER NATIONS | 31,639 | 19,570 | 18,681 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 7,089,817 | 6,510,076 | 6,208,010 |
| | | Total Operation & Maintenance, Air Force | 34,494,921 | 32,617,931 | 31,342,307 |

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| | | Total Obligational Authority (Dollars in Thousands) | | |
|--|--|--|-------------------|-------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 0100D Operation & Maintenance, Defense-Wide | | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | | |
| 0100D | 010 JOINT CHIEFS OF STAFF | 515,317 | 551,592 | 582,003 |
| 0100D | 020 SPECIAL OPERATIONS COMMAND | 3,104,545 | 2,663,302 | 2,852,620 |
| TOTAL, BA 01: OPERATING FORCES | | 3,619,862 | 3,214,894 | 3,434,623 |
| <u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u> | | | | |
| 0100D | 030 DEFENSE ACQUISITION UNIVERSITY | 103,421 | 104,701 | 104,671 |
| 0100D | 040 NATIONAL DEFENSE UNIVERSITY | 93,056 | 68,699 | 85,131 |
| TOTAL, BA 03: TRAINING AND RECRUITING | | 196,477 | 173,400 | 189,802 |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | |
| 0100D | 050 AMERICAN FORCES INFORMATION SERVICE | 147,998 | 145,540 | 150,329 |
| 0100D | 060 CIVIL MILITARY PROGRAMS | 104,719 | 113,533 | 106,503 |
| 0100D | 090 DEFENSE BUSINESS TRANSFORMATION AGENCY | | | 179,255 |
| 0100D | 100 DEFENSE CONTRACT AUDIT AGENCY | 381,227 | 374,567 | 391,949 |
| 0100D | 110 DEFENSE FINANCE AND ACCOUNTING SERVICE | 4,734 | 4,291 | 452 |
| 0100D | 120 DEFENSE INFORMATION SYSTEMS AGENCY | 1,168,312 | 1,064,024 | 998,618 |
| 0100D | 140 DEFENSE LEGAL SERVICES | 44,035 | 37,777 | 35,538 |
| 0100D | 150 DEFENSE LOGISTICS AGENCY | 378,384 | 353,603 | 297,502 |
| 0100D | 160 DEFENSE POW/MIA OFFICE | 15,302 | 15,839 | 16,191 |
| 0100D | 170 DEFENSE TECHNOLOGY SECURITY AGENCY | 19,399 | 21,337 | 21,899 |
| 0100D | 180 DEFENSE THREAT REDUCTION AGENCY | 312,628 | 314,798 | 314,555 |
| 0100D | 190 DEPARTMENT OF DEFENSE EDUCATION AGENCY | 1,985,721 | 1,850,668 | 1,728,851 |
| 0100D | 200 DOD HUMAN RESOURCES ACTIVITY | 363,901 | 418,001 | 374,352 |
| 0100D | 210 DEFENSE CONTRACT MANAGEMENT AGENCY | 1,017,597 | 1,034,654 | 1,040,297 |
| 0100D | 220 DEFENSE SECURITY COOPERATION AGENCY | 1,401,058 | 1,233,182 | 140,472 |
| 0100D | 230 DEFENSE SECURITY SERVICE | 226,806 | 263,038 | 287,059 |
| 0100D | 250 OFFICE OF ECONOMIC ADJUSTMENT | 59,965 | 161,595 | 73,021 |
| 0100D | 260 OFFICE OF THE SECRETARY OF DEFENSE | 841,338 | 818,609 | 748,368 |
| 0100D | 270 WASHINGTON HEADQUARTERS SERVICE | 472,452 | 1,270,772 | 466,961 |
| 0100D | 999 OTHER PROGRAMS | 8,772,573 | 7,986,670 | 9,079,059 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | 17,718,149 | 17,482,498 | 16,451,231 |
| Total Operation & Maintenance, Defense-Wide | | 21,534,488 | 20,870,792 | 20,075,656 |

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Note: FY 2005 and FY 2006 reflect emergency supplemental funding.

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| | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-------------------------------------|--|----------------|----------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 0107D Office of the Inspector General | | | | |
| <u>BUDGET ACTIVITY 01: OPERATION & MAINTENANCE</u> | | | | |
| 0107D | 010 OFFICE OF THE INSPECTOR GENERAL | 197,225 | 206,853 | 214,897 |
| TOTAL, BA 01: OPERATION & MAINTENANCE | | 197,225 | 206,853 | 214,897 |
| <u>BUDGET ACTIVITY 03: PROCUREMENT</u> | | | | |
| 0107D | 020 OFFICE OF THE INSPECTOR GENERAL | 1,100 | 2,447 | 1,400 |
| TOTAL, BA 03: PROCUREMENT | | 1,100 | 2,447 | 1,400 |
| Total Office of the Inspector General | | 198,325 | 209,300 | 216,297 |

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Note: FY 2005 and FY 2006 reflect emergency supplemental funding.

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| | | Total Obligational Authority (Dollars in Thousands) | | | |
|--|-----|--|------------------|------------------|------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> | |
| 2080A Operation & Maintenance, Army Reserve | | | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | | | |
| <u>LAND FORCES</u> | | | | | |
| 2080A | 010 | DIVISIONS | 4,468 | 25,375 | 29,104 |
| 2080A | 020 | CORPS COMBAT FORCES | 21,616 | 18,020 | 20,498 |
| 2080A | 030 | CORPS SUPPORT FORCES | 301,048 | 243,717 | 288,426 |
| 2080A | 040 | EAC SUPPORT FORCES | 147,907 | 129,191 | 190,481 |
| 2080A | 050 | LAND FORCES OPERATIONS SUPPORT | 454,738 | 372,692 | 443,161 |
| | | TOTAL LAND FORCES | 929,777 | 788,995 | 971,670 |
| <u>LAND FORCES READINESS</u> | | | | | |
| 2080A | 060 | FORCE READINESS OPERATIONS SUPPORT | 175,683 | 192,031 | 187,781 |
| 2080A | 070 | LAND FORCES SYSTEMS READINESS | 68,488 | 80,779 | 90,397 |
| 2080A | 080 | LAND FORCES DEPOT MAINTENANCE | 70,455 | 90,813 | 131,485 |
| | | TOTAL LAND FORCES READINESS | 314,626 | 363,623 | 409,663 |
| <u>LAND FORCES READINESS SUPPORT</u> | | | | | |
| 2080A | 090 | BASE OPERATIONS SUPPORT | 450,580 | 470,992 | 528,256 |
| 2080A | 100 | FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 133,639 | 197,401 | 215,890 |
| 2080A | 110 | MISCELLANEOUS ACTIVITIES | 4,394 | 5,714 | 8,504 |
| | | TOTAL LAND FORCES READINESS SUPPORT | 588,613 | 674,107 | 752,650 |
| TOTAL, BA 01: OPERATING FORCES | | | 1,833,016 | 1,826,725 | 2,133,983 |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | | |
| <u>SERVICEWIDE SUPPORT</u> | | | | | |
| 2080A | 120 | ADMINISTRATION | 56,606 | 57,756 | 60,096 |
| 2080A | 130 | SERVICEWIDE COMMUNICATIONS | 9,475 | 8,458 | 8,852 |
| 2080A | 140 | MANPOWER MANAGEMENT | 7,844 | 7,268 | 7,642 |
| 2080A | 150 | RECRUITING AND ADVERTISING | 110,372 | 110,894 | 88,629 |
| | | TOTAL SERVICEWIDE SUPPORT | 184,297 | 184,376 | 165,219 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | 184,297 | 184,376 | 165,219 |
| Total Operation & Maintenance, Army Reserve | | | 2,017,313 | 2,011,101 | 2,299,202 |

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|--|--|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 1806N Operation & Maintenance, Navy Reserve | | | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | | | |
| <u>AIR OPERATIONS</u> | | | | | |
| 1806N | 010 | MISSION AND OTHER FLIGHT OPERATIONS | 535,377 | 507,429 | 591,126 |
| 1806N | 020 | INTERMEDIATE MAINTENANCE | 19,088 | 15,911 | 16,969 |
| 1806N | 030 | AIR OPERATIONS AND SAFETY SUPPORT | 1,935 | 2,128 | 2,090 |
| 1806N | 040 | AIRCRAFT DEPOT MAINTENANCE | 153,446 | 143,355 | 132,570 |
| 1806N | 050 | AIRCRAFT DEPOT OPERATIONS SUPPORT | 239 | 366 | 387 |
| | | TOTAL AIR OPERATIONS | 710,085 | 669,189 | 743,142 |
| <u>SHIP OPERATIONS</u> | | | | | |
| 1806N | 060 | MISSION AND OTHER SHIP OPERATIONS | 70,584 | 59,967 | 63,574 |
| 1806N | 070 | SHIP OPERATIONS SUPPORT & TRAINING | 5,095 | 2,626 | 554 |
| 1806N | 080 | SHIP DEPOT MAINTENANCE | 80,165 | 69,890 | 69,215 |
| 1806N | 090 | SHIP DEPOT OPERATIONS SUPPORT | 4,202 | 614 | 537 |
| | | TOTAL SHIP OPERATIONS | 160,046 | 133,097 | 133,880 |
| <u>COMBAT OPERATIONS/SUPPORT</u> | | | | | |
| 1806N | 100 | COMBAT COMMUNICATIONS | 7,219 | 9,546 | 10,705 |
| 1806N | 110 | COMBAT SUPPORT FORCES | 239,302 | 229,905 | 112,300 |
| | | TOTAL COMBAT OPERATIONS/SUPPORT | 246,521 | 239,451 | 123,005 |
| <u>WEAPONS SUPPORT</u> | | | | | |
| 1806N | 120 | WEAPONS MAINTENANCE | 5,544 | 4,999 | 5,861 |
| | | TOTAL WEAPONS SUPPORT | 5,544 | 4,999 | 5,861 |
| <u>BASE SUPPORT</u> | | | | | |
| 1806N | 130 | ENTERPRISE INFORMATION | | | 105,813 |
| 1806N | 140 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 96,527 | 328,478 | 52,136 |
| 1806N | 150 | BASE OPERATING SUPPORT | 116,469 | 240,655 | 101,524 |
| | | TOTAL BASE SUPPORT | 212,996 | 569,133 | 259,473 |
| | | TOTAL, BA 01: OPERATING FORCES | 1,335,192 | 1,615,869 | 1,265,361 |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | | |
| <u>SERVICEWIDE SUPPORT</u> | | | | | |
| 1806N | 160 | ADMINISTRATION | 3,774 | 4,772 | 4,712 |
| 1806N | 170 | MILITARY MANPOWER AND PERSONNEL MANAGEMENT | 8,740 | 8,784 | 7,828 |
| 1806N | 180 | SERVICEWIDE COMMUNICATIONS | 4,234 | 3,881 | 5,392 |
| 1806N | 190 | COMBAT/WEAPONS SYSTEMS | 5,667 | 5,308 | 5,074 |
| | | TOTAL SERVICEWIDE SUPPORT | 22,415 | 22,745 | 23,006 |

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|---|--|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 1806N Operation & Maintenance, Navy Reserve | | | | | |
| <u>CANCELLED ACCOUNTS</u> | | | | | |
| 1806N | 210 | CANCELLED ACCOUNT ADJUSTMENTS | 3 | | |
| | | TOTAL CANCELLED ACCOUNTS | 3 | | |
| 1806N | 999 | OTHER PROGRAMS | 6,501 | 5,297 | 397 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 28,919 | 28,042 | 23,403 |
| Total Operation & Maintenance, Navy Reserve | | | 1,364,111 | 1,643,911 | 1,288,764 |

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Note: FY 2005 and FY 2006 reflect emergency supplemental funding.

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|--|--|----------------|----------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 1107N Operation & Maintenance, Marine Corps Reserve | | | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | | | |
| <u>EXPEDITIONARY FORCES</u> | | | | | |
| 1107N | 010 | OPERATING FORCES | 79,821 | 78,724 | 58,038 |
| 1107N | 020 | DEPOT MAINTENANCE | 11,886 | 13,688 | 13,714 |
| 1107N | 030 | TRAINING SUPPORT | 22,209 | 26,762 | 23,930 |
| | | TOTAL EXPEDITIONARY FORCES | 113,916 | 119,174 | 95,682 |
| <u>BASE SUPPORT</u> | | | | | |
| 1107N | 040 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 17,039 | 10,089 | 9,579 |
| 1107N | 050 | BASE OPERATING SUPPORT | 36,310 | 82,290 | 72,971 |
| | | TOTAL BASE SUPPORT | 53,349 | 92,379 | 82,550 |
| TOTAL, BA 01: OPERATING FORCES | | | 167,265 | 211,553 | 178,232 |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | | |
| <u>SERVICEWIDE SUPPORT</u> | | | | | |
| 1107N | 060 | SPECIAL SUPPORT | 9,962 | 9,551 | 12,158 |
| 1107N | 070 | SERVICE-WIDE TRANSPORTATION | 588 | 805 | 814 |
| 1107N | 080 | ADMINISTRATION | 10,243 | 7,803 | 8,087 |
| 1107N | 090 | RECRUITING AND ADVERTISING | 7,855 | 7,923 | 8,091 |
| | | TOTAL SERVICEWIDE SUPPORT | 28,648 | 26,082 | 29,150 |
| <u>BASE SUPPORT</u> | | | | | |
| 1107N | 100 | BASE OPERATING SUPPORT | 4,724 | 4,435 | 4,529 |
| | | TOTAL BASE SUPPORT | 4,724 | 4,435 | 4,529 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | 33,372 | 30,517 | 33,679 |
| Total Operation & Maintenance, Marine Corps Reserve | | | 200,637 | 242,070 | 211,911 |

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Total Obligational Authority
 (Dollars in Thousands)
FY 2005 FY 2006 FY 2007

3740F Operation & Maintenance, Air Force Reserve

BUDGET ACTIVITY 01: OPERATING FORCESAIR OPERATIONS

| | | | | | |
|-------|-----|---|------------------|------------------|------------------|
| 3740F | 010 | PRIMARY COMBAT FORCES | 1,276,274 | 1,579,693 | 1,798,478 |
| 3740F | 020 | MISSION SUPPORT OPERATIONS | 108,269 | 83,944 | 89,340 |
| 3740F | 030 | DEPOT MAINTENANCE | 336,160 | 372,378 | 373,336 |
| 3740F | 040 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 101,101 | 48,732 | 59,849 |
| 3740F | 050 | BASE SUPPORT | 319,192 | 283,247 | 288,560 |
| | | TOTAL AIR OPERATIONS | 2,140,996 | 2,367,994 | 2,609,563 |

TOTAL, BA 01: OPERATING FORCES

2,140,996 2,367,994 2,609,563

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIESSERVICEWIDE ACTIVITIES

| | | | | | |
|-------|-----|--|----------------|----------------|----------------|
| 3740F | 060 | ADMINISTRATION | 70,957 | 64,811 | 67,419 |
| 3740F | 070 | RECRUITING AND ADVERTISING | 21,284 | 14,816 | 18,204 |
| 3740F | 080 | MILITARY MANPOWER AND PERS MGMT (ARPC) | 20,858 | 20,752 | 21,712 |
| 3740F | 090 | OTHER PERS SUPPORT (DISABILITY COMP) | 7,834 | 6,537 | 6,236 |
| 3740F | 100 | AUDIOVISUAL | 878 | 644 | 666 |
| | | TOTAL SERVICEWIDE ACTIVITIES | 121,811 | 107,560 | 114,237 |

TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

121,811 107,560 114,237

Total Operation & Maintenance, Air Force Reserve

2,262,807 2,475,554 2,723,800

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| | | Total Obligational Authority (Dollars in Thousands) | | |
|--|---|--|------------------|------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 2065A Operation & Maintenance, Army National Guard | | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | | |
| <u>LAND FORCES</u> | | | | |
| 2065A | 010 DIVISIONS | 564,497 | 626,817 | 598,935 |
| 2065A | 020 CORPS COMBAT FORCES | 524,130 | 523,975 | 560,370 |
| 2065A | 030 CORPS SUPPORT FORCES | 281,585 | 313,882 | 373,045 |
| 2065A | 040 EAC SUPPORT FORCES | 654,755 | 610,307 | 642,935 |
| 2065A | 050 LAND FORCES OPERATIONS SUPPORT | 30,661 | 21,386 | 26,884 |
| | TOTAL LAND FORCES | 2,055,628 | 2,096,367 | 2,202,169 |
| <u>LAND FORCES READINESS</u> | | | | |
| 2065A | 060 FORCE READINESS OPERATIONS SUPPORT | 187,514 | 241,555 | 225,770 |
| 2065A | 070 LAND FORCES SYSTEMS READINESS | 153,056 | 134,307 | 129,371 |
| 2065A | 080 LAND FORCES DEPOT MAINTENANCE | 226,851 | 250,399 | 351,832 |
| | TOTAL LAND FORCES READINESS | 567,421 | 626,261 | 706,973 |
| <u>LAND FORCES READINESS SUPPORT</u> | | | | |
| 2065A | 090 BASE OPERATIONS SUPPORT | 811,938 | 644,405 | 631,832 |
| 2065A | 100 FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 306,898 | 387,022 | 387,882 |
| 2065A | 110 MANAGEMENT AND OPERATIONAL HQ | 588,727 | 423,068 | 466,837 |
| 2065A | 120 MISCELLANEOUS ACTIVITIES | 103,706 | 61,962 | 74,500 |
| | TOTAL LAND FORCES READINESS SUPPORT | 1,811,269 | 1,516,457 | 1,561,051 |
| | TOTAL, BA 01: OPERATING FORCES | 4,434,318 | 4,239,085 | 4,470,193 |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | |
| <u>SERVICEWIDE SUPPORT</u> | | | | |
| 2065A | 130 ADMINISTRATION | 105,554 | 102,359 | 133,881 |
| 2065A | 140 SERVICEWIDE COMMUNICATIONS | 40,041 | 54,114 | 54,663 |
| 2065A | 150 MANPOWER MANAGEMENT | 71,213 | 50,653 | 53,197 |
| 2065A | 160 RECRUITING AND ADVERTISING | 221,174 | 262,294 | 126,731 |
| | TOTAL SERVICEWIDE SUPPORT | 437,982 | 469,420 | 368,472 |
| | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 437,982 | 469,420 | 368,472 |
| | Total Operation & Maintenance, Army National Guard | 4,872,300 | 4,708,505 | 4,838,665 |

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Department of Defense
 FY 2007 President's Budget
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| | | Total Obligational Authority (Dollars in Thousands) | | |
|--|---|--|------------------|------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| 3840F Operation & Maintenance, Air National Guard | | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | | |
| <u>AIR OPERATIONS</u> | | | | |
| 3840F | 010 AIRCRAFT OPERATIONS | 2,736,486 | 2,900,212 | 3,434,443 |
| 3840F | 020 MISSION SUPPORT OPERATIONS | 525,753 | 497,257 | 512,771 |
| 3840F | 030 DEPOT MAINTENANCE | 582,385 | 604,799 | 602,590 |
| 3840F | 040 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 187,351 | 188,563 | 255,322 |
| 3840F | 050 BASE SUPPORT | 470,623 | 462,800 | 491,218 |
| | TOTAL AIR OPERATIONS | 4,502,598 | 4,653,631 | 5,296,344 |
| TOTAL, BA 01: OPERATING FORCES | | 4,502,598 | 4,653,631 | 5,296,344 |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | |
| <u>SERVICEWIDE ACTIVITIES</u> | | | | |
| 3840F | 060 ADMINISTRATION | 30,050 | 28,659 | 29,661 |
| 3840F | 070 RECRUITING AND ADVERTISING | 19,052 | 9,242 | 10,012 |
| | TOTAL SERVICEWIDE ACTIVITIES | 49,102 | 37,901 | 39,673 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | 49,102 | 37,901 | 39,673 |
| Total Operation & Maintenance, Air National Guard | | 4,551,700 | 4,691,532 | 5,336,017 |

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| 0105D Drug Interdiction & Counter-Drug Act., Def. | Total Obligational Authority (Dollars in Thousands) | | |
|---|--|----------------|----------------|
| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | |
| 0105D 010 DRUG ENFORCEMENT AND POLICY SUPPORT | | 936,094 | 926,890 |
| TOTAL, BA 01: OPERATING FORCES | | 936,094 | 926,890 |
| Total Drug Interdiction & Counter-Drug Act., Def. | | 936,094 | 926,890 |

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| 0130D Defense Health Program | | Total Obligational Authority (Dollars in Thousands) | | |
|--|----------------------------|--|----------------|----------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| <u>BUDGET ACTIVITY 01: OPERATION & MAINTENANCE</u> | | | | |
| 0130D | 010 DEFENSE HEALTH PROGRAM | 17,497,102 | 19,386,925 | 20,249,163 |
| TOTAL, BA 01: OPERATION & MAINTENANCE | | 17,497,102 | 19,386,925 | 20,249,163 |
| <u>BUDGET ACTIVITY 02: RDT&E</u> | | | | |
| 0130D | 020 DEFENSE HEALTH PROGRAM | 523,114 | 536,883 | 130,603 |
| TOTAL, BA 02: RDT&E | | 523,114 | 536,883 | 130,603 |
| <u>BUDGET ACTIVITY 03: PROCUREMENT</u> | | | | |
| 0130D | 030 DEFENSE HEALTH PROGRAM | 368,265 | 403,920 | 396,355 |
| TOTAL, BA 03: PROCUREMENT | | 368,265 | 403,920 | 396,355 |
| Total Defense Health Program | | 18,388,481 | 20,327,728 | 20,776,121 |

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Total Obligational Authority
 (Dollars in Thousands)
FY 2005 FY 2006 FY 2007

Transfer Accounts

| | | | | | |
|--------------------------------|-----|---|--|------------------|------------------|
| 0810A | 010 | DEFENSE ENVIRONMENTAL RESTORATION FUND | | 402,848 | 413,794 |
| 0810N | 020 | ENVIRONMENTAL RESTORATION FUND, NAVY | | 301,520 | 304,409 |
| 0810F | 030 | ENVIRONMENTAL RESTORATION FUND, AIR FORCE | | 401,461 | 423,871 |
| 0810D | 040 | ENVIRONMENTAL RESTORATION FUND, DEFENSE | | 27,821 | 18,431 |
| 0811D | 050 | ENVIRONMENTAL RESTORATION FORMERLY USED SITES | | 253,762 | 242,790 |
| Total Transfer Accounts | | | | 1,387,412 | 1,403,295 |

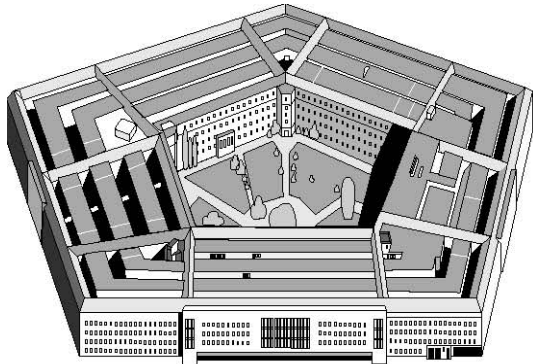
Miscellaneous Appropriations

| | | | | | |
|---|-----|--|------------------|------------------|----------------|
| 0104D | 060 | US COURT OF APPEALS FOR THE ARMED FORCES | 10,536 | 11,098 | 11,721 |
| 0838D | 070 | SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS | 1,165 | 505 | |
| 0118D | 080 | OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND | | | 10,000 |
| 2091A | 090 | AFGHAN DEFENSE FORCES | 995,000 | | |
| 2092A | 100 | IRAQ DEFENSE FORCES | 3,550,000 | | |
| 2092A | 110 | IRAQ INTERIOR FORCES | 1,661,000 | | |
| 2092A | 120 | IRAQ QUICK RESPONSE | 180,000 | | |
| 2092A | 130 | IRAQ TRAINING FACILITY | 99,000 | | |
| 4965D | 140 | EMERGENCY RESPONSE FUND, DEFENSE | | 17,984 | |
| 0833D | 150 | EMERGENCY RESPONSE FUND, DEFENSE | 424,947 | | |
| 0141D | 160 | IRAQ FREEDOM FUND, DEF | | 4,558,686 | |
| 0819D | 170 | OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID | 175,809 | 60,789 | 63,204 |
| 1236N | 180 | KAHO'OLAWA | 421 | | |
| 0134D | 190 | FORMER SOVIET UNION (FSU) THREAT REDUCTION | 407,873 | 410,437 | 372,128 |
| Total Miscellaneous Appropriations | | | 7,505,751 | 5,059,499 | 457,053 |

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MILITARY PERSONNEL PROGRAMS (M-1A)

Excludes Title IX Additional War-Related Appropriations P.L. 109-148



Department of Defense Budget

Fiscal Year 2007

February 2006

Office of the Under Secretary of Defense (Comptroller)

