OFFICE OF THE SECRETARY OF DEFENSE

FY 1999 BUDGET ESTIMATES JUSTIFICATION DATA

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VOLUME I

Operation and Maintenance, Defense-Wide
Office of the Inspector General
U.S. Court of Appeals for the Armed Forces
Overseas Humanitarian, Disaster and Civic Aid
Overseas Contingency Operations Transfer Fund
Former Soviet Union Threat Reduction
Support for International Sporting Competitions

OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

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OPERATION AND MAINTENANCE, DEFENSE-WIDE
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DEFENSE -WIDE

(Dollars in Millions)

FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
10,244.2	+304.2	-133.9	10,414.5	+324.2	+12.0	10,750.7

The Operation and Maintenance, Defense-Wide (O&M, D-W) appropriation supports a wide range of programs which have been consolidated to achieve maximum efficiency by avoiding overlap and duplication among the Services. The Defense Agencies are essential to the accomplishment of the missions of the Military Departments. Functions of the various Agencies include direct readiness related programs, mobilization programs, training and education programs, and administration and service wide activities, e.g., intelligence activities, audit and contract management activities, treaty implementation, nuclear weapons management and analysis, dependent education, military personnel support, and management support to the Department. Additionally, this appropriation provides O&M funding for all Special Operations Forces.

The Defense Reform Initiative (DRI), announced in November 1997 by the Secretary of Defense, directs a number of major changes to activities and programs funded in the O&M, D-W appropriation beginning in FY 1998. Most significant are the reorganization of the Office of the Secretary of Defense (OSD), the merger of three Defense Agencies into a single agency, and the disestablishment of the remaining Defense Support Activities (DSA). The reorganization of OSD is designed to allow the staff to focus on corporate-level tasks, pushing operational management tasks to a lower level. Some of the DRI decisions require additional statutory or presidential authority, which the Department is seeking. Highlights of the DRI as it directly affects the O&M, D-W appropriation are as follows:

- The DSAs are disestablished and their functions and resources are transferred to either OSD or the Defense Agencies. Personnel authorizations for OSD and the DSAs are reduced by 33 percent from FY 1996 levels. Further, the practice of augmenting staffs with overstrength personnel has been eliminated. The reduction is achieved over the next 18 months by eliminating some functions and transferring others to more appropriate line organizations. Detailed OSD streamlining plans that include functional transfers out of OSD, internal restructures, and realignments and further downsizing have largely been developed and are now being implemented.

- Effective October 1, 1998, the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) is established by merging the resources and functions of the Defense Special Weapons Agency, the Defense Technical Security Administration, and the On-Site Inspection Agency. Additionally, DTRTCA will assume certain functions currently performed in OSD including management of the Cooperative Threat Reduction, Partnership for Peace (Warsaw Initiative), and Weapons of Mass Destruction programs.

- Finally, the DRI directs the transfer of the Defense Acquisition University from the Defense Logistics Agency (DLA) to the National Defense University (O&M, Army), the Defense Property Accountability System from the Defense Finance and Accounting Service to DLA, and the Joint Spectrum Center from the Air Force to DISA. Additionally, the DRI directs studies to determine the feasibility of contracting out certain functions of the American Forces Information Service.

All personnel transfers for those Defense Reform Initiatives implemented in FY 1998 (OSD, DSAs, Defense Acquisition University, and Joint Spectrum Center) are reflected in the gaining organization's budget. Funding associated with these personnel will transfer to the new organizations in FY 1999.

At the summary level, O&M, D-W increases by $336.2 million in FY 1999 to $10,750.7 million from the FY 1998 Current Estimate of $10,414.5 million.

Highlights of program adjustments between FY 1998 and FY 1999 are on the following page:

Description:		($ in Millions)
FY 1998 Current Estimate		10,414.5
Price Growth		+324.2
Program Changes		+12.0
Transfers In	+247.6	
Transfers Out	-463.0	
Net Functional Transfers		-215.4
Other Program Changes		
Financed in FY 1998 Only		-181.8
Civilian Personnel Downsizing		-39.4
Readiness and Warstoppers		+56.7
Classified Programs		+150.8
Information Technology		+137.1
Education Improvements		+41.0
Defense Threat Reduction and Treaty Compliance Agency mission enhancements primarily for treaty implementation		+31.6
Net other program adjustments		+31.4
FY 1999 Request		10,750.7

A brief description of the major budget activities, along with a description of significant program changes in FY 1999 follows:

	($ in Millions)			
	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate	98-99 Change
Budget Activity 1: Operating Forces	1,439.2	1,540.6	1,559.4	+18.8

The Operating Forces include funding for The Joint Staff and the Combatant Commanders and the US Special Operations Command. From FY 1998 to FY 1999, the Operating Forces budget activity increases by $18.8 million. The net change includes price growth of $9.4 million, functional transfers-out of $48.3 million, and net program changes of $57.7 million.

Functional Transfers ($-48.3 million): The FY 1999 budget request for Operating Forces recognizes the following functional transfers:

- The Joint Staff transfers $4.6 million for the Standard Tactical Entry Point (STEP) to the Defense Information Systems Agency (Budget Activity 4).

- The Joint Warfighting Center (JWFC) and the Joint C4ISR Battle Center (JBC) transfer $38.7 million to the U.S. Atlantic Command as directed in the Defense Reform Initiative.

- Combating Terrorism Readiness Initiative realigns $5.0 million to the Procurement Defense-Wide appropriation.

Program Growth ($+57.7 million): The FY 1999 growth reflects increases in the following initiatives:

-Joint Vision 2010 ($1.4 million) -- The increase supports the growing, aggressive assessment requirements at the JWFC and joint experimentation with the CINCs, Services, and Defense Agencies. The increase is in response to a recommendation by the National Defense Panel emphasizing joint experimentation and the infusion of greater jointness.

-Joint Staff Modeling and Simulation ($6.3 million). -- The increase will provide for planning and execution analysis, as well as improved force structure assessments capabilities for future defense wide force assessments. Without the increase, the Joint Staff will be unable to complete the development of the Joint Warfare System to support critical analytic assessments.

-Enhancements in Special Operations Forces (SOF) readiness ($31.0 million). -- The increase provides for various enhancements in force structure readiness, including support for the delivery and deployment of 18 new Rigid Inflatable Boats; the operation and maintenance of a full complement of 20 MK V crafts; two months in the deployment time of additional Special Boat Squadrons; maintenance costs due to extended operational use of the Patrol Coastal ships; the replenishment of spare parts, replacement of worn out equipment, and maintenance of additional variant systems for the Joint Base Station program; and life-cycle sustainment efforts of fielded special SOF communications radios and related systems.

-The JCS Exercise program ($13.0 million) -- The program was cut by 19 percent in FY 1998 after the allocation of undistributed congressional reductions. The amount budgeted in FY 1999 returns the program to the QDR approved plan to reduce the funding by 15 percent from the FY 1996 baseline level.

-Other program adjustments ($6.0 million).

	($ in Millions)			
	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate	98-99 Change
Budget Activity 2: Mobilization	**27.4**	**35.0**	**38.9**	**+3.9**

Budget Activity 2 funds the purchase of the Defense Logistics Agency War Stopper items. These items are required for mobilization but do not have a peacetime demand that is adequate to maintain an industrial base sufficient for mobilization. After considering price growth ($0.5 million), the War Stopper Program reflects an increase of $3.4 million in FY 1999. The FY 1999 increased funding requirements include funding of Industrial Preparedness Measures (IPM), Industrial Base Maintenance contracts, rotational stock contracts, and food production equipment to support surge requirements for combat rations.

	($ in Millions)			
	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate	98-99 Change
Budget Activity 3: Training and Recruiting	**138.2**	**154.2**	**62.7**	**-91.5**

Budget Activity 3 finances the Defense Information School of the American Forces Information Service, the Defense Acquisition University, the Defense Business Management University, the DoD Security Institute, the DoD Polygraph Institute, the Defense Personnel Security Research Center, and activities directly attributable to supporting USSOCOM schools. From FY 1998 to FY 1999, the Training and Education budget activity decreases by $91.5 million. The net change includes price growth of $2.9 million, net functional transfers out of $94.1 million and a net program decrease of $0.3 million.

Functional Transfers (-$94.1 million): The FY 1999 budget request for Training and Education recognizes the following functional transfers:

- Transfers responsibility and funding of $95.4 million for the Defense Acquisition University to the Army (National Defense University) in accordance with the Defense Reform Initiative.

- Transfers $1.2 million from the Air Force O&M for broadcast TV maintenance and repair support costs at the Defense Information School.

- Transfers in $0.1 million and one full time equivalent from the Food and Drug Administration to the Defense Security Service (DoD Polygraph Institute).

	($ in Millions) FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate	98-99 Change
Budget Activity 4: Administration and Servicewide Activities	**8,639.4**	**8,684.7**	**9,089.7**	**+405.0**

Budget Activity 4 funds the following:

- Overall management of the Department of Defense including the Office of the Secretary of Defense (OSD), The Joint Staff (TJS), Washington Headquarters Services (WHS), Defense Support Activities (DSAs), and Defense Legal Services Agency (DLSA)
- Contract audit and administration - Defense Contract Audit Agency (DCAA), and the Defense Contract Management Command (DCMC) of the Defense Logistics Agency
- Personnel security investigation - Defense Security Service (DSS)
- Nuclear and advanced weapons effects expertise – Defense Threat Reduction and Treaty Compliance Agency (Formerly Defense Special Weapons Agency)
- Treaty verification responsibilities – Defense Threat Reduction and Treaty Compliance Agency (Formerly On Site Inspection Agency)
- Technology Security Program – Defense Threat Reduction and Treaty Compliance Agency (Formerly Defense Technology Security Administration)
- Education of Military Dependents - Department of Defense Dependents Education Activity (DoDDE)
- Communications activities for the control of worldwide strategic communications services - Defense Information Systems Agency (DISA)
- Central management of Prisoner of War/Missing Personnel affairs within the DoD - DoD Prisoner of War/Missing Personnel Office (DPMO)
- Civilian Personnel Management - DoD Human Resources Activity (DHRA)
- Executive, management, and technical training for the DoD financial community – Defense Finance and Accounting Service (DFAS)
- Information, audiovisual, and visual information activities – American Forces Information Service (AFIS)
- Technical and financial assistance to communities affected by base closures – Office of Economic Adjustment (OEA)
- Other Logistics Services - Defense Logistics Agency (DLA)
- Provides program management and implementation support to Humanitarian Assistance and Demining Programs - Defense Security Assistance Agency (DSAA)
- Intelligence functions and other classified activities (Defense Intelligence Agency, National Security Agency and National Imagery and Mapping Agency).

The net change from FY 1998 to FY 1999 for Budget Activity 4 is $405.0 million and includes price growth of $311.4 million, net functional transfers out of $73.0 million, and program changes of $+166.6 million.

Functional Transfers ($-73.0 million):

- Transfers out $198.8 million to the Military Departments to decentralize funding responsibility the renovation of the Pentagon.

- Transfer of $110.8 million from the Defense Security Service to the Defense Working Capital Fund (DWCF) to implement fee-for-service funding of the Personnel Security Investigations Program in FY 1999.

- Defense Reform Initiative related transfers-out of $13.8 million:

NATO personnel program to the Army	2.5
Net Assessment to NDU	2.5
SECDEF Strategic Studies Group to NDU	0.6
Emergency Planning to the Army	1.3
Nuclear Command and Control to STRATCOM	0.6
Health Affairs to TRICARE (DHP)	2.6
OSD functions to the Army	3.1
OSD functions to DTIC	0.1
OSD functions to Navy	0.1
OSD functions to Air Force	0.1

- Support of Special Events from Defense Human Resources Activity to the Army ($0.5 million).

- Transfers $4.6 million for the Standard Tactical Entry Point (STEP) from the Joint Staff (Budget Activity 1) to the Defense Information Systems Agency.

- Transfers $14.1 million for the Joint Spectrum Center from the Air Force to the Defense Information Systems Agency.

- Transfers $1.0 million for the Rapid Acquisition of Manufactured Parts (RAMP) from the Navy to the Defense Logistics Agency.

- Transfers $3.7 million for the Continuous Acquisition and Life Cycle Support (CALS) from the Air Force to the Defense Logistics Agency.

- Transfers $10.0 million for the Defense Property Accountability System (DPAS) from the Defense Finance and Accounting Service DWCF to the Defense Logistics Agency.

- Transfers $31.7 million from the DWCF to the Defense Logistics Agency for certain programs funded in the DWCF in FY 1998.

Functional Transfers (Continued):

- Transfers $5.5 million for the Arctic Military Environmental Cooperation (AMEC) - Program previously funded in the Former Soviet Union Threat Reduction appropriation. This realignment recognizes the need for cooperation between military organizations using the AMEC framework for mitigation of military impacts on the Arctic environment.

- Transfers $2.4 million for the Acquisition Deskbook from the R&D appropriation to the Office of the Secretary of Defense.

- Classified Programs transfer – ($+177.9 million).

Program Changes ($+166.6 million):

- FY 1998 Discontinued Programs ($-181.8): The FY 1998 estimate for Administration and Service-Wide Activities reflects a decrease of $181.8 million for programs financed in FY 1998 but not continued in FY 1999, as detailed below:

Defense Personnel Support Center Demolition	10.2
Repairs to Federally Funded Schools	10.2
Industrial Modernization	50.8
Automated Document Conversion Technology	20.3
Legacy Program	10.2
Job Placement Program	6.1
Indian Lands Mitigation	8.1
Security Locks	-5.1
Cargo Technologies	-3.0
Family Counseling	-3.0
Math Teacher Leadership Development Program	-0.3
Federal Energy Management Program	-15.2
Exercise Northern Edge	-5.1
GORTEX/NOMEX Flight Suits	-3.4
Monterey Institute Counterproliferation Analysis	-9.1
Fort Ord Defense Conversion	-7.6
San Diego Conversion Center	-7.6
First Responder Training	-1.3
21st Century National Security Study	-3.0
Long Range Air Power Panel	-2.0

- Civilian Personnel Downsizing ($-39.4 million) – This reduction results from the downsizing of the Defense Agencies.

- JCS Modeling and Simulation ($+6.4 million) – This increase provides for improvements in post Cold War theater-level models, including new simulation tools for trade-off analysis and system alternatives ($1.1 million): publications and other multimedia material for the Joint Doctrine System ($1.4 million); travel costs associated with support of real world and exercise observation ($.8 million); and for new requirements in the Global Combat Support System ($3.1 million).

- Classified Programs ($+150.8 million).

- Information Technology ($+137.1 million):

Mobile Satellite Program ($15.1 million) - Resources for civilian pay and facilities operation, site operational costs for contractor support, and circuit connectivity support.

Information Systems Security ($11.0 million) - Ensures component Defense Information Infrastructure (DII) security architectures support requirements for the Defense Message System (DMS) program; integrates security management tools at the Defense MegaCenters; provides information warfare modeling and simulation to facilitate risk management

Global Command Support System ($10.9 million) – Provides for technology upgrades for systems associated with the Regional Communication Control Support Activities.

National Communications Services (DWCF) ($12.3 million) - Funds transition for Advanced Intelligent network features and cellular priority call activities into the Government Emergency Telecommunications Service (GETS) program.

Government Emergency Telecommunications Service ($15.7 million) - Funds end-to-end priority treatment of the Public Switch Network access lines.

Systems Support ($11.5 million) – Funds additional contract support to the DII Common Operating Environment for the DII Integration contract, and Joint Interoperability Engineering Organization (JIEO) Systems Engineering contracts and realigns funds for critical analytical and technical support to the Unified Commands and the Joint Staff.

Standard Procurement System (SPS) ($23.0 million) - Increased funding to provide the infrastructure for DLA's deployment of SPS and to support other office automation initiatives critical to achieving DCMC reductions in labor and travel.

Standard Procurement System (SPS) ($6.8 million) - Additional funding to complete deployment of the SPS by 2001.

Defense Civilian Personnel Data System (DCPDS) ($-5.3 million) – Reduction due to completion of the DCPDS project.

Information Services ($-3.0 million) - Reduction in DLA Information Services costs due to decrease in workload.

- Information Technology (Continued):

Defense Integrated Military Human Resource System (DIMHRS) ($5.8 million) - Funds the first full year for systems requirements definition and development

Defense Civilian Personnel Data System (DCPDS) ($17.3 million) - Funding is increased for DoD oversight, maintenance, and sustainment of the modernized DCPDS system after the completion of software development and fielding in September 1998.

Defense Travel System ($16.0 million) - Funding is increased to accelerate system development and implementation with a new target of full operational capability within three years.

- Education ($+41.0 million)

Financial Management, Executive, and Professional Training (DFAS) ($9.8 million) - The funding for executive, management, and technical training is increased to upgrade the skill levels of the DoD financial community and to provide training for the newly fielded DFAS financial and accounting operating systems.

President's Technology Initiative ($23.1 million). - The increase in funding provides for the acceleration of the insertion of personal computer equipment and software in DoD dependent school classrooms. The initiative is in direct response to the Vice President's goal of increasing computer and automation technology awareness in the Nation's school systems. The additional funds will provide for equipment and Internet connectivity for all schools.

Defense Leadership and Management Program ($8.1 million) - Increased funding supports set-up of the instructional site, student travel, student equipment, curriculum development and other instructional support costs. Funds also support civilian personnel requirements for the program to include service participants and Component support.

- Defense Threat Reduction and Treaty Compliance Agency Mission Enhancement ($+31.6 million)

Chemical Weapons (CW) Escort Missions ($9.0 million) – Increased costs associated with the responsibility for paying/reimbursing the Organization for the Prohibition of Chemical Weapons for inspection team costs incurred during Chemical Weapons Convention inspections of DoD chemical weapons facilities.

Nuclear Weapons Accident Field Training Exercise ($1.2 million) – Increase to support contractual costs for a full-scale biennial Nuclear Weapons Accident Field Training Exercise.

Defense Against Weapons of Mass Destruction Initiative ($6.0 million) - Increased requirement to support extensive preparedness testing of the integrated capability of Federal, state, and local organizations.

- Defense Threat Reduction and Treaty Compliance Agency Mission Enhancement (Continued):

Partnership for Peace ($15.4 million) – Increased operational support to fund exercises and new/ongoing exchange programs and studies. The additional funds are consistent with the DoD objectives to establish and enhance military-to-military contacts with former Warsaw Pact members.

- Other O&M Program Changes (+$20.9 million)

DEFENSE-WIDE

SUMMARY BY BUDGET ACTIVITY

$ IN MILLIONS

Operation and Maintenance, Defense-Wide Total

	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
Total	**10,244.2**	**+304.2**	**-133.9**	**10,414.5**	**+324.2**	**+12.0**	**10,750.7**

Budget Activity 1 - Operating Forces

	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
	1,439.2	**+122.7**	**-21.3**	**1,540.6**	**+9.4**	**+9.4**	**1,559.4**
TJS	437.5	63.2	-60.2	440.5	1.9	-32.4	410.1
USSOCOM	1,001.7	59.5	38.9	1,100.1	7.4	41.8	1,149.3

Budget Activity 2 - Mobilization

	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
	27.4	**+.4**	**+7.2**	**35.0**	**+.5**	**+3.4**	**38.9**
DLA	27.4	.4	7.2	35.0	.5	3.4	38.9

Budget Activity 3 - Training and Recruiting

	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
	138.2	**+3.2**	**+3.9**	**154.2**	**+2.9**	**-94.4**	**62.7**
AFIS	14.2	.3	-3.1	11.3	.3	-.5	11.1
DAU	93.2	1.6	-1.2	93.6	1.8	-95.4	.0
DSS	.0	.0	.0	8.9	.2	.1	9.2
USSOCOM	30.8	1.3	8.2	40.3	.7	1.3	42.4

Budget Activity 4 - Administration and Servicewide Activities

	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
	8,639.4	**+178.0**	**-123.8**	**8,684.7**	**+311.4**	**+93.6**	**9,089.7**
AFIS	90.2	1.5	1.5	93.2	1.9	-1.3	93.8
CMP	.0	.0	71.7	71.7	1.1	-27.9	44.9
INTELL	3,443.1	78.5	-133.1	3,388.5	86.3	328.7	3,803.6
CIM	27.3	.0	-27.3	.0	.0	.0	.0
DCAA	321.4	11.6	-9.4	323.6	12.4	-5.9	330.1
DFAS	9.6	.1	56.2	65.9	1.0	16.4	83.3
DSS	191.8	5.2	-11.5	176.6	4.2	-106.6	74.2
DISA	713.8	10.5	-41.4	682.9	12.2	76.1	771.1
DLA	1,109.4	19.4	-62.8	1,066.1	28.6	45.5	1,140.1
DLSA	8.1	.2	.2	8.5	.3	.2	9.0
DODDE	1,375.0	28.0	-106.9	1,296.2	38.4	13.1	1,347.7
DHRA	89.7	1.9	78.0	169.6	3.4	25.9	198.9
DPMO	12.4	.3	1.3	14.0	.3	-.2	14.1
DSAA	.0	.0	.0	.0	.0	4.6	4.6
DSWA	88.6	1.5	-3.1	87.0	1.6	-88.6	.0
DSA	139.8	2.3	-45.3	96.8	1.8	-98.5	.0
DTRA	.0	.0	.0	.0	.0	304.7	304.7
DTSA	10.5	.2	-.2	10.4	.2	-10.6	.0
FEMP	.0	.0	15.0	15.0	.2	-15.2	.0
OEA	36.8	.6	76.1	113.5	1.8	-84.1	31.2
OSD	462.5	8.0	-79.1	391.4	8.4	-30.0	369.8
OSD No Year	.0	.0	.0		.0	.0	.0
OSIA	67.4	1.5	25.4	94.3	1.6	-95.9	.0
TJS	116.3	1.9	-.1	118.1	13.0	8.5	139.6
USSOCOM	51.6	.8	-10.4	42.0	.9	4.2	47.1
WHS	273.9	4.1	81.3	359.4	91.6	-169.2	281.7

American Forces Information Service
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

I. Narrative Description:

The American Forces Information Service directs all internal information, audiovisual and visual information policies and activities for the DoD; produces and distributes command information, news, sports, and current events broadcast radio/television and printed information to the DoD internal audience of over 1 million active and 1 million reserve and National Guard military personnel, 807 thousand DoD civilians--including Servicemembers at sea and overseas--and their families; formulates policy and manages the DoD Visual Information and Audiovisual Programs, the Combat Camera operations in DoD, and the centralized management of selected DoD motion and still imagery; engineers, acquires, and performs life-cycle maintenance of commercial, off-the-shelf radio and television broadcast, visual information, and audiovisual equipment related systems for DoD activities; and oversees the business and financial operations of the Stars and Stripes newspapers. Operational elements are:

• Armed Forces Radio and Television Service (AFRTS) - broadcasts command information, news, sports, current events, and entertainment overseas and at sea to uniformed, civilian employees, and family personnel via 700 AFRTS outlets in 156 countries and 300-plus ships.

• Print Media Directorate - operates a news service which writes and publishes numerous products explaining Defense policy, programs, and procedures; establishes policy for Defense internal information publications; produces the "Early Bird", other products and services for National Command Authority decision makers and Combatant Commanders, and through oversight of the Stars and Stripes Newspapers, provides hometown news to military and DoD civilian audience deployed in the European, Central, and Pacific Commands.

• DoD Joint Combat Camera Center - receives, processes, and distributes digital still and video imagery of current military operations for use by the National Command Authority, Joint Staff, and Combatant Commands in support of decision making, battlefield situational awareness, information warfare, and legal and historical documentation.

• Defense Visual Information Center - serves as the DoD central repository for the collection, management, and distribution of significant still and motion imagery which documents the operations and activities of U.S. military forces.

I. Narrative Description (Cont.):

• Television-Audio Support Activity - provides engineering, procurement, and life-cycle maintenance of commercial, off-the-shelf radio-television broadcast, audiovisual, and visual information equipment and systems to DoD and other government activities.

• Defense Information and Photography Schools - trains an annual average of 3,600 military and civilian personnel as well as international students in broadcasting, journalism, media relations, Combat Camera, still and video photography, electronic imaging, audiovisual, visual information, graphics, and related equipment maintenance. During FY 1998, the Defense Photography School will relocate and consolidate with the Defense Information School into one joint-Service training activity at Ft. Meade, MD.

• Related Contract Courses - exercises functional control over related contract education and training courses with civilian universities. Courses include the DoD Joint Course in Communications, Photojournalism, and Motion Media.

II. Description of Operations Financed:

• Armed Forces Radio and Television Service Broadcast Center - acquires, transmits, duplicates, and distributes radio and television broadcast programming to the worldwide audience.

• Armed Forces Radio and Television Service Satellite Networks - broadcasts "live" television and radio news, sports, special events, and command information programming to forces worldwide.

• Contract production of command and other internal information announcements - services acquired to replace commercial radio and television advertisements in programming broadcast overseas.

• Centrally acquired Defense joint-Service publications, films, and videotape products filling internal information requirements of the Military Departments.

II. Description of Operations Financed (Cont.):

• Stars and Stripes Newspapers - supports production, printing, and distribution of the Stars and Stripes newspapers for U.S. servicemembers, their families, and DoD civilians stationed overseas.

• Writing, producing, editing, gathering, and publishing printed material to inform the DoD uniformed and civilian personnel and their families.

• Auditing Defense publications, civilian-enterprise newspapers, and the Stars and Stripes newspapers for compliance with current DoD policy on advertising and other content.

• DoD Joint Combat Camera Center - receives, via satellite from deployed Combat Camera forces, digital still and motion imagery of current military operations; processes those images and electronically distributes them to the National Command Authority, Military Departments, the OSD, the Joint Staff, the Combatant Commands, to support time critical planning and information requirements. Current imagery is also made available to DoD users at every command level through the use of a restricted World Wide Web site and CD-ROMs.

• Program management, including Defense audiovisual policy coordination with all Federal agencies and audiovisual program reports to the Congress.

• Negotiation of Armed Forces Radio and Television broadcast frequency rights, international agreements, worldwide performing rights, and copyrights.

• Television-Audio Support Activity - provides design, engineering, acquisition, logistical and life-cycle support of commercial off-the-shelf, non-developmental radio, television, audiovisual, and visual information equipment and systems.

• The Defense Visual Information Center (DVIC) - as the DoD central repository, provides still and motion imagery of significant U.S. military operations and activities. The DVIC collects, manages, and distributes selected general purpose DoD motion and still imagery materials and catalogs them for use by DoD Components, the government, and private sector. An electronic database is nearing completion to provide DoD, other government agencies, and the American Public with on-line information on the content and availability of these images. The images are used in

II. Description of Operations Financed (Cont.):

support of operational and equipment evaluations, environmental and legal documentation, battlefield damage assessments, and as a primary source of historical data.

• With the digitization of the battlefield and the growing reliance on imagery for decision making, the image holdings of the DVIC have taken on a greater importance. DVIC images are being used at an ever growing rate to produce visual information products for training, planning, and internal communications. Also due to the expanding availability of video equipment, more video records are being created as an integral part of military operations. These records are sent to the DVIC so that DoD users will have access to important motion imagery. Still film holdings are now being converted to a digital format and placed on an imagery World Wide Web server for improved DoD access.

• Training at Defense Schools of Information and Photography - provides joint-Service training to all Defense personnel in the career fields of Public Affairs and Visual Information to include related equipment maintenance.

• The student loading for the schools is based on actual attendance to date and projections by the Military Services for attendance in the years FY 1998 through FY 2003. Although the Services are drawing down, training provided by the schools is increasing because of the Services' requirements to cross train personnel for "dual qualification" across career fields, the fielding of emergent technologies such as digital imaging, and the transfer of functions to the Reserve Components which creates training requirements for them.

• DoD Joint Course in Communications - provides contract university-level training in public affairs, including communications theory and research. Photojournalism and Motion Media - provides contract advanced skill training in photojournalism/writing and video photography/broadcast journalism respectively.

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

A. Activity Group	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. BA-3 Trng & Recruiting	14,154	11,844	11,844	11,344	11,059
2. BA-4 Admin and Svcwide	90,220	94,698	94,698	93,233	93,815
Total	104,374	106,542	106,542	104,577	104,874

B. Reconciliation Summary

	Change FY 1998-FY 1998	Change FY 1998-FY 1999
Baseline Funding	106,542	104,577
Congressional Adjustments	(1,681)	
Price Changes		2,155
Functional Transfer		
Program Changes	(284)	(1,858)
Current Estimate	104,577	104,874

III. FINANCIAL SUMMARY (O&M $ in Thousands) (Cont) :

C. Price and Program Change	FY 1997 Actual	Change FY 1997-FY 1998 Price Growth	Change FY 1997-FY 1998 Program Growth	FY 1998 Estimate	Price Growth	Change FY 1998-FY 1999 Program Growth	FY 1999 Estimate
General Schedule	20,721	615	(861)	20,475	739	(753)	20,461
Wage Board	154	4	(1)	157	6	(2)	161
Voluntary Separation Incentive	385	0	240	625	0	(50)	575
Disability Compensation	105	0	(64)	41	0	0	41
Travel of Persons	995	15	340	1,350	22	(89)	1,283
Locally Procured DWCF Managed S	13	0	(0)	13	0	(0)	13
Army DWCF Equipment	23	1	(3)	21	2	4	27
Navy DWCF Equipment	0	0	0	0	0	0	0
Navy Public Works Centers	6	0	(6)	0	0	0	0
Pentagon Reservation Maintenanc	146	2	22	170	94	(59)	205
Defense Finance & Accounting Sv	529	(67)	79	541	20	(13)	548
Commercial Transportation	1,220	18	1,138	2,376	38	(318)	2,096
Rental Payments to GSA Leases	788	0	804	1,592	0	28	1,620
Purchased Utilities (Non-DWCF)	512	8	142	662	11	1	674
Purchased Communications (Non-D	23,687	355	578	24,620	394	937	25,951
Rents (Non-GSA)	664	10	(502)	172	3	8	183
Postal Svcs (U.S.P.S.)	139	0	(5)	134	0	1	135
Supplies & Materials (Non-DWCF)	4,492	67	(1,414)	3,145	50	(275)	2,920
Printing & Reproduction	1,285	19	3,043	4,347	70	467	4,884
Equipment Maintenance By Contra	3,423	51	166	3,640	58	1,741	5,439
Facility Maintenance By Contrac	413	6	(70)	349	6	0	355
Equipment Purchases (Non-DWCF)	10,632	159	(5,980)	4,811	77	(2,351)	2,537
Other Contracts	34,042	511	783	35,336	565	(1,135)	34,766
Total	104,374	1,774	1,571	104,577	2,155	(1,858)	104,874

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

D. Reconciliation of Increases and Decreases:

1.	FY 1998 President's Budget (As amended)		106,542
2.	FY 1998 Appropriated Amount		106,542
3.	Congressional Adjustments (Undistributed):		
	a. QDR Savings	-391	
	b. Civilian Personnel Underexecution	-500	
	c. Revised Economic Assumptions	-545	
	d. Defense Automated Printing Service	-82	
	e. Congressional Earmarks (Total)	-163	
	Total Congressional Adjustments (Undistributed)		-1,681
4.	Program Decreases		
	Program reductions to fund higher priority programs.		-284
5.	FY 1998 Current Estimate		104,577
6.	Price Changes		2,155
7.	Functional Transfers - Increases		
	Funds transferred from Air Force for broadcast TV maintenance and repair support costs at the Defense Information School.		1,200

III. Financial Summary (O&OM $ in Thousands) (Cont.)

8. Program Increases

a. General Schedule Payroll: Modest program increase.	9
b. Purchased Communications (Non-DWCF): Telecommunications costs for FY 1999 represent a full year's estimate for the Stars & Stripes and the Defense Information School consolidated operation.	937
c. Printing & Reproduction: Printing costs for FY 1999 represent a full year's estimate for the Stars & Stripes and DINFOS consolidated operation.	467
d. Equipment Maintenance by Contract: Maintenance costs increase as a direct result of warranties expiring on equipment for the Stars & Stripes and the Defense Information School.	541
e. Nominal Increases: Army DWCF Equipment, Rental payments to GSA Leases (SLUC), Purchased Utilities (Non-DWCF), Rents (Non-GSA), Postal Services (USPS).	153
Total Program Increases	2,107

9. Program Decreases

a. General Schedule Payroll: Personnel reductions achieved consistent with the NPR and QDR by review and restructuring of mission requirements, revising work processes, and enhanced utilization of evolving technologies.	-762

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

D. Reconciliation of Increases and Decreases:

9. Program Decreases (Cont.)

b. Commercial Transportation: Conversion to increased remote remote printing for Stars & Stripes will reduce shipping costs for newspapers. -316

c. Supplies & Materials (Non-DWCF): Conversion to remote printing for consolidated Stars & Stripes reduces requirement for blank paper stock; completed consolidation of the Defense Information School will diminish supply requirements. -275

d. Equipment Purchases (Non-DWCF): Primary purchase of ADP equipment for consolidated U.S. based Stars & Stripes Office accomplished in FY 1998. The Defense Information School began final consolidation into a newly constructed facility in late FY 1997. Procurement of systems and classroom furniture began in FY 1997 continuing at a lesser pace in the outyears. -2,351

e. Other Contracts: A two year contract for development and implementation of systems integration for the newly constructed DINFOS expires 30 September 1998. -1,246

f. Nominal Decreases: Wage Board Payroll, VSIP, Travel of Persons, Pentagon Reservation Maintenance, Defense Finance & Accounting Services, Commercial Transportation. -215

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

D. Reconciliation of Increases and Decreases:

Total Program Decreases	-5,165
10. FY 1999 Budget Request	104,874

IV. Performance Criteria and Evaluation Summary:

PRINT MEDIA	FY 1997	FY 1998	FY 1999
Hard copies of command information publications	2,118,400	1,252,000	1,001,000
Number of accesses of electronic products	N/A	3,572,000	4,992,000

Justification: Command Information publications contibute to the readiness, morale, and welfare of servicemembers, DoD civilian employees, and their families. Beginning in FY 1998, hard-copy distribution is being terminated for selected command information publications. Electronic distribution via the Internet's World Wide Web, electronic mail, and computer bulletin boards is being accomplished in place of, or in addition to, hard copy dissemination. The data on electronic command information products is based on the number of accessions, or hits, from computer systems from within, and outside of, Department of Defense sites. These numbers reflect that computer users have accessed the site upon which the products reside. As a consequence, the number of hard copies of publications is decreasing, while the number of electronic accessions will increase.

ARMED FORCES RADIO & TELEVISION SERVICE - BROADCAST CENTER	FY 1997	FY 1998	FY 1999
Countries receiving radio and/or TV programming	156	156	156
TV/radio satellite receive dishes in use worldwide (land based)	490	620	950
Radio only satellite receive dishes in use worldwide	352	300	300
Navy ships receiving radio & television programming	360	340	300
News files released by AFRTS News Center (video & audio)	520	520	520
Hours of radio programming (recorded)	2,080	312	312
Satellite radio news, sports service, 24 hours/day	8,760	8,760	8,760
Satellite radio music service, 24 hours/day	52,560	70,080	70,080
Hours of TV programming (recorded)	4,782	2,600	2,600
Hours of TV program duplication	145,600	65,000	65,000
Satellite TV programming, 24 hours/day	26,280	26,280	26,280
Units of radio/TV internal information spots produced	431	350	350

Justification: AFRTS provides American radio and television products and services to U.S. forces overseas and on-board Navy ships. Both recorded and satellite delivered live radio and television programming is used in support of this mission. As additional services are placed on the satellites used by AFRTS, the requirement for recorded programming that must be mailed to overseas outlets will decrease beginning in FY 2000. The increase in land based TV and radio satellite receive dishes is due to the expanded use of AFRTS worldwide satellite transmissions which consequently reduce the hours of recorded TV and radio programming.

TELEVISION-AUDIO SUPPORT ACTIVITY (T-ASA)	FY 1997	FY 1998	FY 1999
Purchase requests processed	6,680	6,500	6,000
Material release orders	8,894	8,500	8,000
Number of Military Standard Requisitioning System Process (MILSTRIP) requisitions	7,372	6,500	6,000
Catalog items (management control number assignments)	21,274	21,500	21,000

Justification: The T-ASA provides design, engineering, procurement, logistical, and life-cycle management support for broadcasting, audiovisual, visual information equipment and systems throughout the DoD. Due to the increased use of the International Merchant Purchase Authorization (IMPAC) card in the field, increased bulk buys (i.e., video compression and Air Force Broadcast Service projects), T-ASA shipping more items via direct shipment, and the continued budget reductions for T-ASA's customers, the number of catalog items, MILSTRIP, Purchase Requests, and Material Release Orders processed will continue to decrease.

DEFENSE VISUAL INFORMATION CENTER	FY 1997	FY 1998	FY 1999
Motion picture film accessioned by feet	60,500	40,000	30,000
Minutes of video tape accessioned	77,300	80,000	82,000
Customer requests completed	12,850	13,500	14,000
Minutes of motion picture film to videotape transfer	1,200	1,000	750
Minutes of videotape duplication	968,000	1,200,000	200,000
Still Images Accessioned	2,900	5,000	10,000
Still Images Reproduced	44,900	65,000	72,000

Justification: The Defense Visual Information Center (DVIC) provides safekeeping, quick access, and management oversight for all significant Department of Defense(DoD)imagery records in accordance with federal records preservation statutes. The DVIC is operated as a Government-Owned Contractor-Operated(GOCO)facility. The DoD has made significant improvements in administering these important visual records since consolidating the motion and still image record centers into the DVIC in FY 1995. Since FY 1995, all still and motion imagery holdings have been electronically cataloged for fast and easy retrieval by DoD users. In addition, the still imagery holdings of the DVIC have been digitized to enable remote electronic access to this operational imagery. Key portions of the motion imagery holdings will also be digitized to give DoD decision makers near real-time access to significant motion footage.

Motion Picture Film Accessioning (feet) - The Department of Defense is converting from high-speed motion picture film to shuttered video systems consequently motion picture film accessions are decreased. Shuttered video systems are less expensive to maintain, use standard commercially available videotape stock, and eliminate the bioenvironmental hazards associated with motion picture film processing.

Videotape Accessioned (minutes) - Greater reliance upon the DVIC by the Military Services as the central DoD repository facility for motion and still media products, and increased DoD conversion of motion picture film to videotape results in a continuing increase of videotape materials accessioned.

Customer Requests Completed - Customer requests continue to grow as DoD customers continue to increase their confidence in and reliance on DVIC's new storage, search, and retrieval technologies which have proven to be extremely reliable and have shortened work order processing time by 50%.

Motion Picture Film to Videotape Transfer (minutes) - This specialized transfer service was outsourced in FY 1997 to control costs and increase efficiency. Overall demand for film-to-tape transfers continue to diminish.

Videotape Duplication (minutes) - Duplication minutes continue to rise as Military Departments' requests for copies of DVIC holdings increase. DVIC also provides duplication services in support of the Armed Forces Radio and Television Service-Broadcast Center.

Still Images Accessioned - Increases in still imagery accessioned from the Military Departments continue as the Services increase their confidence in, and reliance upon, the DVIC as the central imagery repository for the Department.

Still Images Reproduced - Demand for DVIC still imagery holdings is rising significantly as the

Military Services increase their confidence in, and reliance upon, the DVIC as the central imagery repository for the Department.

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Defense Information School	FY 1997	FY 1998*	FY 1999*
Student Load	3,104	3,519*	3,729*

Justification: The mission of the Defense Information School is to provide trained personnel qualified in joint and Service specific Public Affairs and Visual Information occupational specialties. Resources currently allocated as shown in associated documents, pay for all base operating support, except that directly related to the student support; for the variable costs of operating the school under the student load shown above. Budgeted funds pay for consumable supplies and repair parts used in instruction; for the services required to operate the school; and equipment to support the student load based on Military Service projections at the annual Structure and Manning Decision Review.

*Based upon estimates provided by the Military Services at the Structure and Manning Decision Review.

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V. Personnel Summary:	FY 1997	FY 1998	FY 1999	Change FY 1997/FY 1998	Change FY 1998/FY 1999
Military End Strength					
Officer	52	55	54	3	-1
Enlisted	289	327	297	38	-30
Total	341	382	351	41	-31
Civilian End Strength					
USDH	334	304	283	-30	-21
Military Average Strength					
Officer	52	55	54	3	-1
Enlisted	289	327	297	38	-30
Total	341	382	351	41	-31
Civilian FTEs					
USDH	336	314	302	-22	-12

American Forces Information Service
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates
Budget Activity 3 - Training and Recruiting

I. Narrative Description:

The American Forces Information Service provides all DoD training for military and civilian personnel in the career fields of Public Affairs and Visual Information. Has direct responsibility for:

• Defense Information and Photography Schools - trains an approximate annual average of 3,600 military and civilian personnel as well as international students in broadcasting, journalism, media relations, Combat Camera, still and video photography, electronic imaging, audiovisual, visual information, graphics and related equipment maintenance. During FY 1998, the Defense Photography School will relocate and consolidate with the Defense Information School into one joint-Service training activity at Ft. Meade, MD.

• Related Contract Courses - exercises functional control over related contract education and training courses with civilian universities. Courses include the DoD Joint Course in Communications, Photojournalism, and Motion Media.

II. Description of Operations Financed:

• Training at Defense Schools of Information and Photography - provides joint-Service training to all Defense personnel in the career fields of Public Affairs and Visual Information to include related equipment maintenance.

• The student loading for the schools is based on actual attendance to date and projections by the Military Service for attendance in the years FY 1998 through FY 2003. Although the Services are drawing down, training provided by the schools remains at a high level because of the Services' requirements to cross train personnel for "dual qualification" across career fields, the fielding of emergent technologies such as digital imaging, and the transfer of functions to the Reserve Components.

• DoD Joint Course in Communications - provides contract university-level training in public affairs, including communications theory and research supplemented by practical exercises (CAPSTONE projects). Photojournalism and Motion Media - provides contract advanced skill training in photojournalism/writing and video photography/broadcast journalism respectively.

AMERICAN FORCES INFORMATION SERVICE
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
BUDGET ACTIVITY 3 - TRAINING AND RECRUITING

III. FINANCIAL SUMMARY (O&M $ in Thousands) :

		FY 1998			
	FY 1997	Budget Request	Appropriation	Current Estimate	FY 1999 Estimate
A. Activity Group					
1. BA-3 Training and Recruiting	14,154	11,844	11,844	11,344	11,059
Total	14,154	11,844	11,844	11,344	11,059

B. Reconciliation Summary:

	Change FY 1998-FY 1998	Change FY 1998-FY 1999
Baseline Funding	11,844	11,344
Congressional Adjustments	(431)	
Price Growth		260
Functional Transfer		
Program Changes	(69)	(545)
Current Estimates	11,344	11,059

C. Price and Program Change

	FY 1997 Actual	Change FY 1997-FY 1998 Price Growth	Program Growth	FY 1998 Estimate	Change FY 1998-FY 1999 Price Growth	Program Growth	FY 1999 Estimate
General Schedule	2,495	89	43	2,627	121	9	2,757
Wage Board	0	0	0	0	0	0	0
Voluntary Separation Incentive Payments	0	0	0	0	0	0	0
Disability Compensation	0	0	0	0	0	0	0
Travel of Persons	229	3	12	244	4	(12)	236
Locally Procured DWCF Managed Sup & Mat	8	0	(0)	8	0	(0)	8
Army DWCF Equipment	0	0	0	0	0	0	0
Navy DWCF Equipment	0	0	0	0	0	0	0
Navy Public Works Centers	6	0	(6)	0	0	0	0
Pentagon Reservation Maintenance	0	0	0	0	0	0	0
Defense Finance & Acctg Svcs	0	0	0	0	0	0	0
Commercial Transportation	1	0	2	3	0	(2)	1
Rental Payments to GSA Leases (SLUC)	0	0	0	0	0	0	0
Purchased Utilities (Non-DWCF)	0	0	0	0	0	0	0
Purchased Communications (Non-DWCF)	21	0	47	68	1	169	238
Rents (Non-GSA)	532	8	(494)	46	1	0	47
Postal Svcs (U.S.P.S.)	5	0	2	7	0	0	7
Supplies & Materials (Non-DWCF)	614	9	(127)	496	8	(48)	456
Printing & Reproduction	103	2	(8)	97	2	6	105
Equipment Maintenance By Contract	831	12	188	1,031	16	1,250	2,297
Facility Maintenance By Contract	0	0	0	0	0	0	0
Equipment Purchases (Non-DWCF)	4,395	66	(2,768)	1,693	27	(671)	1,049
Other Contracts	4,914	74	36	5,024	80	(1,246)	3,858
Total	14,154	263	(3,073)	11,344	260	(545)	11,059

American Forces Information Service
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Budget Activity 3 - Training and Recruiting

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

D. Reconciliation of Increases and Decreases:

1.	FY 1998 President's Budget (As Amended)		11,844
2.	FY 1998 Appropriated Amount		11,844
3.	Congressional Adjustments (Undistributed):		
	a. Civilian Personnel Underexecution	-120	
	b. Revised Economic Assumptions	-214	
	c. Defense Automated Printing Service	-31	
	d. Congressional Earmarks (Total)	-66	
	Total Congressional Adjustments (Undistributed)		-431
4.	Program Decreases		
	Program reductions to fund higher priority programs.		-69
5.	FY 1998 Current Estimate		11,344
6.	Price Changes		260
7.	Functional Transfers - Increase		
	Funds transferred from Air Force for broadcast TV maintenance and repair support costs at the Defense Information School.		1,200

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FY 1999 Amended Budget Estimates
Budget Activity 3 - Training and Recruiting

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

D. Reconciliation of Increases and Decreases:

8.	Program Increases	
	a. General Schedule: Modest program increase.	9
	b. Purchased Communications (Non-DWCF): Telecommunication costs for FY 1999 represent a full year's estimate for the Defense Information School.	169
	c. Printing and Reproduction: Modest program increase.	6
	d. Equipment Maintenance by Contract: Maintenance costs increase as a direct result of warranties expiring on equipment for the Defense Information School.	50
	Total Program Increases	234
9.	Program Decreases	
	a. Supplies & Materials (Non-DWCF): Completed consolidation of the Defense Information School	-48
	b. Equipment Purchases(Non-DWCF) - The DINFOS began final consolidation into a newly constructed facility in late FY 1997. Procurement of systems and classroom furniture, and life cycle replacement of training equipment began in FY 1997 continuing at a lesser pace in FY 1998 and the outyears.	-671

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

D. Reconciliation of Increases and Decreases:

9. Program Decreases (Cont.)

c. Other Contracts - A two year contract for development and implementation of systems integration for the newly constructed DINFOS expires 30 September 1998; funds reprogrammed to equipment maintenance to cover expiring warranties.	-1,246	
d. Negligible Decreases - Travel of Persons, and Commercial Transportation.	-14	
Total Program Decreases		-1,979
10. FY 1999 Budget Request		11,059

IV. Performance Criteria and Evaluation Summary:

Defense Information School	FY 1997	FY 1998*	FY 1999*
Student Load	3,104	3,519*	3,729*

Justification: The mission of the Defense Information School is to "provide trained personnel qualified in joint and Service specific Public Affairs and Visual Information occupational specialties. Resources currently allocated as shown in associated documents, pay for all base operating support, except that directly related to the student support; for the variable costs of operating the school under the student load shown above. Budgeted funds pay for consumable

supplies and repair parts used in instruction; for the services required to operate the school; and equipment to support the student load based on Military Service Projections at the annual Structure and Manning Decision Review.

*Based upon estimates provided by the military services at the Structure and Manning Decision Review.

V. Personnel Summary:	FY 1997	FY 1998	FY 1999	Change FY 1997/FY 1998	Change FY 1998/FY 1999
Military End Strength					
Officer	30	33	29	3	-4
Enlisted	230	255	234	25	-21
Total	260	288	263	28	-25
Civilian End Strength					
USDH	50	51	51	1	0
Military Workyears					
Officer	30	33	29	3	-1
Enlisted	230	255	234	25	-21
Total	260	388	263	28	-25
Civilian FTEs					
USDH	50	51	51	1	0

American Forces Information Service
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Budget Activity 4 - Administration and Servicewide Activities

I. Narrative Description:

The American Forces Information Service directs all internal information, audiovisual and visual information policies and activities for the DoD; produces and distributes command information, news, sports, and current events broadcast radio/television and printed information to the DoD internal audience of over 1 million active and 1 million reserve and National Guard military personnel, 807 thousand DoD civilians--including Servicemembers at sea and overseas--and their families; formulates policy and manages the DoD Visual Information and Audiovisual Programs, the Combat Camera operations in DoD, and the centralized management of selected DoD motion and still imagery; engineers, acquires, and performs life-cycle maintenance of commercial, off-the-shelf radio and television broadcast, visual information, and audiovisual equipment related systems for DoD activities; and oversees the business and financial operations of the Stars and Stripes newspapers. Operational elements are:

• Armed Forces Radio and Television Service (AFRTS) - broadcasts command information, news, sports, current events, and entertainment overseas and at sea to uniformed, civilian employees, and family personnel via 700 AFRTS outlets in 156 countries and 300-plus ships.

• Print Media Directorate - operates a news service which writes and publishes numerous products explaining Defense policy, programs, and procedures; establishes policy for Defense internal information publications; produces the "Early Bird", other products and services for National Command Authority decision makers and Combatant Commanders, and through oversight of the Stars and Stripes Newspapers, provides hometown news to military and DoD civilian audience deployed in the European, Central, and Pacific Commands.

• DoD Joint Combat Camera Center - receives, processes, and distributes digital still and video imagery of current military operations for use by the National Command Authority, Joint Staff, and Combatant Commands in support of decision making, battlefield situational awareness, information warfare, and legal and historical documentation.

• Defense Visual Information Center - serves as the DoD central repository for the collection, management, and distribution of significant still and motion imagery which documents the operations and activities of U.S. military forces.

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Budget Activity 4 - Administration and Servicewide Activities

I. Narrative Description (Cont.):

• Television-Audio Support Activity - provides engineering, procurement, and life-cycle maintenance of commercial, off-the-shelf radio-television broadcast, audiovisual, and visual information equipment and systems to DoD and other government activities.

II. Description of Operations Financed:

• Armed Forces Radio and Television Service Broadcast Center - acquires, transmits, duplicates, and distributes radio and television broadcast programming to the worldwide audience.

• Armed Forces Radio and Television Service Satellite Networks - broadcasts "live" television and radio news, sports, special events, and command information programming to forces worldwide.

• Contract production of command and other internal information announcements - services acquired to replace commercial radio and television advertisements in programming broadcast overseas.

• Centrally acquired Defense joint-Service publications, films, and videotape products filling internal information requirements of the Military Departments.

• Stars and Stripes Newspapers - supports production, printing, and distribution of the Stars and Stripes newspapers for U.S. servicemembers, their families, and DoD civilians stationed overseas.

• Writing, producing, editing, gathering, and publishing printed material to inform the DoD uniformed and civilian personnel and their families.

• Auditing Defense publications, civilian-enterprise newspapers, and the Stars and Stripes newspapers for compliance with current DoD policy on advertising and other content.

II. Description of Operations Financed (Cont.):

• DoD Joint Combat Camera Center - receives, via satellite from deployed Combat Camera forces, digital still and motion imagery of current military operations; processes those images and electronically distributes them to the National Command Authority, Military Departments, the OSD, the Joint Staff, the Combatant Commands, to support time critical planning and information requirements. Current imagery is also made available to DoD users at every command level through the use of a restricted World Wide Web site and CD-ROMs.

• Program management, including Defense audiovisual policy coordination with all Federal agencies and audiovisual program reports to the Congress.

• Negotiation of Armed Forces Radio and Television broadcast frequency rights, international agreements, worldwide performing rights, and copyrights.

• Television-Audio Support Activity - provides design, engineering, acquisition, logistical and life-cycle support of commercial off-the-shelf, non-developmental radio, television, audiovisual, and visual information equipment and systems.

• The Defense Visual Information Center (DVIC) - as the DoD central repository, provides still and motion imagery of significant U.S. military operations and activities. The DVIC collects, manages, and distributes selected general purpose DoD motion and still imagery materials and catalogs them for use by DoD Components, the government, and private sector. An electronic database is nearing completion to provide DoD, other government agencies, and the American Public with on-line information on the content and availability of these images. The images are used in support of operational and equipment evaluations, environmental and legal documentation, battlefield damage assessments, and as a primary source of historical data.

• With the digitization of the battlefield and the growing reliance on imagery for decision making, the image holdings of the DVIC have taken on a greater importance. DVIC images are being used at an ever growing rate to produce visual information products for training, planning, and internal communications. Also due to the expanding availability of video equipment, more video

records are being created as an integral part of military operations. These records are sent to the DVIC so that DoD users will have access to important motion imagery. Still film holdings are now being converted to a digital format and placed on an imagery World Wide Web server for improved DoD access.

AMERICAN FORCES INFORMATION SERVICE
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
BUDGET ACTIVITY 4 - ADMINISTRATION AND SERVICE ACTIVITIES

III. FINANCIAL SUMMARY (O&M $ In Thousands) :

		FY 1998			
	FY 1997	Budget Request	Appropriation	Current Estimate	FY 1999 Estimate
A. Activity Group					
1. BA-4 Administration and Servicewide Activities	90,220	94,698	98,698	93,233	93,815
Total	90,220	94,698	98,698	93,233	93,815

B. Reconciliation Summary:

	Change FY 1998-FY 1998	Change FY 1998-FY 1999
Baseline Funding	94,698	93,233
Congressional Adjustments	(1,250)	
Price Growth		1,895
Functional Transfer		
Program Changes	(215)	(1,313)
Current Estimates	93,233	93,815

C. Price and Program Change

	FY 1997 Actual	Change FY 1997-FY 1998 Price Growth	Change FY 1997-FY 1998 Program Growth	FY 1998 Estimate	Change FY 1998-FY 1999 Price Growth	Change FY 1998-FY 1999 Program Growth	FY 1999 Estimate
General Schedule	18,226	526	(904)	17,848	618	(762)	17,704
Wage Board	154	4	(1)	157	6	(2)	161
Voluntary Separation Incentive Payments	385	0	240	625	0	(50)	575
Disability Compensation	105	0	(64)	41	0	0	41
Travel of Persons	766	11	329	1,106	18	(77)	1,047
Locally Procured DWCF Managed Sup & Mat	5	0	(0)	5	0	(0)	5
Army DWCF Equipment	23	1	(3)	21	2	4	27
Navy DWCF Equipment	0	0	0	0	0	0	0
Navy Public Works Centers	0	0	0	0	0	0	0
Pentagon Reservation Maintenance	146	2	22	170	94	(59)	205
Defense Finance & Acctg Svcs	529	(67)	79	541	20	(13)	548
Commercial Transportation	1,219	18	1,136	2,373	38	(316)	2,095
Rental Payments to GSA Leases (SLUC)	788	0	804	1,592	0	28	1,620
Purchased Utilities (Non-DWCF)	512	8	142	662	11	1	674
Purchased Communications (Non-DWCF)	23,666	355	531	24,552	393	768	25,713
Rents (Non-GSA)	132	2	(8)	126	2	8	136
Postal Svcs (U.S.P.S.)	134	0	(7)	127	0	1	128
Supplies & Materials (Non-DWCF)	3,878	58	(1,287)	2,649	42	(227)	2,464
Printing & Reproduction	1,182	18	3,050	4,250	68	461	4,779
Equipment Maintenance By Contract	2,592	39	(22)	2,609	42	491	3,142
Facility Maintenance By Contract	413	6	(70)	349	6	0	355
Equipment Purchases (Non-DWCF)	6,237	94	(3,213)	3,118	50	(1,680)	1,488
Other Contracts	29,128	437	747	30,312	485	111	30,908
Total	90,220	1,512	1,501	93,233	1,895	(1,313)	93,815

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

D. Reconciliation of Increases and Decreases:

1. FY 1998 President's Budget (As amended)		94,698
2. FY 1998 Appropriated Amount		94,698
3. Congressional Adjustments (Undistributed):		
a. QDR Savings	-391	
b. Civilian Personnel Underexecution	-380	
c. Revised Economic Assumptions	-331	
d. Defense Automated Printing Service	-51	
e. Congressional Earmarks (Total)	-97	
Total Congressional Adjustments (Undistributed)		-1,250
4. Program Decreases		
Program reductions to fund higher priority programs.		-215
5. FY 1998 Current Estimate		93,233
6. Price Changes		1,895

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

D. Reconciliation of Increases and Decreases:

6. Program Increases

a.	Purchased Communications (Non-DWCF): Telecommunications costs for FY 1999 represent a full year's estimate for the Stars & Stripes consolidated operation.	768
b.	Printing & Reproduction: Printing costs for FY 1999 represent a full year's estimate for the Stars & Stripes and DINFOS consolidated operation.	461
c.	Equipment Maintenance by Contract: Maintenance costs increase as a direct result of warranties expiring on equipment for the Stars & Stripes.	491
d.	Nominal Increases: Army DWCF Equipment, Rental payments to GSA Leases (SLUC), Purchased Utilities (Non-DWCF), Rents (Non-GSA), Postal Services (USPS), Other Contracts.	153
	Total Program Increases	1,873

7. Program Decreases

a.	General Schedule Payroll: Personnel reductions achieved consistent with the NPR and QDR by review and restructuring of mission requirements, revising	-762

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

D. Reconciliation of Increases and Decreases:

7. Program Decreases (Cont.)

work processes, and enhanced utilization of evolving technologies.

b.	Commercial Transportation: Conversion to increased remote printing for Stars & Stripes will reduce shipping costs for newspapers.	-316
c.	Supplies & Materials (Non-DWCF): Conversion to remote printing for consolidated Stars & Stripes reduces requirement for blank paper stock.	-227
d.	Equipment Purchases (Non-DWCF): Primary purchase of ADP equipment for consolidated U.S. based Stars & Stripes Office accomplished in FY 1998.	-1,680
e.	Nominal Decreases: Wage Board Payroll, VSIP, Travel of Persons, Pentagon Reservation Maintenance, Defense Finance & Accounting Services.	-201

8.	Total Program Decreases	-3,186
9.	FY 1999 Budget Request	93,815

American Forces Information Service
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates
Budget Activity 4 - Administration and Servicewide Activities

IV. Performance Criteria and Evaluation Summary:

PRINT MEDIA	FY 1997	FY 1998	FY 1999
Hard copies of command information publications	2,118,400	1,252,000	1,001,000
Number of accesses of electronic products	N/A	3,572,000	4,992,000

Justification: Command Information publications contibute to the readiness, morale, and welfare of servicemembers, DoD civilian employees and their families. Beginning in FY 1998, hard-copy distribution is being terminated for selected command information publications. Electronic distribution via the Internet's World Wide Web, electronic mail, and computer bulletin boards is being accomplished in place of, or in addition to, hard copy dissemination. The data on electronic command information products is based on the number of accessions, or hits, from computer systems from within, and outside of, Department of Defense sites. These numbers reflect that computer users have accessed the site upon which the products reside. As a consequence, the number of hard copies of publications is decreasing, while the number of electronic accessions will increase.

ARMED FORCES RADIO & TELEVISION SERVICE - BROADCAST CENTER	FY 1997	FY 1998	FY 1999
Countries receiving radio and/or TV programming	156	156	156
TV/radio satellite receive dishes in use worldwide (land based)	490	300	300
Navy ships receiving radio & television programming	360	340	300
News files released by AFRTS News Center (video & audio)	520	520	520
Hours of radio programming (recorded)	2,080	312	312
Satellite radio news, sports service, 24 hours/day	8,760	8,760	8,760
Satellite radio music service, 24 hours/day	52,560	70,080	70,080
Hours of TV programming (recorded)	4,782	2,600	2,600
Hours of TV program duplication	145,600	65,000	65,000
Satellite TV programming, 24 hours/day	26,280	26,280	26,280
Units of radio/TV internal information spots produced	431	350	350

IV. Performance Criteria and Evaluation Summary (Cont.)

Justification: AFRTS provides American radio and television products and services to U.S. forces overseas and on-board Navy ships. Both recorded and satellite delivered live radio and television programming is used in support of this mission. As additional services are placed on the satellites used by AFRTS, the requirement for recorded programming that must be mailed to overseas outlets will decrease beginning in FY 2000. The increase in land based TV and radio satellite receive dishes is due to the expanded use of AFRTS worldwide satellite transmissions which consequently reduce the hours of recorded TV and radio programming.

TELEVISION-AUDIO SUPPORT ACTIVITY (T-ASA)	FY 1997	FY 1998	FY 1999
Purchase requests processed	6,680	6,500	6,000
Material release orders	8,894	8,500	8,000
Number of Military Standard Requisitioning System Process (MILSTRIP) requisitions	7,372	6,500	6,000
Catalog items (management control number assignments)	21,274	21,500	21,000

Justification: The T-ASA provides design, engineering, procurement, logistical, and life-cycle management support for broadcasting, audiovisual, visual information equipment and systems throughout the DoD. Due to the increased use of the International Merchant Purchase Authorization (IMPAC) card in the field, increased bulk buys (i.e., video compression and Air Force Broadcast Service projects), T-ASA shipping more items via direct shipment, and the continued budget reductions for T-ASA's customers, the number of catalog items, MILSTRIP, Purchase Requests, and Material Release Orders processed will continue to decrease.

IV. Performance Criteria and Evaluation Summary (Cont.):

DEFENSE VISUAL INFORMATION CENTER	FY 1997	FY 1998	FY 1999
Motion picture film accessioned by feet	60,500	40,000	30,000
Minutes of video tape accessioned	77,300	80,000	82,000
Customer requests completed	12,850	13,500	14,000
Minutes of motion picture film to videotape transfer	1,200	1,000	750
Minutes of videotape duplication	968,000	1,200,000	1,200,000
Still Images Accessioned	2,900	5,000	10,000
Still Images Reproduced	44,900	65,000	72,000

Justification: The Defense Visual Information Center (DVIC) provides safekeeping, quick access, and management oversight for all significant Department of Defense(DoD)imagery records in accordance with federal records preservation statutes. The DVIC is operated as a Government-Owned Contractor-Operated(GOCO)facility. The DoD has made significant improvements in administering these important visual records since consolidating the motion and still image record centers into the DVIC in FY 1995. Since FY 1995, all still and motion imagery holdings have been electronically cataloged for fast and easy retrieval by DoD users. In addition, the still imagery holdings of the DVIC have been digitized to enable remote electronic access to this operational imagery. Key portions of the motion imagery holdings will also be digitized to give DoD decision makers near real-time access to significant motion footage.

Motion Picture Film Accessioning (feet) - The Department of Defense is converting from high-speed motion picture film to shuttered video systems consequently motion picture film accessions are decreased. Shuttered video systems are less expensive to maintain, use standard commercially available videotape stock, and eliminate the bioenvironmental hazards associated with motion picture film processing.

Videotape Accessioned (minutes) - Greater reliance upon the DVIC by the Military Services as the central DoD repository facility for motion and still media products, and increased DoD conversion of motion picture film to videotape results in a continuing increase of videotape materials accessioned.

IV. Performance Criteria and Evaluation Summary (Cont.):

Customer Requests Completed - Customer requests continue to grow as DoD customers continue to increase their confidence in and reliance on DVIC's new storage, search, and retrieval technologies which have proven to be extremely reliable and have shortened work order processing time by 50%.

Motion Picture Film to Videotape Transfer (minutes) - This specialized transfer service was outsourced in FY 97 to control costs and increase efficiency. Overall demand for film-to-tape transfers continue to diminish.

Videotape Duplication (minutes) - Duplication minutes continue to rise as Military Departments' requests for copies of DVIC holdings increase. DVIC also provides duplication services in support of the Armed Forces Radio and Television Service-Broadcast Center.

Still Images Accessioned - Increases in still imagery accessioned from the Military Departments continue as the Services increase their confidence in, and reliance upon, the DVIC as the central imagery repository for the Department.

Still Images Reproduced - Demand for DVIC still imagery holdings is rising significantly as the Military Services increase their confidence in, and reliance upon, the DVIC as the central imagery repository for the Department.

American Forces Information Service
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates
Budget Activity 4 - Administration and Servicewide Activities

V. Personnel Summary:	FY 1997	FY 1998	FY 1999	Change FY 1997/FY 1998	Change FY 1998/FY 1999
Military End Strength					
Officer	22	22	25	0	3
Enlisted	59	72	63	13	-9
Total	81	94	88	13	-6
Civilian End Strength					
USDH	284	253	232	-31	-21
Military Workyears					
Officer	22	22	25	0	-3
Enlisted	59	72	63	13	-9
Total	81	94	88	13	-6
Civilian FTEs					
USDH	286	263	251	-23	-12

OFFICE OF THE SECRETARY OF DEFENSE
CIVIL MILITARY PROGRAMS
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 BUDGET ESTIMATES

I. Narrative Description:

DoD Civil Military Programs encompass outreach/service programs identified as Innovative Readiness Training (IRT) Program, National Guard ChalleNGe Program, and DoD STARBASE Program. The IRT program, authorized under 10 U.S.C. 2012, provides support and services for eligible activities and organizations outside DoD through military readiness training conducted within communities throughout the 50 states, territories, possessions, and the Commonwealth of Puerto Rico. Units and individuals hone their wartime skills while working in partnership with the community. The National Guard ChalleNGe Program, authorized under USC Title 32, Chapter 5, Section 1076, paragraph 5, as adjusted by the FY 1998 DoD Authorization Act Conference Report, is a civilian youth opportunity program that provides military-based training, including supervised work experience in community service and conservation projects, to civilian youth who cease to attend secondary school before graduating so as to improve the life skills and employment potential of such youth. The DoD STARBASE Program, authorized under 10 U.S.C. 2193, exposes primary and secondary school students to real-world applications of science, math and technology.

II. Description of Operations Financed: All customary expenses required to operate pilot projects of a government activity are financed, including travel, rental of space and equipment, and purchase of necessary supplies and equipment.

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

A. Budget activity 4	FY 1997 Actual *	FY 1998 Budget Request	FY 1998 Appropriated	FY 1998 Current Estimate	FY 1999 Budget Estimate
Civil Military Programs:					
ChalleNGe	($37,100)	($20,000)	($12,000)	$48,000	$28,500
Starbase	(4,095)	(4,000)	(4,000)	4,000	0
Innovative Readiness Training	(9,894)	(16,000)	(16,000)	19,656	16,394
	($51,089)	($40,000)	($32,000)	$71,656	44,894

* In FY 1998, the Congress transferred the CMP from OSD to its own appropriation line item. The FY 1997 baseline amounts are in the OSD budget and are reflected here as a memo entry and are provided for information purposes only.

OFFICE OF THE SECRETARY OF DEFENSE
CIVIL MILITARY PROGRAMS
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 BUDGET ESTIMATES

B. Reconciliation Summary

	Change FY 1998/ FY 1998	Change FY 1998/ FY 1999
Baseline Funding	$40,000	$71,656
Congressional Adjustments	-$8,344	N/A
Price Growth	0	1,147
Program Changes	$40,000	-27,909
Current Estimate	$71,656	$44,894

C. Summary of Price & Program Changes

	FY 1997 Actual	Change FY 1997/FY 1998 Price Growth	Change FY 1997/FY 1998 Program Growth	FY 1998 Estimate	Change FY 1998/FY 1999 Price Growth	Change FY 1998/FY 1999 Program Growth	FY 1999 Estimate
Other Purchases	-0-	-0-	71,656	71,656	1,147	-27,909	44,894

D. Reconciliation of Increases & Decreases

1. FY 1998 Amended President's Budget Request		40,000
2. Congressional Adjustments (Distributed) – transfer from OSD O&M, DW		
a. ChalleNGe	28,000	
b. Innovative Readiness Training	4,000	
c. Unspecified Reduction	-40,000	

Although congressional intent for FY 1998 was clearly to appropriate $72 million for the Department's Civil Military Programs, the FY 1998 Defense Appropriations Act contained an apparent error resulting in a $40 million shortfall. To fix this, the Department will submit a $40 million reprogramming request to Congress in FY 1998.

OFFICE OF THE SECRETARY OF DEFENSE
CIVIL MILITARY PROGRAMS
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 BUDGET ESTIMATES

III. Financial Summary (O&M: $ in Thousands): (Cont'd)

D. Reconciliation of Increases & Decreases (Cont'd)

3. Total Congressional Adjustments		-8,000
4. FY 1998 Appropriated Amount		32,000
5. Congressional Adjustments (Undistributed)		
a. Quadrennial Defense Review Savings	-268	
6. Total Congressional Adjustments (Undistributed)		-268
7. Reprogrammings/Transfers		40,000

A prior approval reprogramming will be submitted and will transfer funds from Chemical Agents and Munitions Destruction, Defense Appropriation to cover the Civil Military Programs shortfall. This restoration will ensure that CMP is fully supported in FY 1998.

8. Program decrease to fund higher priority programs	-76
9. FY 1998 Current Estimate	71,656
10. Price Changes	1,147

OFFICE OF THE SECRETARY OF DEFENSE
CIVIL MILITARY PROGRAMS
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 BUDGET ESTIMATES

III. Financial Summary (O&M: $ in Thousands): (Cont'd)

D. Reconciliation of Increases & Decreases (Cont'd)

11. Program Decreases

a. Starbase Program Terminates	-4,064	
b. Innovative Readiness Training Reduction - reflects the impact of a one-time Congressional add in FY 1998.	-3,577	
c. ChalleNGe Reduction - reflects the impact of a one-time Congressional add in FY 1998.	-20,268	
12. Total Program Decreases		-27,909
13. FY 1999 Budget Request		44,894

IV. Performance Criteria And Evaluation Summary:

The Office of the Assistant Secretary of Defense for Reserve Affairs has policy oversight and control over the Department of Defense Civil Military Program. Control and management of the DoD Civil Military Programs is maintained through the establishment of policies, directives, funding controls and personnel authorizations. Evaluation of the program is made by the Secretary, Deputy Secretary, the Under Secretary of Defense (Personnel and Readiness) and the Assistant Secretary of Defense (Reserve Affairs).

Defense Acquisition University
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

I. Narrative Description:

The Defense Acquisition University (DAU) was established by the Defense Acquisition Workforce Improvement Act (DAWIA) of 1991, Public Law 101-510. The DAU became operational in August 1992 and is structured as an educational consortium of 13 Navy, Army, Air Force and DoD agency members. The law directs DAU to serve as the DoD education and training center for the acquisition workforce, to provide capabilities in acquisition research and publications, and to analyze acquisition policy issues. The DAU was created by uniting the existing providers of acquisition education and training within the Department. Initial funding was obtained by transfer from Services Operation and Maintenance budgets. Course content is based on identified functional competencies for specific career fields. These competencies are not Service specific, but are recognized in these functional areas across the Department. The curriculum provides career training that is necessary for members of the acquisition workforce to obtain certification in their career field and membership in the Acquisition Corps, as established by the DAWIA. Course delivery is provided by the consortium members listed below.

DAU CONSORTIUM MEMBERS

Air Force Institute of Technology
Army Logistics Management College
Navy Center for Acquisition Training
Naval Postgraduate School
Naval Warfare Assessment Center
DLA Civilian Personnel Service Support Office
Office of the Assistant Secretary of the Navy/ RD&A/APIA-PP
Lackland Technical Training Center
Naval Facilities Contracts Training Center
Defense Contract Audit Institute
Defense Systems Management College
Industrial College of the Armed Forces
Information Resource Management College

II. Description of Operations Financed:

The University provides funds to consortium member schools for delivering acquisition training, faculty travel to work sites, course development and maintenance, evaluation, research, and publications. The University also provides funds to the Service Directors for Acquisition Career Management to cover travel and per diem costs for students in DAU courses As directed in the DAWIA, the University has established a senior acquisition course at the Industrial College of the Armed Forces for civilian and military acquisition professionals that is equivalent to senior professional military education. The University develops new and revises existing courses to incorporate acquisition reform initiatives based on guidance from the Under Secretary of Defense, Acquisition and Technology. The Acquisition Reform Communications Center (ARCC) was chartered in May 1995. The ARCC provides and disseminates information to the acquisition workforce. Under policy from USD(A&T), the Continuing Acquisition Education (CAE) program was established in FY 1998. This program requires acquisition workforce members who have completed all training and education requirements to maintain their currency via continuing education and training. In FY 1999, DAU is transferred to the National Defense University as part of the Defense Reform Initiative (DRI). Accordingly, DAU funding has transferred from the O&M, Defensewide appropriation to O&M, Army, in FY 1999.

Defense Acquisition University
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

Activity Group: Defense Acquisition University

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

		FY 1998			FY 1999
A. Subactivity Breakout	FY 1997	Budget Request	Approp	Current Estimate	Current Estimate
Total	93,194	99,964	93,875	93,612	

B. Reconciliation Summary	Change FY 1997/FY 1998	Change FY 1998/FY 1999
Baseline Funding	99,964	93,612
Congressional Adjustments	-6,089	
OSD Adjustments	-263	
Supplemental Request		
Price Change		1,753
Program Changes		12,382
Functional Transfer		-107,747
Current Estimate	93,612	

C. Summary of Price and Program Changes

		Change FY 1997/FY 1998				Change FY 1998/FY 1999				
TITLE	FY 1997 Actual	Foreign Currency Rate Diff	FY 97/98 Pricing	FY 97/98 Pgm Growth	FY 1998 Estimate	Foreign Currency Rate Diff	FY 98/99 Pricing	FY 98/99 m Growth	FY 1999 Estimate
101 Exec, Gen and Special Schedule	16,711		476		17,187		528	-17,715	
103 Wage Board	461		12	-48	425		9	-434	
199 TOTAL CIV PERS COMPENSATION	17,172		488	-48	17,612		537	-18,149	
308 Travel of Persons	957		14		971		16	-987	
399 TOTAL TRAVEL	957		14		971		16	-987	
771 Commercial Transportation	406		6	-330	82		1	-83	
799 TOTAL TRANSPORTATION	406		6	-330	82		1	-83	
914 Purchased Communications (non IF)	306		5		311		5	-316	
915 Rents (non GSA)	10				10			-10	
920 Supplies and Materials (non SF)	1,845		28		1,873		30	-1,903	
921 Printing and Reproduction	345		5		350		6	-356	
922 Equipment Maintenance by Contract	668		10		678		11	-689	
925 Equipment Purchases (non SF)	1,420		21		1,441		23	-1,464	
931 Contract Consultants	85		1		86		1	-87	
932 Mgt and Prof. Support Svcs	125		2		127		2	-129	
933 Studies, Analyses, and Evaluations	794		12		806		13	-819	
989 Other Contracts	69,061		1,036	-832	69,265		1,108	-70,373	
999 TOTAL OTHER PURCHASES	74,659		1,120	-832	74,947		1,199	-76,146	
9999 TOTAL	93,194		1,628	-1,210	93,612		1,753	-95,365	

Activity Group: Defense Acquisition University

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

D. Reconciliation: Increases and Decreases

1. FY 1998 Amended President's Budget Request		99,964
2. Total Congressional Adjustments (Distributed)		-5,000
Specified Adjustment	-5,000	
3. Total Congressional Adjustments (Undistributed)		-944
QDR Undistributed Reduction	-350	
Other Undistributed Reductions	-594	
4. FY 1998 Appropriated Amount		94,020
5. Total Program Decreases		-408
Reallocation of PTAP Funding Transfer	-164	
Congressional Earmarks	-145	
Realignment to High Priority Programs	-99	
6. FY 1998 Current Estimate		93,612
7. Price Changes		1,753
8. Total Program Increases		12,772
Required to convert courses to technology based delivery. This permits DAU to provide sufficient training to meet the increased size of the accquisiton workforce (from 108K to 178K as a result of changed definitions as determined in the Jefferson Solutions, Inc. study); and to provide 40 hours of continuing Acquisition Education training to all members of the workforce as directed by the USD(A&T).	12,772	
9. Total Program Decreases		-390
Civilian personnel reduction of five workyears to meet workyear reduction targets.	-390	
10. Total Functional Transfers		-107,747
DAU is transferred to the National Defense University (NDU) as part of the Defense Reform Initiative (DRI).	-107,747	
11. FY 1999 Current Estimate		

Activity Group: Defense Acquisition University

IV. Performance Criteria and Evaluation Summary

Workload

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
Number of Consortium Schools	13	13	
Number of Course Offerings	1,280	1,355	
Resident Offerings	825	875	
On site Offerings	455	480	
Number of Students Trained	33,540	35,475	
Army	7,503	7,640	
Navy	9,336	11,910	
Air Force	10,075	9,100	
DoD	5,899	6,585	
Other	727	240	
Student Loads	1,702	1,800	

Defense Acquisition University
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

Activity Group: Defense Acquisition University

V. Personnel Summary	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
Active Military Endstrength			
Officer	78	62	
Enlisted	38	38	
Total	116	100	
Civilian End Strength			
USDH	245	244	
FNDH			
Total Direct Hire	245	244	
FNIH			
Military Workyears			
Officer	78	62	
Enlisted	38	38	
Total	116	100	
Civilian FTEs			
USDH	245	244	
FNDH			
Total Direct Hire	245	244	
FNIH			

Defense Contract Audit Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

I. Narrative Description:

The Defense Contract Audit Agency (DCAA) is a worldwide single mission Agency responsible for assisting Department of Defense (DoD) acquisition authorities in achieving sound contract pricing by evaluating contractor forward pricing proposals, providing contracting officers with accounting and financial advisory services useful to "could cost" and "should cost" assessments and negotiations, verifying the propriety and acceptability of costs charged by contractors to flexibly priced Government contracts, and deterring contractors' inefficient practices which, if not detected and corrected, could lead to excessive costs and contract prices.

DCAA's workload originates primarily from the effort required to audit and monitor DoD acquisitions of equipment, materials, and/or services from civilian contractors and universities by the expenditure of Procurement, and Research, Development, Test and Evaluation (RDT&E) funds appropriated by Congress each year. Other factors affecting contract audit workload are (i) DoD procurement policies, (ii) the implementation of existing Cost Accounting Standards (PL 100-679), (iii) audits performed for the military departments in connection with the Foreign Military Sales (FMS) Program, (iv) the increased interest by DoD officials and the Congress in the nature of costs charged to defense contracts, (v) audits for economy and efficiency, (vi) Compensation System Reviews (CSRs), and (vii) requests for contract audit support from the Defense Procurement Fraud Unit and U.S. attorneys during the conduct of investigations and prosecution of perpetrators of contract fraud.

Projected staffing requirements are commensurate with planned changes in DoD procurement levels, departmental acquisition streamlining initiatives, and required effort to complete audits of prior year contract expenditures. These staffing levels also reflect incorporation of the Quadrennial Defense and National Performance Review recommendations, and related DoD initiatives into DCAA's organizational assessment goals. These goals encompass organizational changes and management initiatives through FY 1999 to effect (1) a 22 percent overall reduction in staffing, (2) a 22 percent reduction in Headquarters, Region and Field Support staffing, (3) a 34 percent reduction in the number of field audit offices, and (4) a 42 percent reduction in the number of management and supervisory positions.

It should be noted that savings to the Government, as a result of contract audit services, far exceed the cost of DCAA operations. For example, in FY 1997 the Agency audited $96.1 billion of incurred cost and reviewed 12,484 forward pricing proposals amounting to $78.6 billion. Approximately $3.7 billion in net savings were reported during the year. When compared to the $371 million expended for the Agency's operations, the return on taxpayers' investment in DCAA was almost $10 for each dollar invested.

II. Description of Operations Financed:

The workload of DCAA is divided into the major functional categories described below:

1. Forward Pricing Effort. The Federal Acquisition Regulations (FAR) and Public Law 100-679, *Cost Accounting Standards* (CAS), require Department of Defense (DoD) procurement officials to comply with various administrative procedures before entering into contracts. These procedures include obtaining pertinent accounting and financial advice before making decisions related to prospective contract prices. The ultimate goal of forward pricing audit effort is to provide contracting officers with accounting and financial advisory services during the preaward period of the procurement cycle, and to assist them in determining and negotiating fair and reasonable prices for negotiated Government contracts. Preaward services furnished to contracting officers by DCAA include:

a. Price Proposal Audits. These audits are performed to determine the reasonableness of contractors' price proposals submitted in anticipation of negotiating Government contracts. These reviews are required as a condition of contracting. They are specifically requested by contracting officers and must be accomplished within a short period of time to avoid delaying the procurement process. DCAA has no control over the number or timing of price proposal audits and must respond to each audit request.

b. Should Cost Studies and Participation on Integrated Product Teams (IPTs). Should cost studies are initiated by procuring activities who organize a team of specialists and review a contractor's price proposal to determine what a particular procurement could or should cost, depending on which study is being performed. DCAA auditors participate as members of the team of specialists. Such studies usually involve large major weapon system procurements. DCAA auditors also participate on IPTs that include representatives from all appropriate organizations and functional disciplines (normally DCAA, the buying activities, DCMC, and the contractor). Working together with the team leader the objective is to avoid rework at the end of process by identifying problems and finding potential solutions at the earliest possible point in the procurement process.

c. Forward Pricing Rate Reviews. These reviews are performed to determine the reasonableness of projected labor, overhead, and other indirect expense rates submitted by a contractor prior to submission of price proposals. These rates are normally separately negotiated by a contracting officer and then used by the contractor in subsequent price proposals.

II. Description of Operations Financed (Continued):

d. Specific Cost Element Reviews and Agreed Upon Procedures. Specific cost element reviews are audits of only specific cost elements within a proposal (e.g., only proposed material or labor costs). Applications of agreed-upon procedures include cost realism reviews and all reviews of information other than cost or pricing data submitted in support of a price proposal.

e. System Surveys. These reviews are performed to determine the reliability, propriety, and accuracy of contractors' estimating, accounting, internal control, and other systems relating to or providing the basis for Government contract costs or pricing. Systems surveys may be either a joint team review in which the experience and capabilities of the auditor and technical specialist are combined, or they may be comprehensive reviews performed solely by auditors. Additionally, these reviews include effort to recommend corrective actions on conditions causing deficiencies disclosed in price proposal evaluations or other audit areas which require immediate reporting and resolution. This also includes the effort required to determine the status of corrective actions taken by contractors on previously disclosed deficiencies.

f. Other. This effort includes providing verbal information to procurement officials on labor rates, overhead rates, and similar factors for smaller procurements.

2. Incurred Cost Effort. The FAR requires DCAA to perform audits of claimed costs incurred and submitted by contractors for reimbursement under cost reimbursable, fixed price incentive, and other types of flexibly priced contracts to determine if the costs are acceptable in accordance with contract terms, FAR, and Cost Accounting Standards (CAS) rules and regulations, if applicable. Although the performance of these incurred cost audits and CAS compliance audits are normally self-initiated, they must be accomplished in order for the Government to make final payment to the contractor. They include reviews of direct labor and material, indirect expenses, and performance and financial controls. Although the primary purpose of incurred cost audits is to express an opinion on the acceptability of costs claimed under Government contracts, knowledge of contractors' accounting, estimating, and internal control systems gained during these audits is invaluable to the evaluation of contractors' price proposals.

3. Operations Audits. DCAA also performs a variety of economy and efficiency audits of contractor operations. DCAA operations audits are systematic reviews of contractor organizational units and functions to evaluate the reasonableness of methods and practices employed on Government contracts.

II. Description of Operations Financed (Continued):

4. Special Audits. These audits are normally requested by the contracting officer and include reviews of termination claims, progress payment requests, equitable adjustment claims, hardship claims, escalation claims, and contractor financial capability. When they are specifically requested by contracting officers, they must be accomplished within a short period of time to avoid adverse effects such as additional claims for interest on amounts due or contractor financial failure. DCAA has little control on the number or timing of these reviews and must respond to all such requests.

5. Defective Pricing Reviews. The Truth in Negotiations Act, as codified in 10 USC §2306a. requires contracting officers to obtain cost or pricing data from contractors before awarding a contract unless an exception applies.. Under TINA the Government has the right to examine these records to evaluate the accuracy, completeness, and currentness of the cost or pricing data required to be submitted. DCAA is responsible for performing these reviews, which assist in determining whether a contract or subcontract price was unduly increased because the contractor failed to furnish accurate, complete, or current cost or pricing information in negotiating the contract.

6. Cost Accounting Standards. Contracts and subcontracts not qualifying for an exemption are subject to CAS-coverage as a condition of Government contracting. The FAR assigns DCAA responsibility for reviewing contractors' implementation and compliance with the CAS, rules, and regulations.

7. Other Direct Audit Effort. DCAA's audit mission includes other audit-related activities such as providing on-site assistance to procurement and contract administration offices, contract audit coordination (CAC) programs, and negotiation support. Testing performed during development of Agency policies and procedures, and follow-up effort related to Congressional, General Accounting Office (GAO), DoD Inspector General (DoD IG), and other external requests, surveys, and reports is also a part of this activity. The major items within this activity are further described below:

II. Description of Operations Financed (Continued):

a. Procurement Liaison. DoD Directive 5105.36, dated 9 June 1965, authorized the Director, DCAA to establish and maintain liaison auditors, as appropriate, at major procuring and contract administration offices. The primary functions of procurement liaison auditors are to (i) facilitate effective communication and coordination between procurement officers and auditors, (ii) provide on-the-spot personal consultation and advice in connection with contractors' cost representations and related matters, (iii) provide DCAA management with information regarding specific awards, trends in type and volume of awards, and other data impacting on immediate or long range DCAA responsibilities, and (iv) provide DCAA management with information on the adequacy, responsiveness and timeliness of audit services rendered to procurement and contract administration offices.

b. Contract Audit Coordinator (CAC) Program. A CAC program has been established at the largest DoD contractors whose accounting functions, operations, and contract performance occur at multiple locations under the audit cognizance of multiple DCAA field offices. The program is designed to maintain effective communications and audit coordination at these contractor locations. The CAC program includes effort to (i) disseminate information, (ii) monitor and track problem areas to assure uniform resolution, (iii) arrange and attend CAC conferences, and (iv) coordinate with other DCAA personnel, contractor representatives, and cognizant procurement officials on CAC problems.

c. Negotiation Conferences. A fundamental requirement of DCAA's mission is to provide contract audit services and to be the principal accounting and financial advisor to contracting officials. Many times audit results involve complex accounting issues and/or quantitative analyses that dispute contractor's cost estimates or representations. On these occasions, the best interests of the Government are served by having auditors present at negotiations to offer further explanation of the audit position, perform analyses of additional contractor data presented at the negotiation table, and provide any other accounting and/or financial assistance the contracting officer may require during the negotiation process.

d. External Audit Interface. This activity includes effort expended to develop information and comments on reports from the GAO, DoD IG, or other Government Inspector Generals. This activity also includes effort related to discussions and conferences, and any interface involving any other government audit organization.

II. Description of Operations Financed (Continued):

e. Suspected Irregular Conduct (SIC). This activity represents effort expended related to SIC referrals, and responses to requests from investigative agencies or the Department of Justice regarding fraud or other irregular practices. This activity includes the development of evidence for presentation to an U.S. attorney or a grand jury, and/or for use at a trial.

f. Audit Support and Planning. This activity represents effort expended by the field to prepare annual audit requirements and program plan information as well as effort expended on projects and studies requested by the regions or Headquarters. The projects normally relate to new and/or innovative ways of performing DCAA's audit mission, and often add to the body of knowledge needed to enhance Agency mission accomplishment through the development and application of improved audit and/or audit management technology and techniques.

8. Field Support. This category includes support personnel in the five regional offices, the Defense Contract Audit Institute, the Information Technology Division, and the Technical Audit Services Division.

a. Regional Offices. These offices provide technical audit management and supervision, and logistical support in the form of personnel services, payroll, budgeting and accounting, and travel services to field office personnel.

b. Defense Contract Audit Institute (DCAI). DCAI provides both centralized and decentralized training for DCAA's audit staff. The Institute offers contract audit oriented courses. In addition, DCAI's trained instructors provide contract audit training segments in courses and seminars offered by other DoD and non-DoD agencies.

c. Information Technology Division (OIT). OIT is responsible for the development, maintenance, and enhancement of DCAA's management information system hardware and software to meet management, administrative, and audit requirements. It is also responsible for operating the Agency-wide telecommunications network, and defining and controlling data management standards.

II. Description of Operations Financed (Continued):

d. Technical Audit Services Division (OTS). OTS conducts research and distributes information to the field on operations audits, quantitative audit techniques, computer assisted audit techniques, and other auditing topics that have Agency-wide application. OTS also provides technical assistance to auditors in planning reviews of contractor's electronic data processing systems and engineering operations.

e. Field Administrative Support. Field administrative support personnel provide administrative and resource management services to the Field Detachment, the Defense Contract Audit Institute, and the Defense Legal Services staff assigned to DCAA.

f. Other. This category includes personnel from the Defense Legal Service (DLS) and the auditor assigned to the Department of Justice Fraud Unit.

9. Headquarters. DCAA Headquarters performs the work normally associated with the central office of a professional organization. It develops policy and promulgates instructions and operating directives needed to perform the Agency mission. It provides legal counsel, performs oversight reviews of regional and field office operations, and advises regional offices on resource management matters, including the recruitment and training of personnel. In addition, Headquarters personnel interface with other DoD components as well as other Government agencies and Congressional committees on contract audit matters.

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

A. Budget Activity Group	FY 1997 Actual	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
DCAA Communications	4,017	2,976	6,959	6,959	7,051
DCAA Operations	307,427	316,300	309,698	306,544	312,892
DCAA Management HQ	9,963	9,988	10,107	10,107	10,144
TOTAL	321,407	329,264	326,764	323,610	330,087

B. Reconciliation Summary	Change FY 1998 / FY 1998	Change FY 1998 / FY 1999
Baseline Funding	329,264	323,610
Congressional Adjustments (Distributed)	-2,500	
Congressional Adjustments (Undistributed)	-2,273	
Price Change		12,408
Functional Transfer		
Program Change	-881	-5,931
Current Estimate	323,610	330,087

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III. Financial Summary (O&M: $ in Thousands) (Continued)
C. Price and Program Changes:

		Change FY 1997 - FY 1998			Change FY 1998 - FY 1999		
	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
CIVILIAN PERSONNEL COMPENSATION							
Executive, General & Special Schedules	264,706	11,069	(8,856)	266,919	11,583	(5,944)	272,558
Wage Board	57	(2)	0	55	1	0	56
Foreign National Direct Hire (FNDH)	5	25	0	30	1	0	31
Separation Liability (FNDH)	0	0	0	0	0	0	0
Benefits to Former Employees	744	39	50	833	58	(275)	616
Voluntary Separation Incentive Payments	623	0	452	1,075	0	475	1,550
Disability Compensation	1,208	0	176	1,384	0	(192)	1,192
Total Civilian Personnel Compensation	267,343	11,131	(8,178)	270,296	11,643	(5,936)	276,003
TRAVEL							
Travel of Persons	10,098	152	1,235	11,485	184	215	11,884
Total Travel	10,098	152	1,235	11,485	184	215	11,884
OTHER FUND PURCHASES							
Defense Financing & Accounting Services	2,117	(267)	(9)	1,841	68	1	1,910
Total Purchases	2,117	(267)	(9)	1,841	68	1	1,910
TRANSPORTATION							
Commercial Transportation	649	10	244	903	15	10	928
Total Transportation	649	10	244	903	15	10	928
OTHER PURCHASES							
Foreign National Indirect Hire (FNIH)	14	0	(14)	0	0	0	0
Separation Liability (FNIH)	0	0	0	0	0	0	0
Rental Payments to GSA (SLUC)	11,777	0	(410)	11,367	0	(28)	11,339
Purchased Utilities (Non-Fund)	59	1	0	60	1	0	61
Purchased Communications (Non-Fund)	3,574	54	2,903	6,531	104	1	6,636
Rents (Non-GSA)	1,459	21	26	1,506	24	0	1,530
Postal Services (U.S.P.S.)	443	0	(15)	428	0	(13)	415
Supplies & Materials (Non-Fund)	3,723	56	1,050	4,829	77	(125)	4,781
Printing & Reproduction	372	6	0	378	6	0	384
Equipment Maintenance by Contract	771	11	356	1,138	18	1	1,157
Equipment Purchases (Non-Fund)	9,667	145	(7,142)	2,670	43	30	2,743
Other Contracts	9,320	251	586	10,157	225	(88)	10,294
Other Costs	21	0	0	21	0	1	22
Total Other Purchases	41,200	545	(2,660)	39,085	498	(221)	39,362
TOTAL	321,407	11,571	(9,368)	323,610	12,408	(5,931)	330,087

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

D. Reconciliation of Increases and Decreases:

1. FY 1998 Amended President's Budget		329,264
2. Congressional Adjustments (Distributed)		
a. Within-grade Increases	-2,500	
Total Congressional Adjustments (Distributed)	-2,500	
3. FY 1998 Appropriated Amount		326,764
4. Congressional Adjustments (Undistributed)		
a. QDR Savings	-1,209	
b. Revised Economic Assumptions	-305	
c. Defense Automated Printing Service	-255	
d. Congressional Earmarks (Total)	-504	
Total Congressional Adjustments (Undistributed)		-2,273
5. Program Decrease		
Program Reductions to Fund Higher Priority Programs		-881
6. FY 1998 Current Estimate		323,610

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

D. Reconciliation of Increases and Decreases (Continued):

7. Price Growth		
a. Annualization of FY 1998 Pay Raise	2,154	
b. FY1999 Pay Raise	7,082	
c. Within Grade Increases	2,375	
d. Travel & Transportation	199	
e. Supplies & Equipment	120	
f. Rent & Communications	128	
g. Defense Finance and Accounting Service	68	
h. Other Price Growth	282	
Total Price Growth		12,408
8. Program Growth		
a. Voluntary Separation Incentive Payments	475	
b. Travel and Transportation - Due to the closing/consolidation of Field Audit Offices (FAOs), The geographic area of coverage of the remaining FAOs is expected to increase slightly.	225	
c. PCS	1,352	
d. Overtime	202	
e. Other Program Growth	122	
Total Program Growth		2,376
9. Program Decrease		
Reduction of 129 Workyears		-8,307
10. FY 1999 Budget Request		330,087

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IV. Performance Criteria and Evaluation Summary:

	FY 1997	FY 1998	FY 1999	Notes
Forward Pricing	807	789	825	1
Incurred Cost Effort:				
Regular Incurred Costs Audits	1,763	1,606	1,471	
CAS Compliance Audits	94	88	87	
Total Incurred Cost	1,857	1,694	1,558	2
Operations Audits	51	58	58	3
Special Audits	398	400	395	4
Defective Pricing	184	189	187	5
Cost Accounting Standards: Disclosure Statements, Cost Impact Audits, Etc.	111	116	116	6
Other Direct Audit Effort:				
Procurement Support	290	296	292	7
Audit Support & Planning	445	444	437	8
Total Other Direct	735	740	729	
Field Support:				
Regional Offices	323	301	297	
Field Support	105	96	91	
Total Field Support	428	397	388	9
Headquarters	88	87	85	10
Total Workyears	4,659	4,470	4,341	

IV. Performance Criteria and Evaluation Summary (Continued):

	FY 1997	FY 1998	FY 1999
A. Incurred Costs ($ Billions)			
On Hand Beginning Of Year	$87.1	$70.4	$62.6
Received During Year (Adv)	$79.4	$81.0	$76.7
Dollars Subject To Audit	$166.5	$151.4	$139.3
Examined During Year	$96.1	$88.8	$82.9
Ending Inventory	$70.4	$62.6	$56.4
Workyears	1,857	1,694	1,558
Examined Per Workyear ($ M)	$51.8	$52.4	$53.2
B. Forward Pricing ($ Billions)			
Amount Examined During Year	$78.6	$77.8	$82.3
Workyears	807	789	825
Examined Per Workyear ($ M)	$97.4	$98.6	$99.8

IV. Performance Criteria and Evaluation Summary (Continued):

Note 1 - The estimated forward pricing audit effort is based on an assessment of contracting officials' demand requirements for forward pricing assistance. This assessment includes an analysis of the actual workload accomplishments during the past several years, adjusted for anticipated productivity improvements, published changes in the DoD Procurement and RDT&E budgets, and the estimated impact of applicable acquisition reform initiatives.

Note 2 - The Federal Acquisition Regulations (FAR) require an audit of contractor costs incurred under flexibly priced contracts to determine if the costs are acceptable in accordance with contract terms, the FAR, and Cost Accounting Standards (CAS) rules and regulations, if applicable. While the timing for performance of these incurred cost audits is normally self-initiated, they must be accomplished to facilitate the Government's final contract payment to contractors on flexibly priced contracts. However, since the incurred cost area is essentially the only major audit area that DCAA has any control over the initiation of audit performance, budget constraints impact this area more severely than other areas. The estimated work years for incurred cost and CAS compliance testing represent the maximum staff available for this effort after considering higher priority and other demand workload. Workload statistics for incurred cost audits are based on historical data, current field audit requirements, annual field risk assessments, productivity factors, and anticipated changes in the DoD Procurement and RDT&E outlays.

Note 3 - DCAA's operations audits are designed, in part, to evaluate the economy and efficiency of contractor functions or operations, which are reimbursed through the contractors' overhead expense rates. Because of the continuing interest in reducing the risk that excessive contractor overhead costs are priced into or reimbursed on DoD contracts, projected workyears provide staffing levels that will allow DCAA to perform required reviews.

Note 4 - Special audit activity is performed in response to requests from contracting officials. Special requests range from simple verification of costs to analyzing complex accounting issues. Contractor claims for contract price adjustments involve accounting issues requiring a high level of audit expertise and oftentimes-substantial audit effort. Oversight of DoD contract costs during contract performance by DoD management and Congressional inquiry, contract terminations, progress payment requests, financial capability audits, Earned Value Management System reviews and other contract claims represent a substantial portion of this workload. Our estimates reflect consideration of historical experience as well as expectations for productivity improvements.

IV. Performance Criteria and Evaluation Summary (Continued):

Note 5 - The projected workyears will allow DCAA to perform defective pricing reviews at the required levels of effort. Contracts/subcontracts are selected for defective pricing review based on established selection criteria that considers contract types, dollar amounts, contractor estimating and accounting systems, historical experience, and audit leads. Our estimates reflect consideration of current required audits as adjusted for anticipated productivity improvements.

Note 6 - Public Law 100-679 requires contractors to comply with the Cost Accounting Standards (CAS). Contractors subject to full CAS-coverage are required to submit Disclosure Statements describing their significant accounting practices. In addition, any voluntary or required changes in accounting practices require that DCAA review its propriety and cost impact on negotiated Government contracts. Projected workyears reflect an anticipated level of activity required to perform reviews of Disclosure Statements for adequacy and audits of cost impact statements during times of a transforming defense industrial base with increased corporate mergers and acquisitions.

Note 7 - Major activities within Procurement Support include negotiation assistance, investigative support, the contract audit coordinator program, and procurement liaison auditor effort. Auditors are frequently asked by Government contracting representatives to attend contract negotiation conferences to provide accounting and financial advice. DCAA is also frequently requested to provide contract audit assistance to investigative organizations from all branches of the Government in its battle to combat fraud, waste, and mismanagement. Required staffing levels are based on historical performance levels adjusted for anticipated productivity improvements.

Note 8 - The audit support and planning effort includes the development of DCAA's audit requirements and program plans necessary to accomplish the assigned audit mission at contractor locations. This planning effort enhances audit coverage and the quality of information available to DCAA management and higher DoD officials responsible for making resource/staffing decisions. Effort associated with performing process improvement projects and studies, and the processing and approval of contract payments is also included in this category. Workyears required for special projects and studies, and requirements and program planning represent the Agency's continuing efforts to improve audit quality and audit management oversight through data analyses, surveys, and the testing of new policies and operating procedures. The estimated staffing levels are based on historical performance levels adjusted for anticipated productivity improvements.

IV. Performance Criteria and Evaluation Summary (Continued):

Note 9 - Estimated staffing levels for DCAA Field Support include those required for the Agency's regional offices, the Defense Contract Audit Institute (DCAI), the Information Technology and Technical Audit Services divisions, and other field support units. The estimates are based on current staffing levels adjusted for projected reductions due to the implementation of DCAA's organizational assessment initiatives.

Note 10 - Estimated staff levels for DCAA Headquarters are based on current staffing levels adjusted for projected reductions from implementation of DCAA's organizational assessment initiatives, and meet the NPR targeted management headquarters levels established by DoD.

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V. Personnel Summary:	FY 1997	FY 1998	FY 1999	Change FY 1997 / FY 1998	Change FY 1998 / FY 1999
Civilian End Strength (Total)	4,557	4,387	4,259	-170	-128
U.S. Direct Hire	4,551	4,381	4,253	-170	-128
Foreign National Direct Hire	1	1	1	0	0
Total Direct Hire	4,552	4,382	4,254	-170	-128
Foreign National Indirect Hire	5	5	5	0	0
(Reimbursable Civilians Included in Above-Memo)	(581)	(556)	(522)	(25)	(34)
Civilian FTEs (Total)	4,631	4,470	4,341	-161	-129
U.S. Direct Hire	4,626	4,464	4,335	-162	-129
Foreign National Direct Hire	0	1	1	1	0
Total Direct Hire	4,626	4,465	4,336	-161	-129
Foreign National Indirect Hire	5	5	5	0	0
(Reimbursable Civilians Included in Above-Memo)	(581)	(556)	(522)	(25)	(34)

Defense Finance and Accounting Service
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

I. Narrative Description:

The Defense Finance and Accounting Service (DFAS) serves as the Executive Agent responsible for finance and accounting activities within DoD. It is the single organization responsible for finance and accounting operations, procedures and systems. DFAS provides finance and accounting management and operational support for appropriated, non-appropriated, revolving and trust funds. DFAS operations touch a large population of customers through the payment of civilian and military personnel, military retirees and annuitants; and by the collection and disbursement of a wide variety of DoD funds for contracts, debt management, security assistanc transportation and travel. Additionally, DFAS has been designated the DoD program manager for the Overseas Military Banking Program, DoD Travel Card program, International Merchant Purchase Authorization Card (IMPAC) program and Credit Card program, and the financial manager for the Defense Leadership and Management Program

II. Description of Operations Financed:

1. Facility Renovation - GSA will renovate the 44-year old building in Indianapolis, Indiana which is basically unchanged from its origin construction to a safe and reliable work environment for employees and in return cap the lease expenses payable to GSA by DoD.
2. Executive and Professional Training - Provides executive, management and technical training for the DoD Financial community to upgrade skills and undertanding of newly fielded DFAS financial and accounting operating systems.
3. Defense Property Accounting System (DPAS) is an integrated system for achieving financial and physical control over Real and Personal Property. This system is in support of the Defense Logistic Agency (DLA) property management programs and is being transferred to DLA in FY 1999.
4. Program Management - Funds DFAS management of the DoD Overseas Military Banking program, Travel Card program, IMPAC program, and the Defense Leadership and Management Program (DLAMP).
5. Civilian personnel in support of the IMPAC program.

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

A. Defense Finance and Accounting Service	FY 1997 Actuals	FY 1998 Request	FY 1998 Approp	FY 1998 Estimate	FY 1999 Estimate
1. Facility Renovation	9,600	45,000	41,400	41,400	41,600
2. Executive and Professional Training		30,154	24,401	24,401	34,566
3. Defense Property Accounting System		16,500			
4. Program Management			108	108	6,380
5. Civilian Pay				-	731
Total		91,654	65,909	65,909	83,277

Defense Finance and Accounting Service
Operation and Maintenance, Defense-Wide
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B. Reconciliation Summary

	Change FY 1998/FY1998	Change FY 1998/FY 1999
FY 1998 Amended Presidents's Budget	91,654	65,909
Congressional Adjustments	(21,925)	-
Functional Transfers	-	99
Price Change	-	991
Program Changes	(3,820)	16,278
Current Estimate	65,909	83,277

C. Summary of Price and Program Changes:

	FY 97 Estimate	Currency Rate Diff	Price Growth	Program Growth	FY 98 Estimate	Currency Rate Diff	Price Growth	Program Growth	FY99 Estimate
Line 199 Civ Personnel Comp							-	731	731
Line 673 Def Fin and Accting Svs				108	108		4	6,268	6,380
Line 923 Facility Maint	9,600		134	31,666	41,400		621	(421)	41,600
Line 989 Other Contracts				24,401	24,401		366	9,799	34,566
Total	9,600	-	134	56,175	65,909	-	991	16,377	83,277

D. Reconciliation of Increases and Decreases

FY 1998 Amended President's Budget		91,654
Congressional Adjustment (distributed)		
FMET	(4,500)	
DPAS	(16,500)	
Total Distributed		(21,000)
FY 1998 Appropriated Amount		70,654

Defense Finance and Accounting Service
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Congressional Adjustments (undistributed)		
Section 8035 FFRDC	(23)	
Revised Economic Assumptions	(476)	
Defense Automated Printing Service	(71)	
QDR Undistributed Reduction	(246)	
Congressional Earmarks	(109)	
Total Congressional Adjustments (undistributed)		(925)
Functional Transfers		0
Program Changes		
Increases	0	
Decreases		
Program reduction for higher priority programs.	(220)	
Program reduction for fact-of-life execution issues.	(3,600)	
Total		(3,820)
FY 1998 Current Estimate		65,909
Price Growth		991
Functional Transfers		
Overseas Military Banking Program from OSD		99
Program Changes		
Program Increases		
Executive and Professional Training	15,699	
International Merchant Purchase Authorization Card Program	1,000	

Program Decreases		
Facility Renovation	(421)	
Total Program Changes		16,278
FY 1999 Budget Request		83,277

V. Personnel Summary:

	FY 1997 Actuals	FY 1998 Estimate	FY 1999 Estimate	FY 98/99 Change
Civilian End Strength (Total)	-	9	9	-
U.S. Direct Hire	-	9	9	-
Civilian FTEs (Total)	-	9	9	-
U.S. Direct Hire	-	9	9	-

DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

I. Narrative Description

Under Secretary for Defense (Acquisition and Technology) Defense Support Activity (DSA)

The Office of the Under Secretary for Defense (Acquisition and Technology) DSA operates as a single DSA with recommendations by the DoD Inspector General and the General Accounting Office. The resulting organizational structure provides effective oversight and improved technical and analytical support for the OUSD(A&T). The centralization of processes has enabled this activity to accommodate mandated downsizing and new responsibilities, through efficiencies gained by eliminating duplication and consolidation of like activities. The budget reflects these improvements and has increased initiatives to include oversight and monitoring of the Defense Environmental Security Corporate Information Management (DECIM) Program and the Systems Engineering (SE) Program. In addition, administrative services previously provided by the Defense Logistics Agency (DLA) through reimbursement have been transitioned back to the DSA. This support includes travel orders, supply purchases and deliveries.

Descriptive Summary: Under the authority, direction and control of the USD(A&T), the Acquisition and Technology Defense Support Activity provides technical and analytical support in the following areas:

- o DoD logistics plans and operations, logistics business systems, Secondary Item Stratification, DoD Distributions Systems, War Reserves, DoD Materiel Management Cultural Change Program, DoD Physical Inventory Control Program, Diminishing Manufacturing Sources, Materiel Shortages Program, and the Food Program.

- o Economic Security initiatives impacting DoD and commercial industries, Defense and commercial technology bases, domestic and international economic matters, base closures and reuse, communities affected by DoD restructuring, and Defense international economic programs.

- o Defense procurement comprising acquisition and procurement policy, procedures and practices and regulations in the Federal Acquisition Regulation.

DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 BUDGET ESTIMATES

I. Narrative Description (cont'd)

- o Environmental Security matters including the identification, analysis and preparation of environmental strategy and policy options, development of proposals for improving installations management including facility requirements, construction, and leasing; and oversight of DoD environmental resources and Defense reinvestment activities. DECIM responsibilities which establish re-engineering and deployment of information management systems which support cleanup activities of hazardous waste sites; compliance with Federal, State, and local laws and regulations.

- o Systems Engineering activities involved in analyzing state-of-art application of SE principles and practices to weapons systems development, benchmarking and metrics to determine successful development of weapons systems using Integrated Product and Process Development and Systems Engineering.

- o Provide support to ADP applications designed to enhance support capabilities.

- o Provide centralized support services for processing and control of travel orders, supplies, material purchases and delivery.

II. Description of Operations Financed:

In accordance with the Defense Reform Initiative action to eliminate all Defense Support Activities, the USD(A&T)DSA is disestablished and all functions and resources are transferred to either the Office of the Secretary of Defense or the Defense Logistics Agency.

DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

A. Activity Group DSA: USD(A&T)	FY 1997 Actuals	Amended Budget Request	FY 1998 Appropriation	Current Estimate	FY 1999 Estimate
Total	41,663	32,622	32,622	30,218	0

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	32,622	30,218
Congressional Adjustments	(319)	0
Supplemental Request	0	0
Price Change	0	470
Functional Transfer	0	(30,688)
Program Change	(2,085)	0
Current Estimate	30,218	0

DEPARMENT OF DEFENSE SUPPORT ACTIVITIES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

III. Financial Summary (O&M: $ in Thousands)
C. Summary of Price and Program Changes

DSA: USD(A&T)

		Change FY 1997/FY 1998			Change FY 1998/FY 1999		
	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
CIVILIAN PERSONNEL COMPENSATION							
EXECUTIVE, GENERAL & SPECIAL SCHEDULE	12,631	363	(12,994)	0	0	0	0
BENEFITS TO FORMER EMPLOYEES	7	0	(7)	0	0	0	0
VOLUNTARY SEPARATION INCENTIVE PAY	125	4	(129)	0	0	0	0
TOTAL CIVILIAN PERSONNEL COMPENSATIO	12,763	367	(13,130)	0	0	0	0
TRAVEL OF PERSONS	319	5	0	324	5	(329)	0
TOTAL TRAVEL	319	5	0	324	5	(329)	0
GSA MANAGED SUPPLIES & MAT'LS	24	0	0	24	0	(24)	0
TOTAL STOCK FUND SUPPLIES & MATERIALS	24	0	0	24	0	(24)	0
RENTAL PAYMENTS TO GSA (SLUC)	870	0	0	870	0	(870)	0
PURCHASED COMMUNCIATIONS (NON-DBOF)	418	6	0	424	7	(431)	0
SUPPLIES & MATERIALS (NON-DBOF)	96	1	0	97	2	(99)	0
OTHER CONTRACTS	27,173	408	898	28,479	456	(28,935)	0
TOTAL OTHER PURCHASES	28,557	415	898	29,870	465	(30,335)	0
TOTAL	41,663	787	(12,232)	30,218	470	(30,688)	0

DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

III. Financial Summary (O&M: $ in Thousands)
D. Reconciliation : Increases and Decreases
DSA: USD (A&T)

1. FY 1998 Budget Request		32,622
2. FY 1998 Appropriated Amount		32,622
3. Congressional Adjustments (Undistributed)		
Congressional Earmarks	(49)	
Quadrenniel Review Savings	(113)	
Revised Economic Assumptions	(131)	
Defense Automated Printing Systems	(26)	
Total Congressional Adjustments		(319)
4. Program Decreases		
Operational Savings	(2,000)	
Reallocation of PTAP Funding Transfer	(53)	
Program reductions to fund higher priority programs.	(32)	
Total Program Decreases		(2,085)
5. FY 1998 Current Estimate		30,218
6. Price Growth		470
7. Reprogrammings/Transfers		
Transfer of USD(A&T)DSA mission and resources to USD(A&T)	(29,258)	
Realignment of 13 USD(A&T)DSA spaces for support by DLA	(1,430)	
Total Reprogramming/Transfers		(30,688)
8. FY 1999 Budget Request		0

DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

IV. Personnel Summary: **DSA: USD(A&T)**	**FY 1997**	**FY 1998**	**FY 1999**
Active Military End Strength (Total)	3	0	0
Officer	3	0	0
Enlisted	0	0	0
Civilian End Strength (Total)	159	0	0
U.S. Direct Hire	159	0	0
Foreign National Direct Hire	0	0	0
Total Direct Hire	159	0	0
Foreign National Indirect Hire	0	0	0
(Reimbursable Civilians Included Above - Memo)	12	0	0
Military Workyears (Total)	3	0	0
Officer	3	0	0
Enlisted	0	0	0
Civilian Workyears (Total)	167	0	0
U.S. Direct Hire	167	0	0
Foreign National Direct Hire	0	0	0
Total Direct Hire	167	0	0
Foreign National Indirect Hire	0	0	0
(Reimbursable Civilians Included Above - Memo)	12	0	0

DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

I. Narrative Description

DMDC - Defense Manpower Data Center

Descriptive Summary: The Defense Manpower Data Center (DMDC) is a DoD-wide Defense Support Activity (DSA) chartered to support the Under Secretary of Defense for Personnel and Readiness (USD(P&R)). DMDC is the central DoD activity for the collection and interaction of manpower and personnel data to support Department-wide tracking, analyses, research, studies, and reporting requirements. As a result of new requirements generated by the Congress or from within the Department of Defense, various functions and responsibilities have been transferred to DMDC.

Operation Mongoose was established to develop and operate a fraud detection and prevention unit in an effort to minimize fraudulent attacks against the Department of Defense (DoD) Financial assets. The project is a joint operation comprised of personnel from the Department of Defense Office of Inspector General, the Defense Finance and Accounting Service and the Defense Manpower Data Center, with oversight by the DoD Comptroller. The original mission of the operation was to review vendor payments and retiree pay. The mission has been expanded to include military and civilian payroll and transportation accounts.

DMDC has program responsibility for the Real Time Automated Personnel Identification System (RAPIDS) established to automatically produce a standardized, machine readable, tamper resistant ID card for the Uniformed Services as well as provide the primary update vehicle for the Defense Enrollment/Eligibility Reporting System (DEERS) data base. RAPIDS/DEERS data are used to validate benefits eligibility for all active, reserve, and retired Uniform Services members, their eligible or pre-eligible family members and beneficiaries.

DMDC is assigned operations responsibility for major transition programs associated with the downsizing of the Department. The Defense Outplacement Referral System (DORS) provides employers with resumes from potential employees separating from the government. The Transition Bulletin Board (TBB) permits current government employees to screen job advertisements from potential non government employers. The Verification of Military Experience and Training Service permits active screening of military training and experience credit to Uniformed Service personnel and equates it to civilian counterpart occupations.

During FY 1995, the DEERS Program Office Executive Agency (18.2M) and the Computer Adaptive Testing-Armed Services Vocational Aptitude Battery (CAT-ASVAB) program (2.0M) were functionally transferred to DMDC and funded through reimbursement. The Joint Recruiting Advertising Program (JRAP) and the Joint Market Research Program (JMRP) were transferred and consolidated within the DMDC during FY 1996.

II. Description of Operations Financed

The scope of DMDC operations financed is necessarily broad and encompasses all aspects of data collection and utilization of Defense manpower and personnel data records to support DoD-wide analyses, studies and research. The Center acts as the responsible organization within DoD for interchange of automated manpower data with other Government agencies as approved by USD (P&R). The Joint Service Training, Readiness and Resource Analyses Systems provide data and information which permit the Department to evaluate individual training and readiness measurement systems in a comparable format. Additionally, DMDC manages and operates the DoD Recruit Market Network, the Centralized System for Reenlistment Information, the DoD Reserve Components Common Personnel Data System, the DoD Personnel Survey Program, Computer Adaptive Testing, Persian Gulf Hotline and the DoD Actuary Services Program.

The Deputy Secretary of Defense approved the merger of the Defense Manpower Data Center (DMDC), a DoD support activity, with the Civilian Personnel Management Service (CPMS), a DoD field activity, and renamed it the DoD Human Resources Field Activity effective 1 Oct 97.

DoD SUPPORT ACTIVITIES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

A. Activity Group	FY 1997 Actuals	Amended Budget Request	FY 1998 Appropriated	Current Estimate	FY 1999 Estimate
DMDC	34,518	0	0	0	0

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	0	0
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	0
Functional Transfer	0	0
Program Change	0	0

DoD SUPPORT ACTIVITIES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

III. Financial Summary (O&M: $ in Thousands)
C. Summary of Price and Program Changes

DMDC

		Change FY 1997/FY 1998			Change FY 1998/FY 1999		
	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
CIVILIAN PERSONNEL COMPENSATION							
EXECUTIVE, GENERAL & SPECIAL SCHEDULE	0	0	0	0	0	0	0
BENEFITS TO FORMER EMPLOYEES	0	0	0	0	0	0	0
VOLUNTARY SEPARATION INCENTIVE PAY	0	0	0	0	0	0	0
TOTAL CIVILIAN PERSONNEL COMPENSATION	0	0	0	0	0	0	0
TRAVEL OF PERSONS	245	4	(249)	0	0	0	0
TOTAL TRAVEL	245	4	(249)	0	0	0	0
DEFENSE FINANCING & ACCOUNTING SERVICES	178	3	(181)	0	0	0	0
TOTAL OTHER FUND PURCHASES	178	3	(181)	0	0	0	0
COMMERCIAL LAND-NONPREMIUM	26	0	(26)	0	0	0	0
TOTAL TRANSPORTATION	26	0	(26)	0	0	0	0
RENTAL PAYMENTS TO GSA (SLUC)	271	0	(271)	0	0	0	0
PURCHASED COMMUNCIATIONS (NON-DBOF)	59	1	(60)	0	0	0	0
SUPPLIES & MATERIALS (NON-DBOF)	60	1	(61)	0	0	0	0
PRINTING & REPRODUCTION	1,249	19	(1,268)	0	0	0	0
EQUIPMENT MAINTENANCE BY CONTRACT	1	0	(1)	0	0	0	0
EQUIPMENT PURCHASES (NON-DBOF)	258	4	(262)	0	0	0	0
OTHER CONTRACTS	32,171	483	(32,654)	0	0	0	0
TOTAL OTHER PURCHASES	34,069	508	(34,577)	0	0	0	0
TOTAL	34,518	515	(35,033)	0	0	0	0

FY 1999 AMENDED BUDGET ESTIMATES
DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES
C4I INTEGRATION SUPPORT ACTIVITY (CISA)
DEFENSE INFORMATION SYSTEMS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-AGENCIES

Activity Group: C4I INTEGRATION SUPPORT ACTIVITY(CISA)

I. Narrative Description: The C4I Integration Support Activity (CISA) is a Defense Support Activity operating under the direction, authority, and control of the ASD(C3I) and his Principal Deputy. CISA provides technical and analytical support, as directed, for Defense C4I programs and cross programs evaluation; resource management; integration of C4I architectures and programs; technology development programs; development and validation of C4I requirements; and assessments of comparative worth of C4I systems. In addition, CISA is responsible for the Command, Control, Communications, Computers, and Intelligence Surveillance and Reconnaissance (C4ISR) Decision Support Center (DSC). This center will provide technical and analytical support to various customers within the Department of Defense. Principal taskings are expected to come from the OSD(ASD(C3I)) and the Chairman, Joint Chiefs of Staff (CJCS), to include support to the Joint Requirements Oversight Council (JROC) and the Joint Warfighting Capability Assessment (JWCA) process. Efforts will also be responsive to Defense Acquisition Board (DAB) activities and to the interests of the Departments, Services, and Agencies, as appropriately tasked. DSC capabilities will enhance the C4ISR programmatic decision process.

II. Description of Operations Financed: In accordance with the Defense Reform Initiative action to eliminate all Defense Support Activities, CISA is disestablished and all functions and resource transfer to the Office of the Secretary of Defense beginning October 1, 1999.

FY 1999 AMENDED BUDGET ESTIMATES
DEPARTMENT OF DEFENSE SUPPORT ACTIVITIES
C4I INTEGRATION SUPPORT ACTIVITY (CISA)
DEFENSE INFORMATION SYSTEMS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-AGENCIES

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

			FY 1998			
A.	ACTIVITY GROUP	FY 1997 ACTUALS	BUDGET REQUEST	APPROPRIATION	CURRENT ESTIMATE	FY 1999 ESTIMATE
	CISA	11,740	12,370	12,370	11,611	0

B. Reconciliation Summary:	Change FY 1997/FY 1998	Change FY 1998/FY 1999
Baseline Funding	12,370	11,611
Congressional Adjustment	-517	
Supplemental Request	0	
Price Changes	0	216
Functional Transfer	0	-11,287
Program Changes	-242	
Current Estimate	11,611	0

Detail by Activity Group

C. SUMMARY OF PRICE AND PROGRAM CHANGES	FY 1997 Actual	Change FY 1997/FY1998 Price Growth	Change FY 1997/FY1998 Program Growth	FY 1998 Estimate	Change FY 1998/FY1999 Price Growth	Change FY 1998/FY1999 Program Growth	FY 1999 Estimate
Executive, General and Special Schedules	1,668	47	(1,715)	(0)	0	0	0
Wage Board	0	0	0	0	0	0	0
Disability Compensation	0	0	0	0	0	0	0
Voluntary Separation Incentive Payments	0	0	0	0	0	0	0
Per Diem	75	2	44	121	2	(123)	0
Other Travel Costs	85	2	44	131	2	(133)	0
Leased Vehicles	0	0	0	0	0	0	0
Communications Services(DWCF)	0	0	0	0	0	0	0
Pentagon Reservation Maintenance Revolving Fund	0	0	0	0	0	0	0
Defense Finance and Accounting Services (DFAS)	0	0	0	0	0	0	0
Commercial Transportation	0	0	0	0	0	0	0
Rental Payments to GSA (SLUC)	288	4	(54)	238	4	(242)	0
Purchased Utilities (non-DWCF)	0	0	0	0	0	0	0
Purchased Communications (non-DWCF)	0	0	200	200	3	(203)	0
Rents (non-GSA)	0	0	0	0	0	0	0
Postal Services (USPS)	0	0	0	0	0	0	0
Supplies & Materials (non-DWCF)	1	0	11	12	0	(12)	0
Printing & Reproduction	0	0	0	0	0	0	0
Equipment Maintenance by Contract	0	0	0	0	0	0	0
Facility Maintenance by Contract	0	0	0	0	0	0	0
Equipment Purchases (non-DWCF)	323	5	(328)	(0)	0	0	0
Contract Consultants	0	0	0	0	0	0	0
Management and Professional Support Services	0	0	0	0	0	0	0
Studies, Analyses and Evaluations	0	0	0	0	0	0	0
Engineering and Technical Services	1,500	23	(1,523)	0	0	0	0
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	7,775	117	2,975	10,867	174	(11,041)	0
Other Costs	25	0	(25)	0	0	0	0
Training Costs	0	0	43	43	1	(44)	0
Total Activity Group	11,740	199	(328)	11,611	186	(11,797)	0

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

FY 1998 Amended President's Budget	12,370
Congressional Adjustments (Distributed)	0
Total Congressional Adjustments (Distributed)	0
FY 1998 Appropriated Amount	12,370
Congressional Adjustments (Undistributed)	
QDR Undistributed Reduction	(44)
Civilian Personnel Underexecution	(400)
Economic Assumptions (Inflation)	(44)
Defense Printing Service	(10)
Congressional Earmarks.	(19)
Total Other Congressional Adjustments (Undistributed)	(517)
Functional Transfers	0
Program Increases	0
Program Decreases	
FTE Reductions Related to the Defense Reform Initiatives for OSD Agencies	(210)
Program Reductions to fund higher priority programs	(12)
Reallocation of PTAP Funding Transfer (OSD)	(20)
FY 1998 Current Estimate	11,611
Price Changes	186
Functional Transfer:	
Increase	0
Decrease	
Transfer of CISA Functions and Resource to OSD	(11,797)
FY 1999 Budget Request	0

FY 1999 AMENDED BUDGET ESTIMATES
DEFENSE INFORMATION SYSTEMS AGENCY
C4I INTEGRATION SUPPORT ACTIVITY
OPERATION AND MAINTENANCE, DEFENSE-WIDE

V. Personnel Summary

	(Actual) FY 1997	FY 1998	FY 1999	Change FY 1998/FY 1999
Military End Strength Total	0	0	0	0
Officer	0	0	0	0
Enlisted	0	0	0	0
Civilian End Strength Total	22	0	0	0
USDH	22	0	0	0
FNDH	0	0	0	0
FNIH	0	0	0	0
Reimbursable	0	0	0	0
Military Workyears Total	0	0	0	0
Officer	0	0	0	0
Enlisted	0	0	0	0
Civilian Workyears Total	21	0	0	0
USDH	21	0	0	0
FNDH	0	0	0	0
FNIH	0	0	0	0
Reimbursable	0	0	0	0

FY 1999 AMENDED BUDGET ESTIMATES
DEPARTMENT OF DEFENSE SUPPORT ACTIVITY
PLANS AND PROGRAM ANALYSIS SUPPORT CENTER (PPASC)
DEFENSE INFORMATION SYSTEMS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE

I. Narrative Description: Under the provisions of DOD Directive 5100.81, the Plans and Program Analysis Support Center (PPASC) provides research, studies, and technical and analytical support to the Office of the Secretary of Defense in assessment of DOD plans and programs. Effectiveness of strategic and conventional forces and systems are evaluated through a variety of analytic approaches, including simulations. Sophisticated computer-based operations research tools and techniques are used in all aspects of the organization's mission. In addition, PPASC plays a key role in developing DOD standard systems and data for use in selected aspects of DOD's resource allocation decision-making.

II. Description of Operations Financed: In accordance with the Defense Reform Initiative action to eliminate all Defense support activities, PPASC is disestablished and all functions and resources are transferred to either the Office of the Secretary of Defense or the Defense Information Systems Agency beginning October 1, 1998.

FY 1999 AMENDED BUDGET ESTIMATES
PLANS AND PROGRAM ANALYSIS SUPPORT CENTER
OPERATION AND MAINTENANCE, DEFENSE-AGENCIES

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

			FY 1998			
A.	ACTIVITY GROUP	FY 1997 ACTUALS	BUDGET REQUEST	APPROPRIATION	CURRENT ESTIMATE	FY 1999 ESTIMATE
	PPASC	23,546	24,278	24,278	23,684	0

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	24,278	23,684
Congressional Adjustment	-244	
Supplemental Request	0	
Price Changes	0	379
Functional Transfer	0	
Program Changes	-350	-24,063
Current Estimate	23,684	0

C. SUMMARY OF PRICE AND PROGRAM CHANGES	FY 1997 Actual	Change FY 1997/FY1998 Price Growth	Change FY 1997/FY1998 Program Growth	FY 1998 Estimate	Change FY 1998/FY1999 Price Growth	Change FY 1998/FY1999 Program Growth	FY 1999 Estimate
Executive, General and Special Schedules	1,107	31	(1,138)	0	0	0	0
Wage Board	0	0	0	0	0	0	0
Disability Compensation	0	0	0	0	0	0	0
Voluntary Separation Incentive Payments	0	0	0	0	0	0	0
Per Diem	25	1	0	26	0	(26)	0
Other Travel Costs	0	0	0	0	0	0	0
Leased Vehicles	0	0	0	0	0	0	0
Communications Services(DWCF)	0	0	0	0	0	0	0
Pentagon Reservation Maintenance Revolving Fund	0	0	0	0	0	0	0
Defense Finance and Accounting Services (DFAS)	0	0	0	0	0	0	0
Commercial Transportation	0	0	0	0	0	0	0
Rental Payments to GSA (SLUC)	0	0	0	0	0	0	0
Purchased Utilities (non-DWCF)	0	0	0	0	0	0	0
Purchased Communications (non-DWCF)	20	0	0	20	0	(20)	0
Rents (non-GSA)	570	9	417	996	16	(1,012)	0
Postal Services (USPS)	0	0	0	0	0	0	0
Supplies & Materials (non-DWCF)	14	0	1	15	0	(15)	0
Printing & Reproduction	3	0	0	3	0	(3)	0
Equipment Maintenance by Contract	918	14	472	1,404	22	(1,426)	0
Facility Maintenance by Contract	0	0	0	0	0	0	0
Equipment Purchases (non-DWCF)	858	13	31	902	14	(916)	0
Contract Consultants	0	0	0	0	0	0	0
Management and Professional Support Services	0	0	0	0	0	0	0
Studies, Analyses and Evaluations	0	0	0	0	0	0	0
Engineering and Technical Services	758	11	37	806	13	(819)	0
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	19,182	288	(50)	19,420	311	(19,731)	0
Other Costs	70	1	0	71	1	(72)	0
Training Costs	21	0	0	21	0	(21)	0
Total Activity Group	23,546	368	(230)	23,684	379	(24,063)	0

Operation and Maintenance, Defense-Wide
FY 1999 Budget Estimates
FY 1998 Reconciliation of Increases and Decreases
FY 1998 President's Budget to FY 1998 Current Estimate

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

FY 1998 Amended President's Budget	24,278
Congressional Adjustments (Distributed)	0
Total Congressional Adjustments (Distributed)	0
FY 1998 Appropriated Amount	24,278
Congressional Adjustments (Undistributed)	
QDR Undistributed Reduction	(88)
Economic Assumptions (Inflation)	(101)
Defense Printing Service	(18)
Congressional Earmarks	(37)
Total Other Congressional Adjustments (Undistributed)	(244)
Functional Transfers	0
Program Increases	0
Program Decreases	
FTE Reductions Related to the Defense Reform Initiatives for OSD Agencies	(285)
Program Reductions to fund higher priority programs	(25)
Reallocation of PTAP Funding Transfer (OSD)	(40)
FY 1998 Current Estimate	23,684
Price Changes	379
Functional transfer:	
Increase	0
Decrease	
Transfer of PPASC Functions and Resources to OSD and DISA	(24,063)
FY 1999 Budget Request	0

DEFENSE INFORMATION SYSTEMS AGENCY
PLANS AND PROGRAM ANALYSIS SUPPORT CENTER (PPASC)
FY 1999 AMENDED BUDGET ESTIMATES
OPERATION AND MAINTENANCE, DEFENSE-WIDE

V. Personnel Summary

	(Actual) FY 1997	FY 1998	FY 1999	Change FY 1998/FY 1999
Military End Strength Total	18	0	0	0
Officer	17	0	0	0
Enlisted	1	0	0	0
Civilian End Strength Total	15	0	0	0
USDH	15	0	0	0
FNDH	0	0	0	0
FNIH	0	0	0	0
Reimbursable	0	0	0	0
Military Workyears Total	18	0	0	0
Officer	17	0	0	0
Enlisted	1	0	0	0
Civilian Workyears Total	15	0	0	0
USDH	15	0	0	0
FNDH	0	0	0	0
FNIH	0	0	0	0
Reimbursable	0	0	0	0

Defense Security Assistance Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

I. Narrative Description:

The Defense Security Assistance Agency (DSAA) provides program management and program implementation support to Humanitarian Assistance and Demining (HA/D) Programs, the International Armaments Cooperation Program (ICAP), and the Foreign Cooperative Testing (FCT) Program in accordance with DoD's policy to promote armaments cooperation with friendly and allied countries; provides emergency and non-emergency humanitarian assistance; and directs, administers, and supervises the humanitarian demining program.

II. Description of Operations Financed:

Customary expenses required to operate a government activity such as salaries and benefits, travel, rental of office space, rental of equipment, communications, and the cost of supplies and equipment.

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

		FY 1998			FY 1999
A. Budget Activity 4 Activity Group	FY 1997 Actual	Budget Request	Appro- priated	Current Estimate	Budget Estimate
DSAA	0	0	0	0	4,610

B. Reconciliation Summary

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	0	0
Congressional Adjustments	0	0
Price Change	0	0
Functional Transfer	0	4,610
Program Changes	0	0
Current Estimate	0	4,610

III. Financial Summary (O&M: $ in Thousands): (cont'd)

C. Summary of Price & Program Changes

	FY 1997 Actual	Change FY 1997/1998 Price Growth	Change FY 1997/1998 Program Growth	FY 1998 Estimate	Change FY 1998/1999 Price Growth	Change FY 1998/1999 Program Growth	FY 1999 Estimate
Exec, Gen & Spec Schedule		0	0	0	0	3483	3483
Travel		0	0	0	0	100	100
Other Contracts		0	0	0	0	1027	1027
TOTAL		0	0	0	0	4610	4610

III. Financial Summary (O&M: $ in Thousands): (cont'd)

D. Reconciliation of Increases & Decreases:

1.	FY 1998 Amended President's Budget Request	0
2.	Congressional Adjustments (Distributed)	0
3.	FY 1998 Appropriated Amount	0
4.	Congressional Adjustments (Undistributed)	0
5.	Total Congressional Adjustments (Undistributed)	0
6.	Functional Transfers	4,610
7.	Program Increases	0
8.	Total Program Increases	4,610
9.	Program Decreases	0
10.	Total Program Decreases	0
11.	FY 1999 Current Estimate	4,610

IV. Performance Criteria and Evaluation Summary:

The Defense Security Assistance Agency (DSAA) provides program management and program implementation support to Humanitarian Assistance and Demining (HA/D) Programs, the International Armaments Cooperation Program (ICAP), and the Foreign Cooperative Testing (FCT) Program in accordance with DoD's policy to promote armaments cooperation with friendly and allied countries; provides emergency and non-emergency humanitarian assistance; and directs, administers, and supervises the humanitarian demining program.

V. Personnel Summary:

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate	Change FY97/98	Change FY98/99
Active Military End-Strength (Total)					
Officer	0	0	4	0	4
Enlisted	0	0	0	0	0
Civilian End Strength (Total)					
US Direct Hire	0	0	27	0	27
Military FTE(Total)					
Officer	0	0	4	0	4
Enlisted	0	0	0	0	0
Civilian FTE(Total)					
US Direct Hire	0	0	27	0	27

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW

I. Narrative Description:

In recognition of the broader nature of the Defense Investigative Service (DIS) mission and functions, the Secretary of Defense as part of the Defense Reform Initiative (DRI) redesignated DIS as the Defense Security Service (DSS) in November 1997. The DRI also integrated the Department of Defense Security Institute (DoDSI), Department of Defense Polygraph Institute (DoDPI) and Defense Personnel Security Research Center (PERSEREC) into the DSS organizational structure. DoDSI, DoDPI and PERSEREC will be combined, as appropriate, with existing activities in support of the overall DSS mission of providing security services for the Department.

Driven by Department of Defense (DoD) efforts to reduce infrastructure costs, DSS will begin to implement fee-for-service on a test basis in FY 1999 with actual fee-for-service beginning in 2000. This approach was directed as a result of DoD Quadrennial Defense Review completed in May 1997. Integrated Product Teams, comprised of DSS and DSS customer representatives have met during 1997 and 1998 to formulate the business plan and to assess the cost effectiveness of devolving the individual DSS missions into the Defense Working Capital Fund (DWCF). The funding associated with the Personnel Security Investigations (PSI), $110.8M, was devolved to the Services O&M Defense-wide accounts for the FY 1999 test year. The DSS PSI customers will receive the O&M Defense-wide funding to pay for the security products supplied by DSS. The monies associated with the National Industrial Security Program (NISP), $65.6M, will remain in O&M Defense-wide until the Integrated Product Teams can clearly identify a customer and product relationship. DSS anticipates that these funds will be devolved to the Services in FY 2000. In FY 1999, 2,274 full-time equivalents associated with the PSI and NISP missions were transferred from O&M Defense-wide to DWCF

DSS operates under the auspices of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) and is chartered to administer two major programs: the PSI Program and NISP. The mission of the PSI Program is to conduct background investigations on individuals assigned to or affiliated with the Defense Department. This investigative product, which contains information concerning an individual's character, loyalty, emotional stability, and reliability, is used to determine if a security clearance should be granted. The purpose of the NISP is to ensure that private industry, while performing on government contracts, properly safeguards classified information in its possession. DSS also administers two smaller programs: the Key Asset Protection Program and Arms, Ammunition & Explosives Program. In addition to the NISP and the PSI program, DSS has the responsibility for administering a portion of the National Foreign Counterintelligence Program. DSS Counterintelligence (CI) objectives are to integrate CI

experience and knowledge into the background investigation process, increase Counterintelligence awareness and assist customers in recognizing and reporting suspected foreign intelligence collection activities.

II. Description of Operations Financed:

From FY 1990 through FY 1997 DSS downsized 39 percent; however requirements, such as those included in Executive Order 12968, have continued to expand the DSS investigative workload. In an effort to meet the increased workload, and, in anticipation of implementing fee for service, DSS embarked on significant business process reengineering efforts. This included a fundamental restructuring of the entire organization and the implementation of a number of highly innovative work process improvements. As a direct consequence of these efforts, DSS has developed performance goals that focus on results and effectiveness. Meeting these performance goals is dependent on two critical areas: (1) management of the workload and human resources, and (2) continuation of our information technology initiatives. DSS has taken action to begin a career development program to include an intern program of 28 agent trainees and a plan to target the agent journeyman level at GS-12. In addition, hiring of 18 data automation specialists and 20 temporary data preparation clerks are on-going to meet the new process requirements. Twenty six of these positions were filled at the end of the first quarter of FY 1998. Any reductions to our full-time equivalents or civilian pay funding will severely impact our ability to maximize resources to meet the DSS performance goals already in motion.

Further cost efficiencies include consolidating offices, utilizing an agent contracting program to run investigative leads where it was not feasible to have permanent employees, and utilizing a "working from domicile" program. As an organization, DSS employs the use of quality tools and self-created high. performance teams that continue to accomplish more with less. We are continuously looking for more efficient and effective ways to perform quality investigations, while reducing costs. However, to do more with less has its limitations and eventually affects the quality of life and the morale of the work force.

The DSS budget contains approximately $9.0 million each year to support the Department of Defense Security Institute (DoDSI), the Department of Defense Polygraph Institute (DoDPI) and Defense Personnel Security Research Center (PERSEREC). The Secretary of Defense, as part of the Defense Reform Initiative, functionally integrated DoDSI, DoDPI and PERSEREC into the DSS organizational structure. DSS is currently reviewing the DoDSI and PERSEREC missions to determine the best method of incorporating them into the overall DSS security, training and research missions. In FY 1999 all Budget Activity 3 funding remains in the O&M, Defense-wide budget.

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW

The objective of Department of Defense Security Institute is to provide instruction, training and policy support in national and Department of Defense (DoD) security programs for federal government personnel and representatives from American industry and foreign governments. The Department of Defense Polygraph Institute provides basic and continuing education courses in psychophysiological tests and measurements. The Defense Personnel Security Research Center's objectives include the analysis, evaluation and improvement of personnel security procedures, programs and policies.

A. Personnel Security Investigations (PSI) Program

The principal mission of the PSI Program is to conduct personnel security investigations for the Military Departments, DoD civilians and contractors affiliated with DoD. These investigations are a vital first step in the protection of DoD classified assets and form the cornerstone of the National Security Countermeasures Program. They are conducted to ensure the reliability and trustworthiness of those to whom information vital to national security is entrusted. On March 17, 1997, the President approved the enhanced investigative requirements of personnel security investigations contained in Executive Order 12968. A National Agency Check (NAC) alone is no longer sufficient to grant SECRET and CONFIDENTIAL clearances. The NAC is now supplemented with Credit Checks and local agency checks covering the last five years. SECRET Periodic Reinvestigations (PR) will now include LACs in addition to existing investigative requirements. Although not previously conducted, CONFIDENTIAL PRs now consist of the same investigative requirements as SECRET PRs. Derogatory information disclosed from these additional elements will require field expansion to resolve the information. Investigative requirements for TOP SECRET Single Scope Background Investigations have been reduced in most areas from ten year coverage to seven years, however, LACs and Former Spouse interviews will continue to be conducted within a ten year scope. TOP SECRET PR requirements have increased in the areas of neighborhood investigation, employment, and specified record reviews. Personnel security investigations are routinely expanded to prove or disprove derogatory information needed for the adjudicative process. Background investigations must meet investigative criteria, conform to laws and regulations, and consider the individual's rights and privacy. DSS is also authorized to conduct polygraph examinations to resolve issues developed during the course of a personnel security investigation and to conduct counterintelligence polygraph examinations as required on personnel involved in certain Special Access Programs.

The DSS Operations Center Baltimore (OCB), located in Linthicum, Maryland, is responsible for opening, analyzing, controlling, closing and maintaining approximately 180,000 personnel security investigations initiated each year by DoD requesters. The OCB, as the DoD repository for background investigations, also

stores and maintains approximately 2.9 million records. In FY 1999 funding for the Personnel Security Investigations Program will transfer to the Defense Working Capital Fund.

B. National Industrial Security Program (NISP)

DSS administers the NISP on behalf of DoD and 22 other Federal Government departments and agencies with whom the Secretary of Defense has signed a Memoranda of Agreement. Industrial security is an integration of information, personnel, and physical security principles applied to the protection of classified information entrusted to industry. The objective of industrial security is to ensure that security systems are established and maintained to (1) deter and detect against acts of espionage and (2) to counter the threat posed by traditional and nontraditional adversaries which target the classified information in the hands of industry. DSS provides proactive, full-service industrial security countermeasures support to nearly 12,000 cleared contractor facilities. The DSS Counterintelligence (CI) Office enhances the accomplishment of the traditional security countermeasures mission by (1) providing threat information and awareness training for the early detection and referral of cases of potential espionage and (2) assisting industry in the recognition and reporting of foreign intelligence collection attempts. In FY 1999 NISP remains in O&M Defense-wide until a clearly defined customer base can be developed. Future year budgets will show a devolvement of these funds to NISP customers.

In addition to the NISP, DSS also has responsibility for two other industrially oriented security programs. The Arms, Ammunition and Explosives Program provides for the protection of sensitive conventional arms, ammunition and explosives in the custody of, or produced by, contractors associated with the Department of Defense. The Key Asset Protection Program promotes the security of facilities which provide critical industrial production and services, thereby, ensuring emergency mobilization preparedness capability. DSS also provides service to contractors participating in the Acquisition Systems Protection Program and for certain Special Access Programs and Sensitive Compartmented Information Facilities in industry. Support is also provided to the On-Site Inspection Agency in connection with Arms Control Treaties. The Key Asset Protection Program, Arms, Ammunition & Explosives Program and CI Program will remain in O&M Defense-wide.

The DSS Operations Center Columbus (OCC), located in Columbus, OH, processes, grants, and maintains personnel security clearances for all individuals in industry requiring access to classified information and processes all international visits required under the NISP. OCC also processes and grants facility security clearances to industrial facilities sponsored for clearance by the DoD or any of the 22 other agencies.

C. Department of Defense Security Institute (DoDSI)

DoDSI, under Department of Defense (DoD) Directive 5200.32, is the primary DoD resource for security program training, education, awareness and program development support. DoDSI presents more than 40 courses of instruction including resident, field extension, customized, electronically delivered, and independent study relating to National and DoD security programs. Its students are U.S. Government military personnel and designated civilian employees and representatives of U.S. industry and foreign governments. DoDSI manages the Interagency Training Center, Ft Washington, MD which provides technical surveillance countermeasures training to the federal community. DoDSI provides technical assistance to DoD components and other federal entities in the development and improvement of their security programs.

DoDSI collects, evaluates, and distributes security awareness materials for the DoD and its cleared contractors. DoDSI produces security awareness periodicals and videos, as well as a wide range of training modules, job aids, and training support materials for use by DoD activities worldwide. DoDSI also supports the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) and Under Secretary of Defense (Policy) and the National structure in the formulation of security policies and procedures.

D. Department of Defense Polygraph Institute (DoDPI)

DoDPI is a federally-funded, educational, and research institution providing basic and continuing education courses in psychophysiological tests and measurements. Its purpose is twofold: (1) to qualify military and federal special agents for forensic psychophysiology careers and (2) to provide continuous research in the psychophysiological detection of deception and credibility assessment methods.

The Department of Defense Polygraph Institute (DoDPI) presents two semesters of training in Basic Forensic Psychophysiology. These masters level courses constitute a 15-hour credit semester. The Institute offers 15 continuing education courses which range in length from three days to three weeks, develops and offers computer based instruction courses, and provides courses to agencies through field extensions using mobile training teams.

The DoDPI research program is a Congressionally-mandated program directed towards (a) an evaluation of the validity of psychophysiological detection of deception (PDD) techniques used by DoD; (b) research on PDD countermeasures and counter-countermeasures; and (c) developmental research PDD techniques, instrumentation, and analytic methods.

E. Defense Personnel Security Research Center (PERSEREC)

PERSEREC performs personnel security research and analysis for Department of Defense (DoD) components and members of the intelligence community and evaluates improvements to personnel security procedures, programs, and policies. Upon request, PERSEREC provides advice and assistance to DoD components and the intelligence community on selected personnel security subjects.

The PERSEREC research program consists of six areas: investigations (research that improves the efficiency and effectiveness of the personnel security investigation); financial (research into financial and credit indicators of personnel security importance); security management (development of automated tools for the personnel security community); prescreening (research into methods of screening personnel for suitability before a clearance action is instituted); and continuing evaluation (development of programs to ensure that cleared personnel maintain their access eligibility). PERSEREC's unique focus on personnel security research has resulted in major improvements in both the counterintelligence and security

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW

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

A. Activity/Sub Activity Group:

	FY 1997 Actual	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
Budget Activity 3:					
DoDSI, DoDPI & PERSEREC	8,498	9,046	9,046	8,906	9,241
Budget Activity 4:					
Investigative Activities 1/	142,132	135,738	135,738	136,663	41,188
Industrial Security Activities	25,824	27,593	27,593	25,604	26,308
Foreign Counterintelligence Activities	1,440	1,480	1,480	1,480	2,158
DSS Communications 1/	697	759	759	0	0
Management Headquarters	13,200	12,045	12,045	12,839	4,524
Total BA 4	183,293	177,615	177,615	176,586	74,178
Total BA 3 and BA 4	191,791	186,661	186,661	185,492	83,419

1/ Funding realigned from DSS Communications to Investigative Activities for DSS Information Technology initiatives supported by the Information Services Directorate beginning in FY 1998 and out.

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW

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

B. Reconciliation Summary:

	Change FY 1998/FY 1998	Change FY 1998/FY 1999 1/
Baseline Funding	186,661	185,492
Price Change	-2,869	4,383
Program Change	1,700	-106,456
Current Estimate	185,492	83,419

1/ Funding decrease reflects Deputy Secretary of Defense decision to implement Quadrennial Defense Review recommendation to move DSS from O&M Defense-wide to Defense Working Capital Funding in FY 1999.

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

B. Summary of Price and Program Changes

			FY 1997/FY 1998		
		FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate
1.	Executive, General & Special Schedules	145,741	4,525	-1,766	148,500
2.	Wage Board	141	5	1	147
3.	Benefits to Former Employees	298	0	-31	267
4.	Voluntary Separation Incentive Payments	1,323	0	-341	982
5.	Disability Compensation	1,069	0	0	1,069
6.	Travel of Persons	4,073	61	-153	3,981
7.	GSA Managed Supplies & Materials	9	0	0	9
8.	Communications Services (DISA)	697	10	-707	0
9.	Defense Security Service (DSS)	0	0	0	0
10.	Commercial Transportation	207	3	-3	207
11.	Rental Payments to GSA (SLUC)	6,391	0	-202	6,189
12.	Purchased Communications (Non-DBOF)	3,143	47	373	3,563
13.	Rents (Non-GSA)	159	4	24	187
14.	Postal Services (U.S.P.S.)	1,099	1	64	1,164
15.	Supplies & Materials (Non-DBOF)	573	9	105	687
16.	Printing & Reproduction	307	4	-51	260
17.	Equipment Maintenance by Contract	1,571	23	-457	1,137
18.	Equipment Purchases (Non-DBOF)	1,370	20	-831	559
19.	Locally Purchased Fuel (Non-DBOF)	877	74	-73	878
20.	Other Contracts	22,735	402	-7,431	15,706
21.	Other Costs	8	0	-8	0
	Total	191,791	5,188	-11,487	185,492

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW

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

B. Summary of Price and Program Changes

			FY 1998/FY 1999		
		FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
1.	Executive, General & Special Schedules	148,500	3,833	-145,482	6,851
2.	Wage Board	147	3	-112	38
3.	Benefits to Former Employees	267	0	-238	29
4.	Voluntary Separation Incentive Payments	982	0	-982	0
5.	Disability Compensation	1,069	0	-1,069	0
6.	Travel of Persons	3,981	64	-3,448	597
7.	GSA Managed Supplies & Materials	9	7	-15	1
8.	Communications Services (DISA)	0	0	0	0
9.	Defense Security Service (DSS)	0	0	65,600	65,600
10.	Commercial Transportation	207	3	-194	16
11.	Rental Payments to GSA (SLUC)	6,189	99	-5,817	471
12.	Purchased Communications (Non-DBOF)	3,563	66	-3,189	440
13.	Rents (Non-GSA)	187	9	-150	46
14.	Postal Services (U.S.P.S.)	1,164	19	-984	199
15.	Supplies & Materials (Non-DBOF)	687	11	-493	205
16.	Printing & Reproduction	260	5	-48	217
17.	Equipment Maintenance by Contract	1,137	64	-823	378
18.	Equipment Purchases (Non-DBOF)	559	23	-439	143
19.	Locally Purchased Fuel (Non-DBOF)	878	18	-828	68
20.	Other Contracts	15,706	252	-7,838	8,120
21.	Other Costs	0	0	0	0
	Total	185,492	4,383	-106,456	83,419

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

C. Reconciliation: Increases and Decreases:

	Dollars in Thousands	
1. FY 1998 Amended President's Budget		186,661
2. Congressional Adjustments (Distributed)		
a. Classified and Intelligence	1,000	
Total Other Congressional Adjustments (Distributed)		1,000
3. FY 1998 Appropriated Amount		187,661
4. Congressional Adjustments		
a. Civilian personnel underexecution	-1,900	
b. Revised economic assumptions	-229	
c. Defense automated printing service	-145	
d. Congressional earmarks: Section 8056 & 8130	-290	
Total Other Congressional Adjustments (Undistributed)		-2,564
5. Functional Transfers		0
6. Program Increases		
a. Increase to DSS funding for automation enhancements to reduce personnel security investigation case closure times and costs	700	
Total Program Increases		700

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

C. Reconciliation: Increases and Decreases (continued):

	Dollars in Thousands	
7. Program Decreases		
a. Program reductions to fund higher priority programs	-305	
Total Program Decreases		-305
8. FY 1998 Budget Request		185,492
9. Price Changes		
a. Annualization of FY 1998 pay raise	868	
b. FY 1999 pay raise	1,860	
c. Other price growth	1,655	
Total Price Changes		4,383
10. Functional Transfers		
Increases		
a. Transfer of one full-time equivalent and associated costs to the Department of Defense Polygraph Institute from the Food and Drug Administration	100	
Decreases		
b. Transfer of Defense Security Service to the Defense Working Capital Fund from Operation and Maintenance, Defense-wide	-110,800	
Total Functional Transfers		-110,700

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

C. Reconciliation: Increases and Decreases (continued):

	Dollars in Thousands	
11. Program Increases		
a. Increase, approved by the Deputy Secretary of Defense, to sustain Defense Security Service baseline information technology requirements	2,800	
b. Increase to complete Defense Security Service information technology modernization process begun in FY 1995 to reduce case completion times, depending on the type of background investigation requested, to between 30 and 120 days	3,350	
c. Net increase to support Department of Security Institute training and automation initiatives	452	
Total Program Increases		6,602
12. Program Decreases		
a. Civilian pay savings related to a reduction of 10 full-time equivalents associated with Secretary of Defense functional integration of the Department of Defense Security Institute, Department of Defense Polygraph Institute and Defense Personnel Security Research Center into the Defense Security Service organizational structure	-422	

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

C. Reconciliation: Increases and Decreases (continued):

	Dollars in Thousands	
12. Program Decreases (continued)		
b. Reduction to Voluntary Separation Incentive Pay program and commensurate reduction of severance pay and 9% Civil Service Retirement System surcharge	-126	
c. Decrease in travel program	-161	
d. Reduction in SLUC program	-41	
e. Reduction in printing program	-3	
f. Reduction in equipment purchases	-31	
g. Reduction to POL program	-3	
h. Net reductions to other contracts associated with one-time FY 1998 funding increase approved by the Deputy Secretary of Defense for the operation and maintenance of the Defense Security Service modernized automation system	-1,571	
Total Program Decreases		-2,358
13. FY 1999 Budget Request		83,419

IV. Performance Criteria and Evaluation:

Workload	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
Budget Activity 3:			
A. Department of Defense Security Institute (DoDSI)			
1. Student Enrollment			
Resident/Field Courses	6,500	7,000	7,300
Correspondence Courses	4,600	9,000	10,000
Teletraining/Video Training Computer Based Training Courses	1,200	4,000	5,300
B. Department of Defense Polygraph Institute (DoDPI)			
1. Academic			
Basic Courses Enrollment	59	72	72
Continuing Education Enrollment	580	550	550
Course Iterations	39	40	40
2. Research			
External Projects	9	7	12
Internal Projects	11	10	12
3. Quality Assurance Inspections:	10	12	12

IV. Performance Criteria and Evaluation:

Workload (continued)	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
Budget Activity 3:			
C. Defense Personnel Security Research Center (PERSEREC)			
1. Research			
Projects	18	23	23

Research projects are devoted to evaluating and improving personnel security procedures, programs, and policies throughout the Department of Defense. Research domains include clearance processes, security awareness, financial and credit, and management analyses. Projects include but are not limited to the development of a financial disclosure form, cost analyses of personnel security investigations, automation of reference and information materials, and special projects as requested.

Budget Activity 4:			
A. Personnel Security Investigation (PSI) Program			
1. Personnel Security Investigations			
Cases Opened	135,515	131,265	131,265
Cases Closed	132,436	134,438	135,225
Pending	41,199	38,026	34,066
2. National Agency Checks			
NACs Closed	621,521	524,521	517,521

IV. Performance Criteria and Evaluation:

Workload (continued)	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
Budget Activity 4:			
B. National Industrial Security Program (NIPS)			
1. Industrial security service and support actions			
Required	31,922	31,602	31,602
Funded	24,830	25,757	27,181
2. DSS Operations Center, Columbus (OCC) actions			
Required	234,967	225,569	216,546
Funded	216,510	214,174	184,212

V. Personnel Summary:

Budget Activity 3 (DoDSI, DoDPI & PERSEREC):			
Civilian End Strength (Total)	66	70	61
U.S. Direct Hire	66	70	61
Civilian FTEs (Total)	66	70	61
U.S. Direct Hire	66	70	61

V. Personnel Summary (continued):

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate 1/
Budget Activity 4 (DSS & DSS/DoDPI NFIP):			
Civilian End Strength (Total)	2,510	2,440	38
U.S. Direct Hire	2,510	2,440	38
Civilian FTEs (Total)	2,496	2,411	38
U.S. Direct Hire	2,496	2,411	38
Total BA 3 and BA 4:			
Civilian End Strength (Total)	2,576	2,510	99
U.S. Direct Hire	2,576	2,510	99
Civilian FTEs (Total)	2,562	2,481	99
U.S. Direct Hire	2,562	2,481	99

1/ Decrease in end strength and full-time equivalents reflects Deputy Secretary of Defense decision to implement Quadrennial Defense Review recommendation to move DSS to the Defense Working Capital Fund from the Operation and Maintenance Defense-wide appropriation in FY 1999.

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW
Budget Activity Group 3: DoDSI, DODPI and PERSEREC

I. Narrative Description:

In recognition of the broader nature of the Defense Investigative Service (DIS) mission and functions, the Secretary of Defense as part of the Defense Reform Initiative (DRI) redesignated DIS as the Defense Security Service (DSS) in November 1997. The DRI also integrated the Department of Defense Security Institute (DoDSI), Department of Defense Polygraph Institute (DoDPI) and Defense Personnel Security Research Center (PERSEREC) into the DSS organizational structure. DoDSI, DoDPI and PERSEREC will be combined, as appropriate, with existing activities in support of the overall DSS mission of providing security services for the Department.

Driven by Department of Defense (DoD) efforts to reduce infrastructure costs, DSS will begin to implement fee-for-service on a test basis in FY 1999 with actual fee-for-service beginning in 2000. This approach was directed as a result of DoD Quadrennial Defense Review completed in May 1997. Integrated Product Teams, comprised of DSS and DSS customer representatives have met during 1997 and 1998 to formulate the business plan and to assess the cost effectiveness of devolving the individual DSS missions into the Defense Working Capital Fund (DWCF). The funding associated with the Personnel Security Investigations (PSI), $110.8M, was devolved to the Services O&M Defense-wide accounts for the FY 1999 test year. The DSS PSI customers will receive the O&M Defense-wide funding to pay for the security products supplied by DSS. The monies associated with the National Industrial Security Program (NISP), $65.6M, will remain in O&M Defense-wide until the Integrated Product Teams can clearly identify a customer and product relationship. DSS anticipates that these funds will be devolved to the Services in FY 2000. In FY 1999, 2,274 full-time equivalents associated with the PSI and NISP missions were transferred from O&M Defense-wide to DWCF

A. Department of Defense Security Institute (DoDSI)

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The Department of Defense Security Institute (DoDSI) collects, evaluates, and distributes security awareness materials for the Department of Defense (DoD) and its cleared contractors. DoDSI produces security awareness periodicals and videos, as well as a wide range of training modules, job aids, and training support materials for use by DoD activities worldwide. DoDSI also supports the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) and Under Secretary of Defense (Policy) and the National structure in the formulation of security policies and procedures.

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DoDPI is a federally-funded, educational, and research institution providing basic and continuing education courses in psychophysiological tests and measurements. Its purpose is twofold: (1) to qualify military and federal special agents for forensic psychophysiology careers and (2) to provide continuous research in the psychophysiological detection of deception and credibility assessment methods.

DoDPI presents two semesters of training in Basic Forensic Psychophysiology. These masters level courses constitute a 15-hour credit semester. The Institute offers 15 continuing education courses which range in length from three days to three weeks, develops and offers computer based instruction courses, and provides courses to agencies through field extensions using mobile training teams.

The DoDPI research program is a Congressionally-mandated program directed towards (a) an evaluation of the validity of psychophysiological detection of deception (PDD) techniques used by DoD; (b) research on PDD countermeasures and counter-countermeasures; and (c) developmental research PDD techniques, instrumentation, and analytic methods.

C. Defense Personnel Security Research Center (PERSEREC)

PERSEREC performs personnel security research and analysis for DoD components and members of the intelligence community and evaluates improvements to personnel security procedures, programs, and policies. Upon request, PERSEREC provides advice and assistance to DoD components and the intelligence community on selected personnel security subjects.

The PERSEREC research program consists of six areas: investigations (research that improves the efficiency and effectiveness of the personnel security investigation); financial (research into financial and credit indicators of personnel security importance); security management (development of automated tools for the personnel security community); prescreening (research into methods of screening personnel for suitability before a clearance action is instituted); and continuing evaluation (development of programs to

ensure that cleared personnel maintain their access eligibility). The Defense Personnel Security Research Center's (PERSEREC) unique focus on personnel security research has resulted in major improvements in both the counterintelligence and security countermeasures domains.

II. Description of Operations Financed:

The DSS budget contains approximately $9.0 million each year to support the Department of Defense Security Institute (DoDSI), the Department of Defense Polygraph Institute (DoDPI) and PERSEREC. The Secretary of Defense, as part of the Defense Reform Initiative, functionally integrated DoDSI, DoDPI and PERSEREC into the DSS organizational structure. DSS is currently reviewing the DoDSI and PERSEREC missions to determine the best method of incorporating them into the overall DSS security, training and research missions.

The objective of DoDSI is to provide instruction and training and policy support in national and DoD security programs for federal government personnel and representatives from American industry and foreign governments. DoDPI provides basic and continuing education courses in psychophysiological tests and measurements. PERSEREC's objectives include the analysis, evaluation and improvement of personnel security procedures, programs and policies.

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW
Budget Activity Group 3: DoDSI, DODPI and PERSEREC

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

A. Budget Activity Group 3:

	FY 1997 Actual	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
DoDSI, DoDPI & PERSEREC	8,498	9,046	9,046	8,906	9,241

B. Reconciliation Summary:

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	9,046	8,906
Price Change	-140	205
Program Change	0	130
Current Estimate	8,906	9,241

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

C. Summary of Price and Program Changes

		FY 1997 Actual	FY 1997/FY 1998 Price Growth	FY 1997/FY 1998 Program Growth	FY 1998 Estimate
1.	Executive, General & Special Schedules	4,212	34	-51	4,195
2.	Wage Board	35	1	0	36
3.	Benefits to Former Employees	6	0	-6	0
4.	Voluntary Separation Incentive Payments	100	0	-100	0
5.	Disability Compensation	0	0	0	0
6.	Travel of Persons	189	3	189	381
7.	GSA Managed Supplies & Materials	0	0	0	0
8.	Communications Services (DISA)	0	0	0	0
9.	Commercial Transportation	0	0	0	0
10.	Rental Payments to GSA (SLUC)	0	0	0	0
11.	Purchased Communications (Non-DBOF)	5	0	0	5
12.	Rents (Non-GSA)	8	0	28	36
13.	Postal Services (U.S.P.S.)	69	1	42	112
14.	Supplies & Materials (Non-DBOF)	62	1	70	133
15.	Printing & Reproduction	275	4	-51	228
16.	Equipment Maintenance by Contract	23	0	169	192
17.	Equipment Purchases (Non-DBOF)	76	1	28	105
18.	Locally Purchased Fuel (Non-DBOF)	0	1	-1	0
19.	Other Contracts	3,438	52	-7	3,483
20.	Other Costs	0	0	0	0
	Total	8,498	98	310	8,906

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW
Budget Activity Group 3: DoDSI, DODPI and PERSEREC

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

C. Summary of Price and Program Changes

		FY 1998 Estimate	FY 1998/FY 1999 Price Growth	FY 1998/FY 1999 Program Growth	FY 1999 Estimate
1.	Executive, General & Special Schedules	4,195	127	-422	3,900
2.	Wage Board	36	1	1	38
3.	Benefits to Former Employees	0	0	0	0
4.	Voluntary Separation Incentive Payments	0	0	0	0
5.	Disability Compensation	0	0	0	0
6.	Travel of Persons	381	6	-15	372
7.	GSA Managed Supplies & Materials	0	0	0	0
8.	Communications Services (DISA)	0	0	0	0
9.	Commercial Transportation	0	0	0	0
10.	Rental Payments to GSA (SLUC)	0	0	0	0
11.	Purchased Communications (Non-DBOF)	5	0	0	5
12.	Rents (Non-GSA)	36	2	-4	34
13.	Postal Services (U.S.P.S.)	112	2	1	115
14.	Supplies & Materials (Non-DBOF)	133	2	24	159
15.	Printing & Reproduction	228	4	-18	214
16.	Equipment Maintenance by Contract	192	3	-29	166
17.	Equipment Purchases (Non-DBOF)	105	2	-20	87
18.	Locally Purchased Fuel (Non-DBOF)	0	0	0	0
19.	Other Contracts	3,483	56	612	4,151
20.	Other Costs	0	0	0	0
	Total	8,906	205	130	9,241

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW
Budget Activity Group 3: DoDSI, DODPI and PERSEREC

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

C. Reconciliation: Increases and Decreases:

		Dollars in Thousands	
1.	FY 1998 Amended President's Request		9,046
2.	FY 1998 Appropriated Amount		9,046
3.	Congressional Adjustments		
	a. Civilian personnel underexecution	-93	
	b. Revised economic assumptions	-11	
	c. Defense automated printing service	-7	
	d. Congressional earmarks:	-14	
	Total Other Congressional Adjustments (Undistributed)		-125
4.	Functional Transfers		0
5.	Program Decreases		
	a. Program reductions to fund higher priority programs	-15	
	Total Program Decreases		-15
8.	FY 1998 Budget Request		8,906
9.	Price Changes		
	a. Annualization of FY 1998 pay raise	25	
	b. FY 1999 pay raise	55	
	c. Other price growth	125	
	Total Price Changes		205

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

C. Reconciliation: Increases and Decreases (continued):

	Dollars in Thousands	
10. Functional Transfers		
Increases		
a. Transfer of one full-time equivalent and associated costs to the Department of Defense Polygraph Institute from the Food and Drug Administration	100	
Total Functional Transfers		100
11. Program Increases		
a. Net increase to support Department of Security Institute training and automation initiatives	452	
Total Program Increases		452
12. Program Decreases		
a. Civilian pay savings related to a reduction of 10 full-time equivalents associated with Secretary of Defense functional integration of the Department of Defense Security Institute, Department of Defense Polygraph Institute and Defense Personnel Security Research Center into the Defense Security Service organizational structure	-422	
Total Program Decreases		-422
13. FY 1998 Budget Request		9,241

IV. Performance Criteria and Evaluation:

Workload	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
A. Department of Defense Security Institute (DoDSI)			
1. Student Enrollment			
Resident/Field Courses	6,500	7,000	7,300
Correspondence Courses	4,600	9,000	10,000
Teletraining/Video Training Computer Based Training Courses	1,200	4,000	5,300
B. Department of Defense Polygraph Institute (DoDPI)			
1. Academic			
Basic Courses Enrollment	59	72	72
Continuing Education Enrollment	580	550	550
Course Iterations	39	40	40
2. Research			
External Projects	9	7	12
Internal Projects	11	10	12
3. Quality Assurance Inspections:	10	12	12

IV. Performance Criteria and Evaluation:

Workload (continued)	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
C. Defense Personnel Security Research Center (PERSEREC)			
1. Research			
Projects	18	23	23

Research projects are devoted to evaluating and improving personnel security procedures, programs, and policies throughout the Department of Defense. Research domains include clearance processes, security awareness, financial and credit, and management analyses. Projects include but are not limited to the development of a financial disclosure form, cost analyses of personnel security investigations, automation of reference and information materials, and special projects as requested.

V. Personnel Summary:

Civilian End Strength (Total)	66	70	61
U.S. Direct Hire	66	70	61
Civilian FTEs (Total)	66	70	61
U.S. Direct Hire	66	70	61

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW
Budget Activity Group 4: DSS and NFIP

I. Narrative Description:

In recognition of the broader nature of the Defense Investigative Service (DIS) mission and functions, the Secretary of Defense as part of the Defense Reform Initiative (DRI) redesignated DIS as the Defense Security Service (DSS) in November 1997. The DRI also integrated the Department of Defense Security Institute (DoDSI), Department of Defense Polygraph Institute (DoDPI) and Defense Personnel Security Research Center (PERSEREC) into the DSS organizational structure. DoDSI, DoDPI and PERSEREC will be combined, as appropriate, with existing activities in support of the overall DSS mission of providing security services for the Department.

Driven by Department of Defense (DoD) efforts to reduce infrastructure costs, DSS will begin to implement fee-for-service on a test basis in FY 1999 with actual fee-for-service beginning in 2000. This approach was directed as a result of DoD Quadrennial Defense Review completed in May 1997. Integrated Product Teams, comprised of DSS and DSS customer representatives have met during 1997 and 1998 to formulate the business plan and to assess the cost effectiveness of devolving the individual DSS missions into the Defense Working Capital Fund (DWCF). The funding associated with the Personnel Security Investigations (PSI), $110.8M, was devolved to the Services O&M Defense-wide accounts for the FY 1999 test year. The DSS PSI customers will receive the O&M Defense-wide funding to pay for the security products supplied by DSS. The monies associated with the National Industrial Security Program (NISP), $65.6M, will remain in O&M Defense-wide until the Integrated Product Teams can clearly identify a customer and product relationship. DSS anticipates that these funds will be devolved to the Services in FY 2000. In FY 1999, 2,274 full-time equivalents associated with the PSI and NISP missions were transferred from O&M Defense-wide to DWCF

DSS operates under the auspices of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) (ASD(C^3I)) and is chartered to administer two major programs: the PSI Program and NISP. The mission of the PSI Program is to conduct background investigations on individuals assigned to or affiliated with the Defense Department. This investigative product, which contains information concerning an individual's character, loyalty, emotional stability, and reliability, is used to determine if a security clearance should be granted. The purpose of the NISP is to ensure that private industry, while performing on government contracts, properly safeguards classified information in its possession. DSS also administers two smaller programs: the Key Asset Protection Program and the Arms, Ammunition & Explosives Program. In addition to the NISP and the PSI program, DSS has the responsibility for administering a portion of the National Foreign Counterintelligence Program. The DSS Counterintelligence (CI) objectives are to integrate CI experience and knowledge into the background investigation process, increase CI awareness and assist customers in recognizing and reporting suspected foreign intelligence collection activities.

II. Description of Operations Financed:

From FY 1990 through FY 1997 DSS downsized 39 percent; however requirements, such as those included in Executive Order 12968, have continued to expand the DSS investigative workload. In an effort to meet the increased workload, and, in anticipation of implementing fee for service, DSS embarked on significant business process reengineering efforts. This included a fundamental restructuring of the entire organization and the implementation of a number of highly innovative work process improvements. As a direct consequence of these efforts, DSS has developed performance goals that focus on results and effectiveness. Meeting these performance goals is dependent on two critical areas: (1) management of the workload and human resources, and (2) continuation of our information technology initiatives. DSS has taken action to begin a career development program to include an intern program of 28 agent trainees and a plan to target the agent journeyman level at GS-12. In addition, hiring of 18 data automation specialists and 20 data preparation clerks are on-going to meet the new process requirements. Thirty of these positions were filled as of December 1997 including 26 new agent trainees. Any reductions to our Full Time Equivalents or civilian pay funding will severely impact our ability to maximize resources to meet the DSS performance goals already in motion.

Further cost efficiencies include consolidating offices, utilizing an agent contracting program to run investigative leads where it was not feasible to have permanent employees, and initiating a "working from domicile" program. As an organization, DSS employs the use of quality tools and self-created high performance teams that continue to accomplish more with less. We are continuously looking for more efficient and effective ways to perform quality investigations, while reducing costs. However, to do more with less has its limitations and eventually affects the quality of life and the morale of the work force.

This budget also reflects the Deputy Secretary of Defense decision to implement the Quadrennial Defense Review recommendation to move DSS from appropriated funds to the Defense Working Capital Fund beginning in FY 1999.

A. Personnel Security Investigations (PSI) Program

The principal mission of the PSI Program is to conduct personnel security investigations for the Military Departments, Department of Defense (DoD) civilians and contractors affiliated with DoD. These investigations are a vital first step in the protection of DoD classified assets and form the cornerstone of the National Security Countermeasures Program. They are conducted to ensure the reliability and trustworthiness of those to whom information vital to national security is entrusted. On March 17, 1997, the President approved the enhanced investigative requirements of personnel security investigations

contained in Executive Order 12968. A National Agency Check (NAC) alone is no longer sufficient to grant SECRET and CONFIDENTIAL clearances. The NAC is now supplemented with Credit Checks covering the last five years. SECRET Periodic Reinvestigations (PR) will now include LACs in addition to existing investigative requirements. Although not previously conducted, CONFIDENTIAL PRs now consist of the same investigative requirements as SECRET PRs. Derogatory information disclosed from these additional elements will require field expansion to resolve the information. Investigative requirements for TOP SECRET Single Scope Background Investigations have been reduced in most areas from ten year coverage to seven years, however, LACs and Former Spouse interviews will continue to be conducted within a ten year scope. TOP SECRET PR requirements have increased in the areas of neighborhood investigation, employment, and specified record reviews. Personnel security investigations are routinely expanded to prove or disprove derogatory information needed for the adjudicative process. Background investigations must meet investigative criteria, conform to laws and regulations, and consider the individual's rights and privacy.

DSS is authorized to conduct polygraph examinations to resolve issues developed during the course of a personnel security investigation and to conduct counterintelligence polygraph examinations as required on personnel involved in certain Special Access Programs.

The DSS Operations Center Baltimore (OCB), located in Linthicum, Maryland, is responsible for opening, analyzing, controlling, closing and maintaining approximately 180,000 personnel security investigations initiated each year by Department of Defense (DoD) requesters. Operations Center Baltimore, as the DoD repository for background investigations, also stores and maintains approximately 2.9 million records.

B. National Industrial Security Program (NISP)

DSS administers the NISP on behalf of the DoD and 22 other Federal Government departments and agencies with whom the Secretary of Defense has signed a Memoranda of Agreement. Industrial security is an integration of information, personnel, and physical security principles applied to the protection of classified information entrusted to industry. The objective of industrial security is to ensure that security systems are established and maintained to (1) deter and detect against acts of espionage and (2) to counter the threat posed by traditional and nontraditional adversaries which target the classified information in the hands of industry. DSS provides proactive, full-service industrial security countermeasures support to nearly 12,000 cleared contractor facilities. The DSS Counterintelligence Office enhances the accomplishment of the traditional security countermeasures mission by (1) providing threat information and awareness training for the early detection and referral of cases of potential espionage and (2) assisting industry in the recognition and reporting of foreign intelligence collection attempts.

In addition to the National Industrial Security Program (NISP), DSS also has responsibility for two other industrially oriented security programs. The Arms, Ammunition and Explosives Program provides for the protection of sensitive conventional arms, ammunition and explosives in the custody of, or produced by, contractors associated with the Department of Defense (DoD). The Key Asset Protection Program promotes the security of facilities which provide critical industrial production and services, thereby, ensuring emergency mobilization preparedness capability. DSS also provides service to contractors participating in the Acquisition Systems Protection Program and for certain Special Access Programs and Sensitive Compartmented Information Facilities in industry. Support is also provided to the On-Site Inspection Agency in connection with Arms Control Treaties.

The DSS Operations Center Columbus (OCC), located in Columbus, OH, processes, grants, and maintains personnel security clearances for all individuals in industry requiring access to classified information and processes all international visits required under the NISP. OCC also processes and grants facility security clearances to industrial facilities sponsored for clearance by the DoD or any of the 22 other agencies.

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW
Budget Activity Group 4: DSS and NFIP

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

A. Budget Activity Group 4:

	FY 1997 Actual	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
Investigative Activities 1/	142,132	135,738	135,738	136,663	41,188
Industrial Security Activities	25,824	27,593	27,593	25,604	26,308
Foreign Counterintelligence Activities	1,440	1,480	1,480	1,480	2,158
DSS Communications 1/	697	759	759	0	0
Management Headquarters	13,200	12,045	12,045	12,839	4,524
Total BA 4	183,293	177,615	177,615	176,586	74,178

B. Reconciliation Summary:

	Change FY 1998/FY 1998	Change FY 1998/FY 1999 2/
Baseline Funding	177,615	176,586
Price Change	-2,729	4,178
Program Change	1,700	-106,586
Current Estimate	176,586	74,178

1/ Funding realigned from DSS Communications to Investigative Activities to support DSS Information Technology initiatives supported by the Information Services Directorate beginning in FY 1998 and out.

2/ Funding decrease reflects Deputy Secretary of Defense decision to implement Quadrennial Defense Review recommendation to move DSS from appropriated funds to Defense Working Capital Fund in FY 1999.

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

B. Summary of Price and Program Changes

		FY 1997 Actual	FY 1997/FY 1998 Price Growth	FY 1997/FY 1998 Program Growth	FY 1998 Estimate
1.	Executive, General & Special Schedules	141,529	4,491	-1,715	144,305
2.	Wage Board	106	4	1	111
3.	Benefits to Former Employees	292	0	-25	267
4.	Voluntary Separation Incentive Payments	1,223	0	-241	982
5.	Disability Compensation	1,069	0	0	1,069
6.	Travel of Persons	3,884	58	-342	3,600
7.	GSA Managed Supplies & Materials	9	0	0	9
8.	Communications Services (DISA)	697	10	-707	0
9.	Defense Security Service (DSS)	697	15	-712	0
10.	Commercial Transportation	207	3	-3	207
11.	Rental Payments to GSA (SLUC)	6,391	0	-202	6,189
12.	Purchased Communications (Non-DBOF)	3,138	47	373	3,558
13.	Rents (Non-GSA)	151	4	-4	151
14.	Postal Services (U.S.P.S.)	1,030	0	22	1,052
15.	Supplies & Materials (Non-DBOF)	511	8	35	554
16.	Printing & Reproduction	32	0	0	32
17.	Equipment Maintenance by Contract	1,548	23	-626	945
18.	Equipment Purchases (Non-DBOF)	1,294	19	-859	454
19.	Locally Purchased Fuel (Non-DBOF)	877	73	-72	878
20.	Other Contracts	19,297	350	-7,424	12,223
21.	Other Costs	8	0	-8	0
	Total	183,293	5,090	-11,797	176,586

DEFENSE SECURITY SERVICE (DSS)
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 DEFENSE BUDGET REVIEW
Budget Activity Group 4: DSS and NFIP

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

B. Summary of Price and Program Changes

			FY 1998/FY 1999		
		FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
1.	Executive, General & Special Schedules	144,305	3,706	-145,060	2,951
2.	Wage Board	111	2	-113	0
3.	Benefits to Former Employees	267	0	-238	29
4.	Voluntary Separation Incentive Payments	982	0	-982	0
5.	Disability Compensation	1,069	0	-1,069	0
6.	Travel of Persons	3,600	58	-3,433	225
7.	GSA Managed Supplies & Materials	9	7	-15	1
8.	Communications Services (DISA)	0	0	0	0
9.	Defense Security Service (DSS)	0	0	65,600	65,600
10.	Commercial Transportation	207	3	-194	16
11.	Rental Payments to GSA (SLUC)	6,189	99	-5,817	471
12.	Purchased Communications (Non-DBOF)	3,558	66	-3,189	435
13.	Rents (Non-GSA)	151	7	-146	12
14.	Postal Services (U.S.P.S.)	1,052	17	-985	84
15.	Supplies & Materials (Non-DBOF)	554	9	-517	46
16.	Printing & Reproduction	32	1	-30	3
17.	Equipment Maintenance by Contract	945	61	-794	212
18.	Equipment Purchases (Non-DBOF)	454	21	-419	56
19.	Locally Purchased Fuel (Non-DBOF)	878	18	-828	68
20.	Other Contracts	12,223	196	-8,450	3,969
21.	Other Costs	0	0	0	0
	Total	176,586	4,178	-106,586	74,178

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

C. Reconciliation: Increases and Decreases:

		Dollars in Thousands	
1.	FY 1998 Amended President's Budget		177,615
2.	Congressional Adjustments (Distributed)		
	a. Classified and Intelligence	1,000	
	Total Other Congressional Adjustments (Distributed)		1,000
3.	FY 1998 Appropriated Amount		178,615
4.	Congressional Adjustments		
	a. Civilian personnel underexecution	-1,807	
	b. Revised economic assumptions	-218	
	c. Defense automated printing service	-138	
	d. Congressional earmarks	-276	
	Total Other Congressional Adjustments (Undistributed)		-2,439
5.	Functional Transfers		0
6.	Program Increases		
	a. Increase to DSS funding for automation enhancements to reduce personnel security investigation case closure times and costs	700	
	Total Program Increases		700

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

C. Reconciliation: Increases and Decreases (continued):

		Dollars in Thousands	
7.	Program Decreases		
	a. Program reductions to fund higher priority programs	-290	
	Program Decreases		-290
8.	FY 1998 Budget Request		176,586
9.	Price Changes		
	a. Annualization of FY 1998 pay raise	843	
	b. FY 1999 pay raise	1,805	
	c. Other price growth	1,530	
	Total Price Changes		4,178
10.	Functional Transfers		
	Decreases		
	Transfer of Defense Security Service to the Defense Working Capital Fund from Operation and Maintenance, Defense-wide	-110,800	
	Total Functional Transfers		-110,800
11.	Program Increases		
	a. Increase, approved by the Deputy Secretary of Defense, to sustain Defense Security Service baseline information technology requirements	2,800	

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

C. Reconciliation: Increases and Decreases (continued):

	Dollars in Thousands	
11. Program Increases (continued)		
b. Increase to complete Defense Security Service information technology modernization process begun in FY 1995 to reduce case completion times, depending on the type of background investigation requested, to between 30 and 120 days	3,350	
Total Program Increases		6,150
12. Program Decreases		
a. Reduction to Voluntary Separation Incentive Pay program and commensurate reduction of severance pay and 9% Civil Service Retirement System surcharge	-126	
b. Decrease in travel program	-161	
c. Reduction in SLUC program	-41	
d. Reduction in printing program	-3	
e. Reduction in equipment purchases	-31	
f. Reduction to POL program	-3	
g. Net reductions to other contracts associated with one-time FY 1998 funding increase approved by the Deputy Secretary of Defense for the operation and maintenance of the Defense Security Service modernized automation system	-1,571	
Total Program Decreases		-1,936
13. FY 1999 Budget Request		74,178

IV. Performance Criteria and Evaluation:

Workload	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
A. Personnel Security Investigation (PSI) Program			
1. Personnel Security Investigations			
Cases Opened	135,515	131,265	131,265
Cases Closed	132,436	134,438	135,225
Pending	41,199	38,026	34,066
2. National Agency Checks			
NACs Closed	621,521	524,521	517,521
B. National Industrial Security Program (NISP)			
1. Industrial security service and support actions			
Required	31,922	31,602	31,602
Funded	24,830	25,757	27,181
2. DSS Operations Center, Columbus (OCC) actions			
Required	234,967	225,569	216,546
Funded	216,510	214,174	184,212

V. Personnel Summary:

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate 1/
Civilian End Strength (Total)	2,510	2,440	38
U.S. Direct Hire	2,510	2,440	38
Civilian FTEs (Total)	2,496	2,411	38
U.S. Direct Hire	2,496	2,411	38

1/ Decrease in end strength and full-time equivalents reflects Deputy Secretary of Defense decision to implement Quadrennial Defense Review recommendation to move DSS from appropriated funds to Defense Working Capital Fund in FY 1999.

Defense Information Systems Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

I. Narrative Description

The Defense Information Systems Agency is a combat support agency and performs a critical command, control, computer and intelligence systems mission in support of the President, the Joint Staff, CINCs, Services, and the vital business functions of the Department of Defense. The functional areas DISA supports include: planning, program management, network engineering and operations in support of the Defense Information Infrastructure (DII); technical support for the Global Command and Control System (GCCS) and automated data processing and special studies support for the Office of the Secretary of Defense and the Joint Staff; management of the development, integration, testing, and configuration control for the Defense Message System (DMS) and Electronic Commerce/Electronic Data Interchange (EC/EDI) for DOD; provisioning of Information Systems Security (INFOSEC) support, working with CINCs, the services, and OSD to maintain secure communications and information systems in support of the warfighters; supporting the warfighters through use of the Global Combat Support System (GCSS), accelerating improved combat support capabilities and providing a fused, real-time, combat support view of the battlespace; providing warfighter support using leading edge capabilities through modeling and simulation techniques; implementation of Information Technology services on behalf of the Assistant Secretary of Defense for C3I throughout the DOD; development of the information system migration strategy for the Defense Information Infrastructure (DII) throughout DOD; information system engineering for overall Command and Control (C2) systems in support of all CINCs, Services and Agencies; The Director, DISA, also serves as Manager of the National Communications System; and providing support to the President of the United States, in his role as Commander in Chief, through the White House Communications Agency (WHCA).

II. Description of Operations Financed:

The funds requested for Operation and Maintenance are to provide for civilian salaries, operating costs, and technical contractor support of the Defense Information Systems Agency Headquarters and field activities. Major components are the Management Headquarters, Operations Directorate, C4 and Intelligence Programs, Joint Interoperability and Engineering Organization, Joint Requirements Analysis and Integration, C4I Modeling and Assessment, Strategic Plans and Policy, Chief Information Officer, DISA Information Systems Center, Procurement and Logistics, DISA Western Hemisphere, National Communications System, and the White House Communications Agency.

Defense Information Systems Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

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

A. Subactivity Breakout:	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
Management Headquarters	33,936	27,795	27,795	29,610	25,334
Mission Support	0	0	0	0	11,945
C4 and Intelligence Programs	214,320	287,728	287,728	288,356	279,393
Operations Directorate	104,535	84,539	84,539	55,035	69,547
Procurement and Logistics	27,311	8,569	8,569	8,338	29,844
Strategic Plans and Policy	2,514	1,863	1,863	1,826	3,354
Joint Interoperability Engineering Organization	154,699	141,869	141,869	138,226	149,613
Joint Requirements Analysis and Integration	8,390	15,946	15,946	15,424	8,281
C4I Modeling and Assessment	11,837	3,396	3,396	3,321	4,860
DISA Western Hemisphere	6,281	6,728	6,728	6,600	8,798
Chief Information Office	3,761	1,945	1,945	1,880	3,074
Defense Information Systems Center	21,389	17,522	17,522	16,892	22,936
National Communications System	55,702	64,013	64,013	63,974	81,944
White House Communication Agency	52,587	61,222	61,222	50,779	50,634
White House Situation Support Staff	3,438	2,723	2,723	2,609	4,219
Defense Info Technical Contracting Organization	0	0	0	0	3,200
Drug Interdiction	13,076	0	0	0	0
Joint Spectrum Center	0	0	0	0	14,130
TOTAL	713,776	725,858	725,858	682,870	771,106

B. Reconciliation Summary:

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	725,858	682,870
Congressional Adjustments (Distributed)	(36,800)	0
Congressional Adjustments (Undistributed)	(20,149)	0
Supplemental Request	0	0
Price Change	0	12,170
Functional Transfer	0	18,779
Reprogrammings/Transfers	0	0
Program Changes	13,961	57,287
Current Estimate	682,870	771,106

III. FINANCIAL SUMMARY O&M $ in Thousands) (cont):

C. Price and Program Change:	FY 1997 Actuals	Change FY 1997/FY1998 Price Growth	Change FY 1997/FY1998 Program Growth	FY 1998 Estimate	Change FY 1998/FY1999 Price Growth	Change FY 1998/FY1999 Program Growth	FY 1999 Estimate
Executive, General and Special Schedules	173,220	4,937	(6,096)	172,061	5,205	(1,858)	175,408
Wage Board	608	17	390	1,015	31	(31)	1,015
Benefits to Former Employees	462	0	(285)	177	0	(177)	0
Disability Compensation	706	0	273	979	0	(72)	907
Voluntary Separation Incentive Payments	871	0	(871)	0	0	0	0
Per Diem	8,421	139	(991)	7,569	131	639	8,339
Other Travel Costs	12,796	211	(65)	12,942	224	(195)	12,971
Leased Vehicles	477	8	(29)	456	8	(337)	127
Communications Services(DWCF)	41,058	(2,587)	(13,981)	24,490	(1,543)	13,861	36,808
Pentagon Reservation Maintenance Revolving Fund	3,881	(19)	2,238	6,100	(31)	1,931	8,000
Defense Finance and Accounting Services (DFAS)	2,217	252	59	2,528	287	(795)	2,020
Commercial Transportation	981	16	26	1,023	18	(159)	882
Rental Payments to GSA (SLUC)	13,752	0	1,046	14,798	256	402	15,456
Purchased Utilities (non-DWCF)	3,806	63	(358)	3,511	61	(1,907)	1,665
Purchased Communications (non-DWCF)	22,536	372	619	23,527	407	774	24,708
Rents (non-GSA)	2,223	37	3,374	5,634	97	(4,661)	1,070
Postal Services (USPS)	112	3	234	349	0	2	351
Supplies & Materials (non-DWCF)	9,250	153	(1,790)	7,613	132	(2,572)	5,173
Printing & Reproduction	396	7	13	416	7	(11)	412
Equipment Maintenance by Contract	15,677	259	(1,138)	14,798	256	(2,794)	12,260
Facility Maintenance by Contract	3,390	56	(575)	2,871	50	(999)	1,922
Equipment Purchases (non-DWCF)	27,552	455	(19,168)	8,839	153	2,640	11,632
Contract Consultants	0	0	0	0	0	0	0
Management and Professional Support Services	717	12	199	928	16	536	1,480
Studies, Analyses and Evaluations	1,333	22	(1,340)	15	0	359	374
Engineering and Technical Services	14,099	233	201	14,533	251	(4,840)	9,944
Locally Purchased Fuel (non-DWCF)	0	0	0	0	0	0	0
Other Contracts	306,114	5,051	16,831	327,996	5,674	74,962	408,632
Other Costs	47,121	777	(20,196)	27,702	480	1,368	29,550
Total Activity Group	713,776	10,474	(41,380)	682,870	12,170	76,066	771,106

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

D. Reconciliation of Increases and Decreases:

1. FY 1998 Amended President's Budget		725,858
Congressional Adjustments (Distributed)		
WHCA Transfer to Procurement	(7,200)	
WHCA General Reduction	(1,000)	
BC2A Transfer to DOD Contingency Fund	(28,600)	
Total Congressional Adjustments (Distributed)		(36,800)
2. FY 1998 Appropriated Amount		689,058
Congressional Adjustments (Undistributed)		
QDR Savings	(2,551)	
Civilian Personnel Underexecution	(1,000)	
Revised Economic Assumptions	(3,121)	
High Risk Automation Systems	(10,125)	
Defense Automated Printing Service	(562)	
Section 8041 CAAS	(730)	
Section 8035 Federally Funded R & D Centers	(1,018)	
Congressional Earmarks (Total)	(1,042)	
Total Congressional Adjustments (Undistributed)		(20,149)
3. Program Changes		
Electronic Commerce (EC)/Paperless Contract	4,000	
EC Unmatched Disbursements Fix	9,500	
HRSC Transfer from WHS	2,300	
International Coop Admin Support Services (ICASS)	70	
Total Program Changes		15,870
4. Program Decreases		
Program reductions to fund higher priority programs		(1,909)

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

D. Reconciliation of Increases and Decreases:

5.	FY 1998 Current Estimate		682,870
6.	Price Changes		12,170
7.	Functional Transfers - Increases		
	Joint Spectrum Center (JSC).	14,130	
	Standard Tactical entry Point (STEP)	4,649	
8.	Program Increases		
	Funds and Invoice Certification Transfer from DFAS	900	
	Civilian Personnel Regionalization Program funds transfer from WHS to DISA	3,000	
	Blue Pages Task Force funding for DISA's participation	100	
	Mobile Satellite System. Resources for civ pay and facilities operation , site operational costs for contractor support, and circuit connectivity support.	15,054	
	Information Systems Security. Ensure component DII security architectures support requirements of the DMS program, integrate security management tools at DMC's, provide information warfare modeling and simulation to facilitate risk management.	10,991	
	Global Command Support System. Following installation of the RCCSAs, funds will provide technology upgrades for RCCAs and associated systems, Common Object Request Broker Architecture technologies into SHADE efforts, and DISN communications.	10,895	
	Communications Services (DWCF) National Communications Services. Provide transition for Advanced Intelligent network features and cellular priority call activities into GETS program	12,318	
	Information Assurance. Funds for services to identify potential problems associated with intrustions in Public Switched Network, includes network improvements to mitigate threats.	598	
	Interoperability and Standards. Increased contractual support for National Security and Emergency Preparedness communications.	148	
	Emergency Operations. Provide enhanced operations of the National Coordinating Center to include support of emergency response operations and communication cellular backup.	216	

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

D. Reconciliation of Increases and Decreases:

Government Emergency Telecommunications Service. Provide end-to-end priority treatment of the Public Switch Network access lines.	15,656	
National Security Telecommunications Advisory Committee. Enhance use of various industry and government forums to support interagency level tests, evaluations, and expanded programs.	213	
Support Costs for Management Initiatives. Additional contract support to the DII Common Operating Environment for the DII Integration contract, and JIEO Systems Engineering contra	4,239	
Training Costs. Provides funding for the DISA Strategic Training initiative and training costs associated with the Intern program.	1,386	
Other costs, contracts, and training. Increases for critical analytical and technical support to the Unified Commands and the Joint Staff, C4 Systems Planning, Assessments and Evaluations.	1,123	
Total Program Increases		95,616
9. Program Decreases		
International Cooperative Admin Support Services (ICASS). Reduction in ICASS support.	(865)	
Bosnia Command and Control Augmentation. Reduction in support communications, other purchased services, expenses, and contracts.	(13,600)	
Civilian pay reduction is for 27 less full time equivalents, due to reduced workload and consolidation of functions.	(1,858)	
Other reductions to fund higher priority programs.	(3,227)	
Total Program Decreases		(19,550)
FY 1999 Budget Request		771,106

IV. Performance Criteria and Evaluation Summary

As the premier Agency in the Department of Defense for providing world-class Information Technology services, DISA recognizes the importance of evaluating it's performance against the best commercial practices. Accordingly, DISA has a Performance Assessment Program to identify and develop performance measures for the Agency. DISA has used both a bottom-up and a top-down approach for defining its performance indicators. The guidance to project managers and agency planners is to develop performance goals that are measurable, achievable, and controllable at each level. Performance measures should be useful to both the manager and the data collector to ensure accuracy of reported data.

DISA-wide efforts to date include developing a draft strategic plan, establishing a DISA Performance Assessment Working Group, and developing, critiquing, and revising performance plans at the component, program, and project level. Developing a meaningful agency-wide performance program is a continuing improvement process and DISA is still evolving it's program. Over the past year, DISA has made significant process.

Joint Staff Support

DISA provides a quarterly review of its abilities to support the warfighter in it's Command, Control, Communications, Computers, and Intelligence (C4I) requirements at the current time and over the next 12 months, and in two regional conflicts. The Joint Staff has tasked DISA to identify functions/tasks critical to the mission of the Commanders in Chief (CINCs)using Joint Mission Essential Task Lists (JMETLs) to develop our own Agency Mission Essential Task Lists (AMETLs), to standardize our performance measures using the Universal Joint Task List (common language/terms), and to develop/apply these common measures/standards:

C-1: DISA has only MINOR deficiencies with NEGLIGIBLE impact on capability. Correction is possible within the agency.

C-2: DISA has only MINOR deficiencies with MINOR impact on capability. Correction may require external assistance to correct.

C-3: DISA has SIGNIFICANT deficiencies which REDUCE capability to perform some assigned missions. External assistance is required to correct.

C-4: DISA has MAJOR deficiencies which PREVENT performance of some assigned missions. Significant external assistance is required to correct.

DISA is rating its products and services in support of each of the CINCs, as well as rating itself overall. DISA is evaluating the following products and services:

1. Global Command and Control System (GCCS)

2. Defense Red Switch Network (DRSN)

3. Defense Switched Network (DSN)

4. Internet/Protocol Router Networks (NIPRNET {unclassified data} and SIPRNET {classified data})

5. Satellite Communications (Defense Satellite Communications Systems {DSCS} and Commercial Satellite Communication Initiative {CSCI})

6. Terrestrial Transmission Systems

7. Video Teleconference (VTC)

8. Network Management (Global Operations and Security Center {GOSC} and Regional Control Center {RCC})

9. AUTODIN Messaging System

10. Joint Operational Facility (JOF)

11. Electronic Commerce/Electronic Data Interchange (EC/EDI)

12. Information Systems Security (INFOSEC/IW-D)

13. Joint Headquarters Capability

14. Joint Personnel

DISA's evaluation of the readiness of its products and services to support the Joint Staff can be made available as a classified attachment. Additionally, the detailed descriptions for each of the four ratings for each system can be made available.

Defense MegaCenter Operations

DISA has installed software at each MegaCenter to collect performance measures and assist in the evaluation of the operation of the Defense MegaCenter (DMCs)in a consistent fashion. With this software, DISA is collecting consistent measures from each of the sixteen MegaCenters. The following measures represent some of the data currently are being collected monthly from each MegaCenter:

CPU (Central Processor Unit) Availability - goal is 95% availability overall

MVS (Multiple Virtual Storage) Platform Availability - goal is 98% availability overall

UNISYS Platform Availability - initial data is being collected

CICS (Customer Information Control System) Response Time - goals will vary by site and service level agreements, but in general response time should be less than 3 seconds 95% of the time and less than 5 seconds 98% of the time.

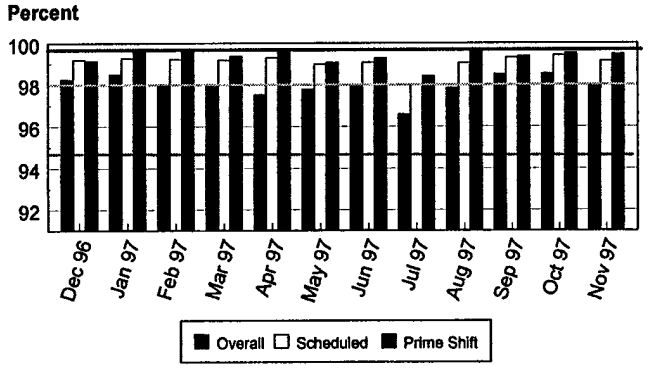
UNISYS Response Time - initial data is being collected

Facilities Down Time - Goal is zero, for unscheduled down time.

DMC Staffing Levels - goal is to reduce end strength from capitalization to reach desired end strength by FY 1998

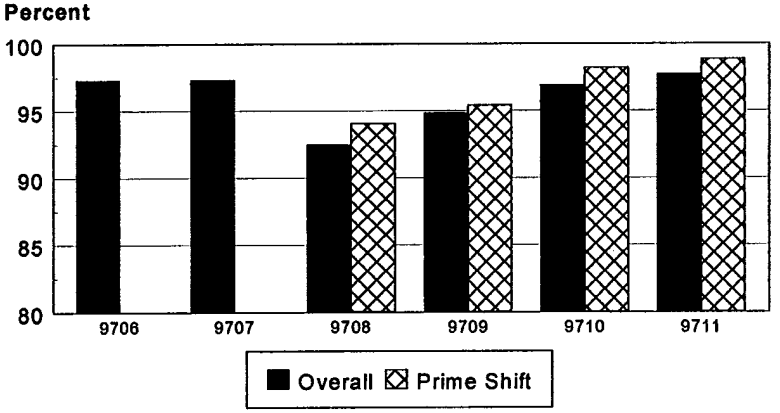
This data, among others, is being collected and analyzed both horizontally across the year and vertically by MegaCenter. DISA is making every effort to use measures that are customer focused. Some examples of this data are:

DMC SUMMARY METRICS
MVS PLATFORM AVAILABILITY
Percentages

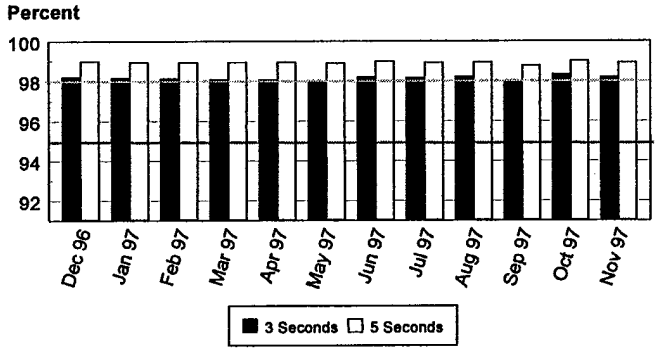


NOTE: Reference lines indicate targets

DMC UNISYS SYSTEMS CPU AVAILABILITY

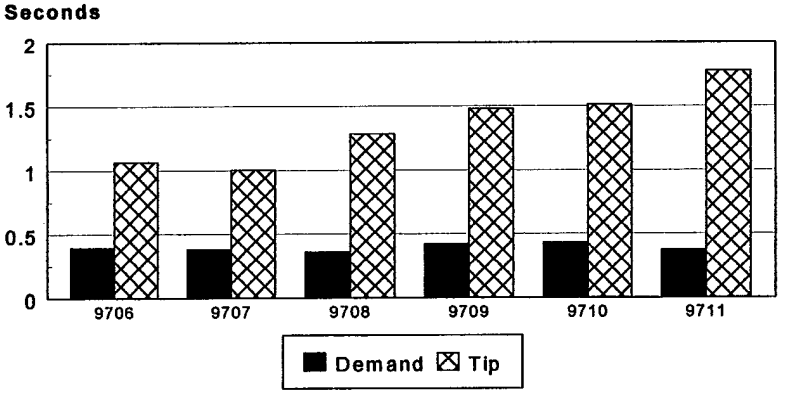


DMC SUMMARY METRICS
MVS TRANSACTION PROCESSING
INTERNAL RESPONSE TIME

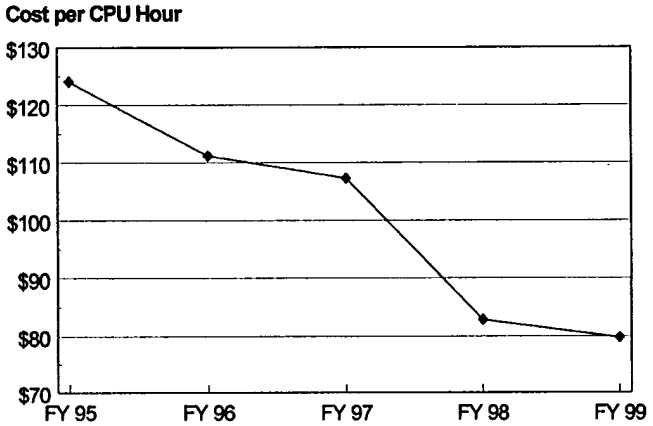


NOTE: Chart represents Percent of Transactions completing within given time frame.
Reference lines indicate targets established for Joint Management Readiness Review Reporting.

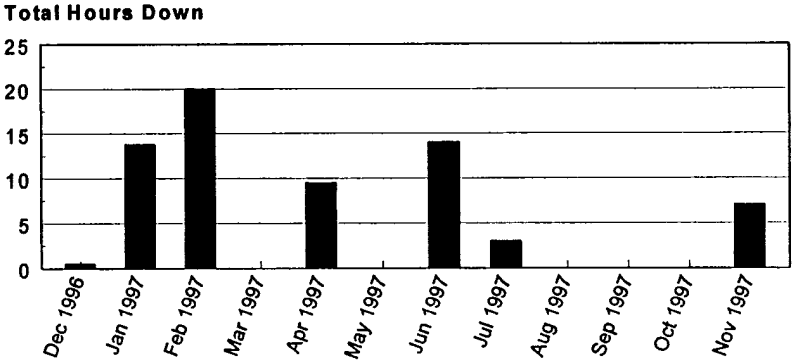
UNISYS RESPONSE TIME



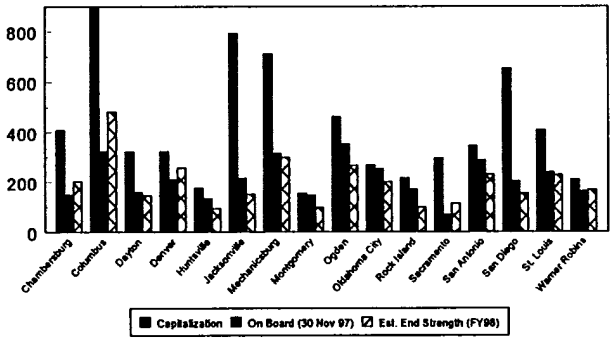
IBM Compatible Cost per CPU Hour



DMC SUMMARY METRICS
Facilities Related Downtime



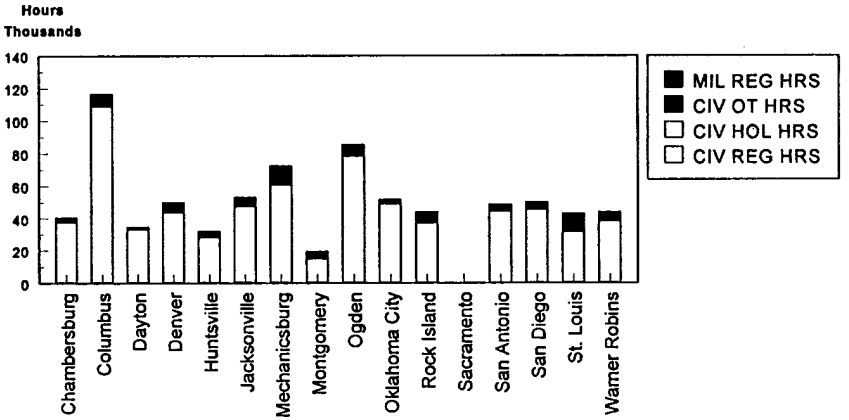
STRENGTH REPORT
(Computer DBOF Positions Only)



Notes: End Strength Includes Perm and Term. Numbers Include Civilian/Military/Contactor
Totals include legacy sites.

DMC LABOR HOURS

Fiscal Year 1997 To Date



Engineering Support

DISA is refining its performance plan to measure the engineering and interoperability support that it provides to its users. Among the measures being considered are:

Customer Satisfaction

Percentage decrease in number of pages of standards documents

Time to change an outdated standard

Time to adopt a standards change

Percentage of data elements in a migration system that are standard

Number of redundant data bases

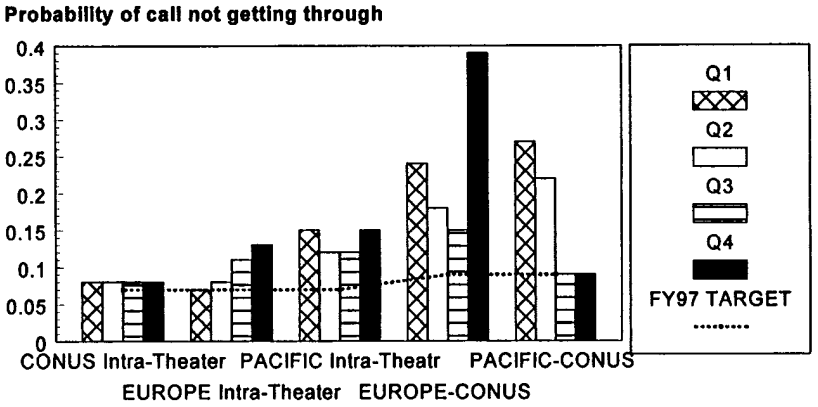
Number of JITC interoperability tests and percent of JITC interoperability tests completed and reports provided on schedule and within budget

DISA is in the process of trying to determine how to access the impact of its products and services on the DOD Corporate goals and objectives and the DOD Information Technology Management goals and objectives. As the DISA performance assessment program matures, DISA feels it will be able to collect meaningful data to perform this assessment. In the meantime, baseline data on these proposed measures are currently being collected.

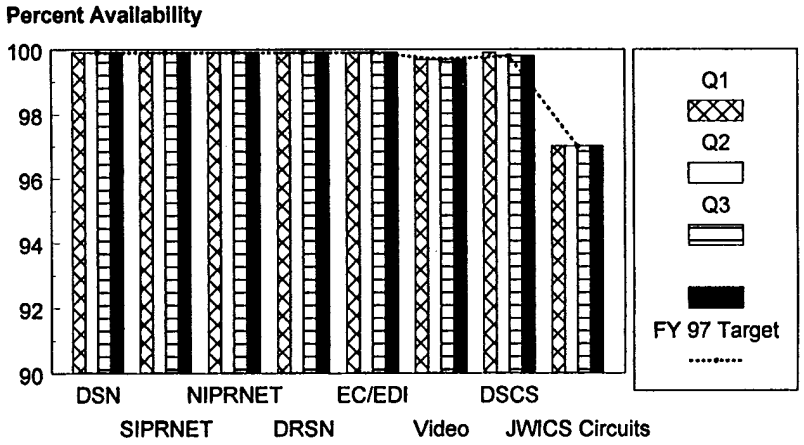
DII Operations

DISA centrally manages the Defense Information Infrastructure, providing operational oversight, guidance and support world-wide. DISA directly operates the wide area network portion of the DII. Baseline data on proposed measures are currently being refined. Some examples of data being collected are:

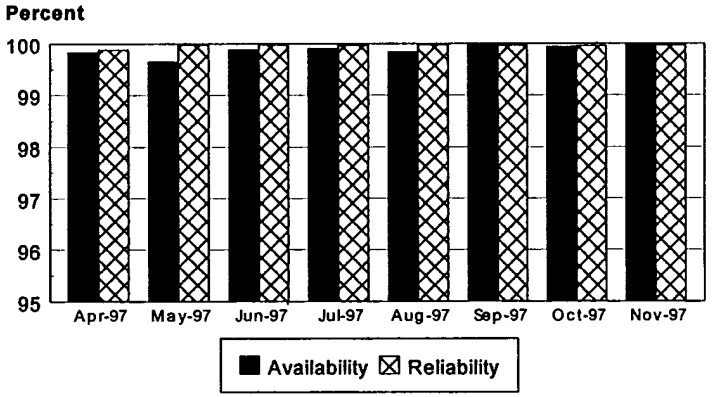
DSN Grade of Service



System/Circuit Availability



NIPRNET AVAILABILITY/RELIABILITY



Defense Information Systems Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

V. Personnel Summary

	FY 1997	FY 1998	FY 1999	Change FY 1997/FY 1998	Change FY 1998/FY 1999
Military End Strength Total	2,178	1,823	1,793	(355)	(30)
Officer	560	515	504	(45)	(11)
Enlisted	1,618	1,308	1,289	(310)	(19)
Civilian End Strength Total	2,535	2,525	2,526	(10)	1
USDH	2,500	2,525	2,523	25	(2)
FNDH	0	0	0	0	0
FNIH	0	0	3	0	3
Reimbursable	35	0	0	(35)	0
Military FTEs Strength	2,178	1,823	1,793	(355)	(30)
Officer	560	515	504	(45)	(11)
Enlisted	1,618	1,308	1,289	(310)	(19)
				0	
Civilian FTEs	2,576	2,499	2,472	(77)	(27)
USDH	2,539	2,499	2,469	(40)	(30)
FNDH	0	0	0	0	0
FNIH	3	0	3	(3)	3
Reimbursable	34	0	0	(34)	0

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

I. Narrative Description

The Defense Logistics Agency (DLA) is a service organization that provides logistics support to the Military Services in the areas of contracting, supply, contract management and technical services. This involves the management of over three million items commonly used by the Military Services, the administration and quality assurance of contracts valued at approximately $950 billion, and other logistics support programs.

II. Description of Operations Financed

Defense Contract Management Command

Contract management duties are dictated by the general provisions of the Federal Acquisition regulation and the requirements specified in the contracts being administered. DCMC serves as DoD's information broker in contractors' plants worldwide. Major responsibilities include ensuring contractor compliance with cost, delivery, technical, quality and other terms of contracts assigned for administration. It also ensures the adequacy of the contractors' business systems. Included in this monitoring are systems used to control transportation operations, purchasing procedures, insurance and pension programs for contractor employees, data processing and Government property. Equally important is the timely and cost effective settlement of contracts which are terminated, completely or in part, for the convenience of the Government.

In July 1997, the Deputy Secretary of Defense approved the abolishment of the Office of the Under Secretary of Defense (Acquisition and Technology) Defense Support Activity (OUSD(A&T) DSA) and transferred its missions to USD(A&T) and DLA. As a result 13 FTEs were realigned to DCMC. The Defense Reform Initiative (DRI) transferred the Electronic Commerce (EC) functions from (DUSD) for Logistics Business Systems and Technology Development and the Life Cycle Information Office from the USD(A&T) to DLA. Also, funding for EC budgeted in the Washington Headquarters Services was transferred to DLA in the DCMC account.

Mobilization Preparedness

The Congressional committees directed maintenance of the industrial base for warstopper items. Specific supply articles are held in inventory for wartime preparedness. Such stocks are also available for occasional peacetime demand as may result from natural disaster, humanitarian concern, and the like.

II. Description of Operations Financed (cont)

Other Logistics Services

This activity group includes O&M funded programs not included in Contract Management or Warstoppers. It includes such programs as unemployment compensation, the DoD Counter-Drug Activities Program, Procurement Technical Assistance Program, the program for the Homeless, Engineering/Technical Support programs, and others.

Defense Microelectronics Activity (DMEA)

The DMEA has been established by the Deputy Secretary of Defense to leverage advanced technologies to extend the life of weapon systems by improving their reliability and maintainability while addressing the problem of diminishing manufacturing sources. The DMEA is a DoD activity under the authority and control of the Deputy Under Secretary of Defense for Logistics (DUSD-L). The DMEA was functionally transferred to DLA in FY 1998.

Business Process Reengineering Center (BPRC)

The BPRC is established under the authority, direct oversight, and operational control of OUSD(A&T). BPRC functionally transferred to DLA in FY 1998 from Defense Information Services Activity.

Environmental Restoration

Installation Restoration Program (IRP) operations financed include a comprehensive program to identify, investigate, and clean up contamination from hazardous substances, pollutants, and contaminants at active DLA sites as well as formerly owned or used properties and Potentially Responsible Party sites (third party sites) where DLA is named the responsible party; and removal actions upon discovery of an imminent threat.

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

A. Subactivity Breakout	FY 1997 Actuals	Amended Budget Request	FY 1998 Appropriated	Current Estimate	FY 1999 Estimate
Contract Management	936,427	949,388	949,388	938,850	963,865
Other Logistics Services	142,550	111,471	151,071	111,704	159,863
Warstoppers	27,418	35,923	35,923	35,023	38,934
Defense Microelectronics Activity	0	12,505	12,505	12,182	12,868
Business Process Reengineering Team	0	3,416	3,416	3,328	3,541
Environmental Restoration	30,470	0	0	0	0
Total	1,136,865	1,112,703	1,152,303	1,101,087	1,179,071

B. Reconciliation Summary

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	1,112,703	1,101,087
Congressional Adjustments	27,467	0
Supplemental Request	0	0
Price Change	0	29,125
Functional Transfer	0	79,783
Program Changes	(39,083)	(30,924)
Current Estimate	1,101,087	1,179,071

C. Summary of Price and Program Changes

			Change FY 1997/FY 1998			Change FY 1998/FY 1999		
		FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
101	Executive, General & Special Schedule	694,786	19,801	(10,452)	704,135	22,480	(19,313)	707,302
103	Wage Board	605	17	0	622	20	0	642
104	Foreign National Direct Hire	3,986	114	0	4,100	131	0	4,231
105	Separation Liability (FNDH)	30	1	0	31	1	0	32
106	Benefits to Former Employees	2,812	0	614	3,426	0	510	3,936
107	Voluntary Separation Incentive Pay	6,260	0	(5,235)	1,025	0	(1,025)	0
110	Unemployment Compensation	12,900	0	6,064	18,964	0	2,055	21,019
111	Disability Compensation	6,366	0	(83)	6,283	0	25	6,308
	TOTAL CIVILIAN PERSONNEL COMPENSATION	727,745	19,933	(9,092)	738,586	22,632	(17,748)	743,470
308	Travel of Persons	28,986	434	2,612	32,032	513	5	32,550
	TOTAL TRAVEL	28,986	434	2,612	32,032	513	5	32,550
401	Fuel Purchases (Supply Management)	88	1	0	89	1	0	90
415	DLA Managed Supplies and Materials	11	0	(1)	10	0	0	10
416	GSA Managed Supplies and Materials	1,134	17	14	1,165	20	0	1,185
417	Locally Purchased Supplies and Materials	5	0	150	155	2	0	157
	TOTAL FUND SUPPLIES & MATERIALS PURCHASES	1,238	18	163	1,419	23	0	1,442

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

C. Summary of Price and Program Changes

			Change FY 1997/FY 1998			Change FY 1998/FY 1999		
		FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
507	GSA Managed Equipment	1,864	28	0	1,892	30	0	1,922
	TOTAL FUND EQUIPMENT PURCHASES	1,864	28	0	1,892	30	0	1,922
634	Naval Public Works Centers: Utilities	27	0	0	27	(1)	0	26
647	DISA Information Services	8,000	(360)	272	7,912	(870)	228	7,270
650	DLA Information Services	14,000	476	(285)	14,191	1,831	(2,976)	13,046
671	Communication Services (DISA)	9,604	(1,056)	1,107	9,655	(58)	(497)	9,100
673	Defense Finance and Accounting Services	32,693	(4,119)	(334)	28,240	1,045	(5,131)	24,154
	TOTAL PURCHASES	64,324	(5,059)	760	60,025	1,947	(8,376)	53,596
771	Commercial Transportation	3,066	46	(197)	2,915	47	0	2,962
	TOTAL TRANSPORTATION	3,066	46	(197)	2,915	47	0	2,962
901	Foreign National Indirect Hire (FNIH)	1,358	20	9	1,387	22	0	1,409
912	Rental payments to GSA (SLUC)	13,210	0	1,502	14,712	0	(2,395)	12,317
913	Purchased Utilities (non-Fund)	2,629	39	415	3,083	49	0	3,132
914	Purchased Communications (non-Fund)	10,137	152	1,169	11,458	183	(91)	11,550
915	Rents (non-GSA)	1,150	18	14	1,182	19	(3)	1,198
917	Postal Service (U.S.P.S.)	1,472	0	(28)	1,444	0	0	1,444
920	Supplies & Materials (non-Fund)	5,820	87	(180)	5,727	92	1,500	7,319
921	Printing & Reproduction	1,172	17	98	1,287	21	8	1,316
922	Equipment Maintenance by Contract	5,313	80	6,831	12,224	195	(500)	11,919
923	Facility Maintenance by Contract	593	9	0	602	10	0	612
925	Equipment Purchases (non-Fund)	57,351	860	(24,483)	33,728	540	29,800	64,068
931	Contract Consultants	198	3	(129)	72	1	0	73
932	Professional & Management Services by Contract	28	0	0	28	0	0	28
934	Contract Engineering & Technical Services	4	0	250	254	4	0	258
988	Grants	9,100	137	7,763	17,000	272	(272)	17,000
989	Other Contracts	199,280	2,933	(42,572)	159,641	2,520	46,557	208,718
991	Foreign Currency Variance	669	10	(678)	1	0	0	1
998	Other Costs	158	2	200	360	5	374	739
	TOTAL OTHER PURCHASES	309,642	4,367	(49,819)	264,190	3,933	74,978	343,101
	TOTAL	1,136,865	19,767	(55,545)	1,101,087	29,125	48,859	1,179,071

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
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III. Financial Summary (O&M: $ in Thousands) (cont)

D. Reconciliation of Increases and Decreases

1. FY 1998 Amended President's Budget		1,112,703
2. Congressional Adjustments (Distributed):		
(a) Automated Document Conversion System	20,000	
(b) Procurement Technical Assistance Program	17,000	
(c) Security Locks	25,000	
(d) DPSC Demolition	10,000	
(e) Cargo Methods and Technology	3,000	
(f) Homeless Blankets	(2,400)	
(g) Housing Improvement Fund Management	(7,000)	
(h) DWCF Transfer	(26,000)	
Total Congressional Adjustments (Distributed):		39,600
3. FY 1998 Appropriated Amount		1,152,303
4. Congressional Adjustments (Undistributed)		
(a) Quadrennial Review Savings	(3,871)	
(b) Foreign Currency Fluctuations	(200)	
(c) Revised Economic Asumptions	(1,920)	
(d) High Risk Automation Systems	(3,375)	
(e) Defense Automated Printing Systems	(862)	
(f) Section 8041 CAAS	(21)	
(g) Section 8035 Federally Funded Research and Development Centers	(129)	
(h) Congressional Earmarks	(1,755)	
Total Other Congressional Adjustments (Undistributed)		(12,133)
5. Program Increases:		
(a) International Cooperative Admin Support Services (ICASS) System	832	
Total Program Increases:		832

DEFENSE LOGISTICS AGENCY
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III. Financial Summary (O&M: $ in Thousands) (cont)

D. Reconciliation of Increases and Decreases (cont)

6. Program Decreases:		
(a) Program reductions to fund higher priority programs	(2,915)	
(b) DWCF Transfer	(10,000)	
(c) DLA Fact of Life	(17,000)	
(d) Security Locks	(10,000)	
Total Program Decreases:		(39,915)
7. FY 1998 Current Estimate		1,101,087
8. Price Growth		
(a) Annualization of FY 1998 Pay Raise	4,962	
(b) FY 1999 Pay Raise	17,670	
(c) Foreign National Indirect Hire Pay Raise	22	
(d) Other Price Growth	6,471	
Total Price Growth		29,125
9. Functional Transfers		
(a) Functional transfer of the Office of the Under Secretary of Defense (OUSD) Acquisition and Technology (A&T) Defense Support Activity (DSA)	1,430	
(b) Functional transfer of Electronic Commerce/Electronic Data Interchange (EC/EDI) from OUSD(A&T)	417	
(c) Functional transfer of EC/EDI from Washington Headquarters Service (WHS)	2,144	
(d) Rapid Acquisition of Manufactured Parts from Navy	1,000	
(e) National Imagery Mapping Agency	27,753	
(f) Continuous Acquisition and Life Cycle Support from Air Force	3,660	
(g) OUSD(A&T) DSA	1,688	
(h) Defense Property Accountability System from DFAS	10,000	
(i) Defense Working Capital Fund (DWCF) transfer to support the Price Comparability initiatives	31,691	
Total Functional Transfers		79,783

DEFENSE LOGISTICS AGENCY
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III. Financial Summary (O&M: $ in Thousands) (cont)

D. Reconciliation of Increases and Decreases (cont)

10. Program Increases

(a) Increased funding for the Defense Information Systems Agency (DISA) information services to support operational costs and rate changes	228
(b) Increase in supplies and materials to support the relocation of the Western District Headquarters	1,500
(c) Increased funding for complete deployment of the Standard Procurement System (SPS) by 2001	6,790
(d) Increased funding for International Cooperative Administrative Support Services (ICASS) System	325
(e) Increased funding for standard user environment consisting of personal computers, local area networks, and commercial off-the-shelf software to provide the infrastructure for DLA's deployment of SPS and to support other office automation initatives within the Command critical to achieving DCMC reductions in labor and travel	23,010
(f) Increase in Defense Agency Unemployment based on historical growth and costs associated with BRAC. This reflects funding for all DoD Defense Agencies.	2,055
(g) Increase in Continuing Health coverage due to costs associated with BRAC.	660
(h) Increase in funding for Disaster Blankets to support DLA's Homeless Initiative.	3,115
(i) Increase in Quality of Life to cover facilities costs which cannot be funded through DWCF.	2,750
(j) Increase for Logistics Community Manager transferring from Joint Logistics Services Center.	6,000

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

D. Reconciliation of Increases and Decreases (cont)

10. Program Increases (cont)

(k)	Increase for Disability Compensation for costs associated with DPSC Clothing Factory BRAC.	25	
(l)	Increase for DIS Fee for Service to fund one-year Defense Investigative Service Fee for Service test.	500	
(m)	Increase for Defense Acquisition Career Management reflects fact of life increase.	16	
(n)	Increase in funding for the DLA Continuity of Operations Office reflects fact of life increase.	102	
(o)	Increase in funding for costs associated with the Business Process Reeingineering Center	141	
(p)	Establishment of the Virtual Parts Supply Base for Microelectronics program This program established an enterprise network of Microelectronics capabilities that develops replacement components for obsolete parts (parts that industry no longer manufacturers).	521	
(q)	Funding of Industrial Preparedness Measures (IPM), Industrial Base Maintena contracts, rotational stock contracts, and food production equipment to support surge requirements for combat rations.	3386	
	Total Program Increases		51,124

11. Program Decreases

(a)	Reduction in labor funding for workyear savings associated with DCMC downsizing	(20,628)
(b)	Reduction in personnel costs due to the elimination of the $80 payment per person to the Civil Service Retirement Fund	(1,131)
(c)	Reduction in personnel costs due to the elimination of VSIP in FY 1999	(1,025)
(d)	Reduction in DLA Information Services costs due to workload changes	(2,976)
(e)	Reduction in DISA Communications Services costs due to changes in operational costs and pricing rates	(497)
(f)	Reduction in costs for the Defense Finance and Accounting Service (DFAS) due to changes in pricing rates and work counts	(5,131)

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

D. Reconciliation of Increases and Decreases (cont)

11. Program Decreases (cont)

(g)	GSA rental savings for the relocation of the Western District Headquarters	(2,395)	
(h)	Reduction in requirements for purchased communications, printing and reproduction services, equipment maintenance and other contracts	(3,790)	
(i)	Reduction in funding due to completion of the Defense Civilian Personnel Data System project.	(5,282)	
(j)	Reduction in funding for Security Locks due to anticipated completion in FY 99.	(5,240)	
(k)	Reduction in funding for Automated Document Conversion System due to anticipated completion of project in FY 98.	(20,320)	
(l)	Reduction in funding for Procurement Technical Assistance Program for fact of life adjustment.	(272)	
(m)	Reduction in funding for DPSC Demolition project completion.	(10,160)	
(n)	Reduction in funding for DoD Inventory Control Group Rent for fact of life adjustment.	(3)	
(o)	Reduction in funding for Cargo Methods and Technologies due to anticipated project completion.	(3,048)	
(p)	Reduction for annual leave held when DMEA transferred to DLA	(150)	
	Total Program Decreases		(82,048)
12.	FY 1999 Budget Request		1,179,071

DEFENSE LOGISTICS AGENCY
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IV. Performance Criteria and Evaluation Summary	FY 1997	FY 1998	FY 1999
Average Number of Contractors Assigned	23,750	23,500	23,000
Procurement and RDT&E Dollar Outlays	$81.2B	$78.7B	$80.1B
Number of Contractor Employees	296,600	295,700	295,700

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V. Personnel Summary	FY 1997	FY 1998	FY 1999	Change FY 97/FY 98	Change FY 98/FY 99
Active Military End Strength (Total)	626	727	676	101	(51)
Officer	517	588	544	71	(44)
Enlisted	109	139	132	30	(7)
Civilian End Strength (Total)	14,515	14,317	14,178	(198)	(139)
U.S. Direct Hire	14,394	14,196	14,057	(198)	(139)
Foreign National Direct Hire	98	102	102	4	0
Total Direct Hire	14,492	14,298	14,159	(194)	(139)
Foreign National Indirect Hire	23	19	19	(4)	0
(Reimbursable Civilians Included Above - Memo)	2,371	2,127	2,072	(244)	(55)
Military Workyears (Total)	626	727	676	101	(51)
Officer	517	588	544	71	(44)
Enlisted	109	139	132	30	(7)
Civilian Workyears (Total)	14,510	14,167	13,838	(343)	(329)
U.S. Direct Hire	14,389	14,046	13,717	(343)	(329)
Foreign National Direct Hire	98	102	102	4	0
Total Direct Hire	14,487	14,148	13,819	(339)	(329)
Foreign National Indirect Hire	23	19	19	(4)	0
(Reimbursable Civilians Included Above - Memo)	2,453	2,109	2,039	(344)	(70)

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Activity Group: Contract Management

I. Narrative Description

The Defense Contract Management Command (DCMC) is a major business element of the Defense Logistics Agency (DLA). Established in February 1990, DCMC consolidated the preponderance of DoD contract administration services (CAS) under a single organization. The Defense Contract Management District (DCMD) International (DCMDI) was formed in March 1990 and the majority of overseas CAS activities fully integrated into DCMC later that year. As a result of the DCMC consolidation, more than $800 million in savings/cost avoidances was realized by 1997. DCMC is responsible for ensuring performance of the CAS functions identified in the Federal Acquisition Regulation.

The DLA Deputy Director for Acquisition serves as the DCMC Commander. The Deputy Director oversees two groups: the Operational Assessment and Programming group, which formulates plans, programs, and budgets for the Command and assess overall performance; and the Contract Management group, which works policy issues associated with contract management processes. Worldwide contract management functions are exercised through two CONUS Defense Contract Management Districts (DCMDs) and DCMD International (DCMDI), which are responsible for a total of 75 subordinate offices around the world.

Among DCMC's major responsibilities are: ensuring contractor compliance with cost, delivery, technical, quality, and other terms of contracts assigned for administration; accepting products and services on behalf of the Government; providing program and technical support; and, ensuring that contractors are paid. DCMC serves as DoD's information broker in contractors' plants worldwide, providing the Military Departments and civilian agency customers with invaluable insight in both preaward and postaward contract management. As DoD's independent CAS agent, DCMC represents the interests of the Government with industry, thereby protecting the rights of the Government, obtaining maximum value for taxpayers' dollars, and providing responsive support to the Military Departments as well as to civilian agency customers.

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II. Narrative Description (cont)

DCMC aims to be the provider of choice for contract management for DoD and other Federal and international organizations, and a valued customer to our suppliers. DCMC's strategic objectives include: identifying, defining and quantifying customer requirements and matching our capabilities with customer requirements; promoting a work environment that attracts, develops and retains quality people; performing contract management effectively and efficiently; and, continually improving organization and processes used to deliver quality products and services to our customers. DCMC stresses a performance-based management philosophy to ensure a continuing focus on customer needs, improving relations with industry, and allowing the targeting of resources where they are most needed.

The Command's challenges and guiding principles are to implement acquisition reform, develop and implement alternative oversight strategies, reduce in-plant presence wherever possible, engage early in the acquisition process, and minimize involvement in low risk activities.

Preaward Activities

DCMC is involved in a variety of activities prior to award of a contract. Preaward surveys are comprehensive process evaluations of a prospective contractor's ability to perform on a proposed contract. The survey may focus on such areas as technical capability, production capability, quality assurance, accounting, financial capability, Government property control, security, and plant safety. DCMC's preaward surveys are a critical factor for program offices and buying activities when considering placement of contracts. DCMC is involved in analyzing contractor cost or price proposals both before and after contract award. DCMC personnel analyze contractor cost or pricing data and other financial information, and issue reports to program managers and buying activities. Actions requiring price/cost analysis can vary from new procurement to engineering change proposals or cost accounting standard noncompliance impact proposals.

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Activity Group: Contract Management

II. Description of Operations Financed

Another major area of preaward activity is reviewing and analyzing over and above work requests. Program Depot Maintenance contracts and some overhaul, maintenance, and repair contracts are issued on a firm fixed price basis, with over and above work required under special contract clauses within the general scope of the contract. DCMC personnel evaluate proposed over and above requests, and validate the necessity of the work and the appropriateness of the proposed labor hours. As DoD moves away from new procurement and increases repair and maintenance contracts, DCMC's workload in this area may well increase.

DCMC also evaluates large businesses' plans for subcontracting with small and disadvantaged businesses prior to contract award and makes recommendations to buying activities. DCMC coordinates its efforts with the buying activities to ensure the adequacy of the preaward plan, and also ensures compliance with the subcontracting plan after award.

A major new area of activity for DCMC in the preaward arena is early CAS involvement, through which DCMC is increasing its involvement in the preaward phase of the procurement process. DCMC evaluates contractor performance and capabilities and assesses proposed contract content in ways valuable to the customer. In early CAS involvement, DCMC is expanding services to include such actions as participating in source selection reviews, acquisition strategy round tables, performing cost/schedule control systems criteria system validations, supporting requests for proposal scrubs, supporting customers in the source selection process, and performing software capability evaluations. Favorable responses from the Military Departments indicate that DCMC activity in early CAS involvement will increase to approximately 350 support actions in FY 1998 and 409 actions in FY 1999. The unique insights DCMC provides help in better selecting contractors with high potential for success and in structuring more executable contracts.

Activity Group: Contract Management

II. Description of Operations Financed (cont)

Another new area of activity for DCMC in the preaward arena is the Contractor Information Service (CIS). DCMC is establishing a repository of information regarding past contractor performance, which can be accessed by the Military Departments in order to quantify past performance information as a price-related factor in evaluating contractor proposals. Included in this shared data warehouse will be information on contractor production capabilities, financial health, past performance data, pricing information, systems and process status, acquisition strategy, and "lessons learned". Thus DCMC will help ensure awards are made to the most responsible contractor at the best price, and provide more information for use in the postaward contracting phase as well. CIS will contain contractor information in these areas: Principal Product Lines and Unique Production Capabilities; Company Organization and Key Personnel; Sales, Earnings and Financial Health; Past Performance History; Pricing Information; Systems and Processes Status; Directory of Reviews Already Done; and Acquisition Strategy "Lessons Learned." CIS will allow DCMC to more easily share its contractor insights with its customers.

Postaward Activities

DCMC performs numerous contract management functions after formal contract award. DCMC's responsibilities are dictated by the provisions of the Federal Acquisition Regulation and the requirements of the contracts assigned for administration. DCMC provides surveillance of contractor operations to assure compliance with contractual requirements, and assures the adequacy of the contractors' business systems.

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Activity Group: Contract Management

II. Description of Operations Financed (cont)

Among the major postaward functions performed by DCMC are: Core contract administration, which includes postaward reviews/ orientations, the issuance of decisions under the Disputes clause, facilitating the payment process, issuing administrative changes and unilateral purchase orders, and performing administrative contract closeout; Pricing and negotiations address CAS activities such as reviewing and evaluating contractor proposals, performing price analysis, conducting technical analysis of cost proposals, and supporting negotiations by contracting officers; Administration of progress payments, which includes approving contractor requests for progress payments, managing special bank accounts, and monitoring contractors' financial conditions; Cost surveillance, which involves determining allowability of costs, issuing notices of intent to disallow costs, and establishing indirect cost and billing rates; Quality assurance, which addresses ensuring that supplies and services purchased by the Government comply with the terms and conditions of the contract, contractor compliance with contract quality assurance provisions, evaluating waivers and deviations, and accepting materiel on behalf of the Government; Program integration, which ensures support to program offices regarding program reviews, status, performance, and problems, and provides a single point of contact for program offices on any questions related to the program; Engineering surveillance, which assesses the effectiveness of contractor engineering efforts in designing, developing, testing, and managing systems, equipment, and software to ensure compliance with contract provisions; Production surveillance, which involves evaluation of contractors' delivery schedules, provides notification to buying activities of potential delinquent shipments, ensures corrective actions, and negotiates delivery schedule extensions; Flight operations, which ensures that flight operations meet contract requirements; and, Terminations, which ensures that contracts which are terminated for the convenience of the Government are settled in a timely and cost effective manner.

In FY 1999, we anticipate that DCMC will manage approximately 370,000 contracts valued at about $950 billion.

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Activity Group: Contract Management

II. Description of Operations Financed (cont)

Contractor Performance

DCMC also serves its customers and protects the interests of the taxpayers by performing reviews of major contractor systems. Major system reviews include: Price-related systems surveillance, which addresses the determination of contractor cost compliance with a wide variety of statutory and regulatory provisions relating to contractors' plant or corporate-wide treatment of costs. This area includes such things as purchasing systems, cost monitoring, cost accounting standards, insurance and pension reviews, material management and accounting systems, ADPE lease costs, and forward pricing rate agreements; Manufacturing systems evaluation, which assesses engineering activities, production planning, scheduling, and control, and industrial and manufacturing processes and controls; and, Property system analyses, which ensures that Government property provided to contractors is adequately managed and controlled.

Also included under the heading of evaluating contractor performance are DCMC's ongoing reviews to determine contractor implementation of Process Oriented Contract Administration Services (PROCAS). PROCAS is an innovative approach to performing CAS in a declining budgetary environment. The primary goal of PROCAS is to implement a performance-based management system based on objective process-level data to review critical contractor processes with an emphasis on continual improvement. This methodology, which has been continually lauded by industry, stresses teaming with contractors to analyze contractor process flows and measures their effectiveness. PROCAS permits both the Government and the contractor to work together, in a non-adversarial relationship, to improve quality and reduce costs, while still meeting the requirements of the contracts. PROCAS permits the adjustment of oversight resources when conditions change or when the contractors' process performance indicates an increase or decrease in surveillance is appropriate.

Activity Group: Contract Management

II. Description of Operations Financed (cont)

Tied to the PROCAS philosophy is DCMC's initiative to reduce contractor oversight. Under this initiative, a risk assessment is applied to contractor systems, processes, internal controls, and other practices that can influence contractor performance and the ultimate contract end items. For contractors who are determined to be in the "low risk" category, oversight will be reduced and DCMC's scarce personnel resources can be directed to higher risk contractors.

DCMC is also involved in a number of alternate oversight contract management strategies, as well as several process reengineering efforts, both of which are designed to promote maximum use of limited human resources and to reduce contractor oversight while protecting the taxpayers' interests. Among the areas being explored are: Joint Cost/Schedule Surveillance, which will increase contractor responsibility for ensuring cost and schedule system integrity by moving from Government oversight to joint surveillance by the Government and contractors; Reduction of Class II Engineering Change Proposals (ECPs), where DCMC will team with contractors to reduce the number of Class II ECPs reviewed, and thus benefit program costs and engineering designs; Contractor Certification of Property Management, where designated contractor representatives will be responsible for Government property compliance audits, thus shifting oversight responsibilities from the Government to industry in certain cases; and ISO 9000 Qualification Reviews, where DCMC will assess compliance by contractors with ISO 9000 standards, thus eliminating redundant reviews at contractor facilities and reducing costs. DCMC is also playing a major role in the Department's Common Process Initiative (SPI), by reviewing contractors' single process concept papers, analyzing the proposals, including the cost-benefit analyses, and issuing block changes to facilitate the adoption of common processes and performance specifications on existing DoD contracts. The SPI is a highly visible effort on the part of DoD to accelerate the speed of acquisition reform efforts by eliminating multiple and redundant processes, both manufacturing and management, from current contracts. The goal is to move to world class practices and achieve cost, schedule, and performance benefits for the government and defense contractors. DCMC has been designated by OSD as the single point of contact for the initiative which has been enthusiastically embraced by industry. As of August 28, 1996, concept

Activity Group: Contract Management

II. Description of Operations Financed (cont)

papers have been received from 224 contractors proposing to modify 1,099 processes. Over one-half of the processes received have been modified. Senior leadership of DoD is committed to making this initiative work and DCMC is in the forefront of implementation. DCMC, in conjunction with the Defense Contract Audit Agency (DCAA), estimates the SPI cost avoidances from the 557 process changes already implemented stand at $269 million over the next five years with much more projected to come as the initiative continues its growth and maturation and contractors propose more innovative practices.

In December 1995, USD(A&T) eliminated the Tri-Service governing body for Cost/Schedule Control Systems Criteria (C/SCSC), reassigning this mission to DCMC to serve as the Department's Executive Agency for this discipline. In this capacity, DCMC is responsible for establishing streamlined, effective, and innovative DoD-Wide implementation practices for C/SCSC. As recognized by OSD, DCMC has been effectively executing the charter duties assigned with Executive Agent responsibility, and continues to assume greater responsibility/mission in this field.

In July 1997, the Deputy Secretary of Defense approved the abolishment of the Office of the Under Secretary of Defense (Acquisition and Technology) Defense Support Activity (OUSD(A&T) DSA) and transferred its missions to USD(A&T) and DLA. As a result 13 FTEs were realigned to DLA's Electronic Commerce/Electronic Data Interchange (EC/EDI) Office which is under DCMC. Additionally, the Defense Reform Initiative (DRI) transferred the Electronic Commerce (EC) functions from the Assistant Deputy Under Secretary of Defense (DUSD) for Logistics Business Systems and Technology Development and the Life Cycle Information Office from the USD(A&T) to DLA. These functions were also combined with DLA's Defense Electronic Commerce Office. Also, funding for the DLA EC/EDI Office budgeted in the Washington Headquarters Services was transferred to DLA in the DCMC account.

Conclusion

DCMC continues to provide valuable preaward, postaward, and contractor performance evaluation services to contracting officers and program managers. DCMC's proactive CAS efforts resulted in savings of $3.3 billion in program costs FY 1995 and $4.7 billion in FY 1996 and 1997. Additionally, the Command projects customer satisfaction to increase from 4.0 to 5.1 during the budget cycle. Contract Management customer satisfaction is measured on a scale of 1.0 (totally dissatisfied) to 6.0 (completely satisfied).

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II. Description of Operations Financed (cont)

DCMC's performance of contractor surveillance on behalf of the Military Departments and civilian agencies continues to be warranted. In FY 1997, 296 contractors were suspended or debarred, and fraud recoveries totaled almost $150 million. GAO, other audits, reviews and reports continue to identify significant problems which DCMC's presence can help to alleviate. Cost Accounting Standards non-compliance cases being litigated by DCMC have tens of millions of dollars at stake. Other issues including termination for convenience entitlement, over funded pension plan entitlement, cost allowability, and other contract administration determinations result in huge amounts of cost avoidance or recovery. DCMC will continue to play a critical role in protecting the taxpayers' interests in the procurement process.

DCMC has already made major reductions in staffing between FY 1991 and FY 1996. This budget continues that trend and reflects a reduction of nearly 2,900 personnel from FY 1996 to FY 2003, which equates to a 19 percent reduction. These staffing reductions exceed our projected workload reductions. In fact, DCMC presently forecasts a very small workload decline. This budget also reflects significant reductions in nonlabor costs. Through the FY 1997 PDM process, DCMC justified new functions and workload beginning in FY 1998 and through 2003 in the following areas: (1) Consolidation of military department program office functions within DCMC, (2) Privatization of DoD installations, (3) Acquisition Reform, and (4) Increased military department investment levels. Although these represent new sources of workload, the PDM did not authorize increased funding, but rather authorized a slower rate of decline. This trend is expected to continue over the next few years.

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II. Description of Operations Financed (cont)

This year's Quadrenniel Review process resulted in further DCMC reductions totaling 4 percent beginning in FY 2000. These savings will be accomplished by examining what functions provide the least value to our customer. FY 1999 includes the investment necessary to ensure we reduce by an additional 530 FTEs in FY 2000.

For example, in FY 1996 DCMC has assumed cognizance for contract administration of the contracts issued by the Military Sealift Command, and has also been receiving contracts resulting from the privatization of military bases closed as a result of BRAC. We expect the privatization trend to continue, with possibly a very significant number of additional contracts assigned for administration in the next few years. We also expect Early CAS assignments to increase, along with more contracts assigned as a result of public-private competition in the program depot maintenance arena. Finally, we anticipate some initiatives emanating from acquisition reform, such as contractor past performance history and common process/block changes, to be major resource drivers during the FY 1998 - 2003 timeframe.

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Activity Group: Contract Management

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

		FY 1998			
A. Subactivity Breakout	FY 1997 Actuals	Amended Budget Request	Appropriated	Current Estimate	FY 1999 Estimate
Total	936,427	949,388	949,388	938,850	963,865

B. Reconciliation Summary

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	949,388	938,850
Congressional Adjustments	(8,824)	0
Supplemental Request	0	0
Price Change	0	26,733
Functional Transfer	0	3,991
Program Changes	(1,714)	(5,709)
Current Estimate	938,850	963,865

C. Summary of Price and Program Changes

			Change FY 1997/FY 1998			Change FY 1998/FY 1999		
		FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
101	Executive, General & Special Schedule	693,522	19,765	(23,160)	690,127	22,084	(19,453)	692,758
103	Wage Board	605	17	0	622	20	0	642
104	Foreign National Direct Hire	3,986	114	0	4,100	131	0	4,231
105	Separation Liability (FNDH)	30	1	0	31	1	0	32
106	Benefits to Former Employees	2,240	0	0	2,240	0	0	2,240
107	Voluntary Separation Incentive Pay	6,260	0	(5,235)	1,025	0	(1,025)	0
111	Disability Compensation	5,221	0	(31)	5,190	0	0	5,190
	TOTAL CIVILIAN PERSONNEL COMPENSATION	711,864	19,897	(28,426)	703,335	22,236	(20,478)	705,093
308	Travel of Persons	27,811	417	3,557	31,785	509	0	32,294
	TOTAL TRAVEL	27,811	417	3,557	31,785	509	0	32,294
401	Fuel Purchases (Supply Management)	88	1	0	89	1	0	90
415	DLA Managed Supplies and Materials	10	0	0	10	0	0	10
416	GSA Managed Supplies and Materials	1,108	17	0	1,125	19	0	1,144
417	Locally Purchased Supplies and Materials	5	0	0	5	0	0	5
	TOTAL FUND SUPPLIES & MATERIALS PURCHASES	1,211	18	0	1,229	20	0	1,249

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Contract Management

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

C. Summary of Price and Program Changes

			Change FY 1997/FY 1998			Change FY 1998/FY 1999		
		FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
507	GSA Managed Equipment	1,864	28	0	1,892	30	0	1,922
	TOTAL FUND EQUIPMENT PURCHASES	1,864	28	0	1,892	30	0	1,922
634	Naval Public Works Centers: Utilities	27	0	0	27	(1)	0	26
647	DISA Information Services	8,000	(360)	272	7,912	(870)	228	7,270
650	DLA Information Services	14,000	476	(285)	14,191	1,831	(2,976)	13,046
671	Communication Services (DISA)	9,604	(1,056)	1,107	9,655	(58)	(497)	9,100
673	Defense Finance and Accounting Services	32,693	(4,119)	(334)	28,240	1,045	(5,131)	24,154
	TOTAL PURCHASES	64,324	(5,059)	760	60,025	1,947	(8,376)	53,596
771	Commercial Transportation	3,051	46	(182)	2,915	47	0	2,962
	TOTAL TRANSPORTATION	3,051	46	(182)	2,915	47	0	2,962
901	Foreign National Indirect Hire (FNIH)	1,358	20	9	1,387	22	0	1,409
912	Rental payments to GSA (SLUC)	13,210	0	1,502	14,712	0	(2,395)	12,317
913	Purchased Utilities (non-Fund)	2,629	39	415	3,083	49	0	3,132
914	Purchased Communications (non-Fund)	10,137	152	1,169	11,458	183	(91)	11,550
915	Rents (non-GSA)	975	15	0	990	16	0	1,006
917	Postal Service (U.S.P.S.)	1,472	0	(33)	1,439	0	0	1,439
920	Supplies & Materials (non-Fund)	5,638	85	0	5,723	92	1,500	7,315
921	Printing & Reproduction	833	12	201	1,046	17	0	1,063
922	Equipment Maintenance by Contract	5,313	80	6,621	12,014	192	(500)	11,706
923	Facility Maintenance by Contract	593	9	0	602	10	0	612
925	Equipment Purchases (non-Fund)	57,351	860	(24,733)	33,478	536	29,800	63,814
931	Contract Consultants	198	3	(129)	72	1	0	73
932	Professional & Management Services by Contract	28	0	0	28	0	0	28
934	Contract Engineering & Technical Services	4	0	0	4	0	0	4
989	Other Contracts	25,743	386	25,350	51,479	824	(1,178)	51,125
991	Foreign Currency Variance	669	10	(678)	1	0	0	1
998	Other Costs	151	2	0	153	2	0	155
	TOTAL OTHER PURCHASES	126,302	1,673	9,694	137,669	1,944	27,136	166,749
	TOTAL	936,427	17,020	(14,597)	938,850	26,733	(1,718)	963,865

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Contract Management

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

D. Reconciliation of Increases and Decreases

1. FY 1998 Amended President's Budget		949,388
2. FY 1998 Appropriated Amount		949,388
3. Congressional Adjustments (Undistributed)		
(a) Quadrenniel Review Savings	(1,934)	
(b) Foreign Currency Fluctuations	(174)	
(c) Revised Economic Asumptions	(1,327)	
(d) High Risk Automation Systems	(2,956)	
(e) Defense Automated Printing Systems	(753)	
(f) Section 8041 CAAS	(18)	
(g) Section 8035 Federally Funded Research and Development Centers	(129)	
(h) Congressional Earmarks	(1,533)	
Total Other Congressional Adjustments (Undistributed)		(8,824)
4. Program Increases:		
Funding transferred to DoD to support operations of the International Cooperative Administrative Support Services (ICASS) System, which is a new cost-sharing system.	832	
Total Program Increases:		832
5. Program Decreases:		
Program reductions to fund higher priority programs		(2,546)
6. FY 1998 Current Estimate		938,850
7. Price Growth		
(a) Annualization of FY 1998 Pay Raise	4,864	
(b) FY 1999 Pay Raise	17,372	
(c) Foreign National Indirect Hire Pay Raise	22	
(d) Other Price Growth	4,475	
Total Price Growth		26,733

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Contract Management

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

8. Functional Transfers		
(a) Functional transfer of the Office of the Under Secretary of Defense (OUSD) Acquisition and Technology (A&T) Defense Support Activity (DSA)	1,430	
(b) Functional transfer of Electronic Commerce/Electronic Data Interchange (EC/ED from OUSD(A&T)	417	
(c) Functional transfer of EC/EDI from Washington Headquarters Service (WHS)	2,144	
		3,991
9. Program Increases		
(a) Increased funding for the Defense Information Systems Agency (DISA) information services to support operational costs and rate changes	228	
(b) Increase in supplies and materials to support the relocation of the Western District Headquarters	1,500	
(c) Increased funding for complete deployment of the Standard Procurement System (SPS) by 2001	6,790	
(d) Increased funding for International Cooperative Administrative Support Services (ICASS) System	325	
(e) Increased funding for standard user environment consisting of personal computers, local area networks, and commercial off-the-shelf software to provide the infrastructure for DLA's deployment of SPS and to support other office automation initatives within the Command critical to achieving DCMC reductions in labor and travel	23,010	
Total Program Increases		31,853
10. Program Decreases		
(a) Reduction in labor funding for workyear savings associated with DCMC downsizing	(20,628)	
(b) Reduction in personnel costs due to the elimination of the $80 payment per person to the Civil Service Retirement Fund	(1,120)	
(c) Reduction in personnel costs due to the elimination of VSIP in FY 1999	(1,025)	
(d) Reduction in DLA Information Services costs due to workload changes	(2,976)	
(e) Reduction in DISA Communications Services costs due to changes in operational costs and pricing rates	(497)	
(f) Reduction in costs for the Defense Finance and Accounting Service (DFAS) due to changes in pricing rates and work counts	(5,131)	
(g) GSA rental savings for the relocation of the Western District Headquarters	(2,395)	
(h) Reduction in requirements for purchased communications, printing and reproduction services, equipment maintenance and other contracts	(3,790)	
Total Program Decreases		(37,562)
11. FY 1999 Budget Request		963,865

IV. Performance Criteria and Evaluation Summary:

Customer Satisfaction Index	FY 97	FY 98	FY 99
	4.0	5.0	5.1

Contract Management customer satisfaction is measured on a scale of 1.0 (totally dissatisfied) to 6.0 (completely satisfied).

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Contract Management

V. Personnel Summary	FY 1997	FY 1998	FY 1999	Change FY 97/FY 98	Change FY 98/FY 99
Active Military End Strength (Total)	626	727	676	101	(51)
Officer	517	588	544	71	(44)
Enlisted	109	139	132	30	(7)
Civilian End Strength (Total)	14,360	14,117	13,967	(243)	(150)
U.S. Direct Hire	14,239	13,996	13,846	(243)	(150)
Foreign National Direct Hire	98	102	102	4	0
Total Direct Hire	14,337	14,098	13,948	(239)	(150)
Foreign National Indirect Hire	23	19	19	(4)	0
(Reimbursable Civilians Included Above - Memo)	2233	2117	2062	(116)	(55)
Military Workyears (Total)	626	727	676	101	(51)
Officer	517	588	544	71	(44)
Enlisted	109	139	132	30	(7)
Civilian Workyears (Total)	14,353	13,967	13,627	(386)	(340)
U.S. Direct Hire	14,232	13,846	13,506	(386)	(340)
Foreign National Direct Hire	98	102	102	4	0
Total Direct Hire	14,330	13,948	13,608	(382)	(340)
Foreign National Indirect Hire	23	19	19	(4)	0
(Reimbursable Civilians Included Above - Memo)	2315	2099	2029	(216)	(70)

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATE
Detail by Activity Group

Activity Group: Defense Microelectronics Activity

I. Narrative Description:

The Defense Microelectronics Activity (DMEA) has been established by the Deputy Secretary of Defense to leverage advanced technologies to extend the life of weapon systems by improving their reliability and maintainability while addressing the problem of diminishing manufacturing sources (DMS). The DMEA is a DoD activity under the authority and control of the Deputy Under Secretary of Defense for Logistics (DUSD-L). To accomplish its mission, the DMEA must procure various categories of mission essential equipment to perform Microelectronics Analysis, Design, Test and Integration, as well as Microelectronics Component Prototyping and Fabrication.

DoD increasingly relies on the use of "Smart" weapon systems. The components that make systems "smart" are the microelectronics devices forming the brain. Yet, microelectronics is an extremely dynamic technology that now completely turns over in 18 months. Therefore, DoD is becoming more and more dependent on a technology that obsoletes itself every 18 months. The commercial world moves with technology. However, DoD continues to require spares support for many years. All too quickly DoD's orders become too low to be profitable to the industry. This leads manufacturers to abruptly close "old" production lines that are no longer profitable in favor of the processes producing the latest technology. Microelectronics obsolescence is now the main factor driving DoD system obsolescence and mission degradation. When a device becomes obsolete, every DoD system using that device has a problem.

II. Description of Operations Financed:

The O&M appropriation is the funding source for the salaries, awards, personnel benefits, travel, per diem, training, supplies, equipment maintenance, communications and contracts in support of the DMEA.

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Defense Microelectronics Activity

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

A. Subactivity Breakout		FY 1998			
	FY 1997 Actuals	Amended Budget Request	Appropriated	Current Estimate	FY 1999 Estimate
Total	0	12,505	12,505	12,182	12,868

B. Reconciliation Summary

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	12,505	12,182
Congressional Adjustments	(288)	0
Supplemental Request	0	0
Price Change	0	326
Functional Transfer	0	0
Program Changes	(35)	360
Current Estimate	12,182	12,868

C. Summary of Price and Program Changes

		Change FY 1997/FY 1998				Change FY 1998/FY 1999		
		FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
101	Executive, General & Special Schedule	0	0	9,615	9,615	288	(11)	9,892
106	Benefits to Former Employees	0	0	150	150	0	(150)	0
	TOTAL CIVILIAN PERSONNEL COMPENSATION	0	0	9,765	9,765	288	(161)	9,892
308	Travel of Persons	0	0	100	100	2	0	102
	TOTAL TRAVEL	0	0	100	100	2	0	102
416	GSA Managed Supplies and Materials	0	0	40	40	1	0	41
417	Locally Purchased Supplies and Materials	0	0	150	150	2	0	152
	TOTAL FUND SUPPLIES & MATERIALS PURCHASES	0	0	190	190	3	0	193
917	Postal Service (U.S.P.S.)	0	0	5	5	0	0	5
921	Printing & Reproduction	0	0	2	2	0	0	2
922	Equipment Maintenance by Contract	0	0	210	210	3	0	213
925	Equipment Purchases (non-Fund)	0	0	250	250	4	0	254
934	Contract Engineering & Technical Services	0	0	250	250	4	0	254
989	Other Contracts	0	0	1,210	1,210	19	147	1,376
998	Other Costs	0	0	200	200	3	374	577
	TOTAL OTHER PURCHASES	0	0	2,127	2,127	33	521	2,681
	TOTAL	0	0	12,182	12,182	326	360	12,868

Activity Group: Defense Microelectronics Activity

III. Financial Summary (O&M: $ In Thousands) (cont)

D. Reconciliation of Increases and Decreases

1. FY 1998 Amended President's Budget		12,505
2. FY 1998 Appropriated Amount		12,505
3. Congressional Adjustments (Undistributed)		
(a) Quadrennial Review Savings	(188)	
(b) Foreign Currency Fluctuations	(2)	
(c) Revised Economic Assumptions	(24)	
(d) High Risk Automation Systems	(41)	
(e) Defense Automated Printing Systems	(11)	
(f) Congressional Earmarks	(22)	
Total Other Congressional Adjustments (Undistributed)		(288)
4. Program Decreases		
Program reductions to fund higher priority programs		(35)
5. FY 1998 Current Estimate		12,182
6. Price Growth		
(a) Annualization of FY 1998 Pay Raise	67	
(b) FY 1999 Pay Raise	221	
(c) Other Price Growth	38	
Total Price Growth		326
7. Program Increases		521
Establishment of the Virtual Parts Supply Base for Microelectronics program. This program established an enterprise network of Microelectronics capabilities that develops replacement components for obsolete parts (parts that industry no longer manufacturers).		
8. Program Decreases		
(a) Labor Cost - $80 Head Tax	(11)	
(b) Reduction for annual leave held when DMEA transferred to DLA	(150)	
Total Program Decreases		(161)
9. FY 1999 Budget Request		12,868

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Defense Microelectronics Activity

V. Personnel Summary	FY 1997	FY 1998	FY 1999	Change FY 97/FY 98	Change FY 98/FY 99
Active Military End Strength (Total)	0	0	0	0	0
Officer	0	0	0	0	0
Enlisted	0	0	0	0	0
Civilian End Strength (Total)	102	136	136	34	0
U.S. Direct Hire	102	136	136	34	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	102	136	136	34	0
Foreign National Indirect Hire	0	0	0	0	0
(Reimbursable Civilians Included Above - Memo)	102	0	0	(102)	0
Military Workyears (Total)	0	0	0	0	0
Officer	0	0	0	0	0
Enlisted	0	0	0	0	0
Civilian Workyears (Total)	102	136	136	34	0
U.S. Direct Hire	102	136	136	34	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	102	136	136	34	0
Foreign National Indirect Hire	0	0	0	0	0
(Reimbursable Civilians Included Above - Memo)	102	0	0	(102)	0

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
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Detail By Activity Group

Activity Group: Other Logistics Services

I. Narrative Description

In past fiscal years the Contract Management Activity Group budget request included funding requirements for non-Contract Management Programs. The funding associated with the non-Contract Management programs has been increasing since FY 91. Since the funding for these programs is not visible it would appear that the funding associated with the Contract Management operations is increasing, which is not the case.

Examples of the non-Contract management programs include costs associated with Defense Agency Unemployment Compensation, the Director of Acquisition Career Management, Price Comparability (formerly Engineering Technical Support or Cost Shifting), Quality of Life, and Disaster Relief Blankets.

This activity group has been established to separate the non-Contract Management programs.

II. Description of Operations Financed

This activity group includes the following programs:

Unemployment Compensation: Reflects funding of unemployment costs for all DoD Defense Agencies. The Department of Labor consolidates the Defense Agencies unemployment costs, and DLA's estimates include resources for consolidated Defense-wide payments.

Continuity of Operations (COOP): The COOP mission was transferred to DLA during FY 1994. This is an O&M funded operation but is not associated with the Contract Management mission.

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail By Activity Group

Activity Group: Other Logistics Services

II. Description of Operations Financed (cont)

Director of Acquisition Career Management (DACM): On 13 Mar 1992, the Deputy Secretary of Defense made the decision that DLA be assigned the responsibility to provide administrative, logistical and resource support associated with the administration of the Acquisition Career Management System.

DoD Counter-Drug Activities: Funds available only to fund approved counter narcotics projects, mandated drug testing, drug abuse education, etc.

Procurement Technical Assistance Cooperative Agreement Program (PTACAP): The program was established by Congress in the FY 1985 DoD Authorization Act, Public Law (PL) 98-525. The PL amended Title 10, United States Code (USC) by adding Chapter 142. Title 10, USC, as amended, continues to authorize the Secretary of Defense, acting through the Director, Defense Logistics Agency, to enter into cost sharing cooperative agreements with state and local governments, nonprofit organizations, Indian tribal organizations and Indian economic enterprises to establish and conduct procurement technical assistance programs. The DoD Authorization and Appropriations Acts make funds available, annually, to fund a program to assist state and local governments and nonprofit entities and a program to assist tribal organizations and Indian economic enterprises with establishing or maintaining PTACAP activities which include helping business firms market their goods and/or services to DoD, other Federal agencies and state and local governments.

Homeless Initiative: DLA purchases blankets for the homeless.

Quality of Life: Office of Under Secretary of Defense (Comptroller) letter of June 2, 1995, stated the Defense Working Capital Fund should not be used to fund Morale, Welfare, and Recreation costs, but rather the appropriated or nonappropriated funds, as appropriate.

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail By Activity Group

Activity Group: Other Logistics Services

II. Description of Operations Financed (cont)

Security Lock Retrofit Program: The funding included in the FY 1998 DoD Appropriations Act was for the continuation of the Security Lock Retrofit initiative begun in FY 1994 as directed by the Congress.

Defense Civilian Personnel Data System: Funding for developing a single, modern information system for civilian personnel operations Department-wide. Reduction in funding due to the major development phase of hardware/software for DCPDS being complete.

Logistics Community Manager (LCM): Funding provided to DLA for LCM oversight functions beginning in FY 1999. LCM will improve overall logistics performance in support of warfighters through the coordination of enhancements to information systems, information management, and information exchange among warfighters, the Commander-in-Chiefs (CINCs), and the logistics community. The Logistics Community Manager is responsible for coordinating and executing logistics community management in order to accomplish DUSD(L) Logistics Business Systems Corporate Strategy.

Automated Document Conversion System: Funding for the purchase of software to convert the Department's more complex engineering documents from raster files to an intelligent format.

Rapid Acquisition Manufactured Parts (RAMP): Functional transfer of RAMP program from the Navy to DLA beginning in FY 1999.

National Imagery Mapping Agency (NIMA): Functional transfer of Hardcopy Media Inventory Management, Cataloging, and Distribution functions from NIMA to DLA beginning in FY 1999.

DPSC Demolition: Funding for the demolition of the former Defense Personnel Support Center buildings in Philadelphia, Pennsylvania due to Base Realignment and Closure (BRAC).

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail By Activity Group

Activity Group: Other Logistics Services

II. Description of Operations Financed (cont)

Continuous Acquisition and Life Cycle Support (CALS): Functional transfer of CALS program from Air Force to DLA in FY 1999.

OUSD A&T Transfers: Functional transfer of the following functions from OUSD(A&T) to DLA beginning in FY 1999: Defense Mil-Spec and Mil-Standard Reform, Preparation of Stockpile Reports, Installations Special Projects to the Defense Energy Management Center, and Ozone Depleting Substances Program Management.

Defense Property Accountability System (DPAS): Functional transfer of DPAS program from DFAS to DLA beginning in FY 1999.

Cargo Methods and Technologies: Funding for Cargo Methods and Technologies Program for FY 1998.

Defense Investigative Service (DIS) Fee For Service Test: Funding for the DIS Fee For Service Test to DLA for FY 1999.

Other: There are several other small items that support the DLA HQ. These items include: disability compensation and continuing health coverage for some separated employees.

Price Comparability: Price Comparability is our effort to identify costs associated with Readiness support as well as other costs which DLA needs to support its customers, but which a normal commercial company would either not perform or would not include in their normal standard pricing. This effort will allow customers a better opportunity to compare DLA prices with those in the commercial sector while minimizing risks to readiness. For example, included in this project is the cost of storing inventory retained - not for peacetime usage, but for wartime demand (War Reserve stock). This meets criteria number 1 below and thus would be removed from our rates and from our standard pricing. A strictly business approach would dictate either not to retain this inventory or to charge the customers who request that we retain the materiel the cost of that retention. This is exactly what this project is attempting - to act like a business by removing these retention and other non-business-dictated costs from our Defense Working Capital Fund rates and having these cost funded from appropriated accounts.

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
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Activity Group: Other Logistics Services

II. Description of Operations Financed (cont)

The criteria that we have used to determine whether cost should be removed from our rates are as follows:

1. Cost of procurement, depot (receipts, storage, rotational, security, etc.) And disposal associated with war reserve and wartime essential items to the extent not now covered by appropriated funding. ($18.5M)

2. Cost of contingency planning and support and command control centers, whose primary purpose is to plan, prepare for, facilitate and support wartime operations. ($4.1M)

3. Costs associated with performing an action that is performed primarily because it is mandated by Congress or by DoD. ($9.1M)

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Other Logistics Services

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

A. Subactivity Breakout	FY 1997 Actuals	FY 1998 Amended Budget Request	FY 1998 Appropriated	FY 1998 Current Estimate	FY 1999 Estimate
Total	142,550	111,471	151,071	111,704	159,863

B. Reconciliation Summary

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	111,471	111,704
Congressional Adjustments	37,482	0
Supplemental Request	0	0
Price Change	0	1,469
Functional Transfer	0	75,792
Program Changes	(37,249)	(29,102)
Current Estimate	111,704	159,863

C. Summary of Price and Program Changes

		FY 1997 Actual	Change FY 1997/FY 1998 Price Growth	Change FY 1997/FY 1998 Program Growth	FY 1998 Estimate	Change FY 1998/FY 1999 Price Growth	Change FY 1998/FY 1999 Program Growth	FY 1999 Estimate
101	Executive, General & Special Schedule	1,264	36	65	1,365	41	24	1,430
106	Benefits to Former Employees	572	0	464	1,036	0	660	1,696
110	Unemployment Compensation	12,900	0	6,064	18,964	0	2,055	21,019
111	Disability Compensation	1,145	0	(52)	1,093	0	25	1,118
	TOTAL CIVILIAN PERSONNEL COMPENSATION	15,881	36	6,541	22,458	41	2,764	25,263
308	Travel of Persons	131	2	14	147	2	5	154
	TOTAL TRAVEL	131	2	14	147	2	5	154
915	Rents (non-GSA)	175	3	14	192	3	(3)	192
920	Supplies & Materials (non-Fund)	5	0	(1)	4	0	0	4
921	Printing & Reproduction	339	5	(105)	239	4	8	251
988	Grants	9,100	137	7,763	17,000	272	(272)	17,000
989	Other Contracts	116,912	1,754	(47,009)	71,657	1,147	44,188	116,992
998	Other Costs	7	0	0	7	0	0	7
	TOTAL OTHER PURCHASES	126,538	1,899	(39,338)	89,099	1,426	43,921	134,446
	TOTAL	142,550	1,937	(32,783)	111,704	1,469	46,690	159,863

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Other Logistics Services

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

D. Reconciliation of Increases and Decreases

1. FY 1998 Amended President's Budget Request		111,471
2. Congressional Adjustments (Distributed):		
(a) Automated Document Conversion System	20,000	
(b) Procurment Technical Assistance Program	17,000	
(c) Security Locks	25,000	
(d) DPSC Demolition	10,000	
(e) Cargo Methods and Technology	3,000	
(f) Homeless Blankets	(2,400)	
(g) Housing Improvement Fund Management	(7,000)	
(h) DWCF Transfer	(26,000)	
Total Congressional Adjustments (Distributed):		39,600
3. FY 1998 Appropriated Amount		151,071
4. Congressional Adjustments (Undistributed):		
(a) QDR Savings	(1,154)	
(b) Foreign Currency Fluctuation	(16)	
(c) Revised Economic Assumptions	(495)	
(d) High Risk Automation Systems	(254)	
(e) DAPS Efficiencies	(65)	
(f) Section 8041 CAAS	(2)	
(g) Congressional Earmarks	(133)	
Total Other Congressional Adjustments (Undistributed):		(2,118)
5. Program Decreases		
(a) Program reductions to fund higher priority programs	(249)	
(b) DWCF Transfer	(10,000)	
(c) DLA Fact of Life	(17,000)	
(d) Security Locks	(10,000)	
Total Program Decreases		(37,249)
6. FY 1998 Current Estimate		111,704

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Other Logistics Services

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

D. Reconciliation of Increases and Decreases

7. Price Growth		
(a) Annualization of FY 1998 Pay Raise	10	
(b) FY 1999 Pay Raise	31	
(c) Other Price Growth	1428	
Total Price Growth		1,469
8. Functional Transfers		
(a) Rapid Acquisition of Manufactured Parts from Navy	1,000	
(b) National Imagery Mapping Agency	27,753	
(c) Continuous Acquisition and Life Cycle Support from Air Force	3,660	
(d) OUSD(A&T) Transfers:	1,688	
Defense Mil-Spec and Mil-Standard Reform		
Preparation of Stockpile Reports		
Installations Special Projects to Defense Energy Management Center		
Ozone Depleting Substances Program Management		
(e) Defense Property Accountability System from DFAS	10,000	
(f) Defense Working Capital Fund (DWCF) transfer to support the Price Comparability initiatives	31,691	
Total Functional Transfers		75,792

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Other Logistics Services

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

D. Reconciliation of Increases and Decreases

9. Program Increases		
(a) Increase in Defense Agency Unemployment based on historical growth and costs associated with BRAC. This reflects funding for all DoD Defense Agencies.	2,055	
(b) Increase in Continuing Health coverage due to costs associated with BRAC.	660	
(c) Increase in funding for Disaster Blankets to support DLA's Homeless Initative.	3,115	
(d) Increase in Quality of Life to cover facilities costs which cannot be funded through DWCF.	2,750	
(e) Increase for Logistics Community Manager transferring from Joint Logistics Services Center.	6,000	
(f) Increase for Disability Compensation for costs associated with DPSC Clothing Factory BRAC.	25	
(g) Increase for DIS Fee for Service to fund one-year Defense Investigative Service Fee for Service test.	500	
(h) Increase for Defense Acquisition Career Management reflects fact of life increase.	16	
(i) Increase in funding for the DLA Continuity of Operations Office reflects fact of life increase.	102	
Total Program Increases		15,223
10. Program Decreases		
(a) Reduction in funding due to completion of the Defense Civilian Personnel Data System project.	(5,282)	
(b) Reduction in funding for Security Locks due to anticipated completion in FY 99.	(5,240)	
(c) Reduction in funding for Automated Document Conversion System due to anticipated completion of project in FY 98.	(20,320)	
(d) Reduction in funding for Procurement Technical Assistance Program for fact of life adjustment.	(272)	
(e) Reduction in funding for DPSC Demolition project completion.	(10,160)	
(f) Reduction in funding for DoD Inventory Control Group Rent for fact of life adjustment.	(3)	
(g) Reduction in funding for Cargo Methods and Technologies due to anticipated project completion.	(3,048)	
Total Program Decreases		(44,325)
11. FY 1999 Budget Request		159,863

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET EXHIBITS
Detail By Activity Group

Activity Group: Business Process Reengineering Center (BPRC)

I. Narrative Description

The BPRC is a program established under the authority, direct oversight, and operational control of OUSD(A&T). DLA provides financial and administrative services as requested by OUSD(A&T) for this activity. BPRC functionally transferred to DLA in FY 1998 from Defense Information Services Activity (DISA).

II. Description of Operations Financed

The BPRC supports the Office of the Secretary of Defense by proposing redesigns of processes, organizations, and the culture of Department of Defense activities. Business process reengineering results in highly streamlined processes by providing for a cross-functional, integrated analysis of multiple activities or functions that contribute to a shared purpose.

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Business Process Reengineering Center

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

A. Subactivity Breakout	FY 1997 Actuals	FY 1998 Amended Budget Request	FY 1998 Appropriated	FY 1998 Current Estimate	FY 1999 Estimate
Total	0	3,416	3,416	3,328	3,541

B. Reconciliation Summary

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	3,416	3,328
Congressional Adjustments	(78)	0
Supplemental Request	0	0
Price Change	0	72
Functional Transfer	0	0
Program Changes	(10)	141
Current Estimate	3,328	3,541

C. Summary of Price and Program Changes

		Change FY 1997/FY 1998			Change FY 1998/FY 1999		
		FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
101	Executive, General & Special Schedule	0	0	3,028	3,028	67	127	3,222
	TOTAL CIVILIAN PERSONNEL COMPENSATION	0	0	3,028	3,028	67	127	3,222
989	Other Contracts	0	0	300	300	5	14	319
	TOTAL OTHER PURCHASES	0	0	300	300	5	14	319
	TOTAL	0	0	3,328	3,328	72	141	3,541

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Business Process Reengineering Center

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

D. Reconciliation of Increases and Decreases

1. FY 1998 Amended President's Budget Request		3,416
2. Congressional Adjustments (Distributed):		0
3. FY 1998 Appropriated Amount		3,416
4. Congressional Adjustments (Undistributed):		
(a) QDR Savings	(57)	
(b) Foreign Currency Fluctuation	(1)	
(c) Revised Economic Assumptions	(6)	
(d) High Risk Automation Systems	(5)	
(e) DAPS Efficiencies	(3)	
(f) Congressional Earmarks	(6)	
Total Other Congressional Adjustments (Undistributed)		(78)
5. Program Decreases		
Program reductions to fund higher priority programs		(10)
6. FY 1998 Current Estimate		3,328
7. Price Growth		
(a) Annualization of FY 1998 Pay Raise	21	
(b) FY 1999 Pay Raise	46	
(c) Other Price Growth	5	
Total Price Growth		72
8. Program Increases		
Increase in funding for costs associated with the Business Process Reengineering Center		141
9. FY 1999 Current Estimate		3,541

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Business Process Reengineering Center

V. Personnel Summary	FY 1997	FY 1998	FY 1999	Change FY 97/FY 98	Change FY 98/FY 99
Active Military End Strength (Total)	0	0	0	0	0
Officer	0	0	0	0	0
Enlisted	0	0	0	0	0
Civilian End Strength (Total)	26	34	34	8	0
U.S. Direct Hire	26	34	34	8	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	26	34	34	8	0
Foreign National Indirect Hire	0	0	0	0	0
(Reimbursable Civilians Included Above - Memo)	26	0	0	(26)	0
Military Workyears (Total)	0	0	0	0	0
Officer	0	0	0	0	0
Enlisted	0	0	0	0	0
Civilian Workyears (Total)	26	34	34	8	0
U.S. Direct Hire	26	34	34	8	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	26	34	34	8	0
Foreign National Indirect Hire	0	0	0	0	0
(Reimbursable Civilians Included Above - Memo)	26	0	0	(26)	0

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Warstoppers

I. Narrative Description

Funding for warstoppers recognizes that certain supply items must be procured and critical industrial capability must be preserved to support the Department's readiness and sustainment requirements. This concept applies to items such as chemical protective suits and gloves, nerve agent antidotes auto-injectors, meals-ready-to eat, and tray pack assemblies. In each instance, peacetime demand is inadequate to sustain an industrial base sufficient for readiness and mobilization. In prior years, these items or capabilities were funded through customer demand, war reserve appropriation or customer surcharges on basic items of supply. These "warstoppers" qualify for funding, not as the result of reasonable business decisions, but as a matter of national security, and therefore, do not fall within the purview of the Defense Working Capital Fund (DWCF).

II. Description of Operations Financed

The warstoppers program is mandated by law, and is the single Agency program to preserve essential production capability, and to provide the means to invest in improving industry responsiveness. This also includes the funding of Industrial Preparedness Measures (IPM's) to allow for the "surge" of battle critical material to increase supply availability of spares and troop support items as directed in Defense planning documents. Industrial Base Maintenance Contracts currently preserve critical production capabilities for nerve agent antidotes and chemical suits and gloves with minimal annual investment. Industrial readiness or preparedness investments enable DLA to provide surge capability for critical weapon systems and troop support items as a more cost effective alternative to War Reserve Materiel (WRM). Within the Medical Readiness line, rotational stock contracts enable DLA to purchase critical drug

Activity Group: Warstoppers

II. Description of Operations Financed (continued)

and pharmaceutical war reserve items with short shelf life and have them stored and rotated with commercial stock by the contractor and eliminate the need for Service WRM inventories. The rotational stocks serve as a bridge stock until industry can expand initial production to meet contingency or wartime surge requirements. NBC Defense dollars have been used to increase the surge capability of nerve agent autoinjector production through the purchase of injector components. In addition, funds are used to maintain unique food production equipment, owned by the government, to support surge requirements for combat rations.

	FY 1997	FY 1998	FY 1999
Nerve Agent Antidote	6.3	6.5	6.6
Chemical Gloves	4.3	4.6	4.7
Chemical Suits	2.5	2.7	3.0
Industrial Readiness	5.1	6.5	10.7
Industrial Preparedness Planning	2.6	2.8	3.1
Medical Readiness	3.4	5.7	6.1
NBC Defense	3.1	1.0	1.0
MRE/Tray Pack IPM	0.1	3.2	0.3
Ozone Depleting Substances		3.0	3.5
Total	27.4	36.0	39.0

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Warstoppers

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

		FY 1998			
A. Subactivity Breakout	FY 1997 Actuals	Amended Budget Request	Appropriated	Current Estimate	FY 1999 Estimate
Total	27,418	35,923	35,923	35,023	38,934

B. Reconciliation Summary

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	35,923	35,023
Congressional Adjustments	(825)	0
Supplemental Request	0	0
Price Change	0	525
Functional Transfer	0	0
Program Changes	(75)	3,386
Current Estimate	35,023	38,934

C. Summary of Price and Program Changes

		Change FY 1997/FY 1998			Change FY 1998/FY 1999		
	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
989 Other Contracts	27,418	384	7,221	35,023	525	3,386	38,934
TOTAL OTHER PURCHASES	27,418	384	7,221	35,023	525	3,386	38,934
TOTAL	27,418	384	7,221	35,023	525	3,386	38,934

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Warstoppers

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

D. Reconciliation: Increases and Decreases

1. FY 1998 Amended President's Budget		35,923
2. Congressional Adjustments (Distributed)		0
3. FY 1998 Appropriated Amount		35,923
4. Congressional Adjustments (Undistributed):		
(a) QDR Savings	(538)	
(b) Foreign Currency Fluctuation	(7)	
(c) Revised Economic Assumption	(68)	
(d) High Risk Automation Systems	(119)	
(e) Defense Automated Printing Service	(30)	
(g) Section 8041 CAAS	(1)	
(h) Congressional Earmarks (Total)	(62)	
Total Congressional Adjustments (Undistributed)		(825)
5. Program Decreases		
Program reductions to fund higher priority programs		(75)
6. FY 1998 Current Estimate		35,023
7. Price Growth		525
8. Program Increases		
Program increases include: funding of Industrial Preparedness Measures (IPM), Industrial Base Maintenance contracts, rotational stock contracts, and food production equipment to support surge requirements for combat rations.		3,386
9. FY 1999 Budget Request		38,934

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Environmental Restoration

I. Narrative Description

The Environmental Restoration Appropriation, established by Congress in FY 1984, funds environmental programs for Installation Restoration Projects at DoD sites. These resources are used for achieving and maintaining compliance with the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act of 1986, and the National Contingency Plan. The Defense Environmental Restoration Program (DERP) provides centralized management for the cleanup of DoD hazardous waste sites. DLA utilizes the Defense Environmental Restoration Account to support the goals of the DERP. DLA operates the Installation Restoration Program (IRP) to achieve this mission.

II. Description of Operations Financed

IRP operations financed include a comprehensive program to identify, investigate and clean up contamination from hazardous substances, pollutants, and contaminants at active DLA sites as well as formerly-owned or used properties and Potentially Responsible Party sites (third-party sites) where DLA is named as a responsible party; and removal actions upon discovery of an imminent threat.

DEFENSE LOGISTICS AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES
Detail by Activity Group

Activity Group: Environmental Restoration

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

		FY 1998			
A. Subactivity Breakout	FY 1997 Actuals	Amended Budget Request	Appropriated	Current Estimate	FY 1999 Estimate
Total	30,470	0	0	0	0

B. Reconciliation Summary

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	0	0
Congressional Adjustments	0	0
Supplemental Request	0	0
Price Change	0	0
Functional Transfer	0	0
Program Changes	0	0
Current Estimate	0	0

C. Summary of Price and Program Changes

		Change FY 1997/FY 1998			Change FY 1998/FY 1999		
	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
Travel of Persons	1,044	15	(1,059)	0	0	0	0
TOTAL TRAVEL	1,044	15	(1,059)	0	0	0	0
DLA Managed Supplies and Materials	1	0	(1)	0	0	0	0
GSA Managed Supplies and Materials	26	0	(26)	0	0	0	0
TOTAL FUND SUPPLIES & MATERIALS PURCHASES	27	0	(27)	0	0	0	0
Commercial Transportation	15	0	(15)	0	0	0	0
TOTAL TRANSPORTATION	15	0	(15)	0	0	0	0
Supplies & Materials (non-Fund)	177	2	(179)	0	0	0	0
Other Contracts	29,207	409	(29,616)	0	0	0	0
TOTAL OTHER PURCHASES	29,384	411	(29,795)	0	0	0	0
TOTAL	30,470	426	(30,896)	0	0	0	0

OPERATION AND MAINTENANCE, DEFENSE-WIDE
DEFENSE LEGAL SERVICES AGENCY
FY 1999 BUDGET ESTIMATES

I. Narrative Description:

The Defense Legal Services Agency (DLSA) provides legal services to the Office of the Secretary of Defense, Department of Defense Field Activities, and the Defense Agencies. The largest component of DLSA, the Defense Office of Hearings and Appeals (DOHA) adjudicates numerous types of cases that arise from all Military Departments and Defense Agencies. See IV. below. This activity is a Budget Activity 4, Administration and Service-Wide Activities program.

II. Description of Operations Financed:

All customary expenses required to operate a government activity are financed, including salaries and benefits, travel, rental of office space, rental of equipment, communications, and the cost of supplies and equipment.

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

A.

Budget Activity 4 Activity Group	FY 1997 Actual	FY 1998 Budget Request	FY 1998 Appropriated	FY 1998 Current Estimate	FY 1999 Budget Estimate
DLSA	8,064	8,839	8,087	8,503	9,027

B. Reconciliation Summary

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	8,839	8,503
Congressional Adjustments	-827	N/A
Price Change	0	329
Program Changes	491	195
Current Estimate	8,503	9,027

III. Financial Summary (O&M: $ in Thousands): (cont'd)

C. Summary of Price & Program Changes

	FY 1997 Actual	Change FY 1997/1998 Price Growth	Change FY 1997/1998 Program Growth	FY 1998 Estimate	Change FY 1998/1999 Price Growth	Change FY 1998/1999 Program Growth	FY 1999 Estimate
Exec, Gen & Spec Schedule	6,642	186	137	6,965	216	-363	6,818
Travel	228	2	-5	225	2	29	256
GSA Supplies	15	0	7	22	0	0	22
DoD Rent PRMRF	217	3	0	220	100	0	320
Rent Paid to GSA (SLUC)	407	6	0	413	0	0	413
Purchased Communications	107	2	0	109	2	0	111
Postal Services	2	0	0	2	0	0	2
Printing/Reproduction	4	0	0	4	0	0	4
Equipment Purchases	0	0	35	35	1	-21	15
Other Costs	4	0	0	4	0	0	4
Other Contracts	438	7	59	504	8	550	1,062
TOTAL	8,064	206	233	8,503	329	195	9,027

III. Financial Summary (O&M: $ in Thousands): (cont'd)

D. Reconciliation of Increases & Decreases:

1.	FY 1998 Amended President's Budget Request		8,839
2.	Congressional Adjustments (Distributed)		-752
3.	FY 1998 Appropriated Amount		8,087
4.	Congressional Adjustments (Undistributed)		
	a. Quadrennial Defense Review savings:	-32	
	b. Revised economic assumptions:	-9	
	c. Congressional Earmarks:	-13	
	d. Defense Automated Printing Service:	-7	
5.	Total Congressional Adjustments (Undistributed)		-61
6.	Functional Transfers		0
7.	Program Increases		
	a. Funding for current FTE	500	
8.	Total Program Increases		500
9.	Program Decreases		
	a. Program reduction to fund higher priority programs:	-23	
10.	Total Program Decreases		-23
11.	FY 1998 Current Estimate		8,503
12.	Price Change		329

13.	Program Increases		
	a. New computer maintenance contract: Computer maintenance support for DOHA's computer network will now be done under separate contract	15	
	b. Courtroom renovation contract in Columbus: DOHA will be renovating a portion of its space in Columbus, OH, to serve as a hearing room.	150	
	c. Overseas travel: DOHA's overseas workload for adjudicating cases for DoD personnel will increase.	29	
	d. Teleconferencing: DOHA will be installing teleconferencing capability to improve communication within the organization.	108	
	e. Miscellaneous contracts: DLSA will increase its purchased contracts.	277	
14.	Total Increases:		579
15.	Program Decreases:		
	a. Four FTE - Personnel downsizing	-363	
	b. Ballston courtroom equipment purchases	-21	
16.	Total Decreases:		-384
17.	FY 1999 Budget Request:		9,027

IV. Performance Criteria and Evaluation Summary:

The Defense Legal Services Agency (DLSA) provides legal services to the staff elements of the Office of the Secretary of Defense and the Defense Agencies. DLSA's activities include providing opinions and counseling on legal compliance issues affecting policy formulation and implementation; participation in developing the Department's legislative program, including drafting legislation and comments; negotiations on behalf of DoD clients with private entities and other Government agencies; ensuring proper use of Government funds and property; adherence to ethical standards; and participation in contractual matters. The Defense Office of Hearings and Appeals (DOHA), the largest component of DLSA, provides hearings and issues decisions in personnel security clearance cases for contractor personnel doing classified work for all DoD components and 20 other Federal Agencies and Departments and conducts personal appearances and issues decisions in security clearance cases for DoD civilian employees and military personnel. DOHA also conducts hearings and issues decisions in cases involving claims for DoD School Activity benefits, and CHAMPUS payment for medical services. DOHA also functions as a central clearing house for DoD alternative dispute resolution activities and as a source of third party neutrals for such activities. DOHA also adjudicates various financial claims including, but not limited to,

IV. Performance Criteria and Evaluation Summary: (cont'd)

claims related to uniform services members' pay, allowances, travel, transportation, retired pay, and survivor benefits; claims by transportation carriers for amounts collected from them for loss and damage incurred to property incident to shipment at Government expense; claims for proceeds of sale of unclaimed property coming into the custody or control of the Army, Navy, Air Force or Coast Guard; and petitions for waiver of debts owed by employees to the Government. DLSA is evaluated on the basis of the quality and timeliness of its myriad of services; adherence to the American Bar Association and Department of Defense ethical standards; the professional independence, impartiality and competence exhibited by its attorneys; and its overall responsiveness to the needs of its clients.

Workload:	FY 1997 Estimate	FY 1998 Estimate	FY 1999 Estimate
Cases Reviewed	13,775	13,800	13,825
Hearing cases	780	785	790

V. Personnel Summary:

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate	Change FY97/98	Change FY98/99
Active Military End-Strength (Total)					
Officer	3	1	1	-2	0
Enlisted	8	8	8	0	0
Civilian End Strength (Total)					
US Direct Hire	88	90	86	2	-4
Military FTE(Total)					
Officer	3	1	1	-2	0
Enlisted	8	8	8	0	0
Civilian FTE(Total)					
US Direct Hire	88	90	86	2	-4

Department of Defense Dependents Education
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

I. Narrative Description:

The missions of the Department of Defense Dependents Education (DoDDE) programs are as stated below:

A. Department of Defense Dependents Schools (DoDDS) provide a world-class educational program that inspires and prepares all students in military communities around the world for success in a dynamic global environment. In FY 1999, DoDDS will operate 159 schools located in 14 countries and the Panama Canal College in accordance with the Panama Canal Treaty.

B. DoD Domestic Dependents Elementary and Secondary Schools (DDESS) provide a free public education to children residing on Federal Property stateside where the State and local systems are unable to do so because of legal or other reasons. In FY 1999, DDESS will operate 70 schools. There are 14 school districts located in 7 states (Alabama, Georgia, Kentucky, New York, North Carolina, South Carolina, and Virginia), one school district in Puerto Rico and one school district in Guam. In addition, there are six special arrangements with local school districts to provide tuition and/or transportation for children attending the local public schools. These special arrangements are located in Delaware, Kansas, Massachusetts, New York and Oregon.

C. The Department of Defense Education Activity provides counsel to the Under Secretary of Defense (Personnel and Readiness) on matters relating to the Dependents Education Activity programs.

I. Narrative Description (continued):

D. The Family Advocacy mission is to:

(1) Establish, develop, and maintain comprehensive programs for the prevention, identification, and treatment of child and spouse abuse.

(2) Raise professional awareness of military family violence; to foster cooperation among the Services and between military and civilian agencies; and to enhance multidisciplinary approaches for addressing the problems associated with family violence.

(3) Collect and analyze abuse incident data.

(4) Evaluate prevention and treatment programs.

(5) Develop standards for joint-Service efforts.

(6) Develop multidisciplinary coordinated community approaches that build strong and resourceful individuals, couples and families, to ensure the safety for all members of the community.

E. The Transition Assistance/Relocation Programs mission under the National Defense Authorization Act of FY 1991 (Public Law 101-510) requires the Secretary of Defense to:

(1) Provide employment assistance to separating Service members and their spouses.

(2) Establish a program to encourage and assist separating or retiring military personnel to enter public or community service jobs under the authority of the National Defense Authorization Act for FY 1993 (Public Law 102-484) .

(3) The National Defense Authorization Act (Public Law 101-189) required the establishment of a DoD Relocation Assistance Program (RAP) to provide information and services during permanent change of station or transition.

I. Narrative Description (continued):

F. The Department of Defense Troops to Teachers Program was officially established by Public Law 102-484 and was implemented on January 19, 1994. Under this program military personnel, and Departments of Defense (DoD) and Energy (DoE) civilian employees affected by the military "drawdown" have the opportunity to begin a new career in public education. The Defense Activity for Non-Traditional Education Support, DANTES, located in Pensacola, Florida was designated the program management responsibility. There are several major aspects to the program. First, DANTES provides an information resource to help participants identify those school districts that are experiencing teacher shortages and to identify opportunities to earn teacher certification through alternative routes. Second, financial support in the form of a stipend up to $5,000 may be available to participants depending on when application and selection to the program was made. A financial grant of up to $50,000 may be awarded to school districts that hire Troops to Teachers participants. (Funding in support of the stipend and grant provisions of the program ended on September 30, 1995.) Applicants who applied after September 30, 1995 and who wish to participate, along with the funded participants) are provided placement assistance and referral services. Both funded and unfunded participants have access to the Troops to Teachers "internet" Home Page that provides a myriad of informational material including, but not limited to, application forms, eligibility criteria, vacancy announcements, the names and addresses of the 16 State Placement Assistance Offices, as well as the names and phone numbers of the DANTES program staff members, etc. An Internet Job Referral process has been implemented allowing participants to search for teacher positions and school district officials to search the participant data base for potential teachers.

II. Description of Operations Financed:

A. Department of Defense Dependents Education

1. Department of Defense Overseas Dependent Schools (DoDDS)

The Department of Defense Overseas Dependents Schools (DoDDS) request for FY 1999 continues current educational programs and the implementation of Title XIV, Dependents Education Act, 1978, which requires the Department of Defense to provide programs of high quality in special, vocational, and compensatory education as well as English as a Second Language.

2. Department of Defense Domestic Dependent Elementary and Secondary Schools (DDESS)

The Domestic Schools are required to provide an education program comparable to local education agencies in the state in which the military installation is located. In comparability with local education agencies, subject areas such as computer literacy, special vocational and compensatory education programs are being continued in the Domestic Schools. Special emphasis continues to be placed on preschool students with disabilities, and educational programs which further support America 2000.

B. Family Advocacy Program

The Family Advocacy Program (FAP), consists of funding allocations for each of the Military Services and the Defense Logistics Agency for use in their Family Advocacy Programs including New Parent Support Programs; and the headquarters support staff which consists of 6 civilians, 1 military, and the Military Family Resource Center contract. The majority of funding is distributed to the Military Services for program costs to provide high quality FAP prevention and treatment services at the installation level. Along with the cost of salaries and benefits for the headquarters support staff, the budget also includes all normal expenses required to operate a federal activity. Included among these expenses are items such as official travel, communications, office space rental, office supplies and equipment, printing and reproduction, and contractual services. Besides the personnel costs, this budget includes funding for the DoD Family Advocacy Command Assistance Team deployments for out-of-home allegations of child sexual abuse in DoD-sanctioned activities, and operation of the DoD Hotline for reporting allegations of child abuse or safety violations within military child care settings.

II. Description of Operations Financed (continued):

C. Transistion Assistance Program

Transition and relocation services are provided to all separating military personnel and their families. Relocation assistance is provided for active duty permanent change of station moves. Funding will maintain staffing at 237 transition and 291 relocation sites worldwide. These programs are funded at minimum levels. Funds will be used to reengineer both of these programs to achieve greater economy and efficiency in program delivery. Funds will be used to evaluate and prototype a variety of reengineering options. Funding supports program service delivery, training, marketing, overseas job fairs and veteran's counselors. Funds will be used to develop or maintain databases and other required automation support. Initiatives include an operational Internet Web site for the Defense Outplacement Referral System (DORS), Transition Bulletin Board (TBB) and the Standard Installation Topic Exchange Service (SITES). Training requirements will be accomplished, in part, through the use of computer-based training and distance learning technology.

D. Troops To Teachers

Troops to Teachers supports separating or retiring service members and DoD civilian employees to begin new careers in public education as teachers or teacher's assistants. Assistance is provided in determining certification requirements, locating teacher certification programs, and employment opportunities. To increase the acceptance of Troops to Teachers participants, the program is promoted among public schools educators, state departments of education, teacher education institutions, state boards of education and other stakeholders in public education. Twenty State Placement Assistance Offices have been established to provide participants assistance in understanding and meeting state certification requirements, identify and eliminate barriers to certification, promote the program among local education agencies, and identify employment opportunities. Troops to Teachers FY 1999 funding wil be used to manage the funds ($135 Million) obligated during FY 1994 and FY 1995, maintain a process to assure five year obligations are fulfilled by participants, maintain and manage the applicant database, counsel participants, market the program to the public education community, participate in job fairs, participate in base transition conferences, maintain a teacher vacancy data base, develop and maintain an Internet Job Referral process and maintain an Internet Home Page.

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

A. Activity Group:	FY 1997 Actuals	Budget Request	Amended FY 1998 Appropriation	Amended FY 1998 Current Estimate	FY1999 Estimate
Overseas Dependents Schools	840,363	840,058	833,909	821,393	869,112
DoD Domestic Dependent Elementary and Secondary Schools	358,379	302,180	327,892	302,672	305,949
Family Advocacy Program	118,427	109,504	111,660	109,715	116,180
Transition Assistance Program	57,231	55,554	55,135	60,544	55,677
Troops To Teachers	635	1,900	1,900	1,894	800
Total	1,375,035	1,309,196	1,330,496	1,296,218	1,347,718

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	1,309,196	1,296,218
Congressional Adjustments (Distributed):		
Family Counseling	3,000	
Math Teacher Leadership Program	300	
Guam	18,000	
Unobligated Balances	(10,000)	
Repairs to Federally Funded Schools	10,000	
Congressional Adjustments (Undistributed)	(6,018)	
Foreign Currency Rate	(2,800)	6,455
Price Change		31,981
Program Change	(25,460)	13,064
Current Estimate	1,296,218	1,347,718

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

C. Price and Program Changes:

		Change FY 1997/1998				Change FY 1998/1999			
	FY 1997 Actuals	Foreign Currency Rate Diff.	Price Growth	Program Growth	FY 1998 Estimate	Foreign Currency Rate Diff.	Price Growth	Program Growth	FY 1999 Estimate
SES, General & Special Schedules	698,757		22,579	5,319	726,655		25,308	(5,576)	746,387
Wage Board	13,897		375		14,272		432		14,704
Foreign National Direct Hire (FNDH)	5,311		124	908	6,343		197		6,540
Separation Liability (FNDH)									
Benefits to Former Employees	550		85		635		21		656
Civilian Volumtary Separation Incentive									
Unemployment Compensation									
Per Diem									
Travel of Persons	87,410	(1,584)	1,311	(3,249)	83,888	2,218	1,342	(87)	87,361
Army Managed Supplies and Materials	268		6		274		21	(3)	292
Navy Managed Supplies and Materials	176		4		180		(10)	14	184
Air Force Managed Supplies and Materials	154		30		184		3		187
GSA Managed Supplies and Materials	1,123		17		1,140		19	28	1,187
Army Fund Equipment	224		5		229		17	(28)	218
Navy Fund Equipment									
Air Force Fund Equipment	150		29		179		1	(34)	146
GSA Managed Equipment	1,170		17		1,187		20	(70)	1,137
Defense Financing & Accounting Services	3,768		(475)	685	3,978		147	(223)	3,902
AMC Cargo (Working Capital Fund)	10		1		11		1		12
AMC SAAM (Working Capital Fund)									
MSC Cargo (Working Capital Fund)	13,439		1,250	(698)	13,991		(2,770)		11,221
MTMC (CONUS-Port Handling-Working Capital Fund)	9		1	(4)	6		(2)		4
MTMC (CONUS-Port Handling-Working Capital Fund)	130		(10)	(24)	96				96
Commercial Transportation	6,376	(41)	96	(1,875)	4,556	54	73	1,000	5,683
Foreign Nat'l Indirect Hire (FNIH)	9,898		277		10,175		316		10,491
Separation Liability									
Rental Payments to GSA (SLUC)	2,469		37	(1)	2,505		40		2,545
Purchased Utilities (Non-fund)	20,799	(103)	312	(202)	20,806	128	333	55	21,322
Purchased Communications (Non-fund)	6,900	(21)	104	(42)	6,941	43	111	488	7,583
Rents (Non-GSA)	9,510	(133)	143	9,738	19,258	326	308	(7,280)	12,612
Postal Services (N.S.P.S.)	351			(1)	350			1	351
Supplies and Materials (Non-fund)	42,218	(61)	633	(11,600)	31,190	72	499	10,535	42,296
Printing and Reproduction	1,827	(2)	27	(347)	1,505	3	24	(1)	1,531
Equipment Maintenance by Contract	17,795	(207)	267	(410)	17,445	207	279	(35)	17,896
Facility Maintenance by Contract	73,639	(793)	1,104	(7,693)	66,257	1,370	1,060	3,406	72,093
Equipment Purchases (Non-fund)	42,589	(148)	639	(12,182)	30,898	212	494	12,326	43,930
Other Overseas Purchases									
Contract Studies and Analysis	143		2	95	240		4		244
Contract Engineering and Technical Services by Contract	58		1		59				59
Contract Professional & Mgmt Svcs	5,450		82	6,497	12,029		193	(6,358)	5,864
Grants	35,000		525	(35,525)					
Other Contracts	273,467	(1,541)	3,075	(56,245)	218,756	1,822	3,500	4,906	228,984
Foreign Currency Variance									
Other Costs									
Total	1,375,035	(4,634)	32,673	(106,856)	1,296,218	6,455	31,981	13,064	1,347,718

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

D. Reconciliation: Increases and Decreases:

1. FY 1998 Amended President's Budget			1,309,196
Congressional Adjustment (Distributed):			
Family Counseling	3,000		
Math Teacher Leadership Program	300		
Guam	18,000		
Unobligated Balance	(10,000)		
Repairs to Federally Funded Schools	10,000		
Total Congressional Adjustment (Distributed)		21,300	
2. FY 1998 Appropriated			1,330,496
Congressional Adjustment (Undistributed):			
QDR Savings	(4,795)		
Foreign Currency Fluctuation	(2,800)		
Revised Economic Adjustment	(3,411)		
Defense Automated Printing Service	(1,022)		
Sec 8041 CAAS	(747)		
Congressional Earmarks	3,957		
Total Congressional Adjustment (Undistributed)		(8,818)	
3. Functional Transfers			

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

D. Reconciliation: Increases and Decreases:

4. Program Increase			
5. Program Decreases			
Program reductions to fund higher priority programs	(1,354)		
Workyear Underexecution	(21,900)		
ICASS	(64)		
Reallocation of PTAP Funding Transfer	(2,142)		
Total Program Decreases		(25,460)	
6. FY 1998 Current Estimate			1,296,218
7. Price Growth		38,436	
1. Teachers Pay Raise (FY 1999)	16,184		
2. Special Schedule Pay Raise (FY 1999)	4,738		
3. SES/GS/WB Pay Raise (FY 1999)	2,618		
4. DHFN/IHFN Pay Raise (FY 1999)	522		

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

D. Reconciliation: Increases and Decreases:

5. Annualization FY 1998 Pay Raise	2,212	
6. Foreign Currency Rate Difference	6,455	
7. Inflation	5,707	
8. Program Increases		42,733
1. Increase associated with DoDDS Sure Start Expansion	3,576	
2. Increase DoDDS Facilities Maintenance support. Increased costs for contracting out DoDDS maintenance, including custodial service	3,850	
3. Increase to support President's Technology Initiative. Funds support computers, connectivity, curriculum, competency and corporate. Training and technology support is also included (DoDDS $13,167 and DDESS $4,528)	17,696	
4. DoDDS educational implementation textbook buy for language arts, reading, and computer skills	5,450	
5. Increased commerical transportation associated with DoDDS PCS moves, technology purchases and furnishings for classrooms	1,000	
6. Increase DDESS for deferred FY 1998 repair and maintenance projects	3,156	
7. New Parent Support Program. Minor Increase to Military Services support.	6,256	
8. Services FAP Outreach Programs	1,749	
9. Program Decreases		(29,669)
1. DoDDS enrollment decrease results in staffing changes (less 90 FTEs)	(5,474)	
2. Decrease Defense Finance and Accounting Service (DoDDS $-109 and DDESS $-114)	(223)	
3. Reflects partial completion of DoDDS antiterrorism projects in FY1998	(700)	
4. Reduction for Congressional one time increase for Repairs to Federal Schools	(10,107)	
5. Reduction for completion of one time start up costs for Guam Schools.	(2,900)	

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

D. Reconciliation: Increases and Decreases:

6. One time prior year funding Congressional for Family Counseling	(3,045)	
8. One-time prior year funding for TAP Job Placement Program	(6,090)	
9. Troops to Teachers program scheduled to be phased-out	(1,130)	
10. FY 1999 Budget Request		1,347,718

IV Performance Criteria and Evaluation Summary:

A. The Department of Defense Dependents Education Activity (DoDEA) program provides for the education of DoD dependents overseas and in domestic schools. Enrollment is as follows:

	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimate
Special Education	7,032	7,044	7,044
Sure Start	444	568	1,000
Prekindergarten	3,838	3,367	3,339
Kindergarten	11,661	10,974	11,315
Grades 1 through 12	89,819	89,940	89,523
Contract Schools	5,428	2,902	2,902
Junior College	321	227	187
Non-DoDDS School	2,083	2,083	2,083
Total	120,626	117,105	117,393

	FY 1997 Actual	FY 1998 Actual	FY 1999 Estimate
Number of Schools: Includes Panama Canal College	234	231	229

IV. Performance Criteria and Evaluation Summary (Continued):

B. The Military Family Resource Center (MFRC)/Family Advocacy Program (FAP)

In FY95, the FAP/MFRC worldwide support of military family advocacy efforts increased in the areas of providing these services through a joint-Service program and comprehensive family violence education and prevention programs. Funds for FY99, will be used to continue to assist families who have experienced maltreatment, and attempts will be made to reduce case-load per provider. As the Department of Defense experiences transition and turbulence related to increased PERSTEMPO, the stress and potential for violence will greatly increase. The FAP is established and structured to handle this form of violence, and current funding will support the Department's efforts to meet that requirement. "At-risk" families identified early through outreach initiatives such as New Parent Support programs have a much better prognosis for improving their coping behaviors and adaptation to multiple stressors, including increased PERSTEMPO. However, shortfalls in funding for outreach programs may result in less early identification of "at-risk" families, which is likely to result in an increase in the number of cases reported that have to be served in the more costly core FAP programs.

Performance Criterion #1: Rate of substantiated child abuse per 1000 child family members and rate of substantiated spouse abuse per 1000 spouses. The rates of abuse provide measures of effectiveness of FAP child abuse and spouse abuse prevention efforts. All substantiated FAP child abuse and spouse abuse reports are recorded on form DD 2486 and entered into a FAP central registry, maintained by Defense Manpower Data Center (DMDC). DMDC provides annual data on the number of child family members and spouses.

Goal for FY99: Rate of substantiated child abuse of 7/1000 child family members and rate of substantiated spouse abuse of 15/1000 spouses. The FY94 civilian rate of child abuse was 15.5/1000. There is no comparable civilian rate of spouse abuse. The most recent DoD rates are shown below:

	CHILD ABUSE	SPOUSE ABUSE
FY 1994	7.3	18.8
FY 1995	6.3	19.0
FY 1996	6.2	18.7

IV. Performance Criteria and Evaluation Summary (Contiued):

Performance Criterion #2: Measure of severity of abuse as rated by Case Review Committee at time of substantiation. This is an indirect measure of prevention effectiveness. The severity scales are fields in the form DD 2486, which must be completed for every child abuse and spouse abuse report. Aggregate data is available from the central registry of FAP child abuse and spouse abuse reports, maintained for FAP by DMDC.

Goal for FY99: 67% of substantiated child abuse and spouse abuse reports will be rated as "mild" in severity; 95% will be rated as "mild" or "moderate" in severity.

Performance Criterion #3: Measure of recidivism. This will be a measure of FAP intervention and treatment effectiveness. This measure is under development, and will be incorporated into the new child abuse and spouse abuse data system as entered into the central registry. The current system counts cases, which may include more than one incident of abuse by the same abuser against the same victim, and there has been a lack of uniformity among the Services in closing cases.

Goal for FY99: Less than 10% substantiated recidivism in both child abuse and spouse abuse.

Performance Criterion #4: Customer and stakeholder satisfaction with FAP services. The measures for this are under development. Tentative plans include surveys of victims and alleged abusers and their unit commanders at the time treatment is ended, surveys of participants in prevention programs, and periodic surveys of installation commanders to assess overall satisfaction with the FAP at their installation.

Goal for FY99: Development of the surveys.

Performance Criterion #5: Cost effectiveness of FAP. This measure is under development. A preliminary model for estimating the cost effectiveness was developed in 1989. However, the model needs to be refined to incorporate increased costs and the findings of several studies that affect the data of active duty personnel time spent in receiving FAP intervention and treatment services. In addition, survey instruments or interviews with personnel may be needed to refine the data.

Goal for FY99: Refine the cost-effectiveness model and develop any needed survey instruments.

IV. Performance Criteria and Evaluation Summary (Continued):

C. Transition Assistance:

The National Defense Authorization Act of FY 1991 (Public Law 101-510) required the Secretary of Defense to provide employment assistance to separating service members and their spouses. The National Defense Authorization Act for FY 1993 (Public Law 102-484) broadened DoD's responsibility to establish a program to encourage and assist separating or retiring military personnel to enter public or community service jobs. Transition programs provide departing military members the knowledge, skills, and self-confidence to successfully complete in the civilian sector.

Evaluation Summary: P.L. 101-510 specifically mandates that preseparation counseling be provided to all military members being discharged or released from active duty. It further mandates that ten specific areas must be addressed as part of preseparation counseling.

Performance Criterion #1:

a. To measure the effectiveness of some of the mandates identified in P.L. 101-510. It's obvious that Congress felt that these mandates are important, therefore , they should be tracked and measured.

b. The FY 1999 TAP measurements will be targeted at two specific mandates. The first mandate is "The percentage of departing military personnel receiving preseparation counseling within 90 days. The second mandate is the percentage of departing military personnel receiving relocation assistance..

Performance Criterion #2:

a. Preseparation Counseling to Departing Military Personnel. The benchmark for FY 1999 is that 60% or more of all departing military personnel should receive preseparation counseling. This benchmark takes into consideration that many depart the military in less than 90 days because of: (1) failure to complete basic training, (2) dishonorable discharge, (3) other than honorable conditions, (4) unprogrammed retirements, (5) immediate medical discharge, (6) hardship discharge, and (7) a discharges from remote and isolated sites. In measuring this benchmark the above mentioned items should not be counted as part of the measurement.

b. Relocation Assistance to Departing Military Personnel. The benchmark for FY 1999 is that separations would account for at least 1/4 of all relocation moves. This benchmark would indicated that a substantial number of relocation moves are as a result of military members transitioning out of the service. Further, that this particular mandate is a required service and must be continued.

IV. Performance Criteria and Evaluation Summary (Continued):

D. Relocation Assistance:

The Relocation Assistance Program (RAP) provides information, counseling/planning and settling-in assistance to counter the effects of poor relocation decisions based on a lack of information. Military families report that relocation is one of the most stressful aspects of military life and that lack of information and knowledge about the process creates serious family problems. In addition, the Department anticipates an increase in the number of first-term service members and families who will need relocation services prior to future relocations.

Evaluation Summary: Public Law 101-189 requires DoD to establish a Relocation Assistance Program to (RAP) to provide information and services during permanent change of station or transition moves.

Performance Criterion #1: Target RAP services to those categories of customers using RAP services who are most likely to encounter severe relocation programs. These categories include:

(1) first-term personnel and their families (Enlisted and Officer with less than three years of service.
(2) first move with family (spouse and/or children)
(3) first move to or from overseas

This measure indicates the level of effectiveness in reaching the primary target populations with direct service.

Goal for FY99: Collect data to establish a baseline rate. Depending on baseline measurement, increase percentage over three years until 60% of all direct RAP services are provided to target populations.

Performance Criterion #2: Increase awareness by RAP customers of the financial requirements for relocation, resulting in improved personal financial preparedness for the move.

Goal for FY99: Establish baseline. Increase percent of customers who receive financial management planning assistance, report an increase in knowledge of financial requirements and a decrease in unexpected out-of-pocket expenses. (This data is being collected in AF Needs Assessment.)

IV. Performance Criteria and Evaluation Summary (Continued):

Throughout Fiscal Year 1998, the number of applications processed, the number of telephone and written requests for information and applications, the number of participants selected for certification schools, the number of placements, the number of stipend and grant requests received, processed, and paid, and the number of letters, reports, and contacts with Local Education Agencies (LEA's) has increased at a rate exceeding projections when the program first started. Workload factors continue to increase. It should be noted that the work effort has been at its heaviest since Fiscal Year 1997. This is a result of the large number of participants currently in training who have requested their stipend payments and for LEA's that have hired participants and subsequently request their grant payments. The following workload indicators are submitted as examples of increased workload:

Applicants Processed (cumulative)	Hired (cumulative)
8/95: 9,103	8/95: 536
8/96: 11,944	8/96: 1,337
12/97: 13,966	12/97: 2,549

Participants Using Stipends and Grants	School Districts Hiring Participants
8/95: 1,178	8/95: 242
8/96: 1,826	8/96: 800
12/97: 2,506	12/97: 1,281

Comments from participants and school officials alike, are highly complimentary citing the high degree of professionalism, quality of service and support, from the Troops To Teachers staff. Complaints from applicants are extremely rare, and for those that do, the majority write questions concerning the law itself, not about the program management or operations.

V. Personnel Summary:

	FY 1997	FY 1998	FY 1999
Civilian End Strength (Total)	16,476	16,283	16,168
U.S. Direct Hire	15,903	15,587	15,472
Foreign National Direct Hire	257	307	307
Total Direct Hire	16,160	15,894	15,779
Foreign National Indirect Hire (Reimbursable)	316	389	389
Civilian FTEs (Total)	12,868	13,028	12,936
U.S. Direct Hire	12,345	12,471	12,379
Foreign National Direct Hire	212	246	246
Total Direct Hire	12,557	12,717	12,625
Foreign National Indirect Hire (Reimbursable)	311	311	311
Active Military End Strength (Total)	1	1	1
Officer (Navy)			
Officer (AF)	1	1	1
(Reimbursable)			

V. Personnel Summary (Continued):

Active Military Workyears (Total)	1	1	1
Officer (Navy)			
Officer (AF)	1	1	1
(Reimbursable)			

DoD HUMAN RESOURCES ACTIVITY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATE

I. Narrative Description

DoD Human Resources Activity

Descriptive Summary: The Department of Defense Human Resources Activity (DHRA), is a DoD-wide field activity chartered to support the Under Secretary of Defense (Personnel and Readiness) (USD(P&R). The Deputy Secretary of Defense approved the merger of the Defense Manpower Data Center (DMDC), a DoD support activity, with the Civilian Personnel Management Service (CPMS), a DoD field activity, and renamed it the DoD Human Resources Activity. This action is a culmination of several reviews and studies by the DoD IG, GAO, and the Director of Administration and Management, which concluded that DMDC no longer met the criteria for a DoD support activity, that DMDC and CPMS are functionally compatible organizations, and the merger of the complementary organizational experience and skills of the two separate entities into a single organization would provide a synergistic environment and produce a potentially more cost effective organization than could be expected from continued independent operations. DHRA is the central Department of Defense (DoD) activity for the collection and interaction of manpower and personnel data to support Department-wide tracking, analyses, research, studies, and a wide variety of reporting requirements. DHRA provides civilian personnel policy support, functional information management, and civilian personnel administrative services to DoD Components and activities. DHRA programs improve the effectiveness, efficiency, and productivity of personnel operations throughout DoD

II. Description of Operations Financed

The scope of DHRA operations financed is necessarily broad and encompasses all aspects of data collection and utilization of Defense manpower and personnel data records to support DoD-wide analyses, studies and research. The Field Activity is the responsible organization within DoD for interchange of automated manpower data with other Government agencies as approved by the USD(P&R). DHRA, in coordination with the DoD Inspector General, and the Defense Finance and Accounting Office, operates Operation Mongoose, a fraud detection and prevention unit to minimize fraudulent attacks against DoD financial assets.

II. Description of Operations Financed (cont'd)

DHRA also has program responsibility for the Real Time Automated Personnel Identification System (RAPIDS), established to automatically produce a standardized, machine-readable, tamper resistant ID card for the Uniformed Services, as well as provide the primary update vehicle for the Defense Enrollment/Eligibility Reporting System (DEERS) database. DEERS/RAPIDS data are used to validate benefits eligibility for all active, Reserve, and retired Uniformed Services members, their eligible or pre-eligible family members, and beneficiaries. DHRA is also responsible for major transition programs associated with the downsizing of the Department.

DHRA manages the Department's numerous civilian workforce programs to include appropriated and nonappropriated fund personnel programs, mobilization initiatives, and the Civilian Assistance and Re-Employment (CARE) and Priority Placement programs. Other civilian initiatives include maintaining workforce balance, reducing the costs of the Department's workers' and unemployment compensation bills, and performing the data collection, analysis, negotiation and issuance responsibilities for the Federal wage schedules for wage grade employees. Additional functions include equal employment opportunity complaint and grievance investigations and injury and unemployment compensation claims reviews.

DHRA oversees the regional restructuring of civilian personnel operations and the development of the single, standard Department-wide civilian personnel information system -- Defense Civilian Personnel Data System and its modernization. The modern system will provide for a standard civilian personnel data warehouse and a modern operating environment supporting a single integrated information system.

During FY 1995, the DEERS Program Office Executive Agency and the Computer Adaptive Testing-Armed Services Vocational Aptitude Battery (CAT-ASVAB) program were functionally transferred to DHRA and funded through reimbursement. The Joint Recruiting Advertising Program (JRAP) and the Joint Market Research Program (JMRP) were transferred and consolidated within the

II. Description of Operations Financed (cont'd)

DHRA during FY 1996. The Joint Service Training, Readiness and Resource Analyses systems provide data and information which permit the Department to evaluate individual training and readiness measurement systems in a comparable format. Additionally, DHRA manages and operates the DoD Recruit Market Network, the Centralized System for Reenlistment Information, the DoD Reserve Components Common Personnel Data System, the DoD Personnel Survey Program, Computer Adaptive Testing, Persian Gulf Hotline and the DoD Actuary Services Program.

The Defense Human Resources Activity (DHRA) manages the Joint Requirements and Integration Office (JR&IO) established by the Deputy Secretary of Defense in July, 1997. The JR&IO is responsible for personnel data administration; supports the USD(P&R) on information management and information technology issues; and provides business process reengineering for the entire life cycle of military personnel. JR&IO also provides functional direction for the Defense Integrated Military Human Resources System (DIMHRS), the fully integrated military personnel and pay management system that will serve military commanders, the Services, Service members, and their families in to 21st century.

The Defense Leadership and Management Program (DLAMP) is a Department-wide civilian leadership training, education and development program that ensures a systematic approach to joint civilian leadership development. DLAMP was established to focus on 3,000 key DoD leadership positions, providing a 12-month rotational assignment, professional military education and other graduate courses tailored for systematic development of senior civilians with organizational, occupational, and leadership skills and a shared DoD mission orientation. This six-year developmental program offers participation by all DoD Components, with nomination and selection to ensure adequate Component representation.

The success of the DLAMP is measured through rigorous course evaluations by participants as well as Component officials. These critiques are analyzed by the DLAMP Council, with representation from Component civilian personnel policy heads and senior members of the Secretary's Principal Staff Assistant staffs. Additionally, the degree to which top-level officials of government, education business and industry continue to participate as speakers, briefers, and hosts to the DLAMP indicates the value-added in leadership development which these individuals attribute to the program. Seminar official's assessments provide a guage assessing the success of executive development for the Department.

DoD HUMAN RESOURCES ACTIVITY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

A. Activity Group	FY 1997 Actuals	Amended Budget Request	FY 1998 Appropriated	Current Estimate	FY 1999 Estimate
DHRA	89,737	138,935	136,935	169,553	198,923

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	138,935	169,553
Congressional Adjustments	(3,582)	0
Supplemental Request	0	0
Price Change	0	3,418
Functional Transfer	26,801	(226)
Program Change	7,399	26,178
Current Estimate	169,553	198,923

DoD HUMAN RESOURCES ACTIVITY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

III. Financial Summary (O&M: $ in Thousands)
C. Summary of Price and Program Changes

DHRA

		Change FY 1997/FY 1998			Change FY 1998/FY 1999		
	FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
CIVILIAN PERSONNEL COMPENSATION							
EXECUTIVE, GENERAL & SPECIAL SCHEDULE	38,985	1,121	13,119	53,225	1,597	4,424	59,246
BENEFITS TO FORMER EMPLOYEES	87	3	(59)	31	1	0	32
VOLUNTARY SEPARATION INCENTIVE PAY	43	1	(26)	18	1	0	19
TOTAL CIVILIAN PERSONNEL COMPENSATION	39,115	1,125	13,034	53,274	1,599	4,424	59,297
TRAVEL OF PERSONS	1,516	23	1,426	2,965	47	674	3,686
TOTAL TRAVEL	1,516	23	1,426	2,965	47	674	3,686
DLA MANAGED SUPPLIES & MAT'LS (DBOF)	0	0	20	20	0	(10)	10
TOTAL STOCK FUND SUPPLIES & MATERIALS	0	0	20	20	0	(10)	10
PURCHASED COMMUNICATIONS	180	3	1	184	3	1	188
DEFENSE FINANCING & ACCOUNTING SERVICES	84	1	181	266	4	0	270
TOTAL OTHER FUND PURCHASES	264	4	182	450	7	1	458
COMMERCIAL LAND-NONPREMIUM	51	1	27	79	1	0	80
OTHER TRANSPORTATION	21	0	0	21	0	0	21
TOTAL TRANSPORTATION	72	1	27	100	1	0	101
RENTAL PAYMENTS TO GSA (SLUC)	2,135	0	309	2,444	0	3	2,447
PURCHASED UTILITIES	27	0	0	27	0	0	27
PURCHASED COMMUNCIATIONS (NON-DBOF)	1,531	23	60	1,614	26	0	1,640
POSTAL SERVICE (U.S.P.S.)	38	1	1,800	1,839	29	0	1,868
SUPPLIES & MATERIALS (NON-DBOF)	730	11	331	1,072	17	343	1,432
PRINTING & REPRODUCTION	206	3	1,269	1,478	24	0	1,502
EQUIPMENT MAINTENANCE BY CONTRACT	2,748	41	2	2,791	45	(116)	2,720
EQUIPMENT PURCHASES (NON-DBOF)	2,218	33	462	2,713	43	387	3,143
MANAGEMENT & PROF SUP SERVICES	143	2	0	145	2	0	147
STUDIES, ANALYSES, & EVAL	200	3	0	203	3	0	206
ENGINEERING TECHNICAL SERVICES	4	0	0	4	0	0	4
OTHER CONTRACTS	38,787	582	59,041	98,410	1,575	20,246	120,231
OTHER COSTS	3	0	1	4	0	0	4
TOTAL OTHER PURCHASES	48,770	699	63,275	112,744	1,764	20,863	135,371
TOTAL	89,737	1,852	77,964	169,553	3,418	25,952	198,923

DoD HUMAN RESOURCES ACTIVITY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

III. Financial Summary (O&M: $ in Thousands)
D. Reconciliation : Increases and Decreases
DHRA

1. FY 1998 Amended President's Budget		138,935
Congressional Adjustments (Distributed)		
Operations Savings		(2,000)
2. FY 1998 Appropriated Amount		136,935
3. Congressional Adjustments (Undistributed)		
Quadrenniel Review Savings	(615)	
Revised Economic Assumptions	(551)	
High Risk Automation Systems	(100)	
Defense Automated Printing Service	(107)	
Congressional Earmarks	(209)	
Total Congressional Adjustments		(1,582)
4. Transfers		
Defense Integrated Military Human Resources System (DIMHRS). Transfer from O&M OSD to support DIMHRS. The DIMHRS program will provide a fully integrated military personnel and pay system to support all DoD Components military pay requirements by the year 2002. DIMHRS will eliminate deficiencies with the existing systems and will support current and future business Process requirements.	23,001	
Joint DoD Manpower Surveys, Studies, and Reports. Transfer from O&M Army, to DHRA, the executive agent for the OSD Joint Services Studies program.	2,000	
Joint Recruiting and Advertising Program (JRAP) Postage. Transfer from WHS to DHRA to align funding for postage with the JRAP program funding.	1,800	
Total Transfers		26,801

III. Financial Summary (O&M: $ in Thousands) (cont'd)
D. Reconciliation : Increases and Decreases
DHRA

5. Program Increases		
Defense Integrated Military Human Resources System (DIMHRS). This funding provides a fully integrated military personnel and pay system to support all DoD Components military pay requirements by the year 2002. DIMHRS will eliminate deficiencies with the existing systems and will support current and future business process requirements.	11,700	
Total Program Increases		11,700
6. Program Decreases		
Decrease in funding for the Defense Civilian Personnel Data System (DCPDS) reflects work which was originally budgeted in FY 1998, but accomplished in FY 1997.	(3,900)	
Program reductions to fund higher priority programs.	(174)	
Reallocation of PTAP Funding Transfer	(227)	
Total Program Decreases		(4,301)
7. FY 1998 Current Estimate		169,553
8. Price Growth		3,418
9. Transfers		
Advisory Group Support. Transfer from OSD to DHRA in support of administrative and operating support to three standing Federal Advisory Committees (Reserve Forces Policy Board, QDR of Military Compensation, and Defense Advisory Committee on Women in the Services.)	274	
DoD Support to Special Events. Transfer from DHRA to Army to align operational responsibilities, functions and resources to the Secretary of the Army in accordance with Deputy Secretary of Defense memorandum, 31 Jan 97.	(500)	
Total Transfers		(226)

DoD HUMAN RESOURCES ACTIVITY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

III. Financial Summary (O&M: $ in Thousands) (cont'd)
D. Reconciliation : Increases and Decreases
DHRA

10. Program Increases		
Fact of Life increase for Joint DoD Manpower Surveys, Studies, and Reports.	68	
DIMHRS. FY 1999 funds address the first full year for systems requirements definition and development. The increase from FY 1998 to FY 1999 supports the projected level of contractor and government efforts for a full twelve months.	8,594	
DCPDS. Funding is provided for DoD oversight, maintenance, and sustainment of the modernized DCPDS software.	17,300	
Funds support civilian personnel requirements for the DLAMP program to include service participants and Component support.	2,941	
Increased funding for the DLAMP program supports set up of the instructional site, student TDY, student equipment, curriculum development and other instructional support costs.	5,177	
Total Program Increases		34,080
11. Program Decreases		
Labor Cost - $80 Head Tax	(62)	
Decrease in funding reflects variation from prior year costs in establishing Smart Card program operations.	(2,126)	
DIMHRS. Reflects requirement for program review to determine the level of further funding.	(2,757)	
DCPDS. Decrease attributable to winding down of the major development phase of DCPDS.	(2,957)	
Total Program Decreases		(7,902)
12. FY 1999 Budget Request		198,923

DoD HUMAN RESOURCES ACTIVITY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

IV. Personnel Summary: DHRA	**FY 1997**	**FY 1998**	**FY 1999**
Active Military End Strength (Total)	12	12	12
Officer	10	10	10
Enlisted	2	2	2
Civilian End Strength (Total)	713	798	781
U.S. Direct Hire	713	798	781
Foreign National Direct Hire	0	0	0
Total Direct Hire	713	798	781
Foreign National Indirect Hire	0	0	0
(Reimbursable Civilians Included Above - Memo)	0	0	0
Military Workyears (Total)	12	12	12
Officer	10	10	10
Enlisted	2	2	2
Civilian Workyears (Total)	683	753	780
U.S. Direct Hire	683	753	780
Foreign National Direct Hire	0	0	0
Total Direct Hire	683	753	780
Foreign National Indirect Hire	0	0	0
(Reimbursable Civilians Included Above - Memo)	0	0	0

Defense Prisoner Of War/Missing Personnel Office
Operation and Maintenance, Defense-Wide
FY1999 Amended Budget Estimates

I. Narrative Description:

The Defense Prisoner of War/Missing Personnel Office (DPMO) provides centralized management of Prisoner of War and Missing Personnel (POW/MP) affairs within the Department of Defense, including policy and oversight for recovery and accounting of Americans captured or missing as a result of hostile actions.

II. Description of Operations Financed:

The DPMO addresses DoD concerns in all areas pertaining to the POW/MP issue. DPMO: (1) provides advice and assistance to the Under Secretary of Defense for Policy (USD(P)) and the Assistant Secretary of Defense for International Security Affairs (ASD(ISA)) on POW/MP matters; (2) supports the USD(P) and the ASD(ISA) in the execution of their responsibilities to develop, coordinate and oversee the implementation of POW/MP policy; (3) serves as the lead proponent for POW/MP matters, including the policy and oversight within the DoD of the entire process for investigation and recovery related to missing persons (which includes matters related to search, rescue, escape, and evasion); (4) represents DoD in negotiations with foreign governments to achieve the fullest possible accounting of missing American servicemen and select civilians; (5) directs the collection and analysis of information concerning U.S. military and civilian personnel who are missing, imprisoned or unaccounted for; (6) declassifies DoD documents for disclosure and release in accordance with Title 50 United States Code Section 435 and E.O.s 12812 and 12958; (7) maintains channels of communication on POW/MP matters among DoD, Congress, POW/MP families, veterans organizations and the general public; (8) provides representational authority to established POW/MP related interagency fora; and (9) prescribes uniform DoD procedures for determination of the status of missing personnel and for the systematic, comprehensive, and timely collection, analysis, review, dissemination, and periodic update of information related to missing personnel.

Defense Prisoner Of War/Missing Personnel Office
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

III. A. Activity Group	FY 1997	FY 1998 Budget Request	FY 1998 Appropriated	FY 1998 Current Estimate	FY 1999 Estimate
Defense Prisoner of War/Missing Personnel Offic	12,433	14,195	14,195	14,020	14,110

B. Reconciliation Summary	Change FY 1998/FY1998	Change FY 1998/FY1999
Baseline Funding	14,195	14,020
Congressional Adjustments	-175	0
Price Growth		306
Program Changes		-216
Current Estimate	14,020	14,110

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

	FY 1997 Actuals	Change FY1997/1998 Price Growth	Change FY1997/1998 Program Growth	FY 1998 Estimate	Change FY1998/1999 Price Growth	Change FY1998/1999 Program Growth	FY 1998 Estimate
Civilian Personnel	6,016	168	139	6,323	196	-318	6,201
Travel of Persons	1,526	24	0	1,550	25	200	1,775
SLUC	837	13	0	850	0	0	850
Purchased Communications	92	1	0	93	1	0	94
Supplies and Materials	181	3	0	184	3	0	187
Equipment Purchases (Non-Fund)	0	0	540	540	9	0	549
Other Contracts	3,781	60	637	4,478	72	-98	4,452
Total	12,433	271	1,316	14,020	306	-216	14,110

D. Reconciliation of Increases and Decreases:

1. FY 1998 Amended President's Budget		14,195
2. Congressional Adjustments (Distributed)	0	
3. FY 1998 Appropriated Amount		14,195
4. Congressional Adjustments, (Undistributed)		
QDR Savings	-52	
Revised Economic Assumptions	-52	
Defense Automated Printing	-11	
Congressional Earmarks	-22	
Total Other Congressional Adjustments (Undistributed)	-137	
5. Program Decreases		
Program reductions to fund higher priority programs	-38	
6. FY 1998 Current Estimate		14,020
7. Price Change	306	
8. Transfer: None	0	
9. Program Decrease	-216	
Decrease is due to civilian personnel drawdown.		
FY 1999 Budget Request		14,110

IV. Performance Criteria Summary:

In 1996, the Secretary of Defense was mandated by Title 10, United States Code Section 1501 to establish an Office of Missing Persons. This legislation requires establishment of comprehensive and uniform procedures for determining and updating the status of missing persons, their personnel files and contents; directs a review of cases dating to 2 September 1945, and requires that boards be appointed to inquire into the whereabouts and status of missing persons. Under the new requirements, the mission has expanded to encompass policy oversight of the personnel recovery process as well as the traditional POW/MIA accounting effort. This expanded mission will entail additional personnel, finances and other related resources.

DPMO, in conjunction with Joint Task Force Full Accounting, the Intelligence Community, and other Defense agencies, is continuing to investigate leads developed from a 10-month comprehensive review of all 2,202 unaccounted-for cases from the Vietnam War. The comprehensive review is a dynamic program involving a continum of analysis, investigation, coordination and case resolution. The governments of Vietnam, Cambodia, and Laos are presented requests for action by DPMO to investigate cases based on the results of the study. DPMO meets frequently with all three governments to provide feedback on unilateral work, give updated guidance and reiterate the importance of the effort. DPMO and JTF-FA have developed further pursuit mechanisms for 350 cases based on investigation results from the FY97 executed joint field activities.

DPMO continues to provide collection guidance to DoD/non-DoD intelligence collection agencies in an effort to determine the fate of unaccounted-for Americans from Southeast Asia. Additionally, DPMO has continued collection emphasis on Korean War related unaccounted-for cases. DPMO has completed review of 1,000 of 3,200 files containing Korean War POW debriefings for leads in resolving 8200+ unaccounted for American servicemen. One hundred and fifty interviews of former prisoners of war were conducted to improve the knowledge base for Korean War losses. Casualty files were created this year on 1,000 unaccounted for servicemen from the Korean War.

The Director of DPMO meets regularly with North Korean officials to plan joint recovery operations to seek remains of unaccounted for American in North Korea. During 1997 detailed target identification packages for burial site excavations were developed by DPMO and the United States Army Central Identification Laboratory in Hawaii for joint remains recovery operations in North Korea. DPMO oversaw three joint recovery operations in North Korea and led the first-ever joint archival review of North Korean military war records and holdings. The first excavation yielded four sets of remains of Americans.

DPMO provides the primary support for the United States-Russian Joint Commission established in March 1992 under the aegis of the Presidents of the United States and Russia. This commission serves as a mechanism for both nations to clarify the fate of personnel taken prisoner of war or lost and considered missing in action from World War II and the Cold War era. A Moscow based

team of investigators conducts research in Russian archives and interviews Russian citizens. To date, the work of the Joint Commission has generated considerable documentation as well as eyewitness accounts of individual loss incidents. Joint field investigations have led to the discovery and repatriation of one set of remains of an American flyer. Documentation detailing the Joint Commission's activities is updated regularly and is accessible on-line through the Library of Congress.

DPMO continues to provide assistance to other countries to help them develop their POW/MP accounting efforts. This effort is coordinated with our International Security Affairs regional counterpart, the State Department and the National Security Council when appropriate. DPMO has given support to Israel, Australia, Kuwait, Croatia, Finland, Russia and South Korea. At the request of the Ambassador of Kuwait, DPMO serves as technical advisor to the Kuwaiti delegation on the Tripartite Commission, which seeks to account for Kuwaiti and Saudi missing from the Gulf War.

DPMO is making great strides toward establishing its policy oversight responsibilities for personnel recovery matters. On June 30, 1997, the Deputy Secretary of Defense signed DoD Directive 2310.2 "Personnel Recovery," as promulgated by DPMO, which establishes DoD policy for this critical matter. DPMO's vision is to lead DoD's efforts to create a fully integrated PR architecture in DoD that ensures the recovery of U.S. personnel worldwide who are isolated in an operational environment. DoD must be capable of recovering through military means, U.S., allied, coalition, friendly military, paramilitary, and other designated personnel when directed, who are placed in danger of isolation, beleaguerment, detention, or capture as a result of hostile or non-hostile action. DoD's PR architecture must also support and complement the recovery of personnel through diplomatic or other means.

DPMO sponsored the first DoD Personnel Recovery Conference at the US Army War College, Carlisle Barracks, PA, in October, 1997. The primary purpose of the conference was to bring together the senior leadership of DoD and the interagency community to focus on PR. More substantively, the conference provided a venue to share and discuss experiences, views, and ideas. The conference proved an excellent forum to stimulate development of DoD strategies to improve and increase the Department's PR efforts. The results of this conference provided a framework for an aggressive DoD PR plan which has led to better operational planning and policy formulation.

Defense Prisoner Of War/Missing Personnel Office
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

V. Personnel Summary:

	FY 1997	FY 1998	FY 1999
Military End StrengthMilitary End			
Officer	32	31	15
Enlisted	10	15	4
Total	42	46	19
Civilian End Strength			
US Direct Hire	82	82	78
Military Workyears			
Officer	32	31	15
Enlisted	10	15	4
Total	42	46	19
Civilian Workyears			
Direct Funded	82	82	78

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

I. Narrative Description:

The Defense Special Weapons Agency (DSWA) serves as the DoD center for nuclear and advanced weapons effects expertise and performs essential missions in the areas of nuclear weapons stockpile support, nuclear effects research and operational support, and nuclear threat reduction to include arms control verification technology development. DSWA is responsible for providing a compre-hensive and integrated DoD Research, Development, Test and Evaluation (RDT&E) program to support preparation, implementation, compliance, and verification of the Comprehensive Test Ban Treaty (CTBT). O&M funded resources support the personnel infrastructure and contractual support associated with operating and maintaining International Monitoring System (IMS) sensor stations. Additionally, DSWA supports other related defense needs including research and advanced development of capabilities needed for military responses to the proliferation of weapons of mass destruction (WMD). DSWA conducts independent force protection-specific vulnerability assessments of DoD installations and sites to assist local commanders in identifying force protection deficiencies and determining appropriate remedies that will mitigate the effects of future terrorist incidents. As required, DSWA provides support to the Chairman of the Joint Chiefs of Staff and the Commanders of the Unified Combatant Commands in analyzing planning and action options for nuclear and other designated advanced weapons, to include weapon system lethality and operability, and force reconstitution. The Defense Nuclear Weapons School (DNWS) is the only DoD school for courses that familiarize the U.S. nuclear community with the national nuclear weapons stockpile and the nuclear weapons program. In addition, DNWS also provides training to the global nuclear community in nuclear weapons accident response procedures. To ensure comprehensive training, the DNWS maintains the DoD's only radioactive field training sites as well as an extensive classified nuclear weapons display area. The DNWS trains students from all levels of DoD, federal and state agencies, and allied countries. The school provides specialized training to requesting organizations and is posturing itself to be the DoD's Center of Excellence for nuclear and other special weapons matters, with emphasis on technical and operational support to the warfighter.

Resources programmed for FY 1999 and out were transferred from Defense Special Weapons Agency (DSWA) to Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) as a result of the November 1997 Defense Reform Initiative.

II. Description of Operations Financed:

A. Defense Nuclear Weapons School. DNWS funding supports civilian salaries and benefits for the school's assistant dean/health physicist, registrar, and secretary, mission essential travel for DNWS instructors and travel costs required for DNWS guest lecturers. Funding also provides for shipment of nuclear trainers and associated equipment, course material supplies, equipment maintenance of system trainers and exhibits in the classified weapons display area. To keep personnel costs down, DNWS purchases distance learning, multimedia and automated data processing equipment. Support contracts are required for specialized laundry services to remove radioactive particles from the protective clothing used at the DNWS contaminated field exercise site, for classified storage igloos for weapons display area spares and for new nuclear trainers and equipment, and for calibration services for all radiological survey instruments.

B. WMD Operations and Support (formerly known as HQ, DSWA/Field Command, DSWA) Normal day-to-day operating expenses of both the DSWA in Washington, DC, and Field Command, DSWA in Albuquerque, New Mexico, comprise a major portion of the Operation and Maintenance (O&M) cost. These expenses include civilian salaries and benefits, travel, building rental, communications, supplies, equipment, printing and reproduction, and contractual services that support administration of the Nuclear Test Personnel Review (NTPR) program, the Radiation Experimentation Command Center (RECC), force protection vulnerability assessment teams, and management of agency missions to include nuclear effects research and operational support.

C. Stockpile Management. The principal O&M cost is the pay of civilian personnel necessary to carry out the assigned mission. Other costs relate to automatic data processing operations in support of nuclear weapons accounting and reporting, travel and supplies.

D. Emergency Response Planning (ERP) and Exercise Program. Costs involve travel of personnel, special aircraft missions, transportation, contractual services, and supplies to support the accident/Improvised Nuclear Device (IND) incident scenario. This involves the conduct of a large-scale exercise each year, with accident and IND incident exercises held in alternating years.

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

II. Description of Operations Financed: (cont.)

E. Johnston Atoll. The historical role of DSWA has been one of a "caretaker", maintaining Johnston Atoll at a nuclear test readiness capability in accordance with revised Presidential guidelines for Safeguard C of the 1963 Limited Test Ban Treaty. Resources for Safeguard C activities on Johnston Atoll were eliminated by Congressional action in FY 1994. DSWA provides base support functions for the Army's chemical munition demilitarization mission and other activities on the island.

F. Nuclear Treaty Programs. Major costs include salaries and benefits associated with civilian personnel supporting the nuclear treaty mission as well as contractual support associated with operating and maintaining IMS sensor stations.

III. Financial Summary ($ Thousands):

		FY 1998			
A. Activity Group :	FY 1997 Actuals	Amended Budget Request	Appropriation	Current Estimate	FY 1999 Budget Request
Defense Nuclear Weapons School	368	713	713	733	0
WMD Operations and Support	53545	54515	54515	53484	0
Stockpile Management	6219	5442	5442	5564	0
Johnston Atoll	22619	19639	19639	19376	0
ERP/Exercise Program	5537	6302	6302	6191	0
Nuclear Treaty Programs	330	1701	1701	1659	0
Total	88618	88312	88312	87007	0

B. Reconciliation Summary:	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	88312	87007
Baseline Funding (Amended)		
Congressional Adjustments	- 1069	
Supplemental Request		
Price Changes		1634
Reprogrammings/Transfers		-88641
Program Changes	-236	
Current Estimate	87007	0

Defense Special Weapons Agency
Operation and Maintenance, Defecse-Wide
FY 1999 Amended Budget Estimates

III. Financial Summary ($ Thousands): (cont.)

C. Price and Program Changes:	FY 1997 Actuals	Change FY 1997-1998 Price Growth	Change FY 1997-1998 Program Growth	FY 1998 Estimate	Change FY 1998-1999 Price Growth	Change FY 1998-1999 Program Growth	FY 1999 Estimate
1. Exec Gen & Spec Sched	29388	823	1729	31940	990	-32930	0
2. Wage Board							0
3. Civ. Sep. Incent. Pay							0
4. Disability Compensation	84	0	27	111	0	-111	0
5. Total Civ. Pers. Comp	29472	823	1756	32051	990	-33041	0
6. Travel	3131	47	2467	5645	90	-5735	0
7. DFSC Fuel	751	148	-121	778	- 68	-710	0
8. GSA Supplies	144	2	- 34	112	2	-114	0
9. SF Supplies							0
10 Total SF Supplies	895	150	-155	890	- 66	-824	0
11. GSA Equipment	145	2	-117	30	0	-30	0
12. AF Depot Maintenance							0
13. Communications Services(DISA)	974	-107	719	1586	-10	-1576	0
14. Def. Fin. & Acctg. Svc.	1477	-186	209	1500	-54	-1446	0
15. Total Purchases	2451	-293	928	3086	-64	-3022	0
16. Commercial Transportation	467	7	39	513	8	-521	0
17. Rental payments to GSA	2002	0	324	2326	0	-2326	0
18. Purchased Util (Non Fund)	639	10	61	710	11	-721	0
19. Purchased Comm. (Non Fund)	1832	27	294	2153	34	-2187	0
20. Rents	71	1	-72	0	0	0	0
21. Postage (U.S.P.S.)	114	0	21	135	0	-135	0
22. Supplies	2055	31	88	2174	35	-2209	0
23. Printing & Reproduction	49	1	- 38	12	0	-12	0
24. Equipment Maintenance	1871	28	-458	1441	23	-1464	0
25. Facility Maintenance	1354	20	625	1999	32	-2031	0
26. Equipment Purchases	3201	48	-2105	1144	18	-1162	0
27. Studies, Analysis & Evaluations	723	11	897	1631	26	-1657	
28. Other Contracts	38146	576	-7655	31067	497	-31564	0
GRAND TOTAL	88618	1489	-3100	87007	1634	-88641	0

D. Reconciliation of Increases and Decreases:

1.	FY 1998 Amended President's Budget		88312
2.	FY 1998 Appropriated Amount		88312
3.	Congressional Adjustments: (Undistributed)		
	a. QDR Savings	- 325	
	b. Revised Economic Assumptions	- 336	
	c. Defense Automated Printing Services	- 68	
	d. Section 8041 - CAAS	- 157	
	e. Section 8035 - FFRDC	- 47	
	f. Congressional Earmarks (Total)	- 136	
	Total Congressional Adjustments (Undistributed)		- 1069
4.	Program Increases:		
	a. Defense Nuclear Weapons School - Contract costs in support of the Education and Training Technology Program exceeded anticipated requirements.	20	
	b. WMD Operations and Support -		
	(1) GSA Building rent costs increased as a result of additional space requirements for housing Force Protection Program personnel.	221	
	(2) Costs realigned to Studies, Analysis and Evaluation from Other Contracts to properly reflect expenditure of resources.	890	
	(3) Increased communication cost (DISA) to support additional circuits and modifications to new VTC Facility.	239	
	(4) Increased operating cost for commercial transportation, purchased communication, postage, supplies, and facility maintenance.	74	
	(5) Maintenance cost increased in support of newly purchased equipment for Force Protection in new facility.	208	
	(6) Average civilian salary and disability compensation exceeded original estimate.	110	

D. Reconciliation of Increases and Decreases: (cont.)

4. Program Increases: (cont.)		
c. Stockpile Management - Civilian Compensation costs and general contract costs exceeded original estimate.	122	
d. Johnston Atoll - Projections for fuel, facility maintenance, and travel costs higher than anticipated.	352	
e. Emergency Response Planning & Exercise Program -		
(1) Civilian Compensation costs exceeded original estimate.	5	
(2) Increased cost of equipment purchases.	5	
Total Program Increases		2246
5. Program Decreases:		
a. Program reductions to fund higher priority programs.	-236	
b. WMD Operations and Support -		
(1) Costs for travel, equipment purchases and printing less than anticipated.	-558	
(2) Decrease in the number of planned facility repair projects.	-952	
c. Johnston Atoll -		
(1) Decrease in Communication Services (DISA) due to modifications to Satellite Access.	-240	
(2) Commercial Transportation and equipment cost less than anticipated.	-142	
(3) Other contracts realigned to support increase in Facility Maintenance costs.	-233	
d. Emergency Response Planning and Exercise Program - Contracts, travel and supply costs are less than anticipated.	-121	
Total Program Decreases		-2482
6. FY 1998 Current Estimate		87007

D. Reconciliation of Increases and Decreases: (cont.)

7.	Price Growth:		
	a. Annualization of FY 1998 Civilian Pay Raise	209	
	b. FY 1999 Civilian Pay Raise	781	
	c. Travel	36	
	d. DFSC Fuel	- 68	
	e. Communications Services (DISA)	- 3	
	f. Commercial Transportation	7	
	g. Purchased Communications (Non Fund)	19	
	h. Supplies (Non Fund)	26	
	i. Facility Maintenance	32	
	j. Equipment Maintenance	2	
	k. Equipment Purchases	7	
	l. Other Contracts	496	
	m. Other Price Growth	90	
	Total Price Growth		1634
8.	Functional Program Transfer:		
	Program transfer to the Defense Threat Reduction and Treaty Compliance Agency.	-88641	
	Total Functional Program Transfer		-88641
9.	FY 1999 Budget Request		0

IV. Performance Criteria and Evaluation Summary:

A. The DNWS will teach curriculum material relevant to the national nuclear weapons stockpile, the nuclear weapons program, and nuclear weapons accident/incident response, with 80 percent of all DNWS students rating course materials as high quality and relevant to their job.

B. The mission of the DSWA is to be the DoD Center of Excellence for nuclear and other special weapon matters, with emphasis on technical and operational support to the warfighter. The effective and efficient accomplishment of the DSWA mission is predicated on constancy of purpose -- a shared understanding within the agency, its customers, and the suppliers that underwrite the agency's program goals and objectives. A Total Quality Leadership process was utilized to develop a strategic plan to ensure that activities are appropriately focused and integrated to respond to customer needs. Key to the measurement of success of DSWA mission objectives is meeting the requirements of our customers in the most responsive manner.

IV. Performance Criteria and Evaluation Summary: (cont.)

C. The workload for the Nuclear Test Personnel Review (NTPR) Program involves (1) establishing and maintaining a repository of personnel data and historical information for atmospheric nuclear weapons test participants and Hiroshima and Nagasaki occupation forces, (2) providing dosimetry information and dose reconstruction methodologies for populations supported by the program, and (3) supporting organizations responsible for administering atomic veterans' benefits (Department of Veterans Affairs and Department of Justice), organizations studying health effects of radiation. The primary measures of workload are (1) the size of the repository maintained, (2) the number of individual cases processed, (3) the number of dose reconstructions performed, and (4) the level of effort to support independent studies by outside agencies. The primary performance criteria are (1) the turn-around time for individual cases processed, (2) the number of cases in process at any given time, and (3) the cost per case processed.

D. The workload for the Stockpile Management subactivity group is primarily related to developing policies and procedures to be followed by CINCs and Services worldwide; monitoring the status of weapons, weapon issues and components, and developing, maintaining, fielding and providing day-to-day support for automated systems which are used to manage the nuclear weapon stockpile during peace, crisis and war. Tracking nuclear weapons requires 100 percent accuracy and can never be minimized regardless of the numbers of weapons or components. The key to measurement of success is that the status and location of the DoD nuclear stockpile is known at all times and the components to support these weapons are available when and where they are needed.

E. For the Nuclear Treaty Programs subactivity group, performance is measured through the availability of technologies and data necessary to support the implementation, compliance and verification of CTBT and other nuclear treaties.

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
F. Inspection of Nuclear-Capable Units:	25	25	0
G. Emergency Response Planning/Exercises:			
1. Nuclear Weapons Accident Exercises:	6	7	0
2. Improvised Nuclear Device Incident Exercises:	3	4	0
H. Johnston Atoll operations:			
1. Island Population	1322	1324	0
2. Cargo Handled (tons)	10639	11065	0

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V. Personnel Summary:	FY 1997	FY 1998	FY 1999
Military End Strength			
Officer	230	226	0
Enlisted	118	116	0
Total	348	342	0
Civilian End Strength			
USDH	489	502	0
Total Direct Hire	489	502	0
(Reimbursable Civilians included above)	(14)	(5)	0
Military Work Years			
Officer	230	226	0
Enlisted	118	116	0
Total	348	342	0
Civilian FTEs			
USDH	476	480	0
Total Direct Hire	476	480	0
(Reimbursable Civilians included above)	(14)	(5)	0

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Activity Group 4/Subactivity Group: Defense Nuclear Weapons School

I. Narrative Description:

The Defense Nuclear Weapons School (DNWS) is the only DoD school for courses that familiarize the U.S. nuclear community with the national nuclear weapons stockpile and the nuclear weapons program. In addition, DNWS also provides training to the global nuclear community in nuclear weapons accident response procedures. To ensure comprehensive training, the DNWS maintains the DoD's only radioactive field training sites as well as an extensive classified nuclear weapons display area. The DNWS trains students from all levels of DoD, federal and state agencies, and allied countries. Current courses are taught either in-house or by Mobile Training teams by resident military instructors and subject matter expert guest lecturers. Two courses offered by the DNWS are presented jointly by the school and Sandia Laboratories. The school provides specialized training to requesting organizations and is posturing itself to be the DoD's Center of Excellence for nuclear and other special weapons matters, with emphasis on technical and operational support to the warfighter. The DNWS is one of the oldest joint organizations, tracing its roots to the Manhattan Project in 1947. Through the years, the school has been a part of the Armed Forces Special Weapons Project, Defense Atomic Support Agency, Defense Nuclear Agency, and the Air Force's Air Education and Training Command. The school came full circle when, in October 1993, ownership returned to the Defense Nuclear Agency, now known as the Defense Special Weapons Agency.

Resources programmed for FY 1999 and out were transferred from Defense Special Weapons Agency (DSWA) to Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) as a result of the November 1997 Defense Reform Initiative.

II. Description of Operations Financed:

DNWS funding supports civilian salaries and benefits for the school's assistant dean/health physicist, registrar, and secretary, mission essential travel for DNWS instructors and travel costs required for DNWS guest lecturers. Funding also provides for shipment of nuclear trainers and associated equipment, course material supplies, equipment maintenance of system trainers and exhibits in the classified weapons display area. To keep personnel costs down, DNWS purchases distance learning, multimedia and automated data processing equipment. Support contracts are required for specialized laundry services to remove radioactive particles from the protective clothing used at the DNWS contaminated field exercise site, for classified storage igloos for weapons display area spares and for new nuclear trainers and equipment, and calibration services for all radiological survey instruments.

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Activity Group 4/Subactivity Group: Defense Nuclear Weapons School

III. Financial Summary ($ Thousands):

A. Subactivity Group:	FY 1997 Actuals	FY 1998 Amended Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Budget Estimate
Defense Nuclear Weapons School	368	713	713	733	0

B. Reconciliation Summary:

	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding		733
Baseline Funding (Amended)	713	
Congressional Adjustments		
Supplemental Request		
Price Changes		15
Reprogrammings/Transfers		
Program Changes	20	-748
Current Estimate	733	0

C. Price and Program Changes:	FY 1997 Actuals	Change FY 1997-1998 Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Change FY 1998-1999 Program Growth	FY 1999 Estimate
1. Exec Gen & Spec Sched	129	4	15	148	5	- 153	0
2. Travel	77	1	23	101	2	- 103	0
3. Commercial Transportation	0	0	6	6	0	- 6	0
4. Supplies & Materials							
5. Equipment Maintenance	10	0	22	32	1	-33	0
6. Equipment Purchase	96	1	-97	0	0	0	0
7. Other Contracts	56	1	389	446	7	- 453	0
Total	368	7	358	733	15	- 748	0

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Activity Group 4/Subactivity Group: Defense Nuclear Weapons School

III. Financial Summary ($ Thousands):(cont.)

D. Reconciliation of Increases and Decreases:

1.	FY 1998 Amended President's Budget		713
2.	FY 1998 Appropriated Amount		713
3.	Program Increases:		
	Contract costs in support of the Education and Training Technology Program exceeded anticipated requirements.	20	
	Total Program Increases		20
4.	FY 1998 Current Estimate		733
5.	Price Growth		
	a. Civilian Pay Raise & Annualization	5	
	b. Travel	2	
	c. Equipment Maintenance	1	
	d. Other Contracts	7	
	Total Price Growth		15
6.	Functional Program Transfer:		
	Program transfer to Defense Threat Reduction and Treaty Compliance Agency.	- 748	
	Total Functional Program Transfer		- 748
7.	FY 1999 Budget Request		0

Activity Group 4/Subactivity Group: Defense Nuclear Weapons School

IV. Performance Criteria and Evaluation Summary:

The DNWS will teach curriculum material relevant to the national nuclear weapons stockpile, the nuclear weapons program, and nuclear weapons accident/incident response with 80 percent of all DNWS students rating course materials as high quality and relevant to their jobs.

V. Personnel Summary:	FY 1997	FY 1998	FY 1999
Military End Strength			
Officer	10	10	0
Enlisted	17	17	0
Total	27	27	0
Civilian End Strength			
USDH	3	3	0
Total	3	3	0
Military Work Years			
Officer	10	10	0
Enlisted	17	17	0
Total	27	27	0
Civilian FTEs			
USDH	3	3	0
Total	3	3	0

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Activity Group 4/Subactivity Group: WMD Operations and Support

I. Narrative Description:

This subactivity group, formerly known as HQ, DSWA/Field Command, DSWA, provides those resources necessary for the normal day-to-day operating expenses at DSWA in Washington, DC and at DSWA's Field Command located in Albuquerque, NM, excluding Nuclear Stockpile Management functions.

Major objectives include: (1) the effective, efficient management of nuclear and other designated advanced weapons effects RDT&E programs to assure consistency with national policy and the needs of military systems, both existing and under development; (2) providing the Secretary of Defense (SecDef), the Joint Chiefs of Staff (JCS), the Unified and Specified Commands, and other high-level commanders with quantitative assessments of various strategic and theater nuclear employment strategies, policies and doctrines; and (3) nuclear weapons implementation planning to include assessing the requirements for nuclear weapons. In addition, DSWA manages the research in nuclear weapons survivability and security, and furnishes sound management advice and assistance to the SecDef, the JCS, and the Services on all aspects of nuclear weapons safety, security, and survivability. The Agency also develops verification technologies to support the implementation of, and compliance with, arms control treaties and agreements. DSWA manages the DoD nuclear weapons stockpile, consolidates nuclear stockpile data, and furnishes the SecDef, JCS, Military Services, and other users with timely, accurate, and complete nuclear weapons stockpile information. DSWA also conducts Nuclear Weapons Technical Inspections (NWTIs) of all Service nuclear-capable units with a goal of inspecting 20-25% of these units annually. Furthermore, DSWA plans and maintains operation and maintenance of Johnston Atoll. DSWA acts as executive agent for the Nuclear Test Personnel Review (NTPR) Program which addresses all matters pertaining to the participation of DoD personnel in the atmospheric nuclear weapons tests from 1945-62, to include certain WWII-era personnel who were Prisoners of War (POWs) in Japan or involved in the occupation of Japan, and "on-site" DoD civilians. DSWA acts as executive agent for the coordination of DoD support to the Department of Health and Human Services (HHS) in developing a uniform U.S. Government approach to the problems associated with exposure to all sources of ionizing radiation (Ionizing Radiation Health Effects (IRHE) Issues Coordination Program). DSWA also develops, coordinates and conducts nuclear accident exercises and other nuclear-related terrorism exercises. DSWA has an operation center to monitor peacetime and wartime crises related to nuclear incidents. This center also encompasses the Joint Nuclear Accident Coordinating Center. DSWA also serves as the executive agency providing acquisition strategy, RDT&E and technical assessment support for the DoD Counterproliferation Initiative, and executes the Cooperative Threat Reduction program. Additionally, DSWA conducts independent force protection-specific vulnerability assessments of DoD installations and sites. These assessments are intended to provide an independent assessment capability to assist local commanders, on site, to identify force protection deficiencies and determine appropriate remedies that will mitigate the effects of future terrorist incidents. Vulnerability assessments are intended as a Commander's tools to provide him with an assessment of his organization's vulnerabilities.

Resources programmed for FY 1999 and out were transferred from Defense Special Weapons Agency (DSWA) to Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) as a result of the November 1997 Defense Reform Initiative.

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Activity Group 4/Subactivity Group: WMD Operations and Support

II. Description of Operations Financed:

Major costs include salaries, benefits, travel of personnel, building rental, communications, transportation, contractual services, supplies, printing and reproduction, and equipment, to support the DSWA mission.

III. Financial Summary ($ Thousands):

A. Subactivity Breakout:	FY 1997 Actuals	FY 1998 Amended Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Budget Request
WMD Operations and Support	53545	54515	54515	53484	0

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	54515	53484
Baseline Funding (Amended)		
Congressional Adjustments	-1042	
Supplemental Request		
Price Changes		1120
Reprogrammings/Transfers		
Program Changes	11	-54604
Current Estimate	53484	0

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Activity Group 4/Subactivity Group: WMD Operations and Support

III. Financial Summary ($ Thousands): (cont.)

C. Price and Program Changes:	FY 1997 Actuals	Change FY 1997-1998 Price Growth	Change FY 1997-1998 Program Growth	FY 1998 Estimate	Change FY 1998-1999 Price Growth	Change FY 1998-1999 Program Growth	FY 1999 Estimate
1. Exec Gen & Spec Sched	25465	713	1105	27283	846	-28129	0
2. Wage Board							
3. Civ. Sep. Incent. Pay							
4. Disability Compensation	84	0	27	111	0	-111	0
5. Total Civ Pers. Comp.	25549	713	1132	27394	846	-28240	0
6. Travel	1358	20	2079	3457	55	- 3512	0
7. GSA Supplies	144	2	- 34	112	2	-114	0
8. GSA Equipment	145	2	-117	30	0	- 30	0
9. Communications Services (DISA)	483	- 53	579	1009	- 6	- 1003	0
10. Defense Finance and Accounting Services	1477	-186	209	1500	-55	- 1445	0
11. Commercial Transportation	18	0	34	52	1	- 53	0
12. Rental payments to GSA	2002	0	324	2326	0	- 2326	0
13. Purchased Util. (Non Fund)	639	10	61	710	11	- 721	0
14. Purchased Comm. (Non Fund)	1328	20	-393	955	15	- 970	0
15. Rents	71	1	- 72	0	0	0	0
16. Postage (U.S.P.S.)	114	0	21	135	0	- 135	0
17. Supplies	665	10	-110	565	9	- 574	0
18. Printing & Reproduction	49	1	- 38	12	0	-12	0
19. Equipment Maintenance	1117	17	198	1332	21	- 1353	0
20. Facility Maintenance	8	0	22	30	0	-30	0
21. Equipment Purchases	2019	30	-1343	706	11	- 717	0
22. Studies, Analysis & Evaluations	723	11	897	1631	26	- 1657	0
23. Other Contracts	15636	238	-4346	11528	184	-11712	0
Total	53545	836	-897	53484	1120	-54604	0

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Activity Group 4/Subactivity Group: WMD Operations and Support

III. Financial Summary ($ Thousands): (cont.)

D. Reconciliation of Increases and Decreases:

1.	FY 1998 Amended President's Budget		54515
2.	FY 1998 Appropriated Amount		54515
3.	Congressional Adjustments: (Undistributed)		
	a. QDR Savings	-308	
	b. Revised Economic Assumptions	-332	
	c. Defense Automated Printing Services	- 68	
	d. Section 8041 - CAAS	-157	
	e. Section 8035 - FFRDC	- 47	
	f. Congressional Earmarks (Total)	-130	
	Total Congressional Adjustments (Undistributed)		-1042
4.	Program Increases:		
	a. GSA Building rent costs increased as a result of additional space requirements for housing Force Protection Program personnel.	221	
	b. Costs realigned to Studies, Analysis and Evaluation from Other Contracts to properly reflect expenditure of resources.	890	
	c. Increased communication cost (DISA) to support additional circuits and modifications to new VTC Facility.	239	
	d. Increased operating cost for commercial transportation, purchased communication, postage, supplies, and facility maintenance.	74	
	e. Maintenance cost increased in support of newly purchased equipment for Force Protection in new facility.	208	
	f. Average civilian salary and disability compensation exceeded original estimate.	110	
	Total Program Increases		1742

Activity Group 4/Subactivity Group: WMD Operations and Support

III. Financial Summary ($ Thousands): (cont.)

D. Reconciliation of Increases and Decreases: (cont.)

5.	Program Decreases:		
	a. Program reductions to fund higher priority programs	-221	
	b. Costs for travel, equipment purchases and printing less than anticipated.	-558	
	c. Decrease in the number of planned facility repair projects.	-952	
	Total Program Decreases		-1731
6.	FY 1998 Current Estimate		53484
7.	Price Growth		
	a. Annualization of FY 1998 Civilian Pay Raise	169	
	b. FY 1999 Civilian Pay Raise	677	
	c. Other Contracts	184	
	d. Other Price Growth	90	
	Total Price Growth		1120
8.	Functional Programs Transfer:		
	Program transfer to Defense Threat Reduction and Treaty Compliance Agency.	-54604	
	Total Functioinal Program Transfer		-54604
9.	FY 1999 Budget Request		0

Activity Group 4/Subactivity Group: WMD Operations and Support

IV. Performance Criteria and Evaluation Summary:

A. The mission of the DSWA is to be the DoD Center of Excellence for nuclear and other special weapon matters, with emphasis on technical and operational support to the warfighter. The effective and efficient accomplishment of the DSWA mission is predicated on constancy of purpose -- a shared understanding within the agency, its customers, and the suppliers that underwrite the agency's program goals and objectives. A Total Quality Leadership process was utilized to develop a strategic plan to ensure that activities are appropriately focused and integrated to respond to customer needs. Key to the measurement of success of DSWA mission objectives is meeting the requirements of our customers in the most responsive manner.

B. The workload for the Nuclear Test Personnel Review (NTPR) Program involves (1) establishing and maintaining a repository of personnel data and historical information for atmospheric nuclear weapons test participants and Hiroshima and Nagasaki occupation forces, (2) providing dosimetry information and dose reconstruction methodologies for populations supported by the program, and (3) supporting organizations responsible for administering atomic veterans' benefits (Department of Veterans Affairs and Department of Justice) organizations studying health effects of radiation. The primary measures of workload are (1) the size of the repository maintained, (2) the number of individual cases processed, (3) the number of dose reconstructions performed, and (4) the level of effort to support independent studies by outside agencies. The primary performance criteria are (1) the turn-around time for individual cases processed, (2) the number of cases in process at any given time, and (3) the cost per case processed.

C. Inspection of Nuclear-Capable Units:	25	25	0

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Activity Group 4/Subactivity Group: WMD Operations and Support

V. Personnel Summary:

	FY 1997	FY 1998	FY 1999
Military End Strength			
Officer	176	173	0
Enlisted	68	67	0
Total	244	240	0
Civilian End Strength			
USDH	406	415	0
Total Direct Hire	406	415	0
(Reimbursable Civilians included above)	(13)	(5)	(0)
Military Work Years			
Officer	176	173	0
Enlisted	68	67	0
Total	244	240	0
Civilian FTEs			
USDH	396	399	0
Total Direct Hire	396	399	0
(Reimbursable Civilians included above)	(13)	(5)	0

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Activity Group 4/Subactivity Group: Stockpile Management/Top Secret Support System (TS3)/Global Command and Control System (GCCS)

I. Narrative Description:

This subactivity group provides essential financial and manpower resources in support of the Defense Special Weapons Agency's (DSWA's) mission to provide consolidated management and data control for the DoD nuclear weapons stockpile. This mission, worldwide in scope, requires DSWA to maintain overall surveillance and provide guidance, coordination, advice, or assistance, as appropriate, for all nuclear weapons in DoD custody from completion of production by the Department of Energy (DoE) through retirement. DSWA, as the exclusive source of data for the complete stockpile, performs this function by maintaining and operating the national nuclear weapons accounting system, the nuclear weapons management information system, and the nuclear reporting system. It also provides for integrated material management for nuclear ordnance items and management of the Federal Cataloging and DoD Standardization Program for all nuclear ordnance items. In addition, it provides for the evaluation of nuclear weapons safety procedures and development of new procedures for safe storage, transport and maintenance of nuclear munitions. It also monitors all aspects of weapons programs relating to quality assurance throughout the stockpile life of each weapon.

The long-range goal and major objective of this program is to provide timely, accurate, and complete nuclear weapons stockpile information to the Secretary of Defense, Joint Chiefs of Staff, the Military Services and others. To achieve this goal, DSWA must maintain an accurate file on each weapon in the stockpile including serial number, location, application, configuration, and condition to assure that the complete status of all DoD nuclear weapons is known at all times.

Resources programmed for FY 1999 and out were transferred from Defense Special Weapons Agency (DSWA) to Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) as a result of the November 1997 Defense Reform Initiative.

II. Description of Operations Financed:

Principal costs involve the pay of civilian personnel and costs of the DSWA Worldwide Military Command and Control System (WWMCCS), and its follow-on, the GCCS, and other Automatic Data Processing (ADP) operations in support of the Nuclear Weapons Accounting and Reporting systems and the Nuclear Integrated Material and Cataloging System. Other costs relate to travel of personnel, rents and utilities, equipment maintenance, supplies, and other administrative support.

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Activity Group 4/Subactivity Group: Stockpile Management/Top Secret Support System (TS3)/Global Command and Control System (GCCS)

III. Financial Summary ($ Thousands):

A. Subactivity Group:	FY 1997 Actuals	FY 1998 Amended Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Budget Request
Stockpile Management	6219	5442	5442	5564	0

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	5442	5564
Baseline Funding (Amended)		
Congressional Adjustments		
Supplemental Request		
Price Changes		144
Reprogrammings/Transfers		
Program Changes	122	-5708
Current Estimate	5564	0

C. Price and Program Changes:	FY 1997 Actuals	Change FY 1997-1998 Price Growth	Change FY 1997-1998 Program Growth	FY 1998 Estimate	Change FY 1998-1999 Price Growth	Change FY 1998-1999 Program Growth	FY 1999 Estimate
1. Executive, General and Spec Schedules	3604	101	- 29	3676	114	-3790	0
2. Travel	221	3	- 34	190	3	- 193	0
3. Supplies	6	0	- 6	0	0	0	0
4. Equipment Maintenance	744	11	- 678	77	1	- 78	0
5. Equipment Purchases	27	0	85	112	2	- 114	0
6. Other Contracts	1617	25	- 133	1509	24	-1533	0
Total	6219	140	- 795	5564	144	- 5708	0

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Activity Group 4/Subactivity Group: Stockpile Management/Top Secret Support System (TS3)/Global Command and Control System (GCCS)

III. Financial Summary ($ Thousands): (cont.)

D. Reconciliation of Increases and Decreases:

1.	FY 1998 Amended President's Budget		5442
2.	FY 1998 Appropriated Amount		5442
3.	Program Increases:		
	Civilian Compensation costs and general contract costs exceeded original estimate.	122	
	Total Program Increases		122
4.	FY 1998 Current Estimate		5564
5.	Price Growth		
	a. Annualization of FY 1998 Civilian Pay Raise	23	
	b. FY 1999 Civilian Pay Raise	91	
	c. Travel	3	
	d. Equipment Maintenance	1	
	e. Equipment Purchases	2	
	f. Other Contracts	24	
	Total Price Growth		144
6.	Functional Program Transfer:		
	Program transfer to the Defense Threat Reduction and Treaty Compliance Agency.	- 5708	
	Total Functional Program Transfer		- 5708
7.	FY 1999 Budget Request		0

Activity Group 4/Subactivity Group: Stockpile Management/Top Secret Support System (TS3)/Global Command and Control System (GCCS)

IV. Performance Criteria and Evaluation Summary:

The workload for the Stockpile Management subactivity group is primarily related to developing policies and procedures to be followed by CINCs and Services worldwide; monitoring the status of weapons, weapon issues and components, and developing, maintaining, fielding and providing day-to-day support for automated systems which are used to manage the nuclear weapons stockpile during peace, crisis and war. Tracking nuclear weapons requires 100 percent accuracy and can never be minimized regardless of the numbers of weapons or components. The key to measurement of success is that the status and location of the DoD nuclear weapons stockpile is known at all times and the components to support these weapons are available when and where they are needed.

V. Personnel Summary:

	FY 1997	FY 1998	FY 1999
Military End Strength			
Officer	23	22	0
Enlisted	14	14	0
Total	37	36	0
Civilian End Strength			
USDH	75	73	0
Total	75	73	0
Military Work Years			
Officer	23	22	0
Enlisted	14	14	0
Total	37	36	0
Civilian FTEs			
USDH	73	67	0
Total	73	67	0

Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

I. Narrative Description:

A. The Defense Special Weapons Agency (DSWA) is charged to develop national level plans, policies and procedures to respond to a nuclear weapon accident, Improvised Nuclear Device (IND) incident and acts of terrorism at or on U.S. weapons storage facilities worldwide and to conduct requisite exercises to validate these plans, policies and procedures. DSWA plans and directs a series of exercises deploying nuclear weapon accident/IND incident response elements to worldwide locations to test and evaluate these national level response and coordination procedures. Exercises are based upon a peacetime nuclear weapon accident/IND incident which poses a radiological hazard to life and property. The long term goals and major objectives of these programs are to evaluate and test selected response and coordination procedures which comprise this country's collective capability to deal with peacetime nuclear weapon accidents and IND incidents. This mission requires a continuing series of exercises be conducted in the U.S. and overseas. Exercises provide an excellent vehicle to evaluate various response forces throughout the Federal Government, as well as the response forces of the host nation, when conducted overseas. They are designed to determine the effectiveness of nuclear weapon accident and IND incident response policies, plans, procedures, techniques, and equipment; evaluate the effectiveness of the coordination and communications of all response forces; and to exercise Federal, State and local interfaces which would be required if an actual nuclear weapon event occurred. The ancillary training benefit for all response forces cannot be over emphasized. The broad objectives of these exercises are:

- To evaluate the effectiveness of national plans, policies and procedures for response to a nuclear weapon accident/IND incident in both the United States and foreign countries.

- To evaluate the effectiveness of Department of Defense (DoD) plans, policies and procedures for response to a nuclear weapon accident/IND incident in the U.S. or in a host nation.

- To evaluate command, control, communications and coordination procedures among DoD, Department of State (DoS), and Department of Energy (DoE) response elements within a multi-service, multi-federal agency and host nation response to a nuclear weapon accident/IND incident.

- To evaluate the interface, coordination and command relationships among the Federal, State and local response forces as coordinated through the Federal Emergency Management Agency in the event of a nuclear weapons accident/IND incident.

- To provide a realistic training vehicle for various response organizations involved in a nuclear weapon accident/IND incident either within the U.S., its territories and possessions or in the territorial confines of a host nation.

Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

I. Narrative Description: (cont.)

Significant results from this effort include an overall enhancement of the national capability to respond to nuclear weapon accident/IND incident situations, the publication of the DoD Nuclear Weapon Response Procedures (NWRP) Manual, the continuing validation and modification of a computer driven program to provide decision makers with a cost-benefit analysis of various strategies and methods for restoring a radiologically contaminated accident site, and the development of DoD policies and procedures to accomplish site restoration in a manner that maintains public health and safety, is environmentally sound, technically achievable and politically acceptable.

The DSWA nuclear weapon accident and incident exercise programs are composed of briefings, seminars, symposia, Table-top Exercises (TTX), Command Post Exercises (CPX), and Field Training Exercises (FTX). Major exercises are scheduled in accordance with the five year JCS exercise schedule, and coordinated with relevant organizations through the Joint Nuclear Weapons Accident Exercise Steering Group (JNWAESG) and/or the Joint IND Incident Exercise Coordinating Committee (JIIECC). Other events are scheduled on an as needed basis to be responsive to evolving mission requirements. In addition, DSWA is required to participate in certain exercises under the auspices of the Chairman's Covered Exercise Program. Both accident and IND incident exercises are conducted in CONUS and OCONUS locations in accordance with the above-mentioned JCS exercise schedule and bilateral agreements with host nations.

DSWA added another facet to the nuclear weapon accident exercise program with the expansion of exercise scope. Previously, DSWA exercises concentrated solely on the emergency response phase of nuclear weapon accident response. Site restoration play was limited and unrealistic in the sense that exercise participants attempted to produce a draft site restoration plan within a four day exercise. As a result, many of the policies, procedures and organizational issues concerning site restoration were left unresolved. Starting with EXERCISE DIAGRAM JUMP 94, exercises have been designed to focus on previously neglected aspects of the response process such as site restoration, as well as the still vital emergency response phase.

DSWA's mission to develop policies, plans and procedures to respond to an IND incident is newer than the accident response mission and as a result, the associated exercise program is less developed. Initially, these exercises were focused on operational readiness tests at the unit level. Recently, however, the exercises have started to address the wider policy, coordination, and procedural issues. We are likely to be directed to add more exercises in this area as the threat continues to increase with the recent world political changes.

B. DSWA is the Department of Defense action agency charged with administration and support of the "POPPYSEED" program. Further information can be made available either via briefing or separate correspondence.

Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

I. Narrative Description: (cont.)

C. In addition, DSWA represents DoD on national-level committees establishing radiological emergency response policies and procedures; maintains and trains a Defense Nuclear Advisory Team (DNAT) which supports the DoD On-Scene Commander/Defense Senior Representative in the event of a nuclear weapon accident/IND incident; acts as the DoD executive agent for the DoD hazard assessment system; and provides communications and system automation support to the nuclear weapon accident/IND incident exercise program.

D. At the direction of the Joint Staff, DSWA established, developed and maintains site characterization packages on all U.S. and overseas land-based U.S. weapons storage sites. DSWA makes that information available for contingency operations and conducts appropriate exercises for validation.

E. DSWA supports the Services, CINCs, and other federal agencies in the execution of their own exercise and training programs. DSWA provides technical experts, exercise design specialists, controllers, observers, and players for a variety of exercises relating to the core DSWA mission. A rapidly emerging task is to provide similar support to foreign nations, primarily Eastern Europe and the Republics of the Former Soviet Union. To this point, DSWA has provided funding for these new efforts out of existing emergency response funds.

F. DSWA supports the Office of the Under Secretary of Defense for Policy (OUSD(P)), North Atlantic Treaty Organization (NATO) and Commander in Chief, U.S. Forces Europe (USCINCEUR) disaster preparedness and humanitarian relief programs which respond to an Eastern European, Baltic, or Former Soviet Union Reactor or Nuclear Weapon accident by providing expertise and coordination support for exercises as well as actual incidents.

G. DSWA provides expert support to the DoS Nuclear Accident/Incident Program to train personnel from the DoS and other Federal Agencies in the implementation of Nuclear Weapon (and other Weapons of Mass Destruction) Accidents/Incident procedures.

Resources programmed for FY 1999 and out were transferred from Defense Special Weapons Agency (DSWA) to Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) as a result of the November 1997 Defense Reform Initiative.

II. Description of Operations Financed:

Major costs involve: travel of personnel for exercise planning, coordination and conduct; contractual services for document preparation, analysis, evaluation and reports; and supplies and land line/satellite communications facilities to support exercise plan both within the U.S. and overseas.

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Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

III. Financial Summary ($ Thousands):

A. Subactivity Group:	FY 1997 Actuals	FY 1998 Amended Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Budget Request
Emergency Response Planning and Exercise Program	5537	6302	6302	6191	0

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	6302	6191
Baseline Funding (Amended)		
Congressional Adjustments		
Supplemental Request		
Price Changes		102
Reprogrammings/Transfers		
Program Changes	-111	-6293
Current Estimate	6191	0

C. Price and Program Changes:	FY 1997 Actuals	Change FY 1997/1998 Price Growth	Change FY 1997/1998 Program Growth	FY 1998 Estimate	Change FY 1998/1999 Price Growth	Change FY 1998/1999 Program Growth	FY 1999 Estimate
1. Exec Gen & Spec Sched	190	5	37	232	7	- 239	0
2. Travel	1094	16	498	1608	26	-1634	0
3. Supplies	4	0	9	13	0	- 13	0
4. Equipment Purchases	173	3	- 49	127	2	- 129	0
5. Other Contracts	4076	61	74	4211	67	-4278	0
Total	5537	85	569	6191	102	-6293	0

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

III. Financial Summary ($ Thousands):(cont.)

D. Reconciliation of Increases and Decreases:

1.	FY 1998 Amended President's Budget		6302
2.	FY 1998 Appropriated Amount		6302
3.	Program Increases:		
	a. Civilian Compensation costs exceeded original estimate.	5	
	b. Increased cost of equipment purchases.	5	
	Total Program Increases		10
4.	Program Decreases:		
	Contracts, travel and supply costs are less than anticipated.	-121	
	Total Program Decreases		-121
5.	FY 1998 Current Estimate		6191
6.	Price Growth		
	a. Annualization & Civilian Pay Raise	7	
	b. Travel	26	
	c. Equipment Purchases	2	
	d. Other Contracts	67	
	Total Price Growth		102
7.	Functional Program Transfer:		
	Program transfer to Defense Threat Reduction and Treaty Compliance Agency.	-6293	
	Total Functional Program Transfer		-6293
8.	FY 1999 Budget Request		0

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
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Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

IV. Performance Criteria and Evaluation Summary:

	FY 1997	FY 1998	FY 1999
A. Number of Nuclear Weapon Accident Exercises:			
1. Major Field Training Exercises (FTX)	1	0	0
2. Field Training Exercise (FTX)	0	1	0
3. Command Post Exercise (CPX)	0	1	0
4. Table Top Exercise (TTX)	1	0	0
5. Foreign, Service, and Agency Exercises	4	5	0
B. Number of Improvised Nuclear Device Incident Exercises:			
1. Major Field Training Exercise (FTX)	0	1	0
2. Field Training Exercises (FTX)	3	2	0
3. Command Post Exercises (CPX)	2	1	0
4. Table-top Exercise (TTX)	2	0	0
5. Foreign, Service, and Agency Exercises	3	4	0

V. Personnel Summary:

	FY 1997	FY 1998	FY 1999
Military End Strength			
Officer	12	12	0
Enlisted	6	5	0
Total	18	17	0
Civilian End Strength			
USDH	3	4	0
Total	3	4	0
Military Work Years			
Officer	12	12	0
Enlisted	6	5	0
Total	18	17	0
Civilian FTEs			
USDH	3	4	0
Total	3	4	0

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
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Activity Group 4/Subactivity Group: Johnston Atoll

I. Narrative Description:

This subactivity group provides the necessary financial and manpower support to maintain Johnston Atoll. The historical role of the Defense Special Weapons Agency (DSWA) at Johnston Atoll has been one of a "caretaker," expending only the minimum resources required to meet the Safeguard C contingencies to the 1963 Limited Test Ban Treaty. Resources for Safeguard C activities on Johnston Atoll were eliminated by Congressional action in FY 1994. DSWA continues to perform a host management role at Johnston Atoll, providing base support for the Army's chemical munition demilitarization mission and other activities on the island.

Resources programmed for FY 1999 and out were transferred from Defense Special Weapons Agency (DSWA) to Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) as a result of the November 1997 Defense Reform Initiative.

II. Description of Operations Financed:

Actual operations and maintenance at Johnston Atoll are performed for DSWA by a civilian contractor. A small detachment of DSWA military personnel oversee contract operations on the Atoll. DSWA provides administrative and logistic support to other military organizations located on Johnston Atoll in accordance with host/tenant and other support agreements. Included in this mission are normal base support functions, marine operations and unique requirements for life support at this remote facility in the Pacific. The requirement to provide support for the national chemical weapons program impacts greatly on the amount and type of support currently available and provided to other active tenant missions.

III. Financial Summary ($ Thousands):

A. Subactivity Group:	FY 1997 Actuals	FY 1998 Amended Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Budget Request
Johnston Atoll	22619	19639	19639	19376	0

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	19639	19376
Baseline Funding (Amended)		
Congressional Adjustments		
Supplemental Request		
Price Changes		219
Reprogrammings/Transfers		
Program Changes	- 263	-19595
Current Estimate	19376	0

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: Johnston Atoll

III. Financial Summary ($ Thousands): (cont.)

C. Price and Program Changes:	FY 1997 Actuals	Change FY 1997-1998 Price Growth	Change FY 1997-1998 Program Growth	FY 1998 Estimate	Change FY 1998-1999 Price Growth	Change FY 1998-1999 Program Growth	FY 1999 Estimate
1. Exec. Gen & Spec Sched	0	0	70	70	2	- 72	0
2. Travel	381	6	- 98	289	5	-294	0
3. DFSC Fuel	751	148	-121	778	- 68	-710	0
4. AF Depot Maintenance							
5. Communications Services (DISA)	491	-54	140	577	-3	-574	0
6. Total Fund Purchases	491	-54	140	577	-3	-574	0
7. Commercial Transportation	449	7	- 1	455	7	-462	0
8. Purchased Comm. (Non Fund)	504	8	686	1198	19	- 1217	0
9. Supplies	1380	21	195	1596	26	- 1622	0
10. Facility Maintenance	1346	20	603	1969	32	- 2001	0
11. Equipment Purchases	886	13	-700	199	3	-202	0
12. Other Contracts	16431	246	-4432	12245	196	-12441	0
Total	22619	415	-3658	19376	219	-19595	0

D. Reconciliation of Increases and Decreases:

1. FY 1998 Amended President's Budget		19639
2. FY 1998 Appropriated Amount		19639
3. Program Increases:		
Projections for fuel, facility maintenance, and travel costs higher than anticipated.	352	
Total Program Increases		352

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
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Activity Group 4/Subactivity Group: Johnston Atoll

III. Financial Summary ($ Thousands): (cont.)

D. Reconciliation of Increases and Decreases: (cont.)

4.	Program Decreases:		
	a. Decrease in Communication Services (DISA) due to modifications to Satellite Access.	- 240	
	b. Commercial Transportation and equipment cost less than anticipated.	- 142	
	c. Other contracts realigned to support increase in Facility Maintenance costs.	- 233	
	Total Program Decreases		- 615
5.	FY 1988 Current Estimate		19376
6.	Price Growth		
	a. Exec Gen & Spec Sched	2	
	b. Travel	5	
	c. DFSC Fuel	- 68	
	d. Communications Services (DISA)	- 3	
	e. Commercial Transportation	7	
	f. Purchased Communications (Non Fund)	19	
	g. Supplies (Non Fund)	26	
	h. Facility Maintenance	32	
	i. Equipment Purchases	3	
	j. Other Contracts	196	
	Total Price Growth		219
7.	Functional Program Transfer:		
	Program transfer to Defense Threat Reduction and Treaty Compliance Agency.	-19595	
	Total Functional Program Transfer		-19595
8.	FY 1999 Budget Request		0

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
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Activity Group 4/Subactivity Group: Johnston Atoll

IV. Performance Criteria and Evaluation Summary:

	FY 1997	FY 1998	FY 1999
A. Island Population:	1322	1324	0
B. Cargo Received (amount in tons):	10639	11065	0

V. Personnel Summary:	FY 1997	FY 1998	FY 1999
Military End Strength			
Officer	9	9	0
Enlisted	13	13	0
Total	22	22	0
Civilian End Strength			
USDH	0	1	0
Total	0	1	0
Military Work Years			
Officer	9	9	0
Enlisted	13	13	0
Total	22	22	0
Civilian FTEs			
USDH	0	1	0
Total	0	1	0

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: Nuclear Treaty Programs

I. Narrative Description:

The Defense Special Weapons Agency (DSWA) is responsible for the development of technology to support DoD activities involving arms control implementation, verification, monitoring and inspection requirements. Included is the requirement to provide a comprehensive and integrated DoD Research, Development, Test and Evaluation (RDT&E) program to support preparation, implementation, compliance, and verification of the Comprehensive Test Ban Treaty (CTBT). This effort supports direction given December 1995 by the Deputy Secretary of Defense (Implementation of the Comprehensive Test Ban Treaty), May 1996 by the Under Secretary of Defense for Acquisition and Technology (Revised Arms Control Treaties and Agreements Planning Assumptions) and the August 1996 Program Decision Memorandum 1 that described funding for CTBT safeguards support and funding required for CTBT Entry Into Force (EIF).

The nuclear treaty program includes the following efforts: CTBT research and development program; U.S. CTBT International Monitoring System (IMS); CTBT International Data Center; U.S. CTBT Interface; implementation and compliance support; and technical support to other nuclear treaties, such as Fissile Material Cutoff and Advanced Nuclear Safeguards. The CTBT element of this program supports signature of the treaty in late CY 96, EIF in 1999, and a Preparatory Commission (to be established within 30 days after signature) responsible for coordinating the implementation of the CTBT verification regime. While the above efforts are primarily funded within the RDT&E appropriation, Operation and Maintenance funds are required for the supporting personnel infrastructure. Additionally, this budget activity supports U.S. obligations to operate and maintain 28 seismic, hydroacoustic, infrasound and radionuclide sensor stations as part of the CTBT IMS.

Resources programmed for FY 1999 and out were transferred from Defense Special Weapons Agency (DSWA) to Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) as a result of the November 1997 Defense Reform Initiative.

II. Description of Operations Financed:

Major costs include salaries and benefits associated with civilian personnel supporting the nuclear treaty mission, as well as contractual support associated with operating and maintaining IMS sensor stations.

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: Nuclear Treaty Programs

III. Financial Summary ($ in Thousands):

A. Subactivity Group:	FY 1997 Actuals	FY 1998 Amended Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Budget Request
Nuclear Treaty Programs	330	1701	1701	1659	0

B. Reconciliation Summary:	Change FY 1998/FY 1998	Change FY 1998/FY 1999
Baseline Funding	1701	1659
Baseline Funding (Amended)		
Congressional Adjustments	- 37	
Supplemental Request		
Price Changes		34
Reprogrammings/Transfers		
Program Changes	- 5	-1693
Current Estimate	1659	0

C. Price and Program Changes:	FY 1997 Actuals	Change FY 1997-1998 Price Growth	Change FY 1997-1998 Program Growth	FY 1998 Estimate	Change FY 1998-1999 Price Growth	Change FY 1998-1999 Program Growth	FY 1999 Estimate
1. Exec Gen & Spec Sched	0	0	531	531	16	- 547	0
2. Other Contracts	330	5	793	1128	18	-1146	0
Total	330	5	1324	1659	34	-1693	0

D. Reconciliation of Increases and Decreases:

1. FY 1998 Amended President's Budget		1701
2. FY 1998 Appropriated Amount	1701	

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
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Activity Group 4/Subactivity Group: Nuclear Treaty Programs

III. Financial Summary ($ Thousands): (cont.)

D. Reconciliation of Increases and Decreases: (cont.)

3. Congressional Adjustments: (Undistributed)		
a. QDR Savings	- 17	
b. Revised Economic Assumptions	- 14	
c. Congressional Earmarks (Total)	- 6	
Total Congressional Adjustments (Undistributed)		- 37
4. Program Decreases:		
Program reductions to fund higher priority programs	- 5	
Total Program Decreases		- 5
5. FY 1998 Current Estimate		1659
6. Price Growth		
a. Annualization of FY 1998 Civilian Pay Raise	3	
b. FY 1999 Civilian Pay Raise	13	
c. Other Contracts	18	
Total Price Growth		34
7. Functional Program Transfer:		
Program transfer to Defense Threat Reduction and Treaty Compliance Agency.	-1693	
Total Functional Program Transfer		-1693
8. FY 1999 Budget Request		0

Defense Special Weapons Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: Nuclear Treaty Programs

IV. Performance Criteria and Evaluation Summary:

Performance is measured through the availability of technologies and data necessary to support the implementation, compliance and verification of CTBT and other nuclear treaties.

V. Personnel Summary:	FY 1997	FY 1998	FY 1999
Civilian End Strength			
USDH	2	6	0
Total	2	6	0
Civilian FTEs			
USDH	1	6	0
Total	1	6	0

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION

I. NARRATIVE DESCRIPTION:

The Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA), effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: Defense Special Weapons Agency, Defense Technology Security Administration, and On-Site Inspection Agency. In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

For this budget submission, the DRI directs the transfer of associated funding and manpower resources programmed for FY 1999 and out from the three affected agencies, OSD, and WHS to the DTRTCA beginning 1 October 1998. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

Provided below is a summary of the various organizations and programs that have been transferred to form the newly established DTRTCA. The amounts transferred (five percent consolidation savings has already been applied) are programmed to support the functions currently performed by each agency and staff element:

- The Defense Special Weapons Agency is disestablished and its mission, functions, and resources are transferred to DTRTCA.

- The Defense Technology Security Administration is disestablished and its mission, functions, and resources are transferred to DTRTCA.

- The On-Site Inspection Agency is disestablished and its mission, functions, and resources are transferred to DTRTCA.

- Various components of OSD staff elements will transfer programs and/or related oversight elements and their associated resources to DTRTCA with the related funding resources transferred from WHS to DTRTCA.

I. NARRATIVE DESCRIPTION: (cont.)

A. Defense Special Weapons Activity (DSWA):

1. Defense Nuclear Weapons School (DNWS): The DNWS is the only DoD school for courses that familiarize the U.S. nuclear community with the national nuclear weapons stockpile and the nuclear weapons program. In addition, DNWS provides training to the global nuclear community in nuclear weapons accident response procedures. To ensure comprehensive training, DNWS maintains DoD's only radioactive field training sites as well as an extensive classified nuclear weapons display area. The DNWS trains students from all levels of DoD, federal, and state agencies and allied countries. The school also provides specialized training to requesting organizations and is posturing itself to be the DoD's Center of Excellence for nuclear and other special weapons matters, with emphasis on technical and operational support to the warfighter.

2. Weapons of Mass Destruction (WMD) Operations and Support: The DTRTCA serves as the DoD center for nuclear and advanced weapons effects expertise and performs essential missions in the areas of nuclear weapons stockpile support, nuclear effects research and operational support, and nuclear threat reduction to include arms control verification technology development. Additionally, DTRTCA supports other related defense needs including research and advanced development of capabilities needed for military responses to the proliferation of weapons of mass destruction. The DTRTCA is also responsible for conducting independent force protection-specific vulnerability assessments of DoD installations and sites, to assist local commanders in identifying force protection deficiencies and determining appropriate remedies that will mitigate the effects of future terrorist incidents. Vulnerability assessments are intended as a Commander's tools to provide an assessment of the organization's vulnerabilities. As required, DTRTCA provides support to the Chairman of the Joint Chiefs of Staff and Commanders of the Unified Combatant Commands in analyzing planning and action options for nuclear and other designated advanced weapons, to include weapon system lethality and operability, and force reconstitution. The DTRTCA acts as the Executive Agent for the Nuclear Test Personnel Review (NTPR) program and for the coordination of DoD support to the Department of Health and Human Services (HHS) in developing a uniform approach to the problems associated with exposure to all sources of ionizing radiation. The DTRTCA also serves as the executive agency providing acquisition strategy; research, development, testing and evaluation (RDT&E); and technical assessment support for the DoD Counterproliferation Initiative. The DTRTCA also executes the Cooperative Threat Reduction (CTR) program.

3. Stockpile Management: A portion of DTRTCA's mission is to provide consolidated management and data control for the DoD nuclear weapons stockpile. This mission, worldwide in scope, requires DTRTCA to maintain overall surveillance and provide guidance, coordination, advice, or assistance, as appropriate, for all nuclear weapons in DoD custody from completion of production by the Department of Energy (DoE) through retirement.

I. NARRATIVE DESCRIPTION: (cont.)

4. Johnston Atoll: The DTRTCA performs a host management role at Johnston Atoll, providing base support functions for the Army's chemical munitions demilitarization mission and other activities on the island.

5. Emergency Response Planning (ERP) and Exercise Program: The DTRTCA is charged to develop national level plans, policies and procedures to respond to nuclear weapon accidents, Improvised Nuclear Device (IND) incidents, and acts of terrorism at or on U.S. weapons storage facilities worldwide and to conduct requisite exercises to validate these plans, policies, and procedures. The DTRTCA plans and directs a series of exercises deploying nuclear weapon accident/IND incident response elements to worldwide locations to test and evaluate these national level response and coordination procedures. Exercises are based upon a peacetime nuclear weapon accident/IND incident which poses a radiological hazard to life and property and are conducted in the U.S. and overseas.

6. Nuclear Treaty Programs: The DTRTCA is responsible for the development of technology to support DoD activities involving arms control implementation, verification, monitoring and inspection requirements. Included is the requirement to provide a comprehensive and integrated DoD Research, Development, Test and Evaluation (RDT&E) program to support preparation, implementation, compliance, and verification of the Comprehensive Test Ban Treaty (CTBT) . This subactivity supports U.S. obligations to operate and maintain 28 seismic, hydroacoustic, infrasound, and radionuclide sensor stations as part of the CTBT International Monitoring System (IMS), as well as the personnel infrastructure associated with operation of the IMS sensor stations.

B. Defense Technology Security Activity (DTSA):

The Defense Technology Security Administration was established as a DoD field activity on 10 May 1985 to review the international transfer of defense-related technology, goods, services, and munitions consistent with U.S. foreign policy and national security objectives and to ensure implementation of DoD technology security policy relative to those international transfers. Effective with the creation of DTRTCA on 1 October 1998, these responsibilities will be carried out by DTSA. The DTSA component of DTRTCA will also provide support to the Deputy Assistant Secretary of Defense for Counterproliferation Policy (DASD(CP)) in meeting the threat posed by weapons of mass destruction (WMD) and advanced conventional weapons and their delivery systems.

I. NARRATIVE DESCRIPTION: (cont.)

C. On-Site Inspection Activity (OSIA):

Arms control is an integral part of our country's national security strategy. Arms control ensures confidence in compliance through effective inspection, monitoring, and verification; and, ultimately, contributes to a more stable and calculable world balance of power. The full and faithful implementation of existing arms control agreements, followed by ratification of the Strategic Arms Reduction Treaty (START) II and implementation of the Chemical Weapons Bilateral Destruction Agreement (CW BDA) remains an important element of the Administration's national security policy. With the entry into force (EIF) of START II and the Open Skies (OS) Treaty planned for 2nd/3rd Quarter of FY 1998, EIF of CW BDA (for budget purposes only) now planned for January 2000 and EIF of Safeguards, Transparency, and Irreversibility (STI) Agreements planned for 1 July 1998, the OSIA budget resources have been adjusted to support the significantly expanded missions associated with these treaties in the outyears. The OSIA continues its efforts to carry out the inspection, escort, and monitoring provisions of the Intermediate-Range Nuclear Forces (INF) Treaty, START I, the Conventional Armed Forces in Europe (CFE) Treaty, as well as providing support for the Nuclear Test Ban Treaties (NTBT), the Chemical Weapons Convention (CWC), the Plutonium Agreement, and the Counterproliferation Programs (FBI and Customs Service). With the advent of new missions, DTRTCA is playing an expanding role in providing support to the Cooperative Threat Reduction (CTR) Program and STI Agreements. Other missions include support for the Bosnia Peace Plan initiative, the Biological Weapons (BW) Trilateral Agreement, the Confidence and Security Building Measures (CSBM), the Technical Equipment Inspections (TEI) Program, the Executive Agent for the Defense Treaty Inspection Readiness Program (DTIRP), and the United Nations Special Commission (UNSCOM) on Iraq.

The primary mission of the OSIA segment of DTRTCA is to conduct U.S. Government inspections of foreign facilities, territories, or events. To accomplish this mission, OSIA organizes, trains, equips, and deploys inspection, monitoring, and escort teams to ensure that the U.S. Government can exercise its full treaty rights for on-site inspection and to protect U.S. treaty rights with respect to inspected sites or activities. The DTRTCA also provides technical advice to U.S. Government elements concerned with developing, implementing, or evaluating compliance with arms control treaties and agreements. The DTRTCA executes other missions requiring unique skills, organization, or experience resident in DTRTCA.

I. NARRATIVE DESCRIPTION: (cont.)

As part of this budget submission, other significant changes occur across the fiscal years, specific to several treaty programs:

-- Under the INF Treaty, the 13-year inspection regime will end in FY 2001. However, INF monitoring costs at Votkinsk, Russia will shift to START which will remain in force.

-- Under the CFE Treaty, funds have been identified to support inspections and visits associated with continued destruction and decommissioning of equipment east of the Urals and beyond the levels specified in the CFE Treaty.

-- Under the NTBT, costs identified for the Threshold Test Ban Treaty (TTBT) shift to the Comprehensive Test Ban Treaty (CTBT) in FY 1999 under the assumption that the CTBT will EIF not later than FY 1999. Effective with FY 1997, OSIA no longer funds readiness/start-up requirements associated with a possible resumption of nuclear testing under the TTBT. In preparation for the implementation of the CTBT in FY 1999, OSIA has reduced operating, storage, and equipment maintenance costs for TTBT, bringing the TTBT program to a full standdown position. Costs identified for the TTBT shift to the CTBT in FY 1999.

-- Under the CW Agreements, planning, preparation, and implementation continue for the CWC, which entered into force on 29 April 1997. For the CW BDA, the "official DoD planning assumption is no earlier than (NET) January 1999, however, this budget submission represents an EIF of NET January 2000 to reflect DTRTCA's (OSIA) increased financial risk.

Budgeting for arms control is a dynamic process and presents special challenges which make it difficult to follow a normal planning, programming, and budgeting schedule. Costs result from agreements which are subject to negotiation with the successor states of the former Soviet Union or other foreign countries. The timing of ratification and EIF's significantly affects the resources required in the first years of implementation. For example, the CW Agreements, like INF and START, will have an intense baseline inspection period, and if these inspections do not occur in the fiscal year planned, funding profiles could shift significantly in subsequent years. To assist OSIA, other Department of Defense Agencies, and the Military Services involved in arms control implementation activities, a set of assumptions was established by the OSD to prepare current budget/program estimates. Administrative decisions regarding housing, transportation, travel, and other issues have a significant impact on costs and may not be completely defined until an arms control agreement enters into force.

I. NARRATIVE DESCRIPTION: (cont.)

The DTRTCA's FY 1999 budget submission for OSIA reflects the latest revisions to treaty EIF dates as well as the latest assumptions for inspection and compliance requirements:

BUDGET TREATY ASSUMPTIONS

Treaty	Assumption	Treaty	Assumption
INF	Steady State	BW	EIF: NET 1 January 1998
START	EIF: 5 December 1994; Baseline Completed 30 June 1995; Other Inspection Activities Continue	Open Skies	EIF: 2nd/3rd Quarter, FY 1998
START II	EIF: 2nd/3rd Quarter, FY 1998	STI	EIF: 1 July 1998
CFE	Activity Continues	Plutonium	EIF: 23 September 1997
NTBT	-TTBT Standdown -CTBT EIF: January 1999	Counterproliferation (FBI & Customs)	EIF: 1 December 1996
CW	MOU Phase II - 13 January 1994 CWC EIF: 29 April 1997 BDA EIF: - Storage: NET January 2000 * - Production: NET January 2000 * - Monitoring: NET January 2000 *		

* The official DoD planning assumption for CW BDA remains as NET January 1999; however, this budget submission proposes to slip the EIF date for budget purposes only to NET January 2000 to reflect DTRTCA's increased financial risk.

The DTRTCA is playing an expanding role in providing technical and logistical support to the CTR Program. Reimbursable funding is provided under the Nunn-Lugar legislation for these missions. Examples of our efforts include providing escort, logistics, and interpreter support to joint U.S.-Russian Federation planning evaluation, training, and other programs designed to promote implementation of a Russian CW destruction program; furnishing translator and interpreter services for emergency equipment deliveries and other CTR planning; and providing technical expertise to U.S. CTR delegations.

I. NARRATIVE DESCRIPTION: (cont.)

D. Office of the Secretary of Defense (OSD) Programs/Elements:

1. Staff Office Changes: The Office of the Assistant to the Secretary of Defense (Nuclear and Chemical and Biological Defense Programs) (OATSD(NCB)) will also be disestablished and merged into DTRTCA. The OATSD(NCB) will transfer to DTRTCA the functions and associated resources related to the programs listed below. The Office of the Under Secretary of Defense (Acquisition and Technology) (OUSD(A&T)) will transfer to DTRTCA specific functions and associated resources. The Office of the Under Secretary of Defense (Policy) (OUSD(P)) will transfer to DTRTCA specific functions and associated resources.

2. Program Changes: The OSD staff offices listed above will transfer to DTRTCA the Defense Against Weapons of Mass Destruction (WMD) Initiative, the Warsaw Initiative/Partnership for Peace (PfP) Program, the Arms Control Implementation and Compliance office, the Multinational Technology Programs, the Committee on Foreign Investment in the United States, the Cooperative Threat Reduction (CTR) Program, the Nuclear Treaty Programs, and Counterproliferation Programs. Management of the Chemical Demilitarization Program, however, will not be included in the functions transferred to DTRTCA.

II. DESCRIPTION OF OPERATIONS FINANCED:

A. Defense Special Weapons Activity (DSWA):

1. Defense Nuclear Weapons School: DNWS funding supports civilian salaries and benefits for the schools assistant dean/health physicist, registrar, and secretary, mission essential travel for DNWS instructors and travel costs required for DNWS guest lecturers. Funding also provides for shipment of nuclear trainers and associated equipment, course material supplies, equipment maintenance of system trainers and exhibits in the classified weapons display area. To keep personnel costs down, DNWS purchases distance learning, multimedia and automated data processing equipment. Support contracts are required for specialized laundry services to remove radioactive particles from the protective clothing used at the DNWS contaminated field exercise site, for classified storage igloos for weapons display area spares and for new nuclear trainers and equipment, and for calibration services for all radiological survey instruments.

2. WMD Operations and Support: Normal day-to-day operating expenses of both the former Defense Special Weapons Agency in Washington, DC, and Field Command in Albuquerque, New Mexico, comprise a major portion of the Operation and Maintenance (O&M) cost. These expenses include civilian salaries and benefits, travel, building rental, communications, supplies, equipment, printing and reproduction, and

II. DESCRIPTION OF OPERATIONS FINANCED: (cont.)

contractual services that support administration of the Nuclear Test Personnel Review (NTPR) program, the Radiation Experimentation Command Center (RECC), force protection vulnerability assessment teams, and management of agency missions to include nuclear effects research and operational support.

3. Stockpile Management: The principal O&M cost is the pay of civilian personnel necessary to carry out the assigned mission. Other costs relate to automatic data processing operations in support of nuclear weapons accounting and reporting, travel and supplies.

4. Johnston Atoll: Costs provide for base support functions for the U.S. Army's chemical munitions demilitarization mission and other activities on the island.

5. Emergency Response Planning (ERP) and Exercise Program: Costs involve travel of personnel, special aircraft missions, transportation, contractual services, and supplies to support the accident/Improvised Nuclear Device (IND) incident scenario. This involves the conduct of a large-scale exercise each year, with accident and IND incident exercises held in alternating years.

6. Nuclear Treaty Programs: Major costs include salaries and benefits associated with civilian personnel supporting the nuclear treaty mission as well as contractual support associated with operating and maintaining IMS sensor stations.

B. Defense Technology Security Activity (DTSA):

The DTSA component of DTRTCA develops and implements DoD policies on international transfers of defense-related goods, services, and technologies to ensure that: (1) critical U.S. military technological advances are preserved; (2) transfers of defense-related technology which could prove detrimental to U.S. security interests are controlled and limited; (3) proliferation of WMD and their means of delivery is prevented; and, (4) legitimate defense cooperation with foreign allies and friends is supported. The DTSA manages and implements the programs outlined in DoD Directive 2040.2, including:

-- Determining DoD positions on over 20,000 export license applications per year for both military and dual-use goods and technologies which are referred respectively by the Departments of State and Commerce;

-- Developing technology security policies on the releasability of defense-related systems and technologies to allies and friends, including performing the technical analyses used in developing export control lists and associated regulations;

II. DESCRIPTION OF OPERATIONS FINANCED: (cont.)

-- Participating in international export negotiations covering arms, dual-use technologies, and nuclear, chemical, biological, and missile technologies;

-- Providing technical support to U.S. Government intelligence and enforcement agencies to prevent unauthorized defense-related technology transfers;

-- Determining DoD positions on interagency reviews of foreign investments in U.S. defense-related companies as required by law; and,

-- Providