

Office of the Secretary of Defense

Operation and Maintenance Overview

February 2006



Fiscal Year (FY) 2007 Budget Estimates



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M-1/O-1 Exhibit

M-1A Exhibit

O-1A Exhibit

Program Assessment Rating Tool (PART)

**Operation and Maintenance Performance Criteria and
Metrics**

O&M TOA BY SERVICE BY APPROPRIATION

	(\$ 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>
<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)						
	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.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>	Rate Change (Percent)
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

(\$ 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>
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

(\$ 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>
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

(\$ in Millions)						
FY 2005 <u>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>
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>						
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>
1,519.0	+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 -\$0.1billion, mainly due to a decrease in the Advertising program.

Base Support

<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>
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>						
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>
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

(\$ 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>
7,718.0	+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

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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

(\$ 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>
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)

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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, deductables, 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).

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Former Soviet Union Threat Reduction

(\$ 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>
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

(\$ 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>
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>						
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>
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>						
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>
1,147.8	+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

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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.

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(\$ 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).

NAVY

- **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;

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

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Budget Activity 2: 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>
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 KOCAL, 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.

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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>
1,987.1	+63.6	-68.3	1,982.4	+66.1	-49.2	1,999.3

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.

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Budget Activity 4: Administrative and Servicewide Support

<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>
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.

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MARINE CORPS

(\$ 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>
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.

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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	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>
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

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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.

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(\$ 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.

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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

<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>
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.

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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

<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>
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.

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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

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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

<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>
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	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 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

	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	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>Actual</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
<u>Appropriation</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

(\$ 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>
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 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Current</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <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	<u>3.4</u>	<u>.1</u>	<u>11.1</u>	<u>14.6</u>	<u>.3</u>	<u>3.6</u>	<u>18.5</u>
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.

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(\$ 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>
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).

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OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(\$ 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>
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>*	<u>Price Growth</u>	<u>Program Growth</u>	FY 2006 <u>Estimate</u>	<u>Price Growth</u>	<u>Program 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

	(\$ in Millions)		
	<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

	(\$ in Millions)		
	<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

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

(\$ in Millions)						
FY 2005 <u>Actual*</u>	<u>Price Growth</u>	<u>Program Growth</u>	FY 2006 <u>Estimate</u>	<u>Price Growth</u>	<u>Program Growth</u>	FY 2007 <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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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>
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

	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	2,139	-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>	<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 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	<u>27.4</u>	<u>-1.0</u>		<u>26.4</u>	<u>+0.1</u>		<u>26.5</u>
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>	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>
Flying Hour Program	366.7	+0.1	-56.8	310.0	+1.0	+26.4	337.4
 <u>Program Data</u>	 FY 2005 <u>Actual</u>	 <u>Change</u>	 FY 2006 <u>Estimate</u>	 <u>Change</u>	 FY 2007 <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	<u>56.4</u>	<u>+14.1</u>	<u>70.5</u>	<u>-24.9</u>	<u>45.6</u>		
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)						
<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>
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

<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	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.

AIR OPERATIONS

	(\$ 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		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	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.

AIR OPERATIONS

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:

	(\$ 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>
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.

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<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 (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>	FY 2005		FY 2006		FY 2007
	<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	<u>17</u>	<u>-17</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, B-2, 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

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<u>Program Data</u>	FY 2005 <u>Actual</u>	<u>Change</u>	FY 2006 <u>Estimate</u>	<u>Change</u>	FY 2007 <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>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>
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>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 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

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	FY 2005		FY 2006		FY 2007
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Program Data</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.

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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).

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	(\$ in millions)						
<u>Funding Summary</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>
USSOCOM - SOF Operations	757.6	+30.5	-106.7	681.4	+57.5	+95.4	834.3
<u>Program Data</u>	<u>FY 2005 Actual</u>		<u>Change</u>	<u>FY 2005 Estimate</u>		<u>Change</u>	<u>FY 2007 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.

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BASE OPERATIONS SUPPORT

	(\$ 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>Estimates</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
							<u>s</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 Installations					
CONUS	6,238.6	-1,012.5	5,226.1	+9.3	5,235.4
Overseas	60	-	60	-	60
Personnel					
Military (End-Strength)	30	-	30	-	30
Civilian (Full-Time Equivalents)	2,750	-908	1,842	-230	1,612
	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)				
	FY 2005		FY 2006		FY 2007
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
Active					
Funding	3,640.0	-419.0	3,221.0	249.0	3,470.0
Installations					
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 <u>Actual</u>	<u>Change</u>	FY 2006 <u>Estimate</u>	<u>Change</u>	FY 2007 <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 Equivalents)	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		FY 2006		FY 2007
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<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	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	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)

	(\$ in Millions)				
	FY 2005		FY 2006		FY 2007
Program Data	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>
<u>Communications</u>	2,396.9	-286.0	2,110.9	+180.8	2,291.7
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

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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

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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>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>
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>						
	<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	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>						
	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>
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			
	Funded Executable Requirement	Unfunded Deferred Requirement	Funded Executable Requirement	Unfunded Deferred Requirement	Funded Executable Requirement	Unfunded Deferred Requirement	FY 2006 % Funded	FY 2007 % Funded
<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 fenceline 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.

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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).

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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>Cleanup</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</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.

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(\$ 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

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(\$ in Millions)

<u>ENVIRONMENTAL TECHNOLOGY</u>	FY 2005		FY 2006		FY 2007
<u>Army</u>	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</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>-</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	Price	Program	FY 2006	Price	Program	FY 2007
	<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate^{2/}</u>	<u>Change</u>	<u>Change</u>	<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>							
<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	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/}

<u>RESTORATION AND MODERNIZATION</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>
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>							
<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	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/}

<u>DEMOLITION COSTS</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>
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	2	-	-2	-	-	-	-
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 redesignation 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

	FY 2005 <u>Actual</u>	<u>Change</u>	FY 2006 <u>Estimate</u> (End Strength)	<u>Change</u>	FY 2007 <u>Estimate</u>
<u>Active Forces Personnel</u>					
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)		
	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>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	73.8	-2.6	71.2	-40.5	30.7
Exercises	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	131.1	-92.6	38.5	+10.6	49.1
Exercises	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> <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	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>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	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.

	FY 2005		FY 2006		FY 2007
<u>Ship Inventory (End of Year)</u>	<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 Actual</u>	<u>Change</u>	<u>FY 2006 Estimate</u>	<u>Change</u>	<u>FY 2007 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

Shipyards 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. Shipyards 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</u> <u>Actuals</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>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>-</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.

	(\$ 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>
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)						
	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>
<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)						
	FY 2005	Price	Program	FY 2006	Price	Program	FY 2007
<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

	(\$ in Millions)						
<u>Training Support</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>Estimate</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>	<u>Growth</u>	<u>Growth</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>FY 2005</u>		<u>FY 2006</u>		<u>FY 2007</u>
<u>Flying Hours</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>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>
<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>	<u>1,619.7</u>	<u>+4.5</u>	<u>-806.2</u>	<u>818.1</u>	<u>+7.2</u>	<u>-57.7</u>	<u>767.6</u>
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>	<u>866.3</u>	<u>+14.7</u>	<u>-543.0</u>	<u>338.0</u>	<u>+7.7</u>	<u>+11.6</u>	<u>357.3</u>
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

	FY 2005		FY 2006		FY 2007
<u>By Department/Defense-Wide</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</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>Estimate</u>	<u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2007</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

	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, 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 Estimate</u>	<u>Change</u>	<u>FY 2006 Estimate</u>	<u>Change</u>	<u>FY 2007 Estimate</u>
<u>Operation and Maintenance, Navy Reserve</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>Direct Hires</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</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>Estimate</u>	<u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2007</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 Estimate</u>	<u>Change</u>	<u>FY 2006 Estimate</u>	<u>Change</u>	<u>FY 2007 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>FY 2005</u>		<u>FY 2006</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, 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

	<u>FY 2005</u>		<u>FY 2006</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, 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>Actual</u> ^{/1}	<u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2007</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>Actual</u> ^{/1}	<u>Change</u>	<u>FY 2006</u> <u>Estimate</u> ^{/2}	<u>Change</u>	<u>FY 2007</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 Equivalents)

	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>Budget Rates</u>
		<u>FY 2005</u>	<u>FY 2006</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

	<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>					
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>FY 2006</u>		<u>FY 2007</u>
	<u>Actual</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</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>Actual</u>	<u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Change</u>	<u>FY 2007</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

	FY 2005 <u>Actual</u>	<u>Change</u>	FY 2006 <u>Estimate</u>	<u>Change</u>	FY 2007 <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	<u>17.9</u>

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	<u>-</u>

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	<u>-</u>

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	11.4

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	-

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	-

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	-

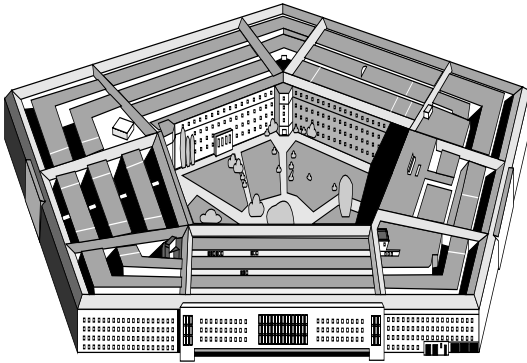
WORLD WIDE WEB ADDRESS

**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)

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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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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)		
		MILITARY PERSONNEL, ARMY	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
		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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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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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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APPROP	ID		(DOLLARS IN THOUSANDS)		
		RESERVE PERSONNEL, NAVY	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
		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

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FY 2007 President's Budget

APPROP	ID		(DOLLARS IN THOUSANDS)		
			FY 2005	FY 2006	FY 2007
		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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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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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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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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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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APPROP	ID		(DOLLARS IN THOUSANDS)		
		RESERVE PERSONNEL, AIR FORCE	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
		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
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ID		(DOLLARS IN THOUSANDS)		
	MILITARY PERSONNEL, GRAND TOTAL	<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		(DOLLARS IN THOUSANDS)		
		<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	RESERVE PERSONNEL, GRAND TOTAL			
	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
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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 0-1

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

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Appropriation SummaryTransfer Accounts and Miscellaneous

	Total Obligational Authority (Dollars in Thousands)		
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</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 KAHOLA'OLA 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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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	2,056,278	974,354
		TOTAL LAND FORCES READINESS	4,960,653	4,394,787	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	1,814,297	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
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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
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BUDGET ACTIVITY 03: TRAINING AND RECRUITING**ACCESSION TRAINING**

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

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	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)		
			FY 2005	FY 2006	FY 2007
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)
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	3,762,368	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

SHIP OPERATIONS

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

COMBAT OPERATIONS/SUPPORT

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

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	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

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	1,527,522	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)
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
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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	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
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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
1804N	490	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	196,018	229,823	186,113

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			Total Obligational Authority (Dollars in Thousands)		
			FY 2005	FY 2006	FY 2007
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
LOGISTICS OPERATIONS AND TECHNICAL SUPPORT					
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
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	4,465,386	4,134,373
Total Operation & Maintenance, Navy			33,892,238	31,769,782	31,330,984

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

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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	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
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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	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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1106N Operation & Maintenance, Marine Corps

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

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	200,256	24,140
1106N	220	ADMINISTRATION	38,392	27,248	34,266
		TOTAL SERVICEWIDE SUPPORT	620,251	462,668	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**640,270 479,317 328,281****Total Operation & Maintenance, Marine Corps****6,237,908 5,489,460 3,878,962**

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Total Obligational Authority
(Dollars in Thousands)
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	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

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	19,263,097	17,877,010
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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
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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
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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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>	
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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0107D Office of the Inspector General

BUDGET ACTIVITY 01: OPERATION & MAINTENANCE

0107D 010 OFFICE OF THE INSPECTOR GENERAL

TOTAL, BA 01: OPERATION & MAINTENANCE

BUDGET ACTIVITY 03: PROCUREMENT

0107D 020 OFFICE OF THE INSPECTOR GENERAL

TOTAL, BA 03: PROCUREMENT

Total Office of the Inspector General

Total Obligational Authority
(Dollars in Thousands)

<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
197,225	206,853	214,897
197,225	206,853	214,897
1,100	2,447	1,400
1,100	2,447	1,400
198,325	209,300	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	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

LAND FORCES READINESS

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

LAND FORCES READINESS SUPPORT

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
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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	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
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Total Operation & Maintenance, Army Reserve

2,017,313	2,011,101	2,299,202
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Total Obligational Authority
(Dollars in Thousands)
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	229,905	112,300
		TOTAL COMBAT OPERATIONS/SUPPORT	246,521	239,451	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	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
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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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1806N Operation & Maintenance, Navy Reserve

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

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****1,643,911****1,288,764**

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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	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

BASE SUPPORT

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
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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
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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 FORCES**AIR 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
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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
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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)
FY 2005 FY 2006 FY 2007

2065A Operation & Maintenance, Army National Guard

BUDGET ACTIVITY 01: OPERATING FORCES**LAND FORCES**

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

LAND FORCES READINESS

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

LAND FORCES READINESS SUPPORT

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
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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	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
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Total Operation & Maintenance, Army National Guard

4,872,300	4,708,505	4,838,665
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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	2,900,212	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
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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
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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)
FY 2005 FY 2006 FY 2007

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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		Total Obligational Authority (Dollars in Thousands)		
		<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
0130D Defense Health Program				
<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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Note: FY 2005 and FY 2006 reflect emergency supplemental funding.

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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

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'OLAW	421		
0134D	190	FORMER SOVIET UNION (FSU) THREAT REDUCTION	407,873	410,437	372,128

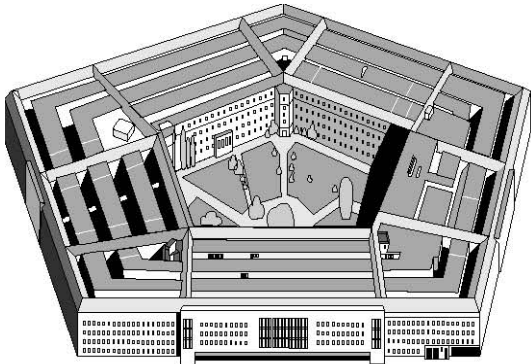
Total Miscellaneous Appropriations

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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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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FY 2007 President's Budget

APPROP	ID		(DOLLARS IN THOUSANDS)		
		MILITARY PERSONNEL, ARMY	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
		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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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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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, 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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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, 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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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

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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>
		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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FY 2007 President's Budget

APPROP	ID		(DOLLARS IN THOUSANDS)		
		MILITARY PERSONNEL, MARINE CORPS	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
		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)		
			FY 2005	FY 2006	FY 2007
		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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FY 2007 President's Budget

APPROP	ID	MILITARY PERSONNEL, AIR FORCE	(DOLLARS IN THOUSANDS)		
			FY 2005	FY 2006	FY 2007
		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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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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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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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		(DOLLARS IN THOUSANDS)		
	MILITARY PERSONNEL, GRAND TOTAL	<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		(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	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		(DOLLARS IN THOUSANDS)		
		<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	RESERVE PERSONNEL, GRAND TOTAL			
	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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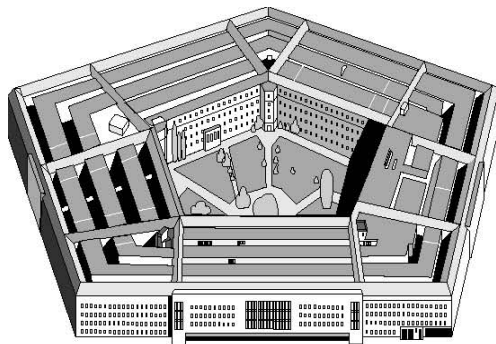
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Exhibit M-1A
FY 2007 President's Budget

ID		(DOLLARS IN THOUSANDS)			
NATIONAL GUARD PERSONNEL, GRAND TOTAL		<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)	2,533,046	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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Department of Defense
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Appropriation Summary

	Total Obligational Authority (Dollars in Thousands)		
	FY 2005	FY 2006	FY 2007
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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
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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 KAHOLAWE 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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Department of Defense
FY 2007 President's Budget
Exhibit 0-1A

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
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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
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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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Department of Defense
FY 2007 President's Budget
Exhibit 0-1A

			Total Obligational Authority (Dollars in Thousands)		
			FY 2005	FY 2006	FY 2007
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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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Exhibit 0-1A

1804N Operation & Maintenance, Navy

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

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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Department of Defense
FY 2007 President's Budget
Exhibit 0-1A

1804N Operation & Maintenance, Navy

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

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
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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	
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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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1106N Operation & Maintenance, Marine Corps

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

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
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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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3400F Operation & Maintenance, Air Force

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

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
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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
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0100D Operation & Maintenance, Defense-Wide				
BUDGET ACTIVITY 01: OPERATING FORCES				
0100D	010 JOINT CHIEFS OF STAFF	515,317	551,592	582,003
0100D	020 SPECIAL OPERATIONS COMMAND	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 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
BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES				
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	373,653	391,949
0100D	110 DEFENSE FINANCE AND ACCOUNTING SERVICE	4,734	4,291	452
0100D	120 DEFENSE INFORMATION SYSTEMS AGENCY	1,168,312	1,018,478	998,618
0100D	140 DEFENSE LEGAL SERVICES	44,035	37,777	35,538
0100D	150 DEFENSE LOGISTICS AGENCY	378,384	333,603	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	1,800,668	1,728,851
0100D	200 DOD HUMAN RESOURCES ACTIVITY	363,901	408,001	374,352
0100D	210 DEFENSE CONTRACT MANAGEMENT AGENCY	1,017,597	1,027,024	1,040,297
0100D	220 DEFENSE SECURITY COOPERATION AGENCY	1,401,058	1,038,182	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	808,609	748,368
0100D	270 WASHINGTON HEADQUARTERS SERVICE	472,452	1,270,772	466,961
0100D	999 OTHER PROGRAMS	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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	Total Obligational Authority (Dollars in Thousands)		
	FY 2005 -----	FY 2006 -----	FY 2007 -----
0107D Office of the Inspector General			
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
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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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1806N Operation & Maintenance, Navy Reserve

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

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 0-1A

		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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Department of Defense
FY 2007 President's Budget
Exhibit 0-1A

1107N Operation & Maintenance, Marine Corps Reserve

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

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

3740F Operation & Maintenance, Air Force Reserve

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

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

UNCLASSIFIED

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

3840F Operation & Maintenance, Air National Guard

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

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 0-1ATotal Obligational Authority
(Dollars in Thousands)

0105D Drug Interdiction & Counter-Drug Act., Def.

FY 2005 FY 2006 FY 2007

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 0-1A

0130D Defense Health Program

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

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 0-1A

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'OLAW	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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EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



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.](#)



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



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

We are taking the following actions to improve the performance of the program:

[About Improvement Plans](#)

- ⌘ 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.](#)



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



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

[View Similar Programs](#)

Department of Defense Facilities Sustainment, Restoration, Modernization, and Demolition

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

[What This Rating Means](#)

PERFORMING Adequate

⌘ **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.](#)



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



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.](#)



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



PROGRAM ASSESSMENT

PROGRAM **Department of Defense Training and Education** [View Similar Programs](#) **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.](#)



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



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.](#)



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



PROGRAM ASSESSMENT

PROGRAM **Department of Defense Training and Education** [View Similar Programs](#) **Programs - Other Training and Education**

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.](#)



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



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.](#)



EXPECT FEDERAL PROGRAMS TO PERFORM WELL, AND BETTER EVERY YEAR.



PROGRAM ASSESSMENT

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

[About Improvement Plans](#)

We are taking the following actions to improve the performance of the program:

⌘ 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
Effective

[What This Rating Means](#)

- ⌘ **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

We are taking the following actions to improve the performance of the program:

[About Improvement Plans](#)

- ⌘ 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 Wing-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 Wing-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>					

	<u>FY 2005</u> <u>Actual</u>	<u>Change</u>	<u>FY2006</u> <u>Estimate</u>	<u>Change</u>	<u>FY2007</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 Actual</u>	<u>Change</u>	<u>FY 2006 Estimate</u>	<u>Change</u>	<u>FY 2007 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 Actual</u>	<u>Program Change</u>	<u>FY 2006 Estimate</u>	<u>Program Change</u>	<u>FY 2007 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

	FY 2005 <u>Actual</u>	<u>FY 2006</u>	<u>FY 2007</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	
	<u>Qty</u>	<u>(\$ in M)</u>	<u>Qty</u>	<u>(\$ in M)</u>	<u>Prior Yr</u>	<u>Cur Yr</u>	<u>Qty</u>	<u>(\$ in M)</u>	<u>Qty</u>	<u>(\$ in M)</u>	<u>Qty</u>	<u>Qty</u>	<u>(\$ in M)</u>
<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
 <u>Depot Maintenance Total</u>^{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	
	<u>Qty</u>	<u>(\$ in M)</u>	<u>Qty</u>	<u>(\$ in M)</u>	<u>Prior Yr</u>	<u>Cur Yr</u>	<u>Qty</u>	<u>(\$ in M)</u>	<u>Qty</u>	<u>(\$ in M)</u>	<u>Qty</u>	<u>Qty</u>	<u>(\$ in M)</u>
<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	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
Miscellaneous													
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>	
					Prior								
	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

	FY 2005 <u>Actual</u>	FY 2006 <u>Estimate</u>	FY 2007 <u>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.