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| National Guard Personnel, Army | 4 |
| Grand Total Army Military Personnel | 4 |
| <u>Navy</u> | |
| Military Personnel, Navy | 5 |
| Reserve Personnel, Navy | 7 |
| Grand Total Navy Military Personnel | 7 |
| <u>Marine Corps</u> | |
| Military Personnel, Marine Corps | 8 |
| Reserve Personnel, Marine Corps | 10 |
| Grand Total Marine Corps Military Personnel | 10 |
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| Military Personnel, Air Force | 11 |
| Reserve Personnel, Air Force | 13 |
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| <u>Grand Total</u> | |
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Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, ARMY | | | |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 2010A | 5 | BASIC PAY | 5,555,906 | 4,537,828 | 4,773,474 |
| 2010A | 10 | RETIRED PAY ACCRUAL | 1,507,308 | 1,202,575 | 1,266,221 |
| 2010A | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 398,479 | | |
| 2010A | 25 | BASIC ALLOWANCE FOR HOUSING | 1,386,650 | 1,249,432 | 1,191,126 |
| 2010A | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 212,850 | 175,202 | 181,536 |
| 2010A | 35 | INCENTIVE PAYS | 97,849 | 96,916 | 99,060 |
| 2010A | 40 | SPECIAL PAYS | 360,045 | 216,598 | 229,703 |
| 2010A | 45 | ALLOWANCES | 268,091 | 143,832 | 145,446 |
| 2010A | 50 | SEPARATION PAY | 44,261 | 61,039 | 69,415 |
| 2010A | 55 | SOCIAL SECURITY TAX | 419,535 | 347,655 | 365,133 |
| | | TOTAL BUDGET ACTIVITY 01: | 10,250,974 | 8,031,077 | 8,321,114 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 2010A | 60 | BASIC PAY | 13,518,820 | 9,862,643 | 10,514,144 |
| 2010A | 65 | RETIRED PAY ACCRUAL | 3,699,723 | 2,613,612 | 2,786,578 |
| 2010A | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 2,025,505 | | |
| 2010A | 80 | BASIC ALLOWANCE FOR HOUSING | 3,796,680 | 2,626,576 | 2,524,779 |
| 2010A | 85 | INCENTIVE PAYS | 85,847 | 84,674 | 85,392 |
| 2010A | 90 | SPECIAL PAYS | 1,452,442 | 485,370 | 601,536 |
| 2010A | 95 | ALLOWANCES | 1,163,497 | 677,090 | 703,574 |
| 2010A | 100 | SEPARATION PAY | 344,921 | 289,474 | 305,407 |
| 2010A | 105 | SOCIAL SECURITY TAX | 1,029,371 | 745,990 | 804,228 |
| | | TOTAL BUDGET ACTIVITY 02: | 27,116,806 | 17,385,429 | 18,325,638 |
| | | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN | | | |
| 2010A | 110 | ACADEMY CADETS | 51,510 | 53,392 | 55,818 |
| | | TOTAL BUDGET ACTIVITY 03: | 51,510 | 53,392 | 55,818 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 2010A | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 1,280,650 | 811,859 | 855,617 |
| 2010A | 120 | SUBSISTENCE-IN-KIND | 1,697,196 | 553,563 | 582,540 |
| 2010A | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 928 | 3,193 | 3,288 |
| | | TOTAL BUDGET ACTIVITY 04: | 2,978,774 | 1,368,615 | 1,441,445 |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 2010A | 125 | ACCESSION TRAVEL | 94,344 | 203,614 | 203,641 |
| 2010A | 130 | TRAINING TRAVEL | 75,676 | 33,637 | 53,366 |
| 2010A | 135 | OPERATIONAL TRAVEL | 274,132 | 188,264 | 138,488 |
| 2010A | 140 | ROTATIONAL TRAVEL | 383,310 | 428,308 | 361,210 |
| 2010A | 145 | SEPARATION TRAVEL | 127,755 | 170,685 | 173,210 |
| 2010A | 150 | TRAVEL OF ORGANIZED UNITS | 15,011 | 3,420 | 3,709 |
| 2010A | 155 | NON-TEMPORARY STORAGE | 23,955 | 40,829 | 42,121 |
| 2010A | 160 | TEMPORARY LODGING EXPENSE | 30,856 | 23,068 | 23,053 |
| | | TOTAL BUDGET ACTIVITY 05: | 1,025,039 | 1,091,825 | 998,798 |

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Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, ARMY | | | |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 2010A | 170 | APPREHENSION OF MILITARY DESERTERS | 838 | 1,398 | 1,407 |
| 2010A | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 10,102 | 199 | 203 |
| 2010A | 180 | DEATH GRATUITIES | 378,222 | 5,649 | 6,761 |
| 2010A | 185 | UNEMPLOYMENT BENEFITS | 201,932 | 144,716 | 153,072 |
| 2010A | 190 | SURVIVOR BENEFITS | 5,587 | 3,677 | 3,378 |
| 2010A | 195 | EDUCATION BENEFITS | 2,979 | 4,214 | 2,184 |
| 2010A | 200 | ADOPTION EXPENSES | 442 | 446 | 746 |
| 2010A | 210 | TRANSPORTATION SUBSIDY | 5,542 | 4,308 | 4,344 |
| 2010A | 215 | PARTIAL DISLOCATION ALLOWANCE | 610 | 2,468 | 2,489 |
| 2010A | 216 | SGLI EXTRA HAZARD PAYMENTS | 70,869 | | |
| 2010A | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | 81,894 | 84,175 |
| 2010A | 218 | JUNIOR ROTC | | 28,241 | 28,925 |
| | | TOTAL BUDGET ACTIVITY 06: | 677,123 | 277,210 | 287,684 |
| 2010A | 220 | LESS REIMBURSABLES | (260,571) | (298,174) | (318,594) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, ARMY | 41,839,655 | 27,909,374 | 29,111,903 |

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Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | RESERVE PERSONNEL, ARMY | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 2070A | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 881,451 | 922,074 | 1,103,645 |
| 2070A | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 31,966 | 48,989 | 28,932 |
| 2070A | 30 | PAY GROUP F TRAINING (RECRUITS) | 155,311 | 172,750 | 177,571 |
| 2070A | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 1,769 | 335 | |
| 2070A | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 575,902 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 1,646,399 | | 1,310,148 |
| 2070A | 60 | MOBILIZATION TRAINING | 6,859 | 19,031 | 22,053 |
| 2070A | 70 | SCHOOL TRAINING | 122,423 | 179,008 | 193,406 |
| 2070A | 80 | SPECIAL TRAINING | 188,865 | 122,606 | 173,222 |
| 2070A | 90 | ADMINISTRATION AND SUPPORT | 1,442,085 | 1,489,861 | 1,532,726 |
| 2070A | 100 | EDUCATION BENEFITS | 43,302 | 108,594 | 113,090 |
| 2070A | 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 96,278 | | |
| 2070A | 120 | HEALTH PROFESSION SCHOLARSHIP | 30,497 | 34,219 | 35,880 |
| 2070A | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 79,939 | | |
| 2070A | 130 | OTHER PROGRAMS | 49,160 | 43,475 | 25,132 |
| | | TOTAL BUDGET ACTIVITY 01: | | 3,140,942 | |
| | | TOTAL BUDGET ACTIVITY 02: | 2,059,408 | | 2,095,509 |
| | | TOTAL DIRECT - RESERVE PERSONNEL, ARMY | 3,705,807 | 3,140,942 | 3,405,657 |

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FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | NATIONAL GUARD PERSONNEL, ARMY | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 2060A | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 1,766,055 | 1,515,878 | 1,752,136 |
| 2060A | 30 | PAY GROUP F TRAINING (RECRUITS) | 249,199 | 303,061 | 310,889 |
| 2060A | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 21,949 | 29,685 | 21,592 |
| 2060A | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 966,174 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 3,003,377 | | 2,084,617 |
| 2060A | 70 | SCHOOL TRAINING | 305,930 | 284,562 | 263,772 |
| 2060A | 80 | SPECIAL TRAINING | 437,664 | 203,919 | 146,562 |
| 2060A | 90 | ADMINISTRATION AND SUPPORT | 2,366,975 | 2,306,518 | 2,562,455 |
| 2060A | 100 | EDUCATION BENEFITS | 113,716 | 220,042 | 196,174 |
| 2060A | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 136,261 | | |
| | | TOTAL BUDGET ACTIVITY 01: | | 4,863,665 | |
| | | TOTAL BUDGET ACTIVITY 02: | 3,360,546 | | 3,168,963 |
| | | TOTAL DIRECT - NATIONAL GUARD PERSONNEL, ARMY | 6,363,923 | 4,863,665 | 5,253,580 |
| | | TOTAL DIRECT - ARMY MILITARY PERSONNEL APPROPRIATIONS | 51,909,385 | 35,913,981 | 37,771,140 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1004A | 300 | ARMY | | 2,727,452 | 2,891,198 |
| 1005A | 300 | RESERVE PERSONNEL, ARMY | | 716,969 | 742,233 |
| 1006A | 300 | NATIONAL GUARD PERSONNEL, ARMY | | 1,219,403 | 1,232,152 |
| | | GRAND TOTAL DIRECT - ARMY MILITARY PERSONNEL COSTS | 51,909,385 | 40,577,805 | 42,636,723 |

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| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, NAVY | | | |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 1453N | 5 | BASIC PAY | 3,261,142 | 3,203,743 | 3,262,932 |
| 1453N | 10 | RETIRED PAY ACCRUAL | 896,815 | 848,992 | 864,677 |
| 1453N | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 288,233 | | |
| 1453N | 25 | BASIC ALLOWANCE FOR HOUSING | 975,093 | 917,095 | 1,058,250 |
| 1453N | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 119,940 | 116,963 | 118,701 |
| 1453N | 35 | INCENTIVE PAYS | 180,447 | 170,837 | 176,448 |
| 1453N | 40 | SPECIAL PAYS | 280,903 | 329,940 | 346,524 |
| 1453N | 45 | ALLOWANCES | 119,616 | 90,018 | 92,258 |
| 1453N | 50 | SEPARATION PAY | 31,859 | 62,716 | 33,187 |
| 1453N | 55 | SOCIAL SECURITY TAX | 247,521 | 242,789 | 247,353 |
| | | TOTAL BUDGET ACTIVITY 01: | 6,401,569 | 5,983,093 | 6,200,330 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 1453N | 60 | BASIC PAY | 8,049,707 | 7,905,599 | 7,983,057 |
| 1453N | 65 | RETIRED PAY ACCRUAL | 2,213,671 | 2,094,984 | 2,115,509 |
| 1453N | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,682,857 | | |
| 1453N | 80 | BASIC ALLOWANCE FOR HOUSING | 2,907,926 | 2,729,595 | 3,126,811 |
| 1453N | 85 | INCENTIVE PAYS | 99,733 | 108,875 | 110,364 |
| 1453N | 90 | SPECIAL PAYS | 887,757 | 911,837 | 927,683 |
| 1453N | 95 | ALLOWANCES | 596,719 | 479,909 | 480,800 |
| 1453N | 100 | SEPARATION PAY | 147,948 | 204,628 | 199,473 |
| 1453N | 105 | SOCIAL SECURITY TAX | 615,803 | 599,777 | 605,705 |
| | | TOTAL BUDGET ACTIVITY 02: | 17,202,121 | 15,035,204 | 15,549,402 |
| | | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN | | | |
| 1453N | 110 | MIDSHIPMEN | 55,651 | 56,350 | 56,412 |
| | | TOTAL BUDGET ACTIVITY 03: | 55,651 | 56,350 | 56,412 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 1453N | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 635,162 | 613,845 | 613,611 |
| 1453N | 120 | SUBSISTENCE-IN-KIND | 355,128 | 341,190 | 346,276 |
| 1453N | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 28 | 500 | 500 |
| | | TOTAL BUDGET ACTIVITY 04: | 990,318 | 955,535 | 960,387 |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 1453N | 125 | ACCESSION TRAVEL | 60,506 | 58,225 | 55,392 |
| 1453N | 130 | TRAINING TRAVEL | 66,492 | 70,486 | 74,363 |
| 1453N | 135 | OPERATIONAL TRAVEL | 245,504 | 187,075 | 193,731 |
| 1453N | 140 | ROTATIONAL TRAVEL | 304,430 | 286,637 | 279,737 |
| 1453N | 145 | SEPARATION TRAVEL | 105,275 | 99,284 | 93,326 |
| 1453N | 150 | TRAVEL OF ORGANIZED UNITS | 45,674 | 19,406 | 19,521 |
| 1453N | 155 | NON-TEMPORARY STORAGE | 7,598 | 7,034 | 6,892 |
| 1453N | 160 | TEMPORARY LODGING EXPENSE | 7,295 | 6,867 | 6,871 |
| 1453N | 165 | OTHER | 3,663 | 6,063 | 6,272 |
| | | TOTAL BUDGET ACTIVITY 05: | 846,437 | 741,077 | 736,105 |

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| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, NAVY | | | |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 1453N | 170 | APPREHENSION OF MILITARY DESERTERS | 550 | 725 | 725 |
| 1453N | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 628 | 506 | 511 |
| 1453N | 180 | DEATH GRATUITIES | 28,624 | 3,241 | 3,336 |
| 1453N | 185 | UNEMPLOYMENT BENEFITS | 96,790 | 66,358 | 70,386 |
| 1453N | 190 | SURVIVOR BENEFITS | 1,797 | 1,461 | 1,354 |
| 1453N | 195 | EDUCATION BENEFITS | 1,716 | 2,107 | 5,109 |
| 1453N | 200 | ADOPTION EXPENSES | 232 | 346 | 346 |
| 1453N | 210 | TRANSPORTATION SUBSIDY | 4,840 | 4,849 | 4,549 |
| 1453N | 215 | PARTIAL DISLOCATION ALLOWANCE | 1,140 | 1,461 | 1,032 |
| 1453N | 216 | SGLI EXTRA HAZARD PAYMENTS | 21,225 | | |
| 1453N | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | 20,704 | 20,940 |
| 1453N | 218 | JUNIOR R.O.T.C | | 13,094 | 13,492 |
| | | TOTAL BUDGET ACTIVITY 06: | 157,542 | 114,852 | 121,780 |
| 1453N | 220 | LESS REIMBURSABLES | (359,784) | (325,891) | (353,405) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, NAVY | 25,293,854 | 22,560,220 | 23,271,011 |

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Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | RESERVE PERSONNEL, NAVY | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 1405N | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 662,063 | 567,139 | 625,339 |
| 1405N | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY) | 5,794 | 7,266 | 7,715 |
| 1405N | 30 | PAY GROUP F TRAINING (RECRUITS) | 4,542 | 11,438 | 16,037 |
| 1405N | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 203,229 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 875,628 | | 649,091 |
| 1405N | 60 | MOBILIZATION TRAINING | 7,109 | 6,971 | 7,491 |
| 1405N | 70 | SCHOOL TRAINING | 20,668 | 34,451 | 31,198 |
| 1405N | 80 | SPECIAL TRAINING | 83,080 | 40,827 | 59,861 |
| 1405N | 90 | ADMINISTRATION AND SUPPORT | 971,669 | 944,358 | 977,626 |
| 1405N | 100 | EDUCATION BENEFITS | 1,277 | 24,542 | 20,827 |
| 1405N | 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 36,594 | | |
| 1405N | 120 | HEALTH PROFESSION SCHOLARSHIP | 28,584 | 32,246 | 31,872 |
| 1405N | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 74,482 | | |
| | | TOTAL BUDGET ACTIVITY 01: | | 1,669,238 | |
| | | TOTAL BUDGET ACTIVITY 02: | 1,223,463 | | 1,128,875 |
| | | TOTAL DIRECT - RESERVE PERSONNEL, NAVY | 2,099,091 | 1,669,238 | 1,777,966 |
| | | TOTAL DIRECT - NAVY MILITARY PERSONNEL APPROPRIATIONS | 27,392,945 | 24,229,458 | 25,048,977 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1000N | 300 | NAVY | | 2,028,599 | 2,074,177 |
| 1002N | 300 | RESERVE PERSONNEL, NAVY | | 291,754 | 287,140 |
| | | GRAND TOTAL DIRECT - NAVY MILITARY PERSONNEL COSTS | 27,392,945 | 26,549,811 | 27,410,294 |

UNCLASSIFIED

Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, MARINE CORPS | | | |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 1105N | 5 | BASIC PAY | 1,172,937 | 1,101,662 | 1,131,638 |
| 1105N | 10 | RETIRED PAY ACCRUAL | 325,866 | 283,001 | 301,438 |
| 1105N | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 101,226 | | |
| 1105N | 25 | BASIC ALLOWANCE FOR HOUSING | 309,010 | 302,897 | 327,019 |
| 1105N | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 44,396 | 42,449 | 42,639 |
| 1105N | 35 | INCENTIVE PAYS | 48,246 | 47,665 | 47,079 |
| 1105N | 40 | SPECIAL PAYS | 14,900 | 4,463 | 4,508 |
| 1105N | 45 | ALLOWANCES | 42,404 | 23,086 | 24,106 |
| 1105N | 50 | SEPARATION PAY | 11,916 | 12,188 | 12,514 |
| 1105N | 55 | SOCIAL SECURITY TAX | 89,468 | 80,461 | 85,620 |
| | | TOTAL BUDGET ACTIVITY 01: | 2,160,369 | 1,897,872 | 1,976,561 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 1105N | 60 | BASIC PAY | 3,815,637 | 3,587,757 | 3,708,158 |
| 1105N | 65 | RETIRED PAY ACCRUAL | 1,053,072 | 927,696 | 979,106 |
| 1105N | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 852,518 | | |
| 1105N | 80 | BASIC ALLOWANCE FOR HOUSING | 940,976 | 864,389 | 1,024,902 |
| 1105N | 85 | INCENTIVE PAYS | 8,858 | 8,276 | 8,360 |
| 1105N | 90 | SPECIAL PAYS | 224,114 | 123,048 | 126,406 |
| 1105N | 95 | ALLOWANCES | 269,593 | 206,067 | 213,304 |
| 1105N | 100 | SEPARATION PAY | 63,682 | 72,201 | 75,522 |
| 1105N | 105 | SOCIAL SECURITY TAX | 289,092 | 268,558 | 283,089 |
| | | TOTAL BUDGET ACTIVITY 02: | 7,517,542 | 6,057,992 | 6,418,847 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 1105N | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 352,046 | 305,469 | 304,767 |
| 1105N | 120 | SUBSISTENCE-IN-KIND | 223,418 | 245,574 | 255,101 |
| 1105N | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 750 | 742 | 750 |
| | | TOTAL BUDGET ACTIVITY 04: | 576,214 | 551,785 | 560,618 |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 1105N | 125 | ACCESSION TRAVEL | 43,223 | 44,030 | 45,331 |
| 1105N | 130 | TRAINING TRAVEL | 8,505 | 9,736 | 9,523 |
| 1105N | 135 | OPERATIONAL TRAVEL | 90,803 | 80,375 | 90,676 |
| 1105N | 140 | ROTATIONAL TRAVEL | 122,750 | 124,836 | 126,686 |
| 1105N | 145 | SEPARATION TRAVEL | 47,562 | 49,242 | 50,659 |
| 1105N | 150 | TRAVEL OF ORGANIZED UNITS | 2,563 | 1,705 | 1,755 |
| 1105N | 155 | NON-TEMPORARY STORAGE | 5,138 | 5,189 | 5,351 |
| 1105N | 160 | TEMPORARY LODGING EXPENSE | 12,346 | 12,467 | 12,857 |
| 1105N | 165 | OTHER | 2,428 | 2,414 | 2,524 |
| | | TOTAL BUDGET ACTIVITY 05: | 335,318 | 329,994 | 345,362 |

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Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, MARINE CORPS | | | |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 1105N | 170 | APPREHENSION OF MILITARY DESERTERS | 3,157 | 1,622 | 1,668 |
| 1105N | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 213 | 16 | 17 |
| 1105N | 180 | DEATH GRATUITIES | 165,201 | 2,079 | 2,208 |
| 1105N | 185 | UNEMPLOYMENT BENEFITS | 63,700 | 51,450 | 52,317 |
| 1105N | 190 | SURVIVOR BENEFITS | 1,441 | 714 | 686 |
| 1105N | 195 | EDUCATION BENEFITS | 744 | 1,029 | 959 |
| 1105N | 200 | ADOPTION EXPENSES | 127 | 256 | 363 |
| 1105N | 210 | TRANSPORTATION SUBSIDY | 1,438 | 1,143 | 1,270 |
| 1105N | 215 | PARTIAL DISLOCATION ALLOWANCE | 730 | 661 | 682 |
| 1105N | 216 | SGLI EXTRA HAZARD PAYMENTS | 9,853 | | |
| 1105N | 218 | JUNIOR R.O.T.C | | 5,249 | 5,392 |
| | | TOTAL BUDGET ACTIVITY 06: | 246,604 | 64,219 | 65,562 |
| 1105N | 220 | LESS REIMBURSABLES | (19,368) | (30,967) | (32,134) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, MARINE CORPS | 10,816,679 | 8,870,895 | 9,334,816 |

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Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | RESERVE PERSONNEL, MARINE CORPS | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 1108N | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 131,125 | 142,551 | 153,729 |
| 1108N | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 16,205 | 23,406 | 35,186 |
| 1108N | 30 | PAY GROUP F TRAINING (RECRUITS) | 79,394 | 86,817 | 89,381 |
| 1108N | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 14 | 5 | |
| 1108N | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 118,590 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 345,328 | | 278,296 |
| 1108N | 60 | MOBILIZATION TRAINING | 1,042 | 2,623 | 2,715 |
| 1108N | 70 | SCHOOL TRAINING | 14,960 | 13,449 | 15,591 |
| 1108N | 80 | SPECIAL TRAINING | 38,484 | 37,606 | 48,785 |
| 1108N | 90 | ADMINISTRATION AND SUPPORT | 158,276 | 160,042 | 168,228 |
| 1108N | 95 | PLATOON LEADER CLASS | 15,367 | 12,708 | 12,892 |
| 1108N | 100 | EDUCATION BENEFITS | 16,539 | 28,664 | 24,351 |
| 1108N | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 11,831 | | |
| | | TOTAL BUDGET ACTIVITY 01: | | 507,871 | |
| | | TOTAL BUDGET ACTIVITY 02: | 256,499 | | 272,562 |
| | | TOTAL DIRECT - RESERVE PERSONNEL, MARINE CORPS | 601,827 | 507,871 | 550,858 |
| | | TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL APPROPRIATIONS | 11,418,506 | 9,378,766 | 9,885,674 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1001N | 300 | MARINE CORPS | | 981,905 | 1,050,586 |
| 1003N | 300 | RESERVE PERSONNEL, MARINE CORPS | | 136,589 | 144,647 |
| | | GRAND TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL COSTS | 11,418,506 | 10,497,260 | 11,080,907 |

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Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, AIR FORCE | | | |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 3500F | 5 | BASIC PAY | 4,545,182 | 4,422,616 | 4,400,999 |
| 3500F | 6 | ARMY SECURITY | 5,091 | | |
| 3500F | 10 | RETIRED PAY ACCRUAL | 1,222,821 | 1,163,227 | 1,161,030 |
| 3500F | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 393,788 | | |
| 3500F | 25 | BASIC ALLOWANCE FOR HOUSING | 1,095,884 | 1,046,595 | 1,045,115 |
| 3500F | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 168,341 | 166,543 | 163,045 |
| 3500F | 35 | INCENTIVE PAYS | 348,208 | 309,109 | 297,388 |
| 3500F | 40 | SPECIAL PAYS | 244,259 | 251,779 | 222,322 |
| 3500F | 45 | ALLOWANCES | 150,045 | 100,429 | 99,021 |
| 3500F | 50 | SEPARATION PAY | 61,612 | 69,175 | 63,194 |
| 3500F | 55 | SOCIAL SECURITY TAX | 345,197 | 336,468 | 334,906 |
| | | TOTAL BUDGET ACTIVITY 01: | 8,580,428 | 7,865,941 | 7,787,020 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 3500F | 60 | BASIC PAY | 8,166,519 | 7,763,205 | 7,837,974 |
| 3500F | 61 | ARMY SECURITY | 59,480 | | |
| 3500F | 65 | RETIRED PAY ACCRUAL | 2,195,711 | 2,020,616 | 2,056,123 |
| 3500F | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,561,963 | | |
| 3500F | 80 | BASIC ALLOWANCE FOR HOUSING | 2,289,578 | 1,916,967 | 1,934,212 |
| 3500F | 85 | INCENTIVE PAYS | 34,277 | 34,034 | 34,304 |
| 3500F | 90 | SPECIAL PAYS | 364,093 | 315,849 | 313,765 |
| 3500F | 95 | ALLOWANCES | 659,968 | 541,916 | 565,007 |
| 3500F | 100 | SEPARATION PAY | 163,201 | 137,684 | 147,903 |
| 3500F | 105 | SOCIAL SECURITY TAX | 627,003 | 595,235 | 599,605 |
| | | TOTAL BUDGET ACTIVITY 02: | 16,121,793 | 13,325,506 | 13,488,893 |
| | | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN | | | |
| 3500F | 110 | ACADEMY CADETS | 53,011 | 55,056 | 57,971 |
| | | TOTAL BUDGET ACTIVITY 03: | 53,011 | 55,056 | 57,971 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 3500F | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 840,777 | 787,710 | 782,617 |
| 3500F | 120 | SUBSISTENCE-IN-KIND | 211,486 | 112,538 | 151,011 |
| 3500F | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 1,254 | 1,254 | 1,254 |
| | | TOTAL BUDGET ACTIVITY 04: | 1,053,517 | 901,502 | 934,882 |

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Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | MILITARY PERSONNEL, AIR FORCE | | | |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 3500F | 125 | ACCESSION TRAVEL | 58,959 | 80,017 | 75,318 |
| 3500F | 130 | TRAINING TRAVEL | 85,300 | 95,149 | 97,386 |
| 3500F | 135 | OPERATIONAL TRAVEL | 176,502 | 141,366 | 158,472 |
| 3500F | 140 | ROTATIONAL TRAVEL | 495,927 | 500,872 | 515,190 |
| 3500F | 145 | SEPARATION TRAVEL | 126,095 | 117,801 | 159,474 |
| 3500F | 150 | TRAVEL OF ORGANIZED UNITS | 7,817 | 7,406 | 4,069 |
| 3500F | 155 | NON-TEMPORARY STORAGE | 26,581 | 25,909 | 27,800 |
| 3500F | 160 | TEMPORARY LODGING EXPENSE | 38,331 | 36,521 | 36,100 |
| | | TOTAL BUDGET ACTIVITY 05: | 1,015,512 | 1,005,041 | 1,073,809 |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 3500F | 170 | APPREHENSION OF MILITARY DESERTERS | 100 | 100 | 100 |
| 3500F | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 595 | 671 | 671 |
| 3500F | 180 | DEATH GRATUITIES | 23,985 | 3,040 | 3,101 |
| 3500F | 185 | UNEMPLOYMENT BENEFITS | 60,175 | 49,099 | 47,792 |
| 3500F | 190 | SURVIVOR BENEFITS | 2,198 | 1,317 | 1,222 |
| 3500F | 195 | EDUCATION BENEFITS | 4,142 | 1,882 | 1,882 |
| 3500F | 200 | ADOPTION EXPENSES | 600 | 582 | 582 |
| 3500F | 210 | TRANSPORTATION SUBSIDY | 4,201 | 3,815 | 3,803 |
| 3500F | 215 | PARTIAL DISLOCATION ALLOWANCE | 5,439 | 6,985 | 7,786 |
| 3500F | 216 | EXTRA HAZARD REIMBURSE FOR SGLI | 24,632 | | |
| 3500F | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | 41,979 | 44,657 |
| 3500F | 218 | JUNIOR ROTC | | 18,379 | 20,095 |
| | | TOTAL BUDGET ACTIVITY 06: | 126,067 | 127,849 | 131,691 |
| 3500F | 220 | LESS REIMBURSABLES | (381,532) | (313,043) | (319,400) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, AIR FORCE | 26,568,796 | 22,967,852 | 23,154,866 |

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Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|------------------|------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | RESERVE PERSONNEL, AIR FORCE | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 3700F | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 515,203 | 560,729 | 585,006 |
| 3700F | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 104,251 | 112,039 | 115,702 |
| 3700F | 30 | PAY GROUP F TRAINING (RECRUITS) | 33,680 | 54,771 | 55,331 |
| 3700F | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 48 | 97 | 100 |
| 3700F | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 230,764 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 883,946 | | 756,139 |
| 3700F | 60 | MOBILIZATION TRAINING | 350 | 1,800 | 1,800 |
| 3700F | 70 | SCHOOL TRAINING | 109,786 | 108,264 | 110,222 |
| 3700F | 80 | SPECIAL TRAINING | 118,837 | 125,223 | 122,687 |
| 3700F | 90 | ADMINISTRATION AND SUPPORT | 177,228 | 209,905 | 246,869 |
| 3700F | 100 | EDUCATION BENEFITS | 10,800 | 56,415 | 55,733 |
| 3700F | 110 | ROTC - SENIOR, JUNIOR | 66,542 | | |
| 3700F | 120 | HEALTH PROFESSION SCHOLARSHIP | 27,700 | 28,963 | 29,387 |
| 3700F | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 9,554 | | |
| 3700F | 130 | OTHER PROGRAMS (ADMIN & SUPPORT) | 17,262 | 25,474 | 35,491 |
| | | TOTAL BUDGET ACTIVITY 01: | | 1,283,680 | |
| | | TOTAL BUDGET ACTIVITY 02: | 538,059 | | 602,189 |
| | | TOTAL DIRECT - RESERVE PERSONNEL, AIR FORCE | 1,422,005 | 1,283,680 | 1,358,328 |

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Exhibit M-1A
FY 2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-------------------|-------------------|
| | | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | | NATIONAL GUARD PERSONNEL, AIR FORCE | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 3850F | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 766,991 | 816,030 | 901,071 |
| 3850F | 30 | PAY GROUP F TRAINING (RECRUITS) | 54,851 | 67,061 | 72,665 |
| 3850F | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 12,626 | 4,547 | 455 |
| 3850F | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 295,577 | | |
| | | TOTAL BUDGET ACTIVITY 01: | 1,130,045 | | 974,191 |
| 3850F | 70 | SCHOOL TRAINING | 169,226 | 142,144 | 141,790 |
| 3850F | 80 | SPECIAL TRAINING | 237,206 | 68,452 | 80,353 |
| 3850F | 90 | ADMINISTRATION AND SUPPORT | 962,963 | 1,072,770 | 1,137,353 |
| 3850F | 100 | EDUCATION BENEFITS | 36,491 | 74,051 | 66,043 |
| 3850F | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 63,535 | | |
| | | TOTAL BUDGET ACTIVITY 01: | | 2,245,055 | |
| | | TOTAL BUDGET ACTIVITY 02: | 1,469,421 | | 1,425,539 |
| | | TOTAL DIRECT - NATIONAL GUARD PERSONNEL, AIR FORCE | 2,599,466 | 2,245,055 | 2,399,730 |
| | | TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL APPROPRIATIONS | 30,590,267 | 26,496,587 | 26,912,924 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1007F | 300 | AIR FORCE | | 2,032,519 | 2,058,270 |
| 1008F | 300 | RESERVE PERSONNEL, AIR FORCE | | 254,333 | 268,104 |
| 1009F | 300 | NATIONAL GUARD PERSONNEL, AIR FORCE | | 385,869 | 409,546 |
| | | GRAND TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL COSTS | 30,590,267 | 29,169,308 | 29,648,844 |

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Exhibit M-1A
FY 2007 President's Budget

| ID | MILITARY PERSONNEL, GRAND TOTAL | (DOLLARS IN THOUSANDS) | | |
|-----|---|------------------------|-------------------|-------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 5 | BASIC PAY | 14,535,167 | 13,265,849 | 13,569,043 |
| 6 | ARMY SECURITY | 5,091 | | |
| 10 | RETIRED PAY ACCRUAL | 3,952,810 | 3,497,795 | 3,593,366 |
| 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,181,726 | | |
| 25 | BASIC ALLOWANCE FOR HOUSING | 3,766,637 | 3,516,019 | 3,621,510 |
| 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 545,527 | 501,157 | 505,921 |
| 35 | INCENTIVE PAYS | 674,750 | 624,527 | 619,975 |
| 40 | SPECIAL PAYS | 900,107 | 802,780 | 803,057 |
| 45 | ALLOWANCES | 580,156 | 357,365 | 360,831 |
| 50 | SEPARATION PAY | 149,648 | 205,118 | 178,310 |
| 55 | SOCIAL SECURITY TAX | 1,101,721 | 1,007,373 | 1,033,012 |
| | TOTAL BUDGET ACTIVITY 01: | 27,393,340 | 23,777,983 | 24,285,025 |
| | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 60 | BASIC PAY | 33,550,683 | 29,119,204 | 30,043,333 |
| 61 | ARMY SECURITY | 59,480 | | |
| 65 | RETIRED PAY ACCRUAL | 9,162,177 | 7,656,908 | 7,937,316 |
| 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 6,122,843 | | |
| 80 | BASIC ALLOWANCE FOR HOUSING | 9,935,160 | 8,137,527 | 8,610,704 |
| 85 | INCENTIVE PAYS | 228,715 | 235,859 | 238,420 |
| 90 | SPECIAL PAYS | 2,928,406 | 1,836,104 | 1,969,390 |
| 95 | ALLOWANCES | 2,689,777 | 1,904,982 | 1,962,685 |
| 100 | SEPARATION PAY | 719,752 | 703,987 | 728,305 |
| 105 | SOCIAL SECURITY TAX | 2,561,269 | 2,209,560 | 2,292,627 |
| | TOTAL BUDGET ACTIVITY 02: | 67,958,262 | 51,804,131 | 53,782,780 |
| | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS/MIDSHIPMEN | | | |
| 110 | ACADEMY CADETS | 160,172 | 164,798 | 170,201 |
| | TOTAL BUDGET ACTIVITY 03: | 160,172 | 164,798 | 170,201 |
| | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 3,108,635 | 2,518,883 | 2,556,612 |
| 120 | SUBSISTENCE-IN-KIND | 2,487,228 | 1,252,865 | 1,334,928 |
| 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 2,960 | 5,689 | 5,792 |
| | TOTAL BUDGET ACTIVITY 04: | 5,598,823 | 3,777,437 | 3,897,332 |

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Exhibit M-1A
FY 2007 President's Budget

| ID | MILITARY PERSONNEL, GRAND TOTAL | (DOLLARS IN THOUSANDS) | | |
|-----|--|------------------------|-------------------|-------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 125 | ACCESSION TRAVEL | 257,032 | 385,886 | 379,682 |
| 130 | TRAINING TRAVEL | 235,973 | 209,008 | 234,638 |
| 135 | OPERATIONAL TRAVEL | 786,941 | 597,080 | 581,367 |
| 140 | ROTATIONAL TRAVEL | 1,306,417 | 1,340,653 | 1,282,823 |
| 145 | SEPARATION TRAVEL | 406,687 | 437,012 | 476,669 |
| 150 | TRAVEL OF ORGANIZED UNITS | 71,065 | 31,937 | 29,054 |
| 155 | NON-TEMPORARY STORAGE | 63,272 | 78,961 | 82,164 |
| 160 | TEMPORARY LODGING EXPENSE | 88,828 | 78,923 | 78,881 |
| 165 | OTHER | 6,091 | 8,477 | 8,796 |
| | TOTAL BUDGET ACTIVITY 05: | 3,222,306 | 3,167,937 | 3,154,074 |
| | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 170 | APPREHENSION OF MILITARY DESERTERS | 4,645 | 3,845 | 3,900 |
| 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 11,538 | 1,392 | 1,402 |
| 180 | DEATH GRATUITIES | 596,032 | 14,009 | 15,406 |
| 185 | UNEMPLOYMENT BENEFITS | 422,597 | 311,623 | 323,567 |
| 190 | SURVIVOR BENEFITS | 11,023 | 7,169 | 6,640 |
| 195 | EDUCATION BENEFITS | 9,581 | 9,232 | 10,134 |
| 200 | ADOPTION EXPENSES | 1,401 | 1,630 | 2,037 |
| 210 | TRANSPORTATION SUBSIDY | 16,021 | 14,115 | 13,966 |
| 215 | PARTIAL DISLOCATION ALLOWANCE | 7,919 | 11,575 | 11,989 |
| 216 | SGLI EXTRA HAZARD PAYMENTS | 126,579 | | |
| 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | 144,577 | 149,772 |
| 218 | JUNIOR ROTC | | 64,963 | 67,904 |
| | TOTAL BUDGET ACTIVITY 06: | 1,207,336 | 584,130 | 606,717 |
| 220 | LESS REIMBURSABLES | (1,021,255) | (968,075) | (1,023,533) |
| | TOTAL DIRECT - ACTIVE | 104,518,984 | 82,308,341 | 84,872,596 |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | 7,770,475 | 8,074,231 |
| | GRAND TOTAL DIRECT - ACTIVE PERSONNEL COSTS | 104,518,984 | 90,078,816 | 92,946,827 |

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Exhibit M-1A
FY 2007 President's Budget

| ID | RESERVE PERSONNEL, GRAND TOTAL | (DOLLARS IN THOUSANDS) | | |
|-----|---|------------------------|------------------|------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 2,189,842 | 2,192,493 | 2,467,719 |
| 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 158,216 | 191,700 | 187,535 |
| 30 | PAY GROUP F TRAINING (RECRUITS) | 272,927 | 325,776 | 338,320 |
| 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 1,831 | 437 | 100 |
| 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 1,128,485 | | |
| | TOTAL BUDGET ACTIVITY 01: | 3,751,301 | | 2,993,674 |
| 60 | MOBILIZATION TRAINING | 15,360 | 30,425 | 34,059 |
| 70 | SCHOOL TRAINING | 267,837 | 335,172 | 350,417 |
| 80 | SPECIAL TRAINING | 429,266 | 326,262 | 404,555 |
| 90 | ADMINISTRATION AND SUPPORT | 2,749,258 | 2,804,166 | 2,925,449 |
| 95 | PLATOON LEADER CLASS | 15,367 | 12,708 | 12,892 |
| 100 | EDUCATION BENEFITS | 71,918 | 218,215 | 214,001 |
| 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 199,414 | | |
| 120 | HEALTH PROFESSION SCHOLARSHIP | 86,781 | 95,428 | 97,139 |
| 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 175,806 | | |
| 130 | OTHER PROGRAMS | 66,422 | 68,949 | 60,623 |
| | TOTAL BUDGET ACTIVITY 01: | | 6,601,731 | |
| | TOTAL BUDGET ACTIVITY 02: | 4,077,429 | | 4,099,135 |
| | TOTAL DIRECT - RESERVE | 7,828,730 | 6,601,731 | 7,092,809 |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | 1,399,645 | 1,442,124 |
| | GRAND TOTAL DIRECT - RESERVE PERSONNEL COSTS | 7,828,730 | 8,001,376 | 8,534,933 |

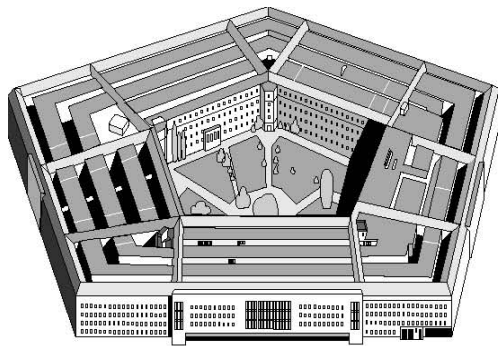
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Exhibit M-1A
FY 2007 President's Budget

| ID | | (DOLLARS IN THOUSANDS) | | |
|-----|---|------------------------|--------------------|--------------------|
| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
| | NATIONAL GUARD PERSONNEL, GRAND TOTAL | | | |
| | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 2,533,046 | 2,331,908 | 2,653,207 |
| 30 | PAY GROUP F TRAINING (RECRUITS) | 304,050 | 370,122 | 383,554 |
| 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 34,575 | 34,232 | 22,047 |
| 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 1,261,751 | | |
| | TOTAL BUDGET ACTIVITY 01: | 4,133,422 | | 3,058,808 |
| 70 | SCHOOL TRAINING | 475,156 | 426,706 | 405,562 |
| 80 | SPECIAL TRAINING | 674,870 | 272,371 | 226,915 |
| 90 | ADMINISTRATION AND SUPPORT | 3,329,938 | 3,379,288 | 3,699,808 |
| 100 | EDUCATION BENEFITS | 150,207 | 294,093 | 262,217 |
| 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 199,796 | | |
| | TOTAL BUDGET ACTIVITY 01: | | 7,108,720 | |
| | TOTAL BUDGET ACTIVITY 02: | 4,829,967 | | 4,594,502 |
| | TOTAL DIRECT - NATIONAL GUARD | 8,963,389 | 7,108,720 | 7,653,310 |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | 1,605,272 | 1,641,698 |
| | GRAND TOTAL DIRECT - NATIONAL GUARD PERSONNEL COSTS | 8,963,389 | 8,713,992 | 9,295,008 |
| | GRAND TOTAL DIRECT - MILITARY PERSONNEL | 121,311,103 | 106,794,184 | 110,776,768 |

OPERATION AND MAINTENANCE PROGRAMS (O-1A)

**Excludes Title IX Additional War-Related Appropriations and Emergency Supplemental
Appropriations to Address Hurricanes in Gulf of Mexico, and Pandemic Influenza Act, 2006
(P.L. 109-148)**



Department of Defense Budget

Fiscal Year 2007

February 2006

Office of the Under Secretary of Defense (Comptroller)

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| Appropriation Summary | Total Obligational Authority (Dollars in Thousands) | | |
|---|--|------------------|------------------|
| | FY 2005 ----- | FY 2006 ----- | FY 2007 ----- |
| Department of the Army | | | |
| OPERATION & MAINTENANCE, ARMY | 60,327,095 | 23,733,524 | 24,902,380 |
| OPERATION & MAINTENANCE, ARMY RESERVE | 2,017,313 | 1,949,202 | 2,299,202 |
| OPERATION & MAINTENANCE, ARMY NATIONAL GUARD | 4,872,300 | 4,441,487 | 4,838,665 |
| Total Department of the Army | 67,216,708 | 30,124,213 | 32,040,247 |
| Department of the Navy | | | |
| OPERATION & MAINTENANCE, NAVY | 33,892,238 | 29,480,898 | 31,330,984 |
| OPERATION & MAINTENANCE, MARINE CORPS | 6,237,908 | 3,650,093 | 3,878,962 |
| OPERATION & MAINTENANCE, NAVY RESERVE | 1,364,111 | 1,229,484 | 1,288,764 |
| OPERATION & MAINTENANCE, MARINE CORPS RESERVE | 200,637 | 200,240 | 211,911 |
| Total Department of the Navy | 41,694,894 | 34,560,715 | 36,710,621 |
| Department of the Air Force | | | |
| OPERATION & MAINTENANCE, AIR FORCE | 34,494,921 | 29,662,968 | 31,342,307 |
| OPERATION & MAINTENANCE, AIR FORCE RESERVE | 2,262,807 | 2,468,543 | 2,723,800 |
| OPERATION & MAINTENANCE, AIR NATIONAL GUARD | 4,551,700 | 4,643,463 | 5,336,017 |
| Total Department of the Air Force | 41,309,428 | 36,774,974 | 39,402,124 |
| Defense-Wide | | | |
| OPERATION & MAINTENANCE, DEFENSE-WIDE | 21,534,488 | 20,031,122 | 20,075,656 |
| OFFICE OF THE INSPECTOR GENERAL | 198,325 | 209,037 | 216,297 |
| DRUG INTERDICTION & COUNTER-DRUG ACT., DEF. | | 936,094 | 926,890 |
| DEFENSE HEALTH PROGRAM | 18,388,481 | 20,006,178 | 20,776,121 |

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| Appropriation Summary | Total Obligational Authority (Dollars in Thousands) | | |
|---|--|------------------|------------------|
| | FY 2005 ----- | FY 2006 ----- | FY 2007 ----- |
| Transfer Accounts and Miscellaneous | | | |
| ENVIRONMENTAL RESTORATION FUND, ARMY | | 402,848 | 413,794 |
| ENVIRONMENTAL RESTORATION FUND, NAVY | | 301,520 | 304,409 |
| ENVIRONMENTAL RESTORATION FUND, AIR FORCE | | 401,461 | 423,871 |
| ENVIRONMENTAL RESTORATION FUND, DEFENSE | | 27,821 | 18,431 |
| ENVIRONMENTAL RESTORATION FORMERLY USED SITES | | 253,762 | 242,790 |
| AFGHANISTAN SECURITY FORCES FUND | 995,000 | | |
| IRAQ SECURITY FORCES FUND | 5,490,000 | | |
| PAYMENT TO KAHO'OLAWA ISLAND FUND | 421 | | |
| US COURT OF APPEALS FOR THE ARMED FORCES, DEFENSE | 10,536 | 11,098 | 11,721 |
| SUPPORT OF INT'L SPORTING COMPETITIONS, DEFENSE | 1,165 | 505 | |
| OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND | | | 10,000 |
| EMERGENCY RESPONSE FUND | | 17,984 | |
| EMERGENCY RESPONSE FUND, DEFENSE | 424,947 | | |
| IRAQ FREEDOM FUND, DEFENSE | | | |
| OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID | 175,809 | 60,789 | 63,204 |
| FORMER SOVIET UNION (FSU) THREAT REDUCTION | 407,873 | 410,437 | 372,128 |
| Total Miscellaneous | 7,505,751 | 1,888,225 | 1,860,348 |
| Total Operation and Maintenance Title: | 197,848,075 | 144,530,558 | 152,008,304 |

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| | | Total Obligational Authority (Dollars in Thousands) | | | |
|---|-----|--|------------|------------|------------|
| | | FY 2005 | FY 2006 | FY 2007 | |
| | | ----- | ----- | ----- | |
| 2020A Operation & Maintenance, Army | | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | | |
| LAND FORCES | | | | | |
| 2020A | 010 | DIVISIONS | 1,564,242 | 766,677 | 992,281 |
| 2020A | 020 | CORPS COMBAT FORCES | 369,595 | 388,504 | 430,556 |
| 2020A | 030 | CORPS SUPPORT FORCES | 405,806 | 291,663 | 388,518 |
| 2020A | 040 | EAC SUPPORT FORCES | 1,023,675 | 787,712 | 884,236 |
| 2020A | 050 | LAND FORCES OPERATIONS SUPPORT | 1,021,498 | 1,200,705 | 1,189,294 |
| | | TOTAL LAND FORCES | 4,384,816 | 3,435,261 | 3,884,885 |
| LAND FORCES READINESS | | | | | |
| 2020A | 060 | FORCE READINESS OPERATIONS SUPPORT | 1,786,583 | 1,816,966 | 1,971,662 |
| 2020A | 070 | LAND FORCES SYSTEMS READINESS | 532,167 | 521,543 | 571,894 |
| 2020A | 080 | LAND FORCES DEPOT MAINTENANCE | 2,641,903 | 786,278 | 974,354 |
| | | TOTAL LAND FORCES READINESS | 4,960,653 | 3,124,787 | 3,517,910 |
| LAND FORCES READINESS SUPPORT | | | | | |
| 2020A | 090 | BASE OPERATIONS SUPPORT | 6,238,634 | 5,226,135 | 5,235,492 |
| 2020A | 100 | FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 1,473,412 | 1,814,083 | 1,810,774 |
| 2020A | 110 | MANAGEMENT AND OPERATIONAL HQ | 231,667 | 209,205 | 252,976 |
| 2020A | 120 | UNIFIED COMMANDS | 118,368 | 100,023 | 108,594 |
| 2020A | 130 | MISCELLANEOUS ACTIVITIES | 31,060,179 | 309,268 | 219,469 |
| | | TOTAL LAND FORCES READINESS SUPPORT | 39,122,260 | 7,658,714 | 7,627,305 |
| | | TOTAL, BA 01: OPERATING FORCES | 48,467,729 | 14,218,762 | 15,030,100 |
| BUDGET ACTIVITY 02: MOBILIZATION | | | | | |
| MOBILITY OPERATIONS | | | | | |
| 2020A | 140 | STRATEGIC MOBILITY | 260,701 | 245,928 | 197,583 |
| 2020A | 150 | ARMY PREPOSITIONING STOCKS | 148,410 | 97,814 | 66,594 |
| 2020A | 160 | INDUSTRIAL PREPAREDNESS | 15,732 | 15,518 | 4,700 |
| | | TOTAL MOBILITY OPERATIONS | 424,843 | 359,260 | 268,877 |
| | | TOTAL, BA 02: MOBILIZATION | 424,843 | 359,260 | 268,877 |
| BUDGET ACTIVITY 03: TRAINING AND RECRUITING | | | | | |
| ACCESSION TRAINING | | | | | |
| 2020A | 170 | OFFICER ACQUISITION | 101,418 | 96,330 | 112,359 |
| 2020A | 180 | RECRUIT TRAINING | 28,130 | 29,951 | 38,480 |
| 2020A | 190 | ONE STATION UNIT TRAINING | 38,359 | 33,940 | 45,827 |
| 2020A | 200 | SENIOR RESERVE OFFICERS TRAINING CORPS | 224,777 | 267,709 | 273,430 |
| | | TOTAL ACCESSION TRAINING | 392,684 | 427,930 | 470,096 |
| BASIC SKILLS AND ADVANCED TRAINING | | | | | |
| 2020A | 210 | SPECIALIZED SKILL TRAINING | 447,239 | 504,509 | 524,645 |
| 2020A | 220 | FLIGHT TRAINING | 532,626 | 621,506 | 637,726 |
| 2020A | 230 | PROFESSIONAL DEVELOPMENT EDUCATION | 109,603 | 112,576 | 115,231 |

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|---|--|------------|------------|
| | | | FY 2005 | FY 2006 | FY 2007 |
| | | | ----- | ----- | ----- |
| 2020A Operation & Maintenance, Army | | | | | |
| 2020A | 240 | TRAINING SUPPORT | 570,440 | 645,285 | 661,743 |
| | | TOTAL BASIC SKILLS AND ADVANCED TRAINING | 1,659,908 | 1,883,876 | 1,939,345 |
| RECRUITING AND OTHER TRAINING AND EDUCATION | | | | | |
| 2020A | 250 | RECRUITING AND ADVERTISING | 526,577 | 470,646 | 516,857 |
| 2020A | 260 | EXAMINING | 132,523 | 116,688 | 130,238 |
| 2020A | 270 | OFF-DUTY AND VOLUNTARY EDUCATION | 248,490 | 260,009 | 273,188 |
| 2020A | 280 | CIVILIAN EDUCATION AND TRAINING | 149,991 | 119,843 | 136,568 |
| 2020A | 290 | JUNIOR ROTC | 135,039 | 138,544 | 148,215 |
| | | TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | 1,192,620 | 1,105,730 | 1,205,066 |
| TOTAL, BA 03: TRAINING AND RECRUITING | | | 3,245,212 | 3,417,536 | 3,614,507 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | | |
| SECURITY PROGRAMS | | | | | |
| 2020A | 300 | SECURITY PROGRAMS | 956,690 | 937,623 | 782,719 |
| | | TOTAL SECURITY PROGRAMS | 956,690 | 937,623 | 782,719 |
| LOGISTICS OPERATIONS | | | | | |
| 2020A | 310 | SERVICEWIDE TRANSPORTATION | 1,272,891 | 510,894 | 451,070 |
| 2020A | 320 | CENTRAL SUPPLY ACTIVITIES | 496,648 | 450,735 | 453,386 |
| 2020A | 330 | LOGISTIC SUPPORT ACTIVITIES | 428,465 | 384,266 | 415,582 |
| 2020A | 340 | AMMUNITION MANAGEMENT | 356,573 | 317,421 | 308,552 |
| | | TOTAL LOGISTICS OPERATIONS | 2,554,577 | 1,663,316 | 1,628,590 |
| SERVICEWIDE SUPPORT | | | | | |
| 2020A | 350 | ADMINISTRATION | 1,517,728 | 564,170 | 701,834 |
| 2020A | 360 | SERVICEWIDE COMMUNICATIONS | 726,419 | 803,451 | 957,811 |
| 2020A | 370 | MANPOWER MANAGEMENT | 258,577 | 236,454 | 276,963 |
| 2020A | 380 | OTHER PERSONNEL SUPPORT | 251,535 | 187,721 | 200,993 |
| 2020A | 390 | OTHER SERVICE SUPPORT | 1,412,722 | 777,774 | 833,850 |
| 2020A | 400 | ARMY CLAIMS ACTIVITIES | 84,061 | 193,387 | 203,144 |
| 2020A | 410 | REAL ESTATE MANAGEMENT | 57,808 | 43,562 | 48,934 |
| | | TOTAL SERVICEWIDE SUPPORT | 4,308,850 | 2,806,519 | 3,223,529 |
| SUPPORT OF OTHER NATIONS | | | | | |
| 2020A | 420 | SUPPORT OF NATO OPERATIONS | 308,146 | 288,242 | 310,277 |
| 2020A | 430 | MISC. SUPPORT OF OTHER NATIONS | 61,048 | 42,266 | 43,781 |
| | | TOTAL SUPPORT OF OTHER NATIONS | 369,194 | 330,508 | 354,058 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | 8,189,311 | 5,737,966 | 5,988,896 |
| Total Operation & Maintenance, Army | | | 60,327,095 | 23,733,524 | 24,902,380 |

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| | | Total Obligational Authority (Dollars in Thousands) | | | |
|--------------------------------------|-----|--|------------|------------|------------|
| | | FY 2005 | FY 2006 | FY 2007 | |
| | | ----- | ----- | ----- | |
| 1804N Operation & Maintenance, Navy | | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | | |
| AIR OPERATIONS | | | | | |
| 1804N | 010 | MISSION AND OTHER FLIGHT OPERATIONS | 3,639,524 | 3,378,997 | 3,587,750 |
| 1804N | 020 | FLEET AIR TRAINING | 1,118,457 | 842,035 | 863,788 |
| 1804N | 030 | INTERMEDIATE MAINTENANCE | 67,502 | 55,478 | 56,502 |
| 1804N | 040 | AIR OPERATIONS AND SAFETY SUPPORT | 123,764 | 111,304 | 121,303 |
| 1804N | 050 | AIR SYSTEMS SUPPORT | 471,122 | 464,332 | 485,830 |
| 1804N | 060 | AIRCRAFT DEPOT MAINTENANCE | 1,139,793 | 899,492 | 902,864 |
| 1804N | 070 | AIRCRAFT DEPOT OPERATIONS SUPPORT | 71,743 | 100,846 | 144,243 |
| | | TOTAL AIR OPERATIONS | 6,631,905 | 5,852,484 | 6,162,280 |
| SHIP OPERATIONS | | | | | |
| 1804N | 080 | MISSION AND OTHER SHIP OPERATIONS | 3,167,363 | 2,864,046 | 3,166,923 |
| 1804N | 090 | SHIP OPERATIONS SUPPORT & TRAINING | 624,620 | 573,565 | 645,040 |
| 1804N | 100 | SHIP DEPOT MAINTENANCE | 4,297,859 | 3,865,705 | 3,722,690 |
| 1804N | 110 | SHIP DEPOT OPERATIONS SUPPORT | 1,106,297 | 816,734 | 979,341 |
| | | TOTAL SHIP OPERATIONS | 9,196,139 | 8,120,050 | 8,513,994 |
| COMBAT OPERATIONS/SUPPORT | | | | | |
| 1804N | 120 | COMBAT COMMUNICATIONS | 337,811 | 299,150 | 318,105 |
| 1804N | 130 | ELECTRONIC WARFARE | 14,836 | 17,501 | 52,039 |
| 1804N | 140 | SPACE SYSTEMS AND SURVEILLANCE | 169,799 | 123,491 | 164,454 |
| 1804N | 150 | WARFARE TACTICS | 320,252 | 351,744 | 356,815 |
| 1804N | 160 | OPERATIONAL METEOROLOGY AND OCEANOGRAPHY | 258,855 | 250,400 | 267,193 |
| 1804N | 170 | COMBAT SUPPORT FORCES | 2,130,709 | 1,240,374 | 1,073,662 |
| 1804N | 180 | EQUIPMENT MAINTENANCE | 196,227 | 171,118 | 170,116 |
| 1804N | 190 | DEPOT OPERATIONS SUPPORT | 3,073 | 3,647 | 3,855 |
| | | TOTAL COMBAT OPERATIONS/SUPPORT | 3,431,562 | 2,457,425 | 2,406,239 |
| WEAPONS SUPPORT | | | | | |
| 1804N | 200 | CRUISE MISSILE | 149,226 | 177,591 | 132,602 |
| 1804N | 210 | FLEET BALLISTIC MISSILE | 812,134 | 820,304 | 946,811 |
| 1804N | 220 | IN-SERVICE WEAPONS SYSTEMS SUPPORT | 52,299 | 50,595 | 115,230 |
| 1804N | 230 | WEAPONS MAINTENANCE | 494,375 | 468,318 | 433,856 |
| 1804N | 240 | OTHER WEAPON SYSTEMS SUPPORT | | | 300,901 |
| | | TOTAL WEAPONS SUPPORT | 1,508,034 | 1,516,808 | 1,929,400 |
| WORKING CAPITAL FUND SUPPORT | | | | | |
| 1804N | 250 | NWCF SUPPORT | | -50,000 | |
| | | TOTAL WORKING CAPITAL FUND SUPPORT | | -50,000 | |
| BASE SUPPORT | | | | | |
| 1804N | 260 | ENTERPRISE INFORMATION | | | 713,421 |
| 1804N | 270 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 1,564,870 | 1,308,012 | 1,201,313 |
| 1804N | 280 | BASE OPERATING SUPPORT | 3,640,701 | 3,260,145 | 3,470,443 |
| | | TOTAL BASE SUPPORT | 5,205,571 | 4,568,157 | 5,385,177 |
| | | TOTAL, BA 01: OPERATING FORCES | 25,973,211 | 22,464,924 | 24,397,090 |

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| | | Total Obligational Authority (Dollars in Thousands) | | | |
|--|-----|--|-----------|-----------|-----------|
| | | FY 2005 | FY 2006 | FY 2007 | |
| | | ----- | ----- | ----- | |
| 1804N Operation & Maintenance, Navy | | | | | |
| BUDGET ACTIVITY 02: MOBILIZATION | | | | | |
| READY RESERVE AND PREPOSITIONING FORCE | | | | | |
| 1804N | 290 | SHIP PREPOSITIONING AND SURGE | 596,596 | 525,985 | 545,607 |
| | | TOTAL READY RESERVE AND PREPOSITIONING FORCE | 596,596 | 525,985 | 545,607 |
| ACTIVATIONS/INACTIVATIONS | | | | | |
| 1804N | 300 | AIRCRAFT ACTIVATIONS/INACTIVATIONS | 7,831 | 3,112 | 4,626 |
| 1804N | 310 | SHIP ACTIVATIONS/INACTIVATIONS | 213,983 | 123,305 | 197,171 |
| | | TOTAL ACTIVATIONS/INACTIVATIONS | 221,814 | 126,417 | 201,797 |
| MOBILIZATION PREPARATION | | | | | |
| 1804N | 320 | FLEET HOSPITAL PROGRAM | 37,203 | 27,429 | 30,928 |
| 1804N | 330 | INDUSTRIAL READINESS | 2,274 | 1,633 | 1,660 |
| 1804N | 340 | COAST GUARD SUPPORT | 16,897 | 19,604 | 20,236 |
| | | TOTAL MOBILIZATION PREPARATION | 56,374 | 48,666 | 52,824 |
| TOTAL, BA 02: MOBILIZATION | | | 874,784 | 701,068 | 800,228 |
| BUDGET ACTIVITY 03: TRAINING AND RECRUITING | | | | | |
| ACCESSION TRAINING | | | | | |
| 1804N | 350 | OFFICER ACQUISITION | 123,216 | 121,612 | 134,960 |
| 1804N | 360 | RECRUIT TRAINING | 6,964 | 9,956 | 9,973 |
| 1804N | 370 | RESERVE OFFICERS TRAINING CORPS | 96,290 | 101,270 | 105,067 |
| | | TOTAL ACCESSION TRAINING | 226,470 | 232,838 | 250,000 |
| BASIC SKILLS AND ADVANCED TRAINING | | | | | |
| 1804N | 380 | SPECIALIZED SKILL TRAINING | 456,195 | 476,404 | 517,787 |
| 1804N | 390 | FLIGHT TRAINING | 414,124 | 353,279 | 425,434 |
| 1804N | 400 | PROFESSIONAL DEVELOPMENT EDUCATION | 128,319 | 136,914 | 121,568 |
| 1804N | 410 | TRAINING SUPPORT | 233,936 | 237,973 | 168,461 |
| | | TOTAL BASIC SKILLS AND ADVANCED TRAINING | 1,232,574 | 1,204,570 | 1,233,250 |
| RECRUITING AND OTHER TRAINING AND EDUCATION | | | | | |
| 1804N | 420 | RECRUITING AND ADVERTISING | 285,603 | 277,141 | 245,469 |
| 1804N | 430 | OFF-DUTY AND VOLUNTARY EDUCATION | 132,694 | 150,191 | 148,588 |
| 1804N | 440 | CIVILIAN EDUCATION AND TRAINING | 65,981 | 69,700 | 75,337 |
| 1804N | 450 | JUNIOR ROTC | 43,772 | 42,320 | 46,649 |
| | | TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | 528,050 | 539,352 | 516,043 |
| TOTAL, BA 03: TRAINING AND RECRUITING | | | 1,987,094 | 1,976,760 | 1,999,293 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | | |
| SERVICEWIDE SUPPORT | | | | | |
| 1804N | 460 | ADMINISTRATION | 810,071 | 670,531 | 719,357 |
| 1804N | 470 | EXTERNAL RELATIONS | 3,707 | 3,332 | 3,555 |
| 1804N | 480 | CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT | 106,323 | 97,515 | 103,611 |

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| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|--|--|------------|------------|
| | | | FY 2005 | FY 2006 | FY 2007 |
| | | | ----- | ----- | ----- |
| 1804N Operation & Maintenance, Navy | | | | | |
| 1804N | 490 | MILITARY MANPOWER AND PERSONNEL MANAGEMENT | 196,018 | 199,283 | 186,113 |
| 1804N | 500 | OTHER PERSONNEL SUPPORT | 242,843 | 243,291 | 274,108 |
| 1804N | 510 | SERVICEWIDE COMMUNICATIONS | 619,973 | 720,345 | 798,527 |
| 1804N | 520 | MEDICAL ACTIVITIES | 21,558 | | |
| | | TOTAL SERVICEWIDE SUPPORT | 2,000,493 | 1,934,297 | 2,085,271 |
| LOGISTICS OPERATIONS AND TECHNICAL SUPPORT | | | | | |
| 1804N | 530 | SERVICEWIDE TRANSPORTATION | 344,814 | 183,193 | 218,575 |
| 1804N | 540 | ENVIRONMENTAL PROGRAMS | 265,872 | | |
| 1804N | 550 | PLANNING, ENGINEERING AND DESIGN | 296,688 | 290,386 | 242,607 |
| 1804N | 560 | ACQUISITION AND PROGRAM MANAGEMENT | 931,427 | 789,093 | 518,512 |
| 1804N | 570 | HULL, MECHANICAL AND ELECTRICAL SUPPORT | 46,954 | 46,939 | 58,202 |
| 1804N | 580 | COMBAT/WEAPONS SYSTEMS | 50,613 | 44,438 | 43,143 |
| 1804N | 590 | SPACE AND ELECTRONIC WARFARE SYSTEMS | 63,002 | 71,576 | 81,528 |
| | | TOTAL LOGISTICS OPERATIONS AND TECHNICAL SUPPORT | 1,999,370 | 1,425,625 | 1,162,567 |
| INVESTIGATIONS AND SECURITY PROGRAMS | | | | | |
| 1804N | 600 | NAVAL INVESTIGATIVE SERVICE | 333,884 | 382,696 | 391,438 |
| | | TOTAL INVESTIGATIONS AND SECURITY PROGRAMS | 333,884 | 382,696 | 391,438 |
| SUPPORT OF OTHER NATIONS | | | | | |
| 1804N | 650 | INTERNATIONAL HEADQUARTERS AND AGENCIES | 18,064 | 10,149 | 10,478 |
| 1804N | 660 | PRESIDENTIAL DRAWDOWN AUTHORITY | 83,333 | | |
| | | TOTAL SUPPORT OF OTHER NATIONS | 101,397 | 10,149 | 10,478 |
| CANCELLED ACCOUNTS | | | | | |
| 1804N | 670 | CANCELLED ACCOUNT ADJUSTMENTS | 4,155 | | |
| | | TOTAL CANCELLED ACCOUNTS | 4,155 | | |
| 1804N | 999 | OTHER PROGRAMS | 617,850 | 585,379 | 484,619 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 5,057,149 | 4,338,146 | 4,134,373 |
| Total Operation & Maintenance, Navy | | | 33,892,238 | 29,480,898 | 31,330,984 |

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| | | Total Obligational Authority (Dollars in Thousands) | | | |
|---|-----|--|-----------|-----------|-----------|
| | | FY 2005 | FY 2006 | FY 2007 | |
| | | ----- | ----- | ----- | |
| 1106N Operation & Maintenance, Marine Corps | | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | | |
| EXPEDITIONARY FORCES | | | | | |
| 1106N | 010 | OPERATIONAL FORCES | 2,402,800 | 398,474 | 503,462 |
| 1106N | 020 | FIELD LOGISTICS | 528,979 | 406,941 | 424,331 |
| 1106N | 030 | DEPOT MAINTENANCE | 331,141 | 89,394 | 111,210 |
| 1106N | 040 | BASE SUPPORT | | 296 | |
| | | TOTAL EXPEDITIONARY FORCES | 3,262,920 | 895,105 | 1,039,003 |
| USMC PREPOSITIONING | | | | | |
| 1106N | 050 | MARITIME PREPOSITIONING | 95,466 | 67,292 | 70,801 |
| 1106N | 060 | NORWAY PREPOSITIONING | 3,938 | 5,022 | 5,284 |
| | | TOTAL USMC PREPOSITIONING | 99,404 | 72,314 | 76,085 |
| BASE SUPPORT | | | | | |
| 1106N | 070 | SUSTAINMENT, RESTORATION, & MODERNIZATION | 485,385 | 473,709 | 419,418 |
| 1106N | 080 | BASE OPERATING SUPPORT | 1,115,883 | 1,334,174 | 1,428,003 |
| | | TOTAL BASE SUPPORT | 1,601,268 | 1,807,883 | 1,847,421 |
| | | TOTAL, BA 01: OPERATING FORCES | 4,963,592 | 2,775,302 | 2,962,509 |
| BUDGET ACTIVITY 03: TRAINING AND RECRUITING | | | | | |
| ACCESSION TRAINING | | | | | |
| 1106N | 090 | RECRUIT TRAINING | 10,867 | 10,755 | 11,581 |
| 1106N | 100 | OFFICER ACQUISITION | 420 | 369 | 390 |
| | | TOTAL ACCESSION TRAINING | 11,287 | 11,124 | 11,971 |
| BASIC SKILLS AND ADVANCED TRAINING | | | | | |
| 1106N | 110 | SPECIALIZED SKILL TRAINING | 45,971 | 39,679 | 41,130 |
| 1106N | 120 | FLIGHT TRAINING | 183 | 176 | 187 |
| 1106N | 130 | PROFESSIONAL DEVELOPMENT EDUCATION | 11,567 | 10,537 | 16,476 |
| 1106N | 140 | TRAINING SUPPORT | 138,530 | 132,303 | 144,692 |
| | | TOTAL BASIC SKILLS AND ADVANCED TRAINING | 196,251 | 182,695 | 202,485 |
| RECRUITING AND OTHER TRAINING AND EDUCATION | | | | | |
| 1106N | 150 | RECRUITING AND ADVERTISING | 141,582 | 113,865 | 108,883 |
| 1106N | 160 | OFF-DUTY AND VOLUNTARY EDUCATION | 42,256 | 50,590 | 55,524 |
| 1106N | 170 | JUNIOR ROTC | 15,008 | 16,702 | 17,257 |
| | | TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | 198,846 | 181,157 | 181,664 |
| BASE SUPPORT | | | | | |
| 1106N | 180 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 65,282 | 66,836 | 50,810 |
| 1106N | 190 | BASE OPERATING SUPPORT | 162,380 | 117,162 | 141,242 |
| | | TOTAL BASE SUPPORT | 227,662 | 183,998 | 192,052 |
| | | TOTAL, BA 03: TRAINING AND RECRUITING | 634,046 | 558,974 | 588,172 |

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| | | | | Total Obligational Authority | | |
|--|---------------------------------------|--|--|------------------------------|-----------|-----------|
| | | | | (Dollars in Thousands) | | |
| | | | | FY 2005 | FY 2006 | FY 2007 |
| | | | | ----- | ----- | ----- |
| 1106N | Operation & Maintenance, Marine Corps | | | | | |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | | | |
| SERVICEWIDE SUPPORT | | | | | | |
| 1106N | 200 | SPECIAL SUPPORT | | 296,341 | 235,164 | 255,058 |
| 1106N | 210 | SERVICE-WIDE TRANSPORTATION | | 285,518 | 36,756 | 24,140 |
| 1106N | 220 | ADMINISTRATION | | 38,392 | 27,248 | 34,266 |
| | | TOTAL SERVICEWIDE SUPPORT | | 620,251 | 299,168 | 313,464 |
| CANCELLED ACCOUNTS | | | | | | |
| 1106N | 230 | CANCELLED ACCOUNT ADJUSTMENT | | 91 | | |
| | | TOTAL CANCELLED ACCOUNTS | | 91 | | |
| BASE SUPPORT | | | | | | |
| 1106N | 240 | SUSTAINMENT, RESTORATION, AND MODERNIZATION | | 5,027 | 3,101 | 2,913 |
| 1106N | 250 | BASE OPERATING SUPPORT | | 14,901 | 13,548 | 11,904 |
| | | TOTAL BASE SUPPORT | | 19,928 | 16,649 | 14,817 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | 640,270 | 315,817 | 328,281 |
| | | Total Operation & Maintenance, Marine Corps | | 6,237,908 | 3,650,093 | 3,878,962 |

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| | | Total Obligational Authority (Dollars in Thousands) | | | |
|--|-----|--|------------|------------|------------|
| | | FY 2005 | FY 2006 | FY 2007 | |
| | | ----- | ----- | ----- | |
| 3400F Operation & Maintenance, Air Force | | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | | |
| AIR OPERATIONS | | | | | |
| 3400F | 010 | PRIMARY COMBAT FORCES | 3,851,529 | 2,935,303 | 4,307,850 |
| 3400F | 020 | PRIMARY COMBAT WEAPONS | 334,319 | 281,665 | 281,366 |
| 3400F | 030 | COMBAT ENHANCEMENT FORCES | 635,650 | 606,660 | 603,703 |
| 3400F | 040 | AIR OPERATIONS TRAINING (OJT, MAINTAIN SKILLS) | 1,233,762 | 1,342,294 | 1,439,196 |
| 3400F | 050 | COMBAT COMMUNICATIONS | 1,794,246 | 1,446,203 | 1,619,591 |
| 3400F | 070 | DEPOT MAINTENANCE | 1,966,926 | 2,042,735 | 1,943,368 |
| 3400F | 080 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 1,312,354 | 1,043,193 | 924,187 |
| 3400F | 090 | BASE SUPPORT | 3,531,857 | 2,164,324 | 2,405,434 |
| | | TOTAL AIR OPERATIONS | 14,660,643 | 11,862,377 | 13,524,695 |
| COMBAT RELATED OPERATIONS | | | | | |
| 3400F | 100 | GLOBAL C3I AND EARLY WARNING | 1,243,847 | 1,166,880 | 1,147,409 |
| 3400F | 110 | NAVIGATION/WEATHER SUPPORT | 216,730 | 236,031 | 243,878 |
| 3400F | 120 | OTHER COMBAT OPS SPT PROGRAMS | 972,262 | 693,109 | 610,059 |
| 3400F | 130 | JCS EXERCISES | 31,431 | 29,130 | 29,240 |
| 3400F | 140 | MANAGEMENT/OPERATIONAL HQ | 391,700 | 249,826 | 241,730 |
| 3400F | 150 | TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES | 424,325 | 340,251 | 350,629 |
| | | TOTAL COMBAT RELATED OPERATIONS | 3,280,295 | 2,715,227 | 2,622,945 |
| SPACE OPERATIONS | | | | | |
| 3400F | 160 | LAUNCH FACILITIES | 300,757 | 329,644 | 324,467 |
| 3400F | 170 | LAUNCH VEHICLES | 64,150 | 91,852 | 59,713 |
| 3400F | 180 | SPACE CONTROL SYSTEMS | 221,360 | 248,002 | 255,325 |
| 3400F | 190 | SATELLITE SYSTEMS | 60,882 | 72,005 | 81,845 |
| 3400F | 200 | OTHER SPACE OPERATIONS | 275,299 | 271,055 | 320,801 |
| 3400F | 210 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 190,069 | 177,267 | 133,825 |
| 3400F | 220 | BASE SUPPORT | 528,638 | 540,705 | 553,394 |
| | | TOTAL SPACE OPERATIONS | 1,641,155 | 1,730,530 | 1,729,370 |
| | | TOTAL, BA 01: OPERATING FORCES | 19,582,093 | 16,308,134 | 17,877,010 |
| BUDGET ACTIVITY 02: MOBILIZATION | | | | | |
| MOBILITY OPERATIONS | | | | | |
| 3400F | 230 | AIRLIFT OPERATIONS | 3,172,707 | 2,638,644 | 2,948,518 |
| 3400F | 240 | AIRLIFT OPERATIONS C3I | 40,628 | 50,258 | 47,313 |
| 3400F | 250 | MOBILIZATION PREPAREDNESS | 185,701 | 172,302 | 204,721 |
| 3400F | 260 | PAYMENTS TO TRANSPORTATION BUSINESS AREA | | | 7,134 |
| 3400F | 270 | DEPOT MAINTENANCE | 420,606 | 390,242 | 311,703 |
| 3400F | 280 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 290,742 | 149,520 | 179,242 |
| 3400F | 290 | BASE SUPPORT | 651,168 | 502,555 | 560,838 |
| | | TOTAL MOBILITY OPERATIONS | 4,761,552 | 3,903,521 | 4,259,469 |
| | | TOTAL, BA 02: MOBILIZATION | 4,761,552 | 3,903,521 | 4,259,469 |

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| | | Total Obligational Authority | | | |
|--|-----|---|-----------|-----------|-----------|
| | | (Dollars in Thousands) | | | |
| | | FY 2005 | FY 2006 | FY 2007 | |
| | | ----- | ----- | ----- | |
| 3400F Operation & Maintenance, Air Force | | | | | |
| | | | | | |
| BUDGET ACTIVITY 03: TRAINING AND RECRUITING | | | | | |
| | | | | | |
| ACCESSION TRAINING | | | | | |
| 3400F | 300 | OFFICER ACQUISITION | 79,304 | 77,905 | 81,429 |
| 3400F | 310 | RECRUIT TRAINING | 9,759 | 6,213 | 6,306 |
| 3400F | 320 | RESERVE OFFICERS TRAINING CORPS (ROTC) | 83,137 | 96,942 | 95,282 |
| 3400F | 330 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 70,729 | 33,348 | 43,461 |
| 3400F | 340 | BASE SUPPORT | 76,975 | 73,279 | 75,354 |
| | | TOTAL ACCESSION TRAINING | 319,904 | 287,687 | 301,832 |
| | | | | | |
| BASIC SKILLS AND ADVANCED TRAINING | | | | | |
| 3400F | 350 | SPECIALIZED SKILL TRAINING | 326,516 | 360,542 | 351,352 |
| 3400F | 360 | FLIGHT TRAINING | 729,155 | 778,128 | 836,910 |
| 3400F | 370 | PROFESSIONAL DEVELOPMENT EDUCATION | 171,216 | 170,454 | 175,225 |
| 3400F | 380 | TRAINING SUPPORT | 113,336 | 112,075 | 89,025 |
| 3400F | 390 | DEPOT MAINTENANCE | 8,789 | 13,987 | 12,558 |
| 3400F | 400 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 305,799 | 153,489 | 134,126 |
| 3400F | 410 | BASE SUPPORT | 606,774 | 555,962 | 590,856 |
| | | TOTAL BASIC SKILLS AND ADVANCED TRAINING | 2,261,585 | 2,144,637 | 2,190,052 |
| | | | | | |
| RECRUITING AND OTHER TRAINING AND EDUCATION | | | | | |
| 3400F | 420 | RECRUITING AND ADVERTISING | 118,324 | 132,349 | 133,600 |
| 3400F | 430 | EXAMINING | 2,355 | 3,355 | 3,713 |
| 3400F | 440 | OFF-DUTY AND VOLUNTARY EDUCATION | 184,806 | 176,287 | 192,847 |
| 3400F | 450 | CIVILIAN EDUCATION AND TRAINING | 124,448 | 141,076 | 115,394 |
| 3400F | 460 | JUNIOR ROTC | 50,037 | 55,846 | 60,380 |
| | | TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | 479,970 | 508,913 | 505,934 |
| | | | | | |
| | | TOTAL, BA 03: TRAINING AND RECRUITING | 3,061,459 | 2,941,237 | 2,997,818 |
| | | | | | |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | | |
| | | | | | |
| LOGISTICS OPERATIONS | | | | | |
| 3400F | 470 | LOGISTICS OPERATIONS | 783,370 | 837,431 | 892,899 |
| 3400F | 480 | TECHNICAL SUPPORT ACTIVITIES | 426,093 | 628,764 | 629,064 |
| 3400F | 490 | SERVICEWIDE TRANSPORTATION | 356,826 | 184,078 | 176,222 |
| 3400F | 500 | DEPOT MAINTENANCE | 68,078 | 47,203 | 47,817 |
| 3400F | 510 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 313,662 | 236,536 | 252,911 |
| 3400F | 520 | BASE SUPPORT | 1,078,557 | 1,042,966 | 993,307 |
| | | TOTAL LOGISTICS OPERATIONS | 3,026,586 | 2,976,978 | 2,992,220 |
| | | | | | |
| SERVICEWIDE ACTIVITIES | | | | | |
| 3400F | 530 | ADMINISTRATION | 371,731 | 238,260 | 254,311 |
| 3400F | 540 | SERVICE-WIDE COMMUNICATIONS | 352,274 | 491,197 | 510,987 |
| 3400F | 550 | PERSONNEL PROGRAMS | 280,443 | 235,376 | 222,416 |
| 3400F | 560 | ARMS CONTROL | 37,698 | 47,399 | 49,933 |
| 3400F | 570 | OTHER SERVICEWIDE ACTIVITIES | 1,450,428 | 771,072 | 280,473 |
| 3400F | 580 | OTHER PERSONNEL SUPPORT | 39,377 | 43,432 | 37,775 |
| 3400F | 590 | CIVIL AIR PATROL | 22,257 | 23,379 | 21,087 |

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| | | | Total Obligational Authority | | |
|--|-----|--|------------------------------|------------|------------|
| | | | (Dollars in Thousands) | | |
| | | | FY 2005 | FY 2006 | FY 2007 |
| | | | ----- | ----- | ----- |
| 3400F Operation & Maintenance, Air Force | | | | | |
| 3400F | 600 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 23,888 | 12,821 | 16,267 |
| 3400F | 610 | BASE SUPPORT | 353,318 | 300,519 | 325,670 |
| | | TOTAL SERVICEWIDE ACTIVITIES | 2,931,414 | 2,163,455 | 1,718,919 |
| SECURITY PROGRAMS | | | | | |
| 3400F | 620 | SECURITY PROGRAMS | 1,100,178 | 1,350,073 | 1,478,190 |
| | | TOTAL SECURITY PROGRAMS | 1,100,178 | 1,350,073 | 1,478,190 |
| SUPPORT TO OTHER NATIONS | | | | | |
| 3400F | 630 | INTERNATIONAL SUPPORT | 31,639 | 19,570 | 18,681 |
| | | TOTAL SUPPORT TO OTHER NATIONS | 31,639 | 19,570 | 18,681 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 7,089,817 | 6,510,076 | 6,208,010 |
| | | Total Operation & Maintenance, Air Force | 34,494,921 | 29,662,968 | 31,342,307 |

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| | | Total Obligational Authority (Dollars in Thousands) | | |
|--|-----|--|------------|------------|
| | | FY 2005 | FY 2006 | FY 2007 |
| | | ----- | ----- | ----- |
| 0100D Operation & Maintenance, Defense-Wide | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | |
| 0100D | 010 | 515,317 | 551,592 | 582,003 |
| 0100D | 020 | 3,104,545 | 2,165,811 | 2,852,620 |
| TOTAL, BA 01: OPERATING FORCES | | 3,619,862 | 2,717,403 | 3,434,623 |
| BUDGET ACTIVITY 03: TRAINING AND RECRUITING | | | | |
| 0100D | 030 | 103,421 | 104,701 | 104,671 |
| 0100D | 040 | 93,056 | 68,699 | 85,131 |
| TOTAL, BA 03: TRAINING AND RECRUITING | | 196,477 | 173,400 | 189,802 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | |
| 0100D | 050 | 147,998 | 145,540 | 150,329 |
| 0100D | 060 | 104,719 | 113,533 | 106,503 |
| 0100D | 090 | | | 179,255 |
| 0100D | 100 | 381,227 | 373,653 | 391,949 |
| 0100D | 110 | 4,734 | 4,291 | 452 |
| 0100D | 120 | 1,168,312 | 1,018,478 | 998,618 |
| 0100D | 140 | 44,035 | 37,777 | 35,538 |
| 0100D | 150 | 378,384 | 333,603 | 297,502 |
| 0100D | 160 | 15,302 | 15,839 | 16,191 |
| 0100D | 170 | 19,399 | 21,337 | 21,899 |
| 0100D | 180 | 312,628 | 314,798 | 314,555 |
| 0100D | 190 | 1,985,721 | 1,800,668 | 1,728,851 |
| 0100D | 200 | 363,901 | 408,001 | 374,352 |
| 0100D | 210 | 1,017,597 | 1,027,024 | 1,040,297 |
| 0100D | 220 | 1,401,058 | 1,038,182 | 140,472 |
| 0100D | 230 | 226,806 | 263,038 | 287,059 |
| 0100D | 250 | 59,965 | 161,595 | 73,021 |
| 0100D | 260 | 841,338 | 808,609 | 748,368 |
| 0100D | 270 | 472,452 | 1,270,772 | 466,961 |
| 0100D | 999 | 8,772,573 | 7,983,581 | 9,079,059 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | 17,718,149 | 17,140,319 | 16,451,231 |
| Total Operation & Maintenance, Defense-Wide | | 21,534,488 | 20,031,122 | 20,075,656 |

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| 0107D Office of the Inspector General | Total Obligational Authority (Dollars in Thousands) | | |
|---|--|------------------|------------------|
| | FY 2005 ----- | FY 2006 ----- | FY 2007 ----- |
| BUDGET ACTIVITY 01: OPERATION & MAINTENANCE | | | |
| 0107D 010 OFFICE OF THE INSPECTOR GENERAL | 197,225 | 206,590 | 214,897 |
| TOTAL, BA 01: OPERATION & MAINTENANCE | 197,225 | 206,590 | 214,897 |
| BUDGET ACTIVITY 03: PROCUREMENT | | | |
| 0107D 020 OFFICE OF THE INSPECTOR GENERAL | 1,100 | 2,447 | 1,400 |
| TOTAL, BA 03: PROCUREMENT | 1,100 | 2,447 | 1,400 |
| Total Office of the Inspector General | 198,325 | 209,037 | 216,297 |

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| | | Total Obligational Authority (Dollars in Thousands) | | | |
|--|-----|--|-----------|-----------|-----------|
| | | FY 2005 | FY 2006 | FY 2007 | |
| | | ----- | ----- | ----- | |
| 2080A Operation & Maintenance, Army Reserve | | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | | |
| LAND FORCES | | | | | |
| 2080A | 010 | DIVISIONS | 4,468 | 25,375 | 29,104 |
| 2080A | 020 | CORPS COMBAT FORCES | 21,616 | 18,020 | 20,498 |
| 2080A | 030 | CORPS SUPPORT FORCES | 301,048 | 241,379 | 288,426 |
| 2080A | 040 | EAC SUPPORT FORCES | 147,907 | 129,191 | 190,481 |
| 2080A | 050 | LAND FORCES OPERATIONS SUPPORT | 454,738 | 372,692 | 443,161 |
| | | TOTAL LAND FORCES | 929,777 | 786,657 | 971,670 |
| LAND FORCES READINESS | | | | | |
| 2080A | 060 | FORCE READINESS OPERATIONS SUPPORT | 175,683 | 175,531 | 187,781 |
| 2080A | 070 | LAND FORCES SYSTEMS READINESS | 68,488 | 80,779 | 90,397 |
| 2080A | 080 | LAND FORCES DEPOT MAINTENANCE | 70,455 | 90,813 | 131,485 |
| | | TOTAL LAND FORCES READINESS | 314,626 | 347,123 | 409,663 |
| LAND FORCES READINESS SUPPORT | | | | | |
| 2080A | 090 | BASE OPERATIONS SUPPORT | 450,580 | 459,062 | 528,256 |
| 2080A | 100 | FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 133,639 | 189,470 | 215,890 |
| 2080A | 110 | MISCELLANEOUS ACTIVITIES | 4,394 | 5,714 | 8,504 |
| | | TOTAL LAND FORCES READINESS SUPPORT | 588,613 | 654,246 | 752,650 |
| | | TOTAL, BA 01: OPERATING FORCES | 1,833,016 | 1,788,026 | 2,133,983 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | | |
| SERVICEWIDE SUPPORT | | | | | |
| 2080A | 120 | ADMINISTRATION | 56,606 | 57,756 | 60,096 |
| 2080A | 130 | SERVICEWIDE COMMUNICATIONS | 9,475 | 8,458 | 8,852 |
| 2080A | 140 | MANPOWER MANAGEMENT | 7,844 | 7,268 | 7,642 |
| 2080A | 150 | RECRUITING AND ADVERTISING | 110,372 | 87,694 | 88,629 |
| | | TOTAL SERVICEWIDE SUPPORT | 184,297 | 161,176 | 165,219 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 184,297 | 161,176 | 165,219 |
| | | Total Operation & Maintenance, Army Reserve | 2,017,313 | 1,949,202 | 2,299,202 |

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Total Obligational Authority
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| | | FY 2005 | FY 2006 | FY 2007 | |
|--|-----|--|-----------|-----------|-----------|
| | | ----- | ----- | ----- | |
| 1806N Operation & Maintenance, Navy Reserve | | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | | |
| AIR OPERATIONS | | | | | |
| 1806N | 010 | MISSION AND OTHER FLIGHT OPERATIONS | 535,377 | 507,429 | 591,126 |
| 1806N | 020 | INTERMEDIATE MAINTENANCE | 19,088 | 15,911 | 16,969 |
| 1806N | 030 | AIR OPERATIONS AND SAFETY SUPPORT | 1,935 | 2,128 | 2,090 |
| 1806N | 040 | AIRCRAFT DEPOT MAINTENANCE | 153,446 | 143,355 | 132,570 |
| 1806N | 050 | AIRCRAFT DEPOT OPERATIONS SUPPORT | 239 | 366 | 387 |
| | | TOTAL AIR OPERATIONS | 710,085 | 669,189 | 743,142 |
| SHIP OPERATIONS | | | | | |
| 1806N | 060 | MISSION AND OTHER SHIP OPERATIONS | 70,584 | 59,967 | 63,574 |
| 1806N | 070 | SHIP OPERATIONS SUPPORT & TRAINING | 5,095 | 2,626 | 554 |
| 1806N | 080 | SHIP DEPOT MAINTENANCE | 80,165 | 69,890 | 69,215 |
| 1806N | 090 | SHIP DEPOT OPERATIONS SUPPORT | 4,202 | 614 | 537 |
| | | TOTAL SHIP OPERATIONS | 160,046 | 133,097 | 133,880 |
| COMBAT OPERATIONS/SUPPORT | | | | | |
| 1806N | 100 | COMBAT COMMUNICATIONS | 7,219 | 9,546 | 10,705 |
| 1806N | 110 | COMBAT SUPPORT FORCES | 239,302 | 210,308 | 112,300 |
| | | TOTAL COMBAT OPERATIONS/SUPPORT | 246,521 | 219,854 | 123,005 |
| WEAPONS SUPPORT | | | | | |
| 1806N | 120 | WEAPONS MAINTENANCE | 5,544 | 4,999 | 5,861 |
| | | TOTAL WEAPONS SUPPORT | 5,544 | 4,999 | 5,861 |
| BASE SUPPORT | | | | | |
| 1806N | 130 | ENTERPRISE INFORMATION | | | 105,813 |
| 1806N | 140 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 96,527 | 66,572 | 52,136 |
| 1806N | 150 | BASE OPERATING SUPPORT | 116,469 | 107,731 | 101,524 |
| | | TOTAL BASE SUPPORT | 212,996 | 174,303 | 259,473 |
| | | TOTAL, BA 01: OPERATING FORCES | 1,335,192 | 1,201,442 | 1,265,361 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | | |
| SERVICEWIDE SUPPORT | | | | | |
| 1806N | 160 | ADMINISTRATION | 3,774 | 4,772 | 4,712 |
| 1806N | 170 | MILITARY MANPOWER AND PERSONNEL MANAGEMENT | 8,740 | 8,784 | 7,828 |
| 1806N | 180 | SERVICEWIDE COMMUNICATIONS | 4,234 | 3,881 | 5,392 |
| 1806N | 190 | COMBAT/WEAPONS SYSTEMS | 5,667 | 5,308 | 5,074 |
| | | TOTAL SERVICEWIDE SUPPORT | 22,415 | 22,745 | 23,006 |

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Department of Defense
 FY 2007 President's Budget
 Exhibit O-1A

Total Obligational Authority
 (Dollars in Thousands)

| | FY 2005 | FY 2006 | FY 2007 |
|--|-----------|-----------|-----------|
| | ----- | ----- | ----- |
| 1806N Operation & Maintenance, Navy Reserve | | | |
| CANCELLED ACCOUNTS | | | |
| 1806N 210 CANCELLED ACCOUNT ADJUSTMENTS | 3 | | |
| TOTAL CANCELLED ACCOUNTS | 3 | | |
| 1806N 999 OTHER PROGRAMS | 6,501 | 5,297 | 397 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 28,919 | 28,042 | 23,403 |
| Total Operation & Maintenance, Navy Reserve | 1,364,111 | 1,229,484 | 1,288,764 |

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 FY 2007 President's Budget
 Exhibit O-1A

| | | | Total Obligational Authority | | |
|--|-----|--|------------------------------|---------|---------|
| | | | (Dollars in Thousands) | | |
| | | | FY 2005 | FY 2006 | FY 2007 |
| | | | ----- | ----- | ----- |
| 1107N Operation & Maintenance, Marine Corps Reserve | | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | | |
| EXPEDITIONARY FORCES | | | | | |
| 1107N | 010 | OPERATING FORCES | 79,821 | 52,149 | 58,038 |
| 1107N | 020 | DEPOT MAINTENANCE | 11,886 | 13,688 | 13,714 |
| 1107N | 030 | TRAINING SUPPORT | 22,209 | 25,762 | 23,930 |
| | | TOTAL EXPEDITIONARY FORCES | 113,916 | 91,599 | 95,682 |
| BASE SUPPORT | | | | | |
| 1107N | 040 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 17,039 | 9,980 | 9,579 |
| 1107N | 050 | BASE OPERATING SUPPORT | 36,310 | 68,144 | 72,971 |
| | | TOTAL BASE SUPPORT | 53,349 | 78,124 | 82,550 |
| | | TOTAL, BA 01: OPERATING FORCES | 167,265 | 169,723 | 178,232 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | | |
| SERVICEWIDE SUPPORT | | | | | |
| 1107N | 060 | SPECIAL SUPPORT | 9,962 | 9,551 | 12,158 |
| 1107N | 070 | SERVICE-WIDE TRANSPORTATION | 588 | 805 | 814 |
| 1107N | 080 | ADMINISTRATION | 10,243 | 7,803 | 8,087 |
| 1107N | 090 | RECRUITING AND ADVERTISING | 7,855 | 7,923 | 8,091 |
| | | TOTAL SERVICEWIDE SUPPORT | 28,648 | 26,082 | 29,150 |
| BASE SUPPORT | | | | | |
| 1107N | 100 | BASE OPERATING SUPPORT | 4,724 | 4,435 | 4,529 |
| | | TOTAL BASE SUPPORT | 4,724 | 4,435 | 4,529 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 33,372 | 30,517 | 33,679 |
| | | Total Operation & Maintenance, Marine Corps Reserve | 200,637 | 200,240 | 211,911 |

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 FY 2007 President's Budget
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Total Obligational Authority
 (Dollars in Thousands)
 FY 2005 FY 2006 FY 2007
 ----- ----- -----

3740F Operation & Maintenance, Air Force Reserve

BUDGET ACTIVITY 01: OPERATING FORCES

AIR OPERATIONS

| | | | | | |
|-------|-----|---|-----------|-----------|-----------|
| 3740F | 010 | PRIMARY COMBAT FORCES | 1,276,274 | 1,579,244 | 1,798,478 |
| 3740F | 020 | MISSION SUPPORT OPERATIONS | 108,269 | 83,944 | 89,340 |
| 3740F | 030 | DEPOT MAINTENANCE | 336,160 | 372,378 | 373,336 |
| 3740F | 040 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 101,101 | 48,732 | 59,849 |
| 3740F | 050 | BASE SUPPORT | 319,192 | 276,685 | 288,560 |
| | | TOTAL AIR OPERATIONS | 2,140,996 | 2,360,983 | 2,609,563 |
| | | TOTAL, BA 01: OPERATING FORCES | 2,140,996 | 2,360,983 | 2,609,563 |

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE ACTIVITIES

| | | | | | |
|-------|-----|--|-----------|-----------|-----------|
| 3740F | 060 | ADMINISTRATION | 70,957 | 64,811 | 67,419 |
| 3740F | 070 | RECRUITING AND ADVERTISING | 21,284 | 14,816 | 18,204 |
| 3740F | 080 | MILITARY MANPOWER AND PERS MGMT (ARPC) | 20,858 | 20,752 | 21,712 |
| 3740F | 090 | OTHER PERS SUPPORT (DISABILITY COMP) | 7,834 | 6,537 | 6,236 |
| 3740F | 100 | AUDIOVISUAL | 878 | 644 | 666 |
| | | TOTAL SERVICEWIDE ACTIVITIES | 121,811 | 107,560 | 114,237 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 121,811 | 107,560 | 114,237 |
| | | Total Operation & Maintenance, Air Force Reserve | 2,262,807 | 2,468,543 | 2,723,800 |

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Department of Defense
 FY 2007 President's Budget
 Exhibit O-1A

Total Obligational Authority
 (Dollars in Thousands)

| | | FY 2005 | FY 2006 | FY 2007 |
|--|--|-----------|-----------|-----------|
| | | ----- | ----- | ----- |
| 2065A Operation & Maintenance, Army National Guard | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | |
| LAND FORCES | | | | |
| 2065A | 010 DIVISIONS | 564,497 | 583,447 | 598,935 |
| 2065A | 020 CORPS COMBAT FORCES | 524,130 | 504,348 | 560,370 |
| 2065A | 030 CORPS SUPPORT FORCES | 281,585 | 310,293 | 373,045 |
| 2065A | 040 EAC SUPPORT FORCES | 654,755 | 597,172 | 642,935 |
| 2065A | 050 LAND FORCES OPERATIONS SUPPORT | 30,661 | 21,386 | 26,884 |
| | TOTAL LAND FORCES | 2,055,628 | 2,016,646 | 2,202,169 |
| LAND FORCES READINESS | | | | |
| 2065A | 060 FORCE READINESS OPERATIONS SUPPORT | 187,514 | 241,555 | 225,770 |
| 2065A | 070 LAND FORCES SYSTEMS READINESS | 153,056 | 134,025 | 129,371 |
| 2065A | 080 LAND FORCES DEPOT MAINTENANCE | 226,851 | 250,399 | 351,832 |
| | TOTAL LAND FORCES READINESS | 567,421 | 625,979 | 706,973 |
| LAND FORCES READINESS SUPPORT | | | | |
| 2065A | 090 BASE OPERATIONS SUPPORT | 811,938 | 628,234 | 631,832 |
| 2065A | 100 FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 306,898 | 385,634 | 387,882 |
| 2065A | 110 MANAGEMENT AND OPERATIONAL HQ | 588,727 | 404,895 | 466,837 |
| 2065A | 120 MISCELLANEOUS ACTIVITIES | 103,706 | 57,679 | 74,500 |
| | TOTAL LAND FORCES READINESS SUPPORT | 1,811,269 | 1,476,442 | 1,561,051 |
| | TOTAL, BA 01: OPERATING FORCES | 4,434,318 | 4,119,067 | 4,470,193 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | |
| SERVICEWIDE SUPPORT | | | | |
| 2065A | 130 ADMINISTRATION | 105,554 | 102,359 | 133,881 |
| 2065A | 140 SERVICEWIDE COMMUNICATIONS | 40,041 | 54,114 | 54,663 |
| 2065A | 150 MANPOWER MANAGEMENT | 71,213 | 50,653 | 53,197 |
| 2065A | 160 RECRUITING AND ADVERTISING | 221,174 | 115,294 | 126,731 |
| | TOTAL SERVICEWIDE SUPPORT | 437,982 | 322,420 | 368,472 |
| | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 437,982 | 322,420 | 368,472 |
| | Total Operation & Maintenance, Army National Guard | 4,872,300 | 4,441,487 | 4,838,665 |

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Department of Defense
 FY 2007 President's Budget
 Exhibit O-1A

Total Obligational Authority
 (Dollars in Thousands)
 FY 2005 FY 2006 FY 2007
 ----- ----- -----

3840F Operation & Maintenance, Air National Guard

BUDGET ACTIVITY 01: OPERATING FORCES

AIR OPERATIONS

| | | | | | |
|-------|-----|---|-----------|-----------|-----------|
| 3840F | 010 | AIRCRAFT OPERATIONS | 2,736,486 | 2,878,700 | 3,434,443 |
| 3840F | 020 | MISSION SUPPORT OPERATIONS | 525,753 | 488,068 | 512,771 |
| 3840F | 030 | DEPOT MAINTENANCE | 582,385 | 603,014 | 602,590 |
| 3840F | 040 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 187,351 | 176,962 | 255,322 |
| 3840F | 050 | BASE SUPPORT | 470,623 | 458,818 | 491,218 |
| | | TOTAL AIR OPERATIONS | 4,502,598 | 4,605,562 | 5,296,344 |
| | | TOTAL, BA 01: OPERATING FORCES | 4,502,598 | 4,605,562 | 5,296,344 |

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE ACTIVITIES

| | | | | | |
|-------|-----|--|-----------|-----------|-----------|
| 3840F | 060 | ADMINISTRATION | 30,050 | 28,659 | 29,661 |
| 3840F | 070 | RECRUITING AND ADVERTISING | 19,052 | 9,242 | 10,012 |
| | | TOTAL SERVICEWIDE ACTIVITIES | 49,102 | 37,901 | 39,673 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 49,102 | 37,901 | 39,673 |
| | | Total Operation & Maintenance, Air National Guard | 4,551,700 | 4,643,463 | 5,336,017 |

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Department of Defense
FY 2007 President's Budget
Exhibit O-1A

Total Obligational Authority
(Dollars in Thousands)

| | FY 2005 | FY 2006 | FY 2007 |
|---|---------|---------|---------|
| | ----- | ----- | ----- |
| 0105D Drug Interdiction & Counter-Drug Act., Def. | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | |
| 0105D 010 DRUG ENFORCEMENT AND POLICY SUPPORT | | 936,094 | 926,890 |
| TOTAL, BA 01: OPERATING FORCES | | 936,094 | 926,890 |
| Total Drug Interdiction & Counter-Drug Act., Def. | | 936,094 | 926,890 |

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Department of Defense
 FY 2007 President's Budget
 Exhibit O-1A

Total Obligational Authority
 (Dollars in Thousands)
 FY 2005 FY 2006 FY 2007
 ----- ----- -----

0130D Defense Health Program

BUDGET ACTIVITY 01: OPERATION & MAINTENANCE

0130D 010 DEFENSE HEALTH PROGRAM

17,497,102 19,093,967 20,249,163

TOTAL, BA 01: OPERATION & MAINTENANCE

17,497,102 19,093,967 20,249,163

BUDGET ACTIVITY 02: RDT&E

0130D 020 DEFENSE HEALTH PROGRAM

523,114 536,883 130,603

TOTAL, BA 02: RDT&E

523,114 536,883 130,603

BUDGET ACTIVITY 03: PROCUREMENT

0130D 030 DEFENSE HEALTH PROGRAM

368,265 375,328 396,355

TOTAL, BA 03: PROCUREMENT

368,265 375,328 396,355

Total Defense Health Program

18,388,481 20,006,178 20,776,121

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Department of Defense
 FY 2007 President's Budget
 Exhibit O-1A

Total Obligational Authority
 (Dollars in Thousands)
 FY 2005 FY 2006 FY 2007
 ----- ----- -----

Transfer Accounts

| | | | | | |
|-------|-----|---|--|---------|---------|
| 0810A | 010 | DEFENSE ENVIRONMENTAL RESTORATION FUND | | 402,848 | 413,794 |
| 0810N | 020 | ENVIRONMENTAL RESTORATION FUND, NAVY | | 301,520 | 304,409 |
| 0810F | 030 | ENVIRONMENTAL RESTORATION FUND, AIR FORCE | | 401,461 | 423,871 |
| 0810D | 040 | ENVIRONMENTAL RESTORATION FUND, DEFENSE | | 27,821 | 18,431 |
| 0811D | 050 | ENVIRONMENTAL RESTORATION FORMERLY USED SITES | | 253,762 | 242,790 |

Total Transfer Accounts

1,387,412 1,403,295

Miscellaneous Appropriations

| | | | | | |
|-------|-----|--|-----------|---------|---------|
| 0104D | 060 | US COURT OF APPEALS FOR THE ARMED FORCES | 10,536 | 11,098 | 11,721 |
| 0838D | 070 | SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS | 1,165 | 505 | |
| 0118D | 080 | OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND | | | 10,000 |
| 2091A | 090 | AFGHAN DEFENSE FORCES | 995,000 | | |
| 2092A | 100 | IRAQ DEFENSE FORCES | 3,550,000 | | |
| 2092A | 110 | IRAQ INTERIOR FORCES | 1,661,000 | | |
| 2092A | 120 | IRAQ QUICK RESPONSE | 180,000 | | |
| 2092A | 130 | IRAQ TRAINING FACILITY | 99,000 | | |
| 4965D | 140 | EMERGENCY RESPONSE FUND, DEFENSE | | 17,984 | |
| 0833D | 150 | EMERGENCY RESPONSE FUND, DEFENSE | 424,947 | | |
| 0819D | 170 | OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID | 175,809 | 60,789 | 63,204 |
| 1236N | 180 | KAHO'OLAWA | 421 | | |
| 0134D | 190 | FORMER SOVIET UNION (FSU) THREAT REDUCTION | 407,873 | 410,437 | 372,128 |

Total Miscellaneous Appropriations

7,505,751 500,813 457,053

Operation and Maintenance Performance Assessment Rating Tools

This Appendix consolidates copies of the Operation and Maintenance Performance Assessment Rating Tools for the following areas:

Air Force Aircraft Operations
Air Force Depot Maintenance
Army Land Forces Operations
Defense Communications Infrastructure
Defense Health Care
DoD Depot Maintenance: Ship
DoD Education Activity
DoD Facilities, Sustainment, Restoration, Modernization, and Demolition
DoD Recruiting
DoD Training and Education Programs – Accession Training
DoD Training and Education Program – Basic Skills and Advanced Training
DoD Training and Education Program – Other Training and Education
Depot Maintenance – Naval Aviation
Future Combat Systems/Modularity Land Warfare
Military Force Management
Navy Ship Operations
Navy/Marine Corps Air Operations

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PROGRAM ASSESSMENT

PROGRAM **Air Force Aircraft Operations**

[View Similar Programs](#)

The program ensures that aircrews are trained and ready for immediate and effective employment across a range of offensive, equipped, maintained, and defensive air operations in support of national security objectives. Dominant air power has proven essential to successful resolution of U.S. conflicts.

RATING PERFORMING

What This Rating Means **Effective**

- ⌘ **The Air Force continues to provide trained aircrews when called to do so for a range of military operations.**
- ⌘ **The Air Force recently revised its metric for measuring aircraft operations performance to more accurately assess aircrew proficiency and qualification to successfully operate the Air Force's aircraft.**
- ⌘ **Although the most recent military readiness report to Congress shows that most Air Force units can successfully fulfill their missions, there is no exact correlation between these readiness levels and the program's performance measurements.**

IMPROVEMENT We are taking the following actions to improve the performance of the PLAN program:

About Improvement Plans

- ⌘ Providing revised performance measurements to Congress annually to help Congress make better funding decisions.
- ⌘ Creating better linkages among funding decisions, Air Force flying operations training plans, and unit readiness.
- ⌘ Creating better efficiency measures to help develop better annual budgets for the flying operations program.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#) ⌘ [How all Federal programs are assessed.](#) ⌘ [Learn more about Air Force Aircraft Operations.](#)



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



PROGRAM ASSESSMENT

PROGRAM **Air Force Depot Maintenance**

[View Similar Programs](#)

Air Force depot maintenance provides for the repair and overhaul of the Air Force's aircraft to "like-new" status. Depot maintenance of existing aircraft is critical to ensure that the Air Force has an adequate number of aircraft to protect national security.

RATING **PERFORMING**

What This Rating Means **Effective**

- ⌘ **The Air Force depot maintenance program is effectively maintaining the Air Force's aircraft.** The Air Force consistently meets its goal of having a high percentage of mission capable aircraft. For example, at any given time 80% of F-15Es were mission capable in 2005.
- ⌘ **The Air Force's depot maintenance program has made continuous improvements in efficiency by adopting best manufacturing practices from private industry.** This has reduced the amount of time required to overhaul aircraft and resulted in better quality control. At the Oklahoma City Air Logistics Center, the Air Force has reduced the time required to overhaul KC-135s from 440 to 230 days.

IMPROVEMENT We are taking the following actions to improve the performance of the **PLAN** program:

About Improvement Plans

- ⌘ Implementing best practices from private industry to improve its efficiency and quality control.
- ⌘ Using performance-based contracting and public-private partnerships to ensure that contractors improve schedule adherence and quality control.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#) ⌘ [How all Federal programs are assessed.](#) ⌘ [Learn more about Air Force Depot Maintenance.](#)



PROGRAM ASSESSMENT

PROGRAM **Army Land Forces Operations**

[View Similar Programs](#)

The purpose of the program is to ensure that Army units and soldiers remain ready to fight and win the nation's wars. Army units must be ready to deploy and execute ground combat missions in support of national security objectives.

RATING PERFORMING

What This Rating Means **Effective**

- ⌘ **The assessment shows that the Army routinely and effectively meets its commitment to provide trained and ready forces to win the nation's wars.**
- ⌘ **The Army continuously refines its approach to training to improve the output and maximize its return on investment as it prepares for combat.** Providing a mix of live and virtual training for individuals and units prior to deployments enables the Army to enhance the combat effectiveness and reduce the risk for Soldiers.

IMPROVEMENT We are taking the following actions to improve the performance of the PLAN program:

About Improvement Plans

- ⌘ Aligning funding decisions for Army operations training to improved metrics.
- ⌘ Working to better connect funding decisions with Army training outputs and unit readiness.

LEARN MORE

⌘ [Details and Current Status of this program assessment.](#) ⌘ [How all Federal programs are assessed.](#) ⌘ [Learn more about Army Land Forces Operations.](#)



PROGRAM ASSESSMENT

PROGRAM

Defense Communications Infrastructure

[View Similar Programs](#)

The purpose of this program is to provide Information Technology networks and systems for the transmission of voice, data, and video information to locations around the world for the Department of Defense for both military and business functions.

RATING

NOT PERFORMING

[What This Rating Means](#)

Results Not Demonstrated

⌘ **The program failed to demonstrate results because there are no enterprise or department level standards to measure program performance, such as availability, reliability, security, and capacity.**

⌘ **Some elements of the program, such as the Defense Information Systems Network, have performance measures for availability, reliability, security and capacity, and generally meet those targets.**

IMPROVEMENT PLAN

[About Improvement Plans](#)

We are taking the following actions to improve the performance of the program:

- ⌘ Developing common measurements to assess performance across the department to ensure that military and business users have a network that is universally available, secure and robust.
- ⌘ Create procedures to audit performance reporting to ensure dependability.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#)
- ⌘ [How all Federal programs are assessed.](#)
- ⌘ [Learn more about Defense Communications Infrastructure.](#)



PROGRAM ASSESSMENT

PROGRAM **Defense Health Care**

[View Similar Programs](#)

The Defense Health Program trains military medical personnel and provides health care in peace and war to active duty members, retirees and their families around the globe.

RATING **PERFORMING**

[What This Rating Means](#)

Adequate

⌘ **The program's patients are generally satisfied with the availability and quality of health care and it is widely recognized for ensuring quality medical care in combat zones and at home.**

⌘ **The program is in the process of developing performance targets to help it achieve its recently revised strategic plan.** For example, the program is developing measures to help it ensure military members are medically ready for combat.

⌘ **The program has not developed efficiency measures that are aligned to specific budget actions.** However, the program is implementing a system to help it compare its costs to private medical systems as a way to increase its focus on efficiency.

IMPROVEMENT PLAN

[About Improvement Plans](#)

We are taking the following actions to improve the performance of the program:

- ⌘ Creating performance measurements to assess progress towards key goals.
- ⌘ Developing efficiency measures and demonstrating a link to available funding.
- ⌘ Coordinating with VA through enrollment, patient record data, and joint medical sites.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#)
 - ⌘ [How all Federal programs are assessed.](#)
 - ⌘ [Learn more about Defense Health Care.](#)
-

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PROGRAM ASSESSMENT

PROGRAM Department of Defense Depot Maintenance: Ship

[View Similar Programs](#)

Navy Ship Depot Maintenance maintains naval ships in material condition. Naval ships must be properly maintained to ensure their availability to deploy for military operations and the safety of U.S. sailors.

RATING PERFORMING

What This Rating Means **Effective**

- ⌘ **The Navy's depot maintenance program allows navy ships to continue to operate around the world at a high state of readiness.**
The Navy has sufficient numbers of well-maintained ships to meet all planned military requirements.
- ⌘ **The Navy has significantly improved its adherence to ship maintenance schedules.** Adherence in 2005 improved to 95% over 89% adherence in 2004.
- ⌘ **The Naval ship depot maintenance measurements could better show the relationship between ship maintenance and readiness.**

IMPROVEMENT We are taking the following actions to improve the performance of the PLAN program:

About Improvement Plans

- ⌘ Developing measurements that will better allow it to link its depot maintenance outputs with its desired outcome. These measurements will focus on quality control and schedule adherence.
- ⌘ Implementing best practices from private industry to improve its efficiency and quality control.

LEARN MORE

⌘ [Details and Current Status of this program assessment.](#) ⌘ [How all Federal programs are assessed.](#) ⌘ [Learn more about Department of Defense Depot Maintenance: Ship.](#)



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



PROGRAM ASSESSMENT

PROGRAM **Department of Defense Education Activity**

[View Similar Programs](#)

The Department of Defense Education Activity provides a free public education to eligible dependents of DoD employees. It operates over 200 public schools in 15 districts located in 13 foreign countries, seven states, Guam, and Puerto Rico.

RATING **PERFORMING**

What This Rating Means **Moderately Effective**

- ⌘ **DoD provides eligible military dependents with a high-quality public education.** Students consistently achieve high scores in the National Assessment of Educational Progress and above the national average on standardized assessments. Minority students have been especially successful, scoring at or near the highest in the nation in mathematics.
- ⌘ **The costs per pupil in domestic DoD schools is \$11,773, which is among the highest in the nation.** These costs are 43 percent higher than the estimated national average cost of \$8,229 per student. DoD has no evidence that links cost per pupil with high student achievement.
- ⌘ **There is no uniform policy that outlines circumstances when DoD should operate schools on its domestic bases and when it should rely on existing public school systems.**

IMPROVEMENT We are taking the following actions to improve the performance of the PLAN program:

About Improvement Plans

- ⌘ Considering options to reduce per pupil costs without affecting student achievement.
- ⌘ Developing criteria to determine whether domestic schools should be retained by the Department of Defense or transferred to local education authorities.
- ⌘ Ensuring that future efforts to construct military housing consider related costs such as providing education for military dependents who will live in the housing.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#) ⌘ [How all Federal programs are assessed.](#) ⌘ [Learn more about Department of Defense Education Activity.](#)



PROGRAM ASSESSMENT

PROGRAM

Department of Defense Facilities Sustainment, Restoration, Modernization, and Demolition

[View Similar Programs](#)

The Department of Defense (DoD) Facilities Sustainment, Restoration, and Modernization Program keeps DoD's facilities in good working order. It also repairs aging or damaged facilities and alters existing facilities to meet new needs.

RATING

PERFORMING
Adequate

[What This Rating Means](#)

⌘ **DoD has developed a long-term strategic plan to manage its facilities.** The plan will help improve its business practices, by incorporating performance measurements and life-cycle cost analyses in business decision-making.

⌘ **The program is decentralized, which has allowed military services to deviate from the strategic management plan.** Higher priority defense requirements have caused program managers to use funds intended for maintenance of facilities for other programs.

⌘ **A key performance measure, readiness of existing facilities to meet mission requirements, uses subjective assessments and can yield inconsistent results.**

IMPROVEMENT PLAN

[About Improvement Plans](#)

We are taking the following actions to improve the performance of the program:

⌘ Improving program management; including placing renewed emphasis on facility maintenance, and on using performance measurements to improve accountability.

⌘ Using a new facilities condition metric that provides an objective indication of facility readiness. This metric should be in use across the entire Department by 2008.

⌘ Eliminating excess facilities through the Base Closure and Realignment process.

LEARN MORE

⌘ **[Details and Current Status of this program assessment.](#)**

⌘ [How all Federal programs are assessed.](#)

⌘ [Learn more about Department of Defense Facilities Sustainment, Restoration, Modernization, and Demolition.](#)

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PROGRAM ASSESSMENT

PROGRAM Department of Defense Recruiting

[View Similar Programs](#)

The DoD recruiting program is designed to attract young people who might wish to serve in the armed forces. DoD brings in about 200,000 recruits each year through radio, TV, internet, and other advertising, along with on-the-street recruiters, using an attractive compensation package and an opportunity to serve our nation.

RATING **PERFORMING**

What This Rating Means **Moderately Effective**

- ⌘ **The recruiting environment is more difficult, resulting in increased costs for bonuses and other incentives.** Advertising is also more expensive. Some services missed their goals in Fiscal Year 2005. Additional recruiters and funds were applied to the program.
- ⌘ **DoD has a renewed emphasis on monitoring this program.** Performance goals for recruiters are updated monthly to meet targets provided by the manpower planners. DoD provides monthly public reports on its performance and grades itself in its Balanced Scorecard and in quarterly OMB updates.

IMPROVEMENT We are taking the following actions to improve the performance of the PLAN program:

About Improvement Plans

- ⌘ Increasing the potential incentives available to new recruits.
- ⌘ Developing measurements of the impact of different recruiting tools - e.g. Is it more effective to increase advertising or pay higher bonuses to get the quality and quantity of needed recruits?

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#) ⌘ [How all Federal programs are assessed.](#) ⌘ [Learn more about Department of Defense Recruiting.](#)



PROGRAM ASSESSMENT

PROGRAM **Department of Defense Training and Education Programs** [View Similar Programs](#)
- Accession Training The purpose of the program is to provide initial military training to all members of the military services. Activities include enlistee basic training, and training future officers at the military academies, officer candidate schools, and Reserve Officers Training Corps programs.

RATING PERFORMING

What This Rating Means **Moderately Effective**

- ⌘ **DoD's accession training program has a clear purpose, is well-designed, and is guided by a useful set of performance measures that ensure success if the services achieve their targets.**
- ⌘ **The program meets or exceeds nearly all of its quality and quantity goals.** Perhaps the best evidence of this is the tactical competence and professionalism demonstrated by units on the battlefield that are manned by soldiers, marines, airmen, and sailors who are the products of this initial training.
- ⌘ **While DoD meets most of its goals for the program, it missed its cost per recruit goal in FY 2004 due to an increase in buying new facilities for additional recruits to fight the war on terror.** Furthermore, the assessment found that DoD needs to continue to improve the program's efficiency and cost effectiveness to ensure the greatest return on the investment.

IMPROVEMENT We are taking the following actions to improve the performance of the PLAN program:

About Improvement Plans

- ⌘ Assessing the effectiveness of the programs and realigning resources as necessary to ensure the best possible balance and return on investment.
- ⌘ Reviewing performance measures used to manage the program and revising them as necessary to develop the most useful and accurate indicators.
- ⌘ Evaluating performance of accession training graduates with an eye toward increasing training effectiveness.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#) ⌘ [How all Federal programs are assessed.](#) ⌘ [Learn more about Department of Defense Training and Education Programs - Accession Training.](#)



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PROGRAM ASSESSMENT

PROGRAM **Department of Defense Training and Education** [View Similar Programs](#) **Programs - Basic Skills and Advanced Training**

The purpose of the programs is to provide Service Members and military units with timely and effective training needed to perform their military missions. These programs provide the foundation for all subsequent training and are essential to building and maintaining a ready force.

RATING **PERFORMING**

What This Rating Means **Effective**

- ⌘ **The programs effectively provide Service Members with the unique military skills and training, such as combat flight training, needed to support our extremely capable Armed Forces.** The success of these programs is evident in the annual Institutional Training Readiness Report and monthly readiness reports, both of which include the assessments of unit commanders.
- ⌘ **Commanders exercise their professional judgment in providing these readiness assessments.** This is informed by a series of metrics such as: the completion rates for flight training courses; the percentage of enrollees completing special skills training courses; and unit readiness rates, which depend upon having enough properly trained individuals, as well as equipment, to perform their mission.

IMPROVEMENT We are taking the following actions to improve the performance of the PLAN program:

About Improvement Plans

- ⌘ Providing the resources to continue to properly train enough qualified enlisted and officer Service Members to meet the demands of the Armed Forces.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#) ⌘ [How all Federal programs are assessed.](#) ⌘ [Learn more about Department of Defense Training and Education Programs Basic Skills and Advanced Training.](#)

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EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



PROGRAM ASSESSMENT

PROGRAM Department of Defense Training and Education Programs - Other Training and Education

[View Similar Programs](#)

The purpose of this program is to provide educational opportunities and financial assistance for Department of Defense military members and civilian employees. This program is also responsible for the Junior Reserve Officer's Training Corps, a comprehensive citizenship program for high school students.

RATING NOT PERFORMING

What This Rating Means **Results Not Demonstrated**

- ⌘ **The program has not established performance measures that directly link to the program's purpose.** The program does not have specific goals nor has it developed metrics to measure its performance.
- ⌘ **The program's resources are being targeted to support educational and financial assistance programs for Department of Defense military members and civilians.** The Department is using a comprehensive budgeting and execution process to ensure that funding for the program is not diverted for other uses without Department management approval.

IMPROVEMENT We are taking the following actions to improve the performance of the PLAN program:

[About Improvement Plans](#)

- ⌘ Determining specific program goals.
- ⌘ Developing a limited number of specific annual and long-term performance measures to meet those goals.
- ⌘ Establishing ambitious targets for the program's annual and long-term performance measures.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#) ⌘ [How all Federal programs are assessed.](#) ⌘ [Learn more about Department of Defense Training and Education Programs - Other Training and Education.](#)



PROGRAM ASSESSMENT

PROGRAM

Depot Maintenance - Naval Aviation

[View Similar Programs](#)

The Navy Aircraft Depot Maintenance program conducts major repair and overhauls of naval aircraft to ensure that sufficient quantities are available for operational units. Safe, operational aircraft are key to maintaining the Navy's readiness to deploy in support of national security objectives.

RATING

PERFORMING
Effective

[What This Rating Means](#)

- ⌘ **The Navy consistently and effectively meets its goals of providing safe, reliable aircraft to its warfighters.** In addition, the Navy is showing progress in meeting its long-term goal of having 73 percent of Naval aircraft mission-capable at any given time.
- ⌘ **The Navy is implementing best practices from private industry and entering into public-private partnerships to improve the program's effectiveness.** For example, the Navy has adopted "six sigma" industry standards and LEAN manufacturing principles to improve total quality control in its maintenance activities.
- ⌘ **The Naval aviation depot maintenance measurements can be improved to better link program outputs to the desired outcomes.**

IMPROVEMENT PLAN

[About Improvement Plans](#)

We are taking the following actions to improve the performance of the program:

- ⌘ Developing measurements that will better allow it to link its depot maintenance outputs with its desired outcome. These measurements will specifically measure quality control and schedule adherence.
- ⌘ Implementing best practices from private industry to improve its efficiency and quality control.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#)
 - ⌘ [How all Federal programs are assessed.](#)
 - ⌘ [Learn more about Depot Maintenance - Naval Aviation.](#)
-



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



PROGRAM ASSESSMENT

PROGRAM **Future Combat Systems/Modularity Land Warfare**

[View Similar Programs](#)

The Army's complementary transformation initiatives, Modularity and the Future Combat Systems, are designed to provide regional combatant commanders and soldiers with a lighter, faster, more survivable and rapidly deployable force with which to fight and win the United States' current and future land conflicts.

RATING PERFORMING

What This Rating Means **Moderately Effective**

- ⌘ **The Army has a comprehensive strategic plan and detailed schedule for implementing its conversion to a force consisting of modular, self-sustaining Brigade Combat Teams and incrementally integrating the Future Combat Systems into these Brigade Combat Teams.**
- ⌘ **Although the Future Combat Systems program is currently on schedule and on cost, the program's long schedule, significant cost, and technological complexity put Future Combat Systems at substantial risk of cost and schedule overruns as the program moves from research and development to acquisition.**
- ⌘ **The Army has been successful to date in building and converting its brigades to a modular format on schedule, although fiscal year 2006 will be the most challenging year for Modularity in terms of the number of planned builds and conversions.** The Modularity plan accepts risk by converting many National Guard and support brigades well before funding is available to fully equip these brigades.

IMPROVEMENT We are taking the following actions to improve the performance of the PLAN program:

About Improvement Plans

- ⌘ Achieving at least a Technology Readiness Level (TRL) 6 --and preferably TRL 7 --for all FCS critical technologies.
- ⌘ Demonstrating the achievement of unit cost efficiencies in high-volume Modularity equipment purchases.
- ⌘ Developing and implementing a system for tracking the outlay of Modularity funds at a line-item level of detail.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#) ⌘ [How all Federal programs are assessed.](#) ⌘ [Learn more about Future Combat Systems/Modularity Land Warfare.](#)



PROGRAM **Military Force Management**

[View Similar Programs](#)

The Department of Defense (DOD) employs nearly 1.4 million active duty and 900,000 reserve and Guard service members. Ensuring DoD has the personnel it needs in the right place at the right time requires managing a combination of compensation and other tools to assure recruiting and retention success.

RATING **PERFORMING**

[What This Rating Means](#)

Effective

⌘ **DoD has been able to meet its personnel needs for the Global War on Terror while maintaining operations in hundreds of other countries by offering challenging work, excellent training, and a competitive compensation package.**

⌘ **Retention of experienced personnel remains well above goal.** Retention in all active and reserve components exceeded yearly goals.

⌘ **The military services have not been able to quickly increase recruiting.** Because they have sufficient tools to address the problem, they are adjusting resources to ensure recruiting success.

IMPROVEMENT PLAN **We are taking the following actions to improve the performance of the program:**

[About Improvement Plans](#)

⌘ Developing additional efficiency measures to determine the impacts of each individual recruiting and retention tool in the Department's "toolkit".

⌘ Examining the entire system of compensation initiatives to determine what the correct mix of cash and noncash incentives should be.

LEARN MORE ⌘ **Details and Current Status of this program assessment.**

⌘ [How all Federal programs are assessed.](#)

⌘ [Learn more about Military Force Management.](#)



PROGRAM ASSESSMENT

PROGRAM **Navy Ship Operations**

[View Similar Programs](#)

The purpose of the program is to provide trained and ready ships and crews and to continuously deploy combat ready vessels to protect our national security objectives.

RATING **PERFORMING Effective**

[What This Rating Means](#)

⌘ **The Navy has continued to routinely and effectively deploy combat ready ships in support of the Global War on Terror and other missions.**

⌘ **The Navy is institutionalizing an improved training, maintenance and deployment cycle, known as the Fleet Response Plan.** The goal of the Fleet Response Plan is to improve the efficiency of the fleet by producing more ships that are ready for deployment at any given time than under the old Cold War deployment and maintenance schedules.

⌘ **The Navy reviews its current and planned future operations on a continuous basis for this program.** The Navy balances risk and funding levels while incorporating the latest pricing and financial execution data.

IMPROVEMENT PLAN **We are taking the following actions to improve the performance of the program:**

[About Improvement Plans](#)

⌘ Evaluating Fleet Response Plan implementation to ensure that proper readiness levels are maintained and global ship presence requirements are being met.

⌘ Providing adequate funding to support the Fleet Response Plan goals so that the Nation has the capability to surge six carriers to sea within 30 days, and two additional carriers within 90 days.

LEARN MORE ⌘ **Details and Current Status of this program assessment.**

⌘ [How all Federal programs are assessed.](#)

⌘ [Learn more about Navy Ship Operations.](#)



PROGRAM ASSESSMENT

PROGRAM **Navy/Marine Corps Air Operations**

[View Similar Programs](#)

The program produces well trained crews and well-maintained aircraft ready for service in the fleet. Together, the crews and aircraft link up with carrier strike groups to provide air power that is independent of access to foreign bases, to protect our national security.

RATING **PERFORMING**

[What This Rating Means](#)

Effective

- ⌘ **The Navy and Marine Corps routinely and effectively deploy expeditionary air power in support of the war-fighting requirements of the Combatant Commanders and the Global War on Terror.**
- ⌘ **The Navy continues to implement the new methods of training, maintaining and deploying carrier air wings called for under the Fleet Response Plan.** The Fleet Response Plan's goal is to improve the efficiency of the way the Navy trains and maintains its air and sea forces so that more air wings are ready to deploy at any given time than under the old Cold War approach.
- ⌘ **The Navy reevaluates the levels of training and resources needed to meet Fleet Response Plan goals on a routine and ongoing basis through the Naval Aviation Readiness Integrated Improvement Process.**

IMPROVEMENT PLAN

[About Improvement Plans](#)

We are taking the following actions to improve the performance of the program:

- ⌘ Evaluating the implementation of the Fleet Response Plan air operations to ensure proper readiness is maintained and that global presence requirements are being met.
- ⌘ Providing adequate funding to support Fleet Response Plan goals to be able to surge six aircraft carriers to sea within 30 days notice and two more within 90 days.

LEARN MORE

- ⌘ [Details and Current Status of this program assessment.](#)
- ⌘ [How all Federal programs are assessed.](#)
- ⌘ [Learn more about Navy/Marine Corps Air Operations.](#)

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Operation and Maintenance

Performance Criteria

This Appendix consolidates copies of the performance criteria contained in the other Operation and Maintenance justification materials for the following areas:

Army Land Forces Operations
Marine Corps Combat Ready Days
Army/ National Guard / Reserve Air Operations
Air Force Air Operations
Navy / Reserve Air Operations
Navy / Reserve Ship Operations
Army Depot Maintenance
Air Force Depot Maintenance
Navy Depot Maintenance
Facilities, Sustainment, Restoration, Modernization, and Demolition
Defense Health

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Army – Operating Forces/Land Forces - Divisions

Maneuver Pacing Items: Major equipment items that are keys to a unit’s capability to perform its doctrinal mission. Quantities represent the average number of items per year. The quantity changes from year to year reflect the ongoing transformation of the Army from a Force XXI structure to a Modular structure. For example: an Armor Brigade had one mechanized infantry and two tank battalions (total of 88 tanks). Now, that same Armor Brigade (now Heavy Brigade Combat Team) will have one mechanized infantry and one tank battalion (total of 58 tanks). As units convert every year until FY 2009 the numbers of major items of equipment will continue to rise and/or fall. FY 2005 actual column includes the Supplemental funding. FY 2006 “Normalized Current Estimate” does not include Supplemental funds. It also includes BA1/BA4 final adjustments that are not reflected in the FY 2007 President’s Budget.

Divisions

| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|--|--------|-----------------------|-----------------------|-----------------------|
| A. <u>Tracked Combat Vehicles</u> | | | | |
| Abrams Tank System | M1A1 | 869 | 784 | 638 |
| | M1A2 | 479 | 464 | 464 |
| Bradley Fighting Vehicle System | M2A2 | 843 | 811 | 686 |
| | M2A3 | 427 | 481 | 492 |
| | M3A2 | 239 | 435 | 524 |
| | M3A3 | 157 | 48 | 48 |
| Stryker Infantry Combat Vehicle (ICV) | ICV | 293 | 0 | 0 |
| B. <u>Aircraft</u> | | | | |
| Kiowa Warrior | OH-58D | 210 | 184 | 210 |
| Chinook | CH-47D | 60 | 108 | 108 |
| | CH-47F | 0 | 0 | 24 |
| Apache | AH-64A | 0 | 0 | 0 |
| Longbow Apache | AH-64D | 276 | 351 | 360 |
| Attack Recon Helicopter | ARH | 0 | 0 | 0 |
| Black Hawk | UH-60A | 112 | 156 | 172 |
| | UH-60L | 324 | 352 | 376 |
| | UH-60M | 0 | 0 | 4 |
| Airplane (Fixed Wing) | C-12 | 0 | 5 | 0 |
| Jet Airplane | UC-35 | 0 | 3 | 0 |

| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|---|---------|----------------|----------------|----------------|
| C. <u>Combat Support Pacing Item</u> | | | | |
| 105MM Towed Howitzer | M119A1 | 234 | 264 | 248 |
| 155MM Self-Propelled (SP) Howitzer | M109A6 | 326 | 334 | 322 |
| Bradley Fire Support Team Vehicle | BFSTV | 160 | 156 | 213 |
| 155MM Towed Howitzer | M198 | 18 | 6 | 0 |
| Armored Vehicle Launch Bridge (AVLB) | M60 | 204 | 204 | 24 |
| Multiple Launch Rocket System | M270 | 54 | 54 | 0 |
| | M270A1 | 18 | 12 | 12 |
| Track Armored Recovery Vehicle | M88 | 265 | 233 | 42 |
| | M88A2 | 81 | 353 | 526 |
| Short Range Air Defense Weapon System | Avenger | 222 | 0 | 0 |
| Linebacker | M6 | 32 | 0 | 0 |
| Armored Personnel Carrier (APC) | M113A3 | 1002 | 1040 | 981 |
| Heavy Assault Bridge | | 0 | 0 | 0 |
| Armored Combat Earthmover | M9 | 279 | 288 | 156 |
| D. <u>Maneuver Battalions/Squadrons</u> | | | | |
| Air Defense Battalion | | 6 | 0 | 0 |
| Armor Battalion | | 17 | 10 | 0 |
| Armor Cavalry Squadron | | 4 | 2 | 0 |
| Armor Cavalry Squadron (Light) | | 1 | 0 | 0 |
| Brigade Combat Team – Heavy Battalion | | 16 | 26 | 36 |
| Brigade Combat Team – Light Battalion | | 17 | 34 | 32 |
| Brigade Combat Team – Reconnaissance Squadron | | 8 | 13 | 19 |
| Field Artillery Battalion | | 38 | 40 | 36 |
| Infantry Battalion (Mechanized) | | 14 | 9 | 2 |
| Infantry Battalion (Air Assault) | | 2 | 0 | 0 |
| Infantry Battalion (Airborne) | | 9 | 1 | 0 |
| Infantry Battalion (Light) | | 6 | 1 | 0 |
| SBCT-Infantry | | 3 | 0 | 0 |
| SBCT-Reconnaissance, Surveillance and Target Acquisition (RSTA) | | 1 | 0 | 0 |
| Total Maneuver Battalions/Squadrons | | 142 | 136 | 125 |

| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|--|----------------|----------------|----------------|
| E. <u>Aviation Battalions</u> | | | |
| Air Cavalry Squadron (OH-58) | 3 | 6 | 7 |
| Assault Battalion | 8 | 10 | 11 |
| Attack Battalion (AH-64) | 11 | 17 | 15 |
| Reconnaissance/Attack Battalion (OH-58) | 3 | 2 | 0 |
| Command Aviation Battalion | 0 | 0 | 0 |
| General Support Aviation Battalion (GSAB) | 8 | 13 | 11 |
| Heavy Battalion (CH-47) | 0 | 0 | 0 |
| Reconnaissance Squadron (OH-58) | 0 | 0 | 0 |
| Total for Aviation Battalions | 33 | 48 | 44 |
| F. <u>Combat Support Battalions</u> | | | |
| Engineer Battalion | 13 | 12 | 3 |
| Military Intelligence Battalion | 6 | 4 | 0 |
| Signal Battalion | 6 | 5 | 0 |
| Total for Combat Support Battalions | 25 | 21 | 3 |
| G. <u>Ground OPTEMPO Measures (All Land Forces)</u> | | | |
| Average Tank Miles Budgeted ¹ | 899 | 615 | 615 |
| Average Tank Miles Executed | 991 | | |
| Percent of Tank Miles Executed | 110% | | |
| Ground OPTEMPO (\$000) Budgeted | 2,900,883 | 2,618,627 | 2,836,414 |
| Ground OPTEMPO (\$000) Executed | 3,415,162 | | |
| Percent of Ground OPTEMPO Funds Executed | 118% | | |
| H. <u>Ground OPTEMPO Measures (Divisions Only)</u> | | | |
| Ground OPTEMPO (\$000) Budgeted | 915,449 | 523,500 | 568,462 |
| Ground OPTEMPO (\$000) Executed | 1,190,626 | | |
| Percent of Ground OPTEMPO Funds Executed | 130% | | |

| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|--|----------------|----------------|----------------|
| I. <u>Air OPTEMPO Measures (Divisions Only)</u> | | | |
| Flying Hours Budgeted (000) | 221 | 104 | 157 |
| Total Hours Flown (000) | 283 | | |
| Percent of Hours Flown | 128% | | |
| Flying Hour (\$000) Budgeted | 376,200 | 243,177 | 423,819 |
| Flying Hour (\$000) Executed | 373,616 | | |
| Percent of Flying Hour Funds Executed | 99% | | |

Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater).

Army – Operating Forces/Land Forces – Corps Combat Forces

Maneuver Pacing Items: Major equipment items that are keys to a unit’s capability to perform its doctrinal mission. Quantities represent the average number of items per year. The quantity changes from year to year reflect the ongoing transformation of the Army from a Force XXI structure to a Modular structure. For example: an Armor Brigade had one mechanized infantry and two tank battalions (total of 88 tanks). Now, that same Armor Brigade (now Heavy Brigade Combat Team) will have one mechanized infantry and one tank battalion (total of 58 tanks). As units convert every year until FY 2009 the numbers of major items of equipment will continue to rise and/or fall. FY 2005 actual column includes the Supplemental funding. FY 2006 “Normalized Current Estimate” does not include the Supplemental funds.

Corps Combat Forces

| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|---|--------|-----------------------|-----------------------|-----------------------|
| A. <u>Combat Vehicles</u> | | | | |
| Abrams Tank System | M1A1 | 14 | 72 | 72 |
| | M1A2 | 123 | 123 | 123 |
| Bradley Fighting Vehicle System | M2A2 | 49 | 107 | 97 |
| | M2A3 | 0 | 6 | 0 |
| | M3A2 | 125 | 125 | 125 |
| Tank | M551 | 30 | 30 | 30 |
| Stryker Infantry Combat Vehicle (ICV) | ICV | 842 | 1,473 | 1,543 |
| B. <u>Aircraft</u> | | | | |
| Kiowa Warrior | OH-58D | 48 | 54 | 60 |
| Chinook | CH-47D | 42 | 14 | 0 |
| Longbow Apache | AH-64D | 71 | 16 | 16 |
| Black Hawk | UH-60A | 24 | 24 | 0 |
| | UH-60L | 66 | 66 | 36 |
| C. <u>Combat Support Pacing Item</u> | | | | |
| 105MM Towed Howitzer | M119A1 | 32 | 6 | 16 |
| 155MM Self-Propelled (SP) Howitzer | M109A6 | 72 | 54 | 54 |
| Bradley Fire Support Team Vehicle | BFSTV | 12 | 15 | 15 |
| 155MM Towed Howitzer | M198 | 60 | 96 | 96 |
| Armored Vehicle Launch Bridge (AVLB) | M60 | 82 | 36 | 36 |

| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|---------------------------------------|---------|----------------|----------------|----------------|
| Multiple Launch Rocket System | M270 | 126 | 108 | 108 |
| | M270A1 | 72 | 120 | 60 |
| Armored Recovery Vehicle | M88 | 84 | 101 | 104 |
| | M88A2 | 26 | 26 | 26 |
| Short Range Air Defense Weapon System | Avenger | 8 | 128 | 56 |
| Linebacker | M6 | 0 | 24 | 0 |
| Armored Personnel Carrier (APC) | M113A3 | 61 | 98 | 96 |
| Armored Combat Earthmover | M9 | 6 | 12 | 12 |
| Patriot Launcher | Patriot | 240 | 152 | 174 |

D. Maneuver Battalions/Squadrons

| | | | | |
|---|--|-----------|-----------|-----------|
| Air Defense Battalion | | 6 | 8 | 8 |
| Armor Battalion | | 0 | 1 | 1 |
| Armor Cavalry Squadron | | 3 | 3 | 3 |
| Armor Cavalry Squadron (Light) | | 0 | 0 | 0 |
| Brigade Combat Team – Light Battalion | | 2 | 2 | 2 |
| Field Artillery Battalion | | 22 | 24 | 23 |
| Infantry Battalion (Mechanized) | | 0 | 1 | 1 |
| Infantry Battalion (Airborne) | | 1 | 1 | 1 |
| Infantry Battalion (Light) | | 3 | 1 | 1 |
| SBCT-Infantry | | 9 | 15 | 15 |
| SBCT-Reconnaissance, Surveillance and Target Acquisition (RSTA) | | 2 | 5 | 5 |
| Total for Maneuver Battalions/Squadrons | | 48 | 61 | 60 |

E. Aviation Battalions

| | | | | |
|--------------------------------------|--|----------|----------|----------|
| Assault Battalion | | 1 | 0 | 0 |
| Attack Battalion (AH-64) | | 4 | 2 | 0 |
| Command Aviation Battalion | | 1 | 0 | 0 |
| Regimental Aviation Squadron | | 2 | 2 | 2 |
| Regimental Aviation Squadron (Light) | | 0 | 0 | 0 |
| Total for Aviation Battalions | | 8 | 4 | 2 |

| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|--|----------------|----------------|----------------|
| F. <u>Combat Support Battalions</u> | | | |
| Engineer Battalion | 2 | 0 | 0 |
| Total for Combat Support Battalions | 2 | 0 | 0 |
| G. <u>Ground OPTEMPO Measures (Corps Combat Forces)</u>¹ | | | |
| Ground OPTEMPO (\$000) Programmed | 246,422 | 259,884 | 336,579 |
| Ground OPTEMPO (\$000) Executed | 323,093 | | |
| Percent of Ground OPTEMPO Funds Executed | 131% | | |
| H. <u>Air OPTEMPO Measures(Corps Combat Forces)</u> | | | |
| Flying Hours Programmed (000) | 50 | 37 | 19 |
| Total Hours Flown (000) | 52 | | |
| Percent of Hours Flown | 104% | | |
| Flying Hour (\$000) Programmed | 77,708 | 71,291 | 35,443 |
| Flying Hour (\$000) Executed | 46,502 | | |
| Percent of Flying Hour Funds Executed | 60% | | |

Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater). See Subactivity Group 111 (Divisions) for all Land Forces Tank Mile Metrics.

Army – Operating Forces/Land Forces – Corps Support Forces

Maneuver Pacing Items: Major equipment items that are keys to a unit’s capability to perform its doctrinal mission. Quantities represent the average number of items per year. The quantity changes from year to year reflect the ongoing transformation of the Army from a Force XXI structure to a Modular structure. For example: an Armor Brigade had one mechanized infantry and two tank battalions (total of 88 tanks). Now, that same Armor Brigade (now Heavy Brigade Combat Team) will have one mechanized infantry and one tank battalion (total of 58 tanks). As units convert every year until FY 2009 the numbers of major items of equipment will continue to rise and/or fall. FY 2005 actual column includes the Supplemental funding. FY 2006 “Normalized Current Estimate” does not include the Supplemental funds.

Corps Support Forces

| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|---|--------|-----------------------|-----------------------|-----------------------|
| A. <u>Aircraft</u> | | | | |
| Black Hawk | UH-60A | 39 | 12 | 0 |
| | UH-60L | 0 | 0 | 0 |
| Quick Look (Fixed Wing) | RC-12 | 31 | 30 | 30 |
| B. <u>Combat Support Pacing Items</u> | | | | |
| Armored Vehicle Launch Bridge (AVLB) | M60 | 24 | 108 | 204 |
| Armored Recovery Vehicle | M88 | 9 | 20 | 37 |
| | M88A2 | 12 | 12 | 13 |
| Armored Personnel Carrier (APC) | M113A3 | 0 | 81 | 277 |
| Armored Combat Earthmover | M9 | 0 | 18 | 18 |
| C. <u>Combat Support Battalions</u> | | | | |
| Engineer Battalion | | 7 | 9 | 8 |
| Medical Battalion | | 2 | 2 | 3 |
| Military Intelligence Battalion | | 9 | 11 | 11 |
| Signal Battalion | | 9 | 9 | 2 |
| Total for Combat Support Battalions | | 27 | 31 | 24 |
| D. <u>Ground OPTEMPO Measures (Corps Support Forces)</u>¹ | | | | |
| Ground OPTEMPO (\$000) Programmed | | 370,423 | 282,103 | 384,905 |

| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|--|----------------|----------------|----------------|
| Ground OPTEMPO (\$000) Executed | 390,028 | | |
| Percent of Ground OPTEMPO Funds Executed | 105% | | |

E. Air OPTEMPO Measures (Corps Support Forces)

| | | | |
|---------------------------------------|--------|-------|-------|
| Flying Hours Programmed (000) | 25 | 22 | 17 |
| Total Hours Flown (000) | 36 | | |
| Percent of Hours Flown | 144% | | |
| Flying Hour (\$000) Programmed | 11,488 | 9,560 | 3,613 |
| Flying Hour (\$000) Executed | 15,778 | | |
| Percent of Flying Hour Funds Executed | 137% | | |

Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater). See Subactivity Group 111 (Divisions) for all Land Forces Tank Mile Metrics.

Army – Operating Forces/Land Forces – Echelon Above Corps Forces

Maneuver Pacing Items: Major equipment items that are keys to a unit’s capability to perform its doctrinal mission. Quantities represent the average number of items per year. The quantity changes from year to year reflect the ongoing transformation of the Army from a Force XXI structure to a Modular structure. For example: an Armor Brigade had one mechanized infantry and two tank battalions (total of 88 tanks). Now, that same Armor Brigade (now Heavy Brigade Combat Team) will have one mechanized infantry and one tank battalion (total of 58 tanks). As units convert every year until FY 2009 the numbers of major items of equipment will continue to rise and/or fall. FY 2005 actual column includes the Supplemental funding. FY 2006 “Normalized Current Estimate” does not include the Supplemental funds.

Echelon Above Corps Forces

| | | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|--|---------|-----------------------|-----------------------|-----------------------|
| A. <u>Aircraft</u> | | | | |
| Chinook | CH-47D | 44 | 22 | 16 |
| Black Hawk | UH-60A | 63 | 50 | 62 |
| | UH-60L | 8 | 8 | 8 |
| | UH-60M | 0 | 0 | 0 |
| Airborne Reconnaissance Low (ARL) | RC-7 | 9 | 9 | 9 |
| Airplane (Fixed Wing) | C-12 | 20 | 17 | 21 |
| Jet Airplane (Fixed Wing) | C-20 | 3 | 3 | 0 |
| | C-37 | 2 | 2 | 0 |
| | UC-35 | 14 | 9 | 9 |
| Quick Look (Fixed Wing) | RC-12 | 9 | 9 | 9 |
| Utility Helicopter | UH-1 | 2 | 2 | 2 |
| B. <u>Combat Support Pacing Item</u> | | | | |
| 105MM Towed Howitzer | M119A1 | 6 | 0 | 0 |
| Armored Recovery Vehicle | M88 | 6 | 6 | 0 |
| Short Range Air Defense Weapon System | Avenger | 0 | 120 | 120 |
| Patriot Launcher | Patriot | 160 | 136 | 144 |
| C. <u>Maneuver Battalions/Squadrons</u> | | | | |
| Air Defense Battalion | | 5 | 7 | 7 |
| Total for Maneuver Battalions/Squadrons | | 5 | 7 | 7 |

| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|---|----------------|----------------|----------------|
| D. <u>Aviation Battalions</u> | | | |
| Command Aviation Battalion | 1 | 1 | 1 |
| Heavy Battalion (CH-47) | 1 | 0 | 0 |
| Theater Aviation Battalion | 2 | 2 | 2 |
| Total for Aviation Battalions | 4 | 3 | 3 |
| E. <u>Combat Support Battalions</u> | | | |
| Engineer Battalion | 1 | 1 | 1 |
| Medical Battalion | 2 | 2 | 2 |
| Military Intelligence Battalion | 11 | 11 | 12 |
| Signal Battalion | 9 | 8 | 9 |
| Total for Combat Support Battalions | 23 | 22 | 24 |
| F. <u>Ground OPTEMPO Measures (EAC Support Forces)</u>¹ | | | |
| Ground OPTEMPO (\$000) Programmed | 399,792 | 370,889 | 383,425 |
| Ground OPTEMPO (\$000) Executed | 520,090 | | |
| Percent of Ground OPTEMPO Funds Executed | 130% | | |
| G. <u>Air OPTEMPO Measures (EAC Support Forces)</u> | | | |
| Flying Hours Programmed (000) | 67 | 58 | 51 |
| Total Hours Flown (000) | 38 | | |
| Percent of Hours Flown | 57% | | |
| Flying Hour (\$000) Programmed | 75,335 | 57,965 | 56,149 |
| Flying Hour (\$000) Executed | 67,794 | | |
| Percent of Flying Hour Funds Executed | 89% | | |

Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater). See Subactivity Group 111 (Divisions) for all Land Forces Tank Mile Metrics.

Army – Operating Forces/Land Forces – Combat Training Centers

| <u>Combat Training Centers (CTC)</u> | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|---|-----------------------|-----------------------|-----------------------|
| <u>GROUND *</u> | | | |
| Throughput (<i>Inventory Numbers – Active Component only except Battle Command Training Program (BCTP)</i>) ¹ | | | |
| BCTP (Divisions/Corps) ¹ | 7/2 | 7/3 | 7/1 |
| Joint Multi-National Training Center (JMTC) (Battalions) | 10 | 13 | 13 |
| Joint Readiness Training Center (JRTC) (Battalions) ² | 41 | 24 | 32 |
| National Training Center (NTC) (Battalions) ² | 35 | 21 | 30 |
| Rotations (<i>Number of Rotations</i>) | | | |
| BCTP (Divisions/Corps) ¹ | 7/2 | 7/3 | 7/1 |
| JMTC (Brigades) | 4 | 4 | 4 |
| JRTC (Brigades) ² | 13 | 8 | 10 |
| NTC (Brigades) ² | 11 | 7 | 10 |
| Joint National Training Capability (JNTC) | | | |
| JNTC (Number of events)** | 5 | 8 | 8 |

Notes:

- 1 The number of division BCTP includes two ARNG divisions per Fiscal Year.
- 2 Decrease OPTEMPO requirements in FY 2006 and FY 2007 from previous report due to operational commitments (OIF & OEF). Adjustments based on current CTC schedule at JRTC and NTC and schedule continues to change during the year of execution.
- * Joint Air Ground Center of Excellence events are embedded with CTC rotations (Attack and lift aviation units participation is fully instrumented with Tactical Engagement Simulation System and linked with Air Warrior).
- ** JNTC numbers represent Joint participation in a CTC rotation (it is additive). JNTC events are now program centric (Joint involvement in above listed rotations).

Marine Corps – Combat Ready Days

Combat Ready Day-Equipment and Training: This measure represents one Status of Resources & Training System (SORTS) reportable unit reporting an equipment rating of R1 or R2 and a training rating of T1 or T2 for one day. The % Achieved represents the percentage of units throughout the USMC (both Active and Reserve Components) that have achieved this desired SORTS rating.

| | FY 2005 | | FY 2006 | | FY 2007 |
|---|------------------------|----------------------|------------------------|------------------------|------------------------|
| | <u>Budgeted</u> | <u>Actual</u> | <u>Budgeted</u> | <u>Estimate</u> | <u>Estimate</u> |
| Funds Allocated to Training and Equipment Maintenance (\$M) | n/a | 479.994 | n/a | 317.188 | 433.718 |
| Combat REady Days-Equipment and Training (CRED-ET) | n/a | 91,834 | n/a | 94,000 | 96,000 |
| Cost Per CRED-ET (\$000) | n/a | 5.227 | n/a | 3.374 | 4.518 |
| Total Possible CRED-ETs | n/a | 113,571 | n/a | 109,699 | 109,699 |
| % Achieved | n/a | 81% | n/a | 86% | 88% |

Army National Guard – Air Operations

The ARNG Flying Hour Program provides training for fixed and rotary wing air crew members, aviation units, and supported combined arms teams to achieve and sustain designated combat readiness.

| <u>PROGRAM DATA</u> | <u>FY 2005 Actuals</u> | <u>Change</u> | <u>FY 2006 Estimate</u> | <u>Change</u> | <u>FY 2007 Estimate</u> |
|--|-----------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
| Inventory (Primary Aircraft Authorized End of FY) | | | | | |
| Other (Rotary Wind-Incl MTOE, TDA, Counterdrug) | 1,336 | -2.0 | 1,334 | -22.0 | 1,312 |
| Other (Fixed Wing) | | | | | |
| Fixed Wing – Training | 0 | 0 | 0 | 0 | 0 |
| Fixed Wing – Other (OSA, Jets, RDT&E) | 114 | 0 | 114 | 0 | 114 |
| Total | 1,450 | -2.0 | 1,448 | -22.0 | 1,426 |
| Inventory (Total Aircraft Inventory End of FY) | | | | | |
| Other (Rotary Wind-Incl MTOE, TDA, Counterdrug) | 1,336 | -2.0 | 1,334 | -22.0 | 1,312 |
| Other (Fixed Wing) | | | | | |
| Fixed Wing – Training | 0 | 0 | 0 | 0 | 0 |
| Fixed Wing – Other (OSA, Jets, RDT&E) | 114 | 0 | 114 | 0 | 114 |
| Total | 1,450 | 2.0 | 1,448 | -22.0 | 1,426 |
| Flying Hours (000s) | | | | | |
| Other (Rotary Wing-Incl Counterdrug) | 235.7 | -47.8 | 187.9 | 6.1 | 194.0 |
| Other (Fixed Wing) | 56.4 | 14.1 | 70.5 | -24.9 | 45.6 |
| Crew Ratio (Avg) | | | | | |
| Other (Rotary Wing) | 1.5 | 0.0 | 1.5 | 0.0 | 1.5 |
| Other (Fixed Wing) | 2.3 | 0.0 | 2.3 | 0.0 | 2.3 |
| OPTEMPO (\$M) | | | | | |
| Other (Rotary Wing-Incl Counterdrug) | 293.6 | -69.7 | 223.9 | 41.1 | 265.0 |
| Other (Fixed Wing) | 73.1 | 13.0 | 86.1 | -13.7 | 72.4 |

| <u>PROGRAM DATA</u> | <u>FY 2005 Actuals</u> | <u>Change</u> | <u>FY 2006 Estimate</u> | <u>Change</u> | <u>FY 2007 Estimate</u> |
|--------------------------------------|-----------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
| | | | | | |
| OPTEMPO (Hrs/Crew/Month) | | | | | |
| Other (Rotary Wing) | 9.2 | -1.9 | 7.3 | 0.3 | 7.6 |
| Other (Fixed Wing-Hrs/Aviator/Month) | 8.5 | 1.2 | 9.7 | 0.6 | 10.3 |
| | | | | | |
| Primary Mission Readiness (%) | | | | | |
| Other (Rotary Wing) | 75% | 0% | 75% | 0% | 75% |
| Other (Fixed Wing) | 80% | 0% | 80% | 0% | 80% |

Significant Force Structure changes (equipment, personnel) have occurred as a result of the DA directed Army Aviation Transformation and Modernization Plan. Modernizing ARNG Aviation Systems has resulted with increases funding requirements, as well as significant reductions of legacy systems.

Army Reserve - Air Operations

The Army Reserve Flying Hour Program resources aviation training and operational requirements throughout the Army Reserve. Included are funds for fuel, consumable repair parts and depot level repair parts to maintain the fleet. The program supports both unit training and operations. Army Reserve fixed wing and rotary wing units are included early in Force Packages I and II and support the requirements of the Combatant Commanders. Army Reserve fixed wing aircraft are an integral part of the military operational mission support airlift system on a daily basis.

| | FY 2005 | | FY2006 | | FY2007 |
|--|----------------------|----------------------|------------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Primary Aircraft Authorized (PAA)- Rotary Wing</u> | 112.0 | 0 | 112.0 | 0 | 112.0 |
| <u>Total Aircraft Inventory (TAI) - Rotary Wing</u> | 108.0 | 0 | 108.0 | 0 | 108.0 |
| <u>O&M Funded Flying Hours (000) - Rotary Wing</u> | 13.7 | -4.4 | 9.3 | 2.1 | 11.4 |
| <u>OPTEMPO (Hrs/Crew/Month) - Rotary Wing*</u> | 6.6 | -1.5 | 5.1 | 1.1 | 6.2 |
| *Based on assigned aviators OPTEMPO is 9.0 | | | | | |
| <u>OPTEMPO - Rotary Wing \$</u> | 30.3 | -0.3 | 30.0 | 10.8 | 40.8 |
| <u>Primary Mission Readiness (%) N/A</u> | | | | | |

| | FY 2005 | | FY2006 | | FY2007 |
|---|----------------------|----------------------|------------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Primary Aircraft Authorized (PAA) - Fixed Wing</u> | 40.0 | 0 | 40.0 | 0 | 40.0 |
| <u>Total Aircraft Inventory (TAI) - Fixed Wing</u> | 40.0 | 0 | 40.0 | 0 | 40.0 |
| <u>O&M Funded Flying Hours (000) - Fixed Wing</u> | 27.4 | -1.0 | 26.4 | 0.1 | 26.5 |
| <u>Crew Ratio (Average)</u> | 1.0 | 0 | 1.0 | 0 | 1.0 |
| <u>OPTEMPO (Avg Aircraft Hrs/Month) - Fixed Wing</u> | 57.1 | -2.1 | 55.0 | 0 | 55.0 |
| <u>OPTEMPO - Fixed Wing (\$)</u> | 0.8 | 6.1 | 6.9 | -0.4 | 6.5 |
| <u>Primary Mission Readiness (%) N/A</u> | 80.0% | 0% | 80.0% | 0% | 80.0% |
| Total Air OPTEMPO \$ | 31.1 | 5.8 | 36.9 | 10.4 | 47.3 |
| Total Flying Hours (000) | 41.1 | -5.4 | 35.7 | 2.2 | 37.9 |

Air Force – Air Operations

The Air Force Air Operations funding provides the resources that support combat forces. These activities provide for the operational flying requirements of bomber, fighter, mobility, and training forces stationed in the United States as well as overseas. Also included are resources supporting: land based intercontinental ballistic missiles; air launched strategic and tactical missiles; electronic warfare and defense suppression missions; combat command, control, and communications; combat aircrew training; and associated combat related base support. Financing provides for the operating tempo, organizational and depot level maintenance, training, engineering support, logistical support, and base support to operate, maintain, and deploy aviation forces in support of the national military strategy. The Air Operations activity is subdivided into the following categories:

| | (\$ in millions) | | | | | | |
|---|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2005 | Price | Program | FY 2006 | Price | Program | FY 2007 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Air Operations | | | | | | | |
| Primary Combat Forces | 3,851.5 | +250.7 | -929.9 | 3,172.3 | +319.4 | +816.1 | 4,307.9 |
| Primary Combat Weapons | 334.3 | +9.5 | -62.1 | 281.7 | +8.1 | -8.4 | 281.4 |
| Combat Enhancement Forces | 635.6 | +19.7 | -133.7 | 521.7 | +16.7 | +65.3 | 603.7 |
| Air Operations Training | 1,233.8 | +67.9 | +40.6 | 1,342.3 | +106.3 | -9.4 | 1,439.2 |
| Combat Communications | 1,794.2 | +61.1 | -409.1 | 1,446.2 | +81.7 | +91.7 | 1,619.6 |
| Combat Related Operations | | | | | | | |
| Global C3I & Early Warning | 1,243.8 | +32.7 | -109.6 | 1,166.9 | +37.2 | -56.7 | 1,147.4 |
| Other Combat Ops Spt Programs | 972.3 | +29.0 | -308.1 | 693.1 | +26.1 | -109.2 | 610.1 |
| Mobility Operations | | | | | | | |
| Airlift Operations | 3,172.7 | +501.9 | -1,036.0 | 2,638.6 | +241.3 | +68.6 | 2,948.5 |
| Basic Skills and Advanced Training | | | | | | | |
| Flight Training | 729.2 | +37.9 | +11.1 | 778.1 | +82.5 | -23.7 | 836.9 |
| Servicewide Activities | | | | | | | |
| Arms Control | 37.7 | +1.2 | +8.5 | 47.4 | +3.6 | -1.1 | 49.9 |
| Security Programs | | | | | | | |
| Security Programs | 1,100.2 | +28.8 | +221.1 | 1,350.1 | +32.4 | +95.7 | 1,478.2 |
| DPEM | | | | | | | |
| Depot Maintenance (All Air Force) | <u>2,464.4</u> | <u>+17.9</u> | <u>-140.1</u> | <u>2,342.2</u> | <u>-87.3</u> | <u>+60.6</u> | <u>,315.4</u> |
| Total | 17,569.7 | +1,058.3 | -2,847.3 | 15,780.7 | +868.0 | +989.5 | 17,638.2 |

| <u>Program Data</u> | <u>FY 2005</u> <u>Actual</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
|--|---------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| Primary Aircraft Authorized (PAA) | | | | | |
| Bomber | 120 | 3 | 123 | - | 123 |
| Fighter/Attack | 1,365 | -3 | 1,362 | -36 | 1,326 |
| Trainer | 940 | -12 | 928 | 15 | 943 |
| Airlift | 337 | -2 | 335 | -9 | 326 |
| Tanker | 236 | -8 | 228 | - | 228 |
| Other | <u>370</u> | <u>+86</u> | <u>456</u> | <u>-35</u> | <u>421</u> |
| Total | 3,368 | +64 | 3,432 | -65 | 3,367 |
| Total Aircraft Inventory (TAI) | | | | | |
| Bomber | 169 | -20 | 149 | - | 149 |
| Fighter/Attack | 1,564 | +6 | 1,570 | -64 | 1,506 |
| Trainer | 1,288 | -146 | 1,142 | -11 | 1,131 |
| Airlift | 380 | -20 | 360 | -18 | 342 |
| Tanker | 264 | -3 | 261 | -10 | 251 |
| Other | <u>406</u> | <u>+116</u> | <u>522</u> | <u>-30</u> | <u>492</u> |
| Total | 4,071 | -67 | 4,004 | -133 | 3,871 |
| Flying Hours (000) | 1,351.4 | -146.6 | 1,203.4 | -20.9 | 1,182.5 |
| ICBM Inventory | | | | | |
| Minuteman III | 500 | - | 500 | - | 500 |
| Peacekeeper | <u>17</u> | <u>-17</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | 517 | -17 | 500 | - | 500 |

| <u>Program Data</u> | <u>FY 2005</u> | <u>Change</u> | <u>FY 2006</u> | <u>Change</u> | <u>FY 2007</u> |
|--|-----------------------|----------------------|------------------------|----------------------|------------------------|
| | <u>Actual</u> | | <u>Estimate</u> | | <u>Estimate</u> |
| Air Expeditionary Forces (AEF) | 10 | - | 10 | - | 10 |
| Crew Ratio (Average per Aircraft) | | | | | |
| Bombers | 1.43 | - | 1.43 | - | 1.43 |
| Fighters | 1.25 | - | 1.25 | - | 1.25 |
| OPTEMPO (Hrs/Crew/Month) | | | | | |
| Bombers | 22.4 | -7.2 | 15.2 | -0.2 | 15.0 |
| Fighters | 15.3 | +1.1 | 16.4 | -0.2 | 16.2 |
| Primary Mission Capable (%) * | | | | | |
| Bombers | 66.4 | - | - | - | - |
| Fighters | 77.2 | - | - | - | - |

* Currently there is no approved Air Force method to reliably forecast Mission Capable rates.

Navy – Air Operations

Active Navy Air Operations fund the operating tempo, intermediate, organizational and depot level maintenance, fleet training, engineering support, and logistical support to operate, maintain, and deploy aviation forces in support of the national military strategy. Navy Air Operations is subdivided into the following categories:

| | <u>FY 2005</u> <u>Actual</u> | <u>Program</u> <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> | <u>Program</u> <u>Change</u> | <u>FY 2007</u> <u>Estimate</u> |
|---|---|---|---|---|---|
| Primary Authorized Aircraft (PAA) (EOY) ^{1/} | 2,392 | -84 | 2,308 | -37 | 2,271 |
| Total Aircraft Inventory (TAI) (EOY) ^{2/} | 3,726 | 67 | 3,793 | -5 | 3,788 |
| Total Flying Hours (000's) | 1,144 | -142 | 1,002 | 11 | 1,013 |
| Tactical Fighter Wings | 10 | 0 | 10 | 0 | 10 |
| Average Crew Ratio | 1.47 | 0.07 | 1.54 | 0.01 | 1.55 |
| Hours Per Crew Per Month (H/C/M) | 22.30 | -4.84 | 17.46 | 0.74 | 18.20 |
| Average T-rating | T-2.3 | | T-2.7 | | T-2.5 |
| Naval Aviation Installations | | | | | |
| CONUS | 15 | 0 | 15 | 0 | 15 |
| Overseas | 8 | 0 | 8 | -1 | 7 |

1/ FY 2005 PAA represent actual inventory for operating aircraft and pipeline.

2/ TAI includes ACTIVE and RESERVE Primary Active Inventory (PAI), backup, attrition and reconstitution reserve aircraft for Atlantic Fleet, Pacific Fleet, Marine Corps, European Command, Reserve Forces, Education and Training command, and Air Systems Command.

Navy Reserve – Air Operations

| | <u>FY 2005 Actual</u> | <u>Program Change</u> | <u>FY 2006 Estimate</u> | <u>Program Change</u> | <u>FY 2007 Estimate</u> |
|--|----------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
| Primary Authorized Aircraft (EOY PAA) ^{1/} | 408 | -42 | 366 | -25 | 341 |
| Total Aircraft Inventory (TAI) ^{2/} | 3,726 | 67 | 3,793 | -5 | 3,788 |
| Total Flying Hours (000's) | 129 | 4 | 133 | 14 | 147 |
| Tactical Fighter Wings | 1 | | 1 | | 1 |
| Hours Per Crew Per Month (H/C/M) | 10.2 | -1.4 | 8.8 | 1.4 | 10.2 |
| Average T-rating | T-2.3 | | T-2.8 | | T-2.3 |

1/ FY 2005 PAA represent actual inventory for operating aircraft and pipeline.

2/ TAI includes ACTIVE and RESERVE Primary Active Inventory (PAI), backup, attrition and reconstitution reserve aircraft for Atlantic Fleet, Pacific Fleet, Marine Corps, European Command, Reserve Forces, Education and Training command, and Air Systems Command.

Navy – Ship Operations

| | <u>FY 2005</u> | <u>FY 2006</u> | <u>FY 2007</u> |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| | <u>Actual</u> | | |
| Ship Years Supported | 252 | 265 | 266 |
| Optempo (Days Underway Per Quarter) | | | |
| Deployed | 56 | 39 | 36 |
| Non-Deployed | 25 | 24 | 24 |
| Ship Operating Months Supported | | | |
| Deployed | 718 | 451 | 368 |
| Non-Deployed | 1,847 | 1,956 | 1,978 |
| Ship Steaming Days Per Quarter | | | |
| Deployed | 2,703 | 1,719 | 1,303 |
| Non-Deployed | 2,598 | 2,326 | 2,578 |
| Underway Steaming Hours (000) | | | |
| Deployed | 237,886 | 151,219 | 114,603 |
| Non-Deployed | 216,112 | 193,506 | 214,503 |
| Barrels of Fossil Fuel Required (000) | 10,789 | 9,072 | 8,240 |
| Nuclear Material Consumption (\$000) | 8,600 | 9,276 | 8,306 |
| MSC Charter Inventory | 44 | 48 | 51 |
| Per Diem Days Chartered | | | |
| Full Operating Status | 12,410 | 14,024 | 14,225 |
| Reduced Operating Status | 2,190 | 1,825 | 790 |

Army – Depot Maintenance

| Type of Maintenance | <u>Prior Year (FY 2005)</u> | | | | <u>Current Year (FY 2006)</u> | | <u>Budget Year (FY 2007)</u> | |
|--------------------------------|------------------------------------|----------------|---------------------------------|----------------|--------------------------------------|--------------|-------------------------------------|--------------|
| | <u>Budget</u> | | <u>Actual Inductions</u> | | <u>Budget</u> | | <u>Budget</u> | |
| | Qty | (\$ in M) | Qty | (\$ in M) | Qty | (\$ in M) | Qty | (\$ in M) |
| Aircraft | 5,734 | 229.6 | 4,017 | 352.5 | 688 | 272.0 | 7,055 | 193.4 |
| Combat Vehicles | 526 | 209.6 | 1,973 | 717.1 | 199 | 140.3 | 699 | 205.0 |
| Commo-Electronics | 10,637 | 74.9 | 6,713 | 89.3 | 8,953 | 81.9 | 8,637 | 128.3 |
| Missiles | 1,559 | 204.2 | 6,445 | 360.3 | 263 | 134.0 | 760 | 148.0 |
| Other | 31,577 | 124.6 | 283,958 | 987.9 | 1,070 | 58.3 | 27,034 | 123.7 |
| Software | 0 | 188.2 | 0 | 134.8 | 0 | 99.8 | 0 | 176.3 |
| Depot Maintenance Total | 50,033 | 1,031.1 | 303,106 | 2,641.4 | 11,173 | 786.2 | 44,185 | 974.4 |

Air Force – Depot Maintenance

Depot Purchased Equipment Maintenance (DPEM) supports the front-line fighters, bombers, missiles, airlifters, refuelers, trainers, and rescue and recovery aircraft used within the Air Force. DPEM consists of all organic and contract depot level maintenance.

A. Organic Depot Maintenance

| <u>Type of Maintenance</u> | <u>Prior Year (FY 2005)</u> | | | | | | <u>Current Year (FY 2006)</u> | | | | <u>Budget Year (FY 2007)</u> | | |
|--|-----------------------------|------------------|-------------------|----------------|-------------|------------|-------------------------------|------------------|----------------------|------------------|------------------------------|------------|------------------|
| | Budget | | Actual Inductions | | Completions | | Budget | | Estimated Inductions | | Carry-In | Budget | |
| | Qty | (\$ in M) | Qty | (\$ in M) | Prior Yr | Cur Yr | Qty | (\$ in M) | Qty | (\$ in M) | Qty | Qty | (\$ in M) |
| <u>Commodity: Aircraft</u>^{1/} | 574 | \$920.6 | 627 | \$953.0 | 553 | 570 | 546 | \$887.9 | 593 | \$1,046.7 | 175 | 568 | \$947.9 |
| Airframe Maintenance | 138 | 706.0 | 166 | 720.3 | 129 | 163 | 116 | 576.4 | 125 | 732.8 | 63 | 124 | 720.8 |
| Engine Maintenance | 436 | 214.5 | 461 | 232.8 | 424 | 407 | 430 | 311.5 | 468 | 313.9 | 112 | 444 | 227.1 |
| <u>Commodity: Other</u>^{1/} | 0 | 229.2 | n/a | n/a | n/a | n/a | 0 | 237.6 | n/a | n/a | n/a | 0 | 206.8 |
| Missiles | 0 | 38.8 | n/a | n/a | n/a | n/a | 0 | 35.8 | n/a | n/a | n/a | 0 | 35.3 |
| Software | 0 | 147.7 | n/a | n/a | n/a | n/a | 0 | 140.9 | n/a | n/a | n/a | 0 | 131.1 |
| Other Major End Items | 0 | 20.5 | n/a | n/a | n/a | n/a | 0 | 34.9 | n/a | n/a | n/a | 0 | 17.7 |
| Non-Material Support Division | | | | | | | | | | | | | |
| Exchangeables | 0 | 17.7 | n/a | n/a | n/a | n/a | 0 | 21.8 | n/a | n/a | n/a | 0 | 19.9 |
| Other | 0 | 4.5 | n/a | n/a | n/a | n/a | 0 | 4.2 | n/a | n/a | n/a | 0 | 2.7 |
| Depot Quarterly Surcharge | 0 | 0.0 | n/a | n/a | n/a | n/a | 0 | 0.0 | n/a | n/a | n/a | 0 | 0.0 |
| Depot Maintenance Total ^{1/} | 574 | \$1,149.8 | n/a | n/a | n/a | n/a | 546 | \$1,125.5 | n/a | n/a | n/a | 568 | \$1,154.7 |

* May not add due to rounding.

^{1/}Commodity totals match the commodity totals on the OP-30 exhibit.

B. Contract Depot Maintenance

| <u>Type of Maintenance</u> | <u>Prior Year (FY 2005)</u> | | | | | | <u>Current Year (FY 2006)</u> | | | | <u>Budget Year (FY 2007)</u> | | |
|--|-----------------------------|------------------|-------------------|----------------|-------------|------------|-------------------------------|----------------|----------------------|----------------|------------------------------|------------|----------------|
| | Budget | | Actual Inductions | | Completions | | Budget | | Estimated Inductions | | Carry-In | Budget | |
| | Qty | (\$ in M) | Qty | (\$ in M) | Prior Yr | Cur Yr | Qty | (\$ in M) | Qty | (\$ in M) | Qty | Qty | (\$ in M) |
| <u>Commodity: Aircraft</u>^{1/} | 69 | \$64.9 | 101 | \$157.7 | 80 | 91 | 78 | \$198.8 | 84 | \$200.3 | 42 | 69 | \$220.9 |
| Airframe Maintenance | 11 | 209.7 | 11 | 100.3 | 11 | 11 | 10 | 147.5 | 11 | 148.6 | 7 | 12 | 171.3 |
| Engine Maintenance | 58 | 55.2 | 90 | 57.4 | 69 | 80 | 68 | 51.3 | 73 | 51.7 | 35 | 57 | 49.5 |
| <u>Commodity: Other</u>^{1/} | 0 | 552.2 | n/a | n/a | n/a | n/a | 0 | 566.4 | n/a | n/a | n/a | 0 | 567.8 |
| Missiles | 0 | 11.1 | n/a | n/a | n/a | n/a | 0 | 9.0 | n/a | n/a | n/a | 0 | 12.1 |
| Software | 0 | 320.9 | n/a | n/a | n/a | n/a | 0 | 343.3 | n/a | n/a | n/a | 0 | 370.9 |
| Other Major End Items | 0 | 112.1 | n/a | n/a | n/a | n/a | 0 | 115.6 | n/a | n/a | n/a | 0 | 98.1 |
| Non-Material Support Division | | | | | | | | | | | | | |
| Exchangeables | 0 | 108.0 | n/a | n/a | n/a | n/a | 0 | 98.6 | n/a | n/a | n/a | 0 | 86.7 |
| Other | 0 | 0.1 | n/a | n/a | n/a | n/a | 0 | 0.0 | n/a | n/a | n/a | 0 | 0.0 |
| Depot Quarterly Surcharge | 0 | 30.9 | n/a | n/a | n/a | n/a | 0 | 0.0 | n/a | n/a | n/a | 0 | 0.0 |
| <u>Depot Maintenance Total</u>^{1/} | 139 | \$1,089.8 | n/a | n/a | n/a | n/a | 106 | \$916.4 | n/a | n/a | n/a | 106 | \$843.3 |

* May not add due to rounding.

^{1/}Commodity totals match the commodity totals on the OP-30 exhibit.

Navy – Ship Depot Maintenance

Activity Goal: To provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, to renovate assets (recapitalization), and to ensure equipment is at or above fully mission requirements.

Description of Activity: Depot Maintenance programs fund the overhaul, repair, and maintenance of aircraft and other equipment. Depot Maintenance is performed at both public (DoD) and private (contractor) facilities.

| | <u>Prior Year (FY 2005)</u> | | | | | | <u>Current Year (FY 2006)</u> | | | | <u>Budget Year (FY 2007)</u> | | |
|-------------------------------------|-----------------------------|----------------|--------------------------|----------------|--------------------|-----------|-------------------------------|----------------|-----------------------------|----------------|------------------------------|---------------|----------------|
| | <u>Budget</u> | | <u>Actual Inductions</u> | | <u>Completions</u> | | <u>Budget</u> | | <u>Estimated Inductions</u> | | <u>Carry-In</u> | <u>Budget</u> | |
| | Qty | (\$ in M) | Qty | (\$ in M) | Prior Yr | Cur Yr | Qty | (\$ in M) | Qty | (\$ in M) | Qty | Qty | (\$ in M) |
| Overhauls | 4 | 689.7 | 4 | 480.6 | 0 | 2 | 4 | 412.5 | 3 | 415.3 | 3 | 4 | 239.1 |
| Selected Restricted Availabilities | 63 | 608.5 | 54 | 716.9 | 28 | 22 | 54 | 638.2 | 56 | 597.9 | 4 | 50 | 426.3 |
| Planned Incremental Availabilities | 2 | 399.6 | 2 | 591.0 | 2 | 2 | 3 | 446.6 | 3 | 456.3 | 1 | 4 | 388.4 |
| Phased Maintenance Availabilities | 21 | 289.9 | 23 | 300.3 | 14 | 5 | 15 | 166.5 | 18 | 199.1 | 2 | 12 | 131.1 |
| Service Craft Overhauls | 0 | 0 | 1 | 3.8 | 1 | 0 | 0 | 0 | 2 | 28.3 | 1 | 2 | 6.7 |
| Emergent Repair Miscellaneous | n/a | 265.8 | n/a | 223.5 | n/a | n/a | n/a | 237.7 | n/a | 233.2 | n/a | n/a | 207.8 |
| RA/TA | n/a | 502.3 | n/a | 721.4 | n/a | n/a | n/a | 912.7 | n/a | 846.7 | n/a | n/a | 744.6 |
| Continuous maintenance | n/a | 353.5 | n/a | 445.9 | n/a | n/a | n/a | 262.4 | n/a | 163.0 | n/a | n/a | 233.5 |
| Reimbursable overhead | n/a | 233.6 | n/a | 267.1 | n/a | n/a | n/a | 155.4 | n/a | 271.0 | n/a | n/a | 564.2 |
| Non-depot/Intermediate maintenance* | n/a | 567.6 | n/a | 547.4 | n/a | n/a | n/a | 735.4 | n/a | 635.5 | n/a | n/a | 661.1 |
| Buyout Funding for NWCF | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 119.9 |
| Total | 90 | 3,910.4 | 84 | 4,297.9 | 45 | 31 | 76 | 3,967.4 | 82 | 3,846.1 | 11 | 72 | 3,722.7 |

* May not add due to rounding. FY 2005 includes increase in funding associated with cost of war and supplemental funding. The Non-depot/Intermediate Maintenance detail includes Intermediate. Fleet Technical Support Center (FTSC), Repair Supervisor Shipbuilding (SUPSHIP), and Regional Support Group (RSG) Port Engineer requirements, which is all non-depot work.

Navy – Aircraft Depot Maintenance

| <u>Type of Maintenance</u> | <u>Prior Year (FY 2005)</u> | | | | | | <u>Current Year (FY 2006)</u> | | | | <u>Budget Year (FY 2007)</u> | | |
|-----------------------------------|------------------------------------|------------|---------------------------------|--------------|---------------------------|--------------|--------------------------------------|------------|------------------------------------|------------|-------------------------------------|----------------------|------------|
| | <u>Budget</u> | | <u>Actual Inductions</u> | | <u>Completions</u> | | <u>Budget</u> | | <u>Estimated Inductions</u> | | <u>Carry-In</u> | <u>Budget</u> | |
| | Qty | (\$inM) | Qty | (\$inM) | Yr | Cur Yr | Qty | (\$inM) | Qty | (\$inM) | Qty | Qty | (\$inM) |
| Airframe Rework | 897 | 609 | 840 | 740 | 232 | 536 | 834 | 548 | 679 | 532 | 337 | 623 | 520 |
| Engine Rework | 1,792 | 312 | 1,399 | 310 | 378 | 1,046 | 1,799 | 329 | 1,480 | 281 | 298 | 1,451 | 298 |
| Software/Other | | 75 | | 89 | | | | 85 | | 83 | | | 85 |
| TOTAL | 2,689 | 996 | 2,239 | 1,139 | 610 | 1,582 | 2,633 | 962 | 2,159 | 897 | 635 | 2,074 | 903 |

Army – Facilities Restoration & Modernization

| | <u>FY 2005 Actual</u> | <u>FY 2006 Estimate</u> | <u>FY 2007 Estimate</u> |
|---|----------------------------------|------------------------------------|------------------------------------|
| Facilities Sustainment (\$M) | 1,309 | 1,669 | 1,742 |
| Facilities Restoration & Modernization (\$M) | 148 | 121 | 53 |
| Demolition (Facility Reduction Program) (\$M) | <u>16</u> | <u>24</u> | <u>16</u> |
| Total | 1,473 | 1,814 | 1,811 |

Increase in SRM funding will fund critical facility requirements and upgrade deteriorating facilities at 90 Army installations worldwide. The FY 2007 program maintains facilities sustainment at 90 percent of requirement.

Air Force – Facilities Restoration & Modernization

| | FY 2005 <u>Actual</u> | FY 2006 <u>Estimate</u> | FY 2007 <u>Estimate</u> |
|-------------------------------------|----------------------------------|------------------------------------|------------------------------------|
| Sustainment (\$M) | 1,561 | 1,609 | 1,482 |
| Restoration and Modernization (\$M) | 933 | 128 | 201 |
| Demolition (\$M) | 14 | 0 | 0 |
| Total | 2,508 | 1,737 | 1,683 |

The FY 2007 program achieves an 86 percent sustainment level and fund critical annual maintenance and repair activities.

Navy – Facilities Restoration & Modernization

| | FY 2005 <u>Actual</u> | FY 2006 <u>Estimate</u> | FY 2007 <u>Estimate</u> |
|-------------------------------------|----------------------------------|------------------------------------|------------------------------------|
| Sustainment (\$M) | 1,136 | 1,225 | 1,140 |
| Restoration and Modernization (\$M) | 384 | 35 | 10 |
| Demolition (\$M) | 45 | 48 | 51 |
| Total | 1,565 | 1,308 | 1,201 |

The FY 2007 program maintains facilities sustainment at 95 percent of requirement.

Defense Health Program

President's Management Plan – Performance Metrics Requirements: The Defense Health Program (DHP) continues to refine existing performance measures and develop specific criterion to determine and measure outputs/outcomes as compared with initial goals. Currently, the DHP is using five performance measures to monitor overall program performance. These measures will be added to over time as new measures are developed. The current five measures are:

- **Beneficiary Satisfaction with Health Plan** – An increase in the satisfaction with the Health Plan indicates that actions being taken are improving the overall functioning of the plan from the beneficiary perspective. The goal is to improve overall satisfaction level to that of civilian plans using a standard survey instrument.
- **Inpatient Production Target (Relative Weighted Products)** – Achieving the production targets ensures that the initial plan for allocation of personnel and resources are used appropriately in the production of inpatient workload.
- **Outpatient Production Target (Relative Value Units)** – Achieving the production targets ensures that the initial plans for allocation of personnel and resources are used appropriately in the production of outpatient workload.
- **Primary Care Productivity** – In order to run a premier Health Maintenance Organization, the critical focus area is primary care. The primary care provider frequently represents the first medical interaction between the beneficiary and the HMO. In this role, the primary care provider is responsible for the majority of the preventive care to keep beneficiaries healthy and away from more costly specialty care.
- **Medical Per Member Per Year – Annual Cost Growth** – The medical cost per member per year looks at the overall cost of the Prime enrollees for the DHP. This tracks all costs related to care delivered to enrollees. The objective is to keep the rate of cost growth for the treatment of TRICARE enrollees to a level at or below the civilian health care plans rate increases at the national level. Currently the measure provides insight to issues regarding unit cost, utilization management, and purchased care management. The metric has been enhanced to properly account for differences in population demographics and health care requirements of the enrolled population. Since enrollment demographics can vary significantly by Service, and across time, it is important to adjust the measure. For example, as increasing numbers of older individuals enroll, the overall average medical expense per enrollee would likely increase. Conversely, as more young, healthy active duty enroll, the overall average would likely decrease. Through the use of adjustment factors, a comparison across Services and across time is made more meaningful.

Initial goals have been developed for each of these performance measures. The overall success of each area measured is discussed below.

- **Beneficiary Satisfaction with Health Plan** – Satisfaction with Health Care Plan score stayed at 53% for FY 2005. The primary reason for the score remaining the same as FY 2004 was the conversion to new managed care contracts and delays in claims processing. Once the claims processing issue was resolved during the year, scores did improve. The score for the last quarter of FY 2005 was 56% which was one point higher than the prior year for the same quarter and one point below the goal. Continuous increases in enrollment and improvement in the score demonstrates real progress for the program.
- **Inpatient Production Target (Relative Weighted Products)** – Production for FY 2005 was 228K relative weighted products versus a goal of 242K relative weighted products. The goal for the Defense Health program was quite aggressive in FY 2005 and was not met. In addition to the aggressive goal, there were some unexpected impacts from hurricanes and hospital downsizing that resulted in decreased production. Planning for future years will take into account anticipated downsizing due to BRAC and should provide more reasonable goals. We will continue to monitor performance and take any necessary actions to improve performance.
- **Outpatient Production Target (Relative Value Units)** - Production for FY 2005 was 27 million relative value units versus a goal of 29 million relative value units. Two factors are having a significant impact on this metric. First, there has been a concerted effort to improve medical coding which resulted in a decrease in the average level of complexity being reported in the medical record. That, in turn, drives down the relative value units. Second, the downsizing of inpatient facilities resulted in decreases of specialty care at those locations that also reduces the average relative value units per patient visit. We will continue to monitor performance and take any necessary actions to improve performance.
- **Primary Care Productivity** – Improvements in productivity continued in FY 2005 reaching 14.6 relative value units per primary care provider per day versus a goal of 14.3 relative value units per primary care provider per day. All three Services showed significant improvement over the prior year performance with increases of .5 relative value units per primary care provider per day. The FY 2005 goal was more realistic with annual improvement targets than prior years, and performance improvements across the Services seem to have been achieved. The objective is to move the Defense Health Program forward in a manner that requires significant improvements to the system.

Medical Per Member Per Year – Annual Cost Growth – Due to the nature of the data supporting this measure, data is only reported through the 3rd quarter of FY 2005. In general the data maturity for the measure requires about a six month lag to

handle claims submission and processing issues. For FY 2005, through the 3rd quarter, the annual cost growth reflects 11%, with the goal for the year being 11%. The 11% goal was established based on projected private sector health insurance cost growths. As long as the system continues to operate at its current performance level, the goal will likely be met for the year. Current performance in regards to annual cost growth is favorable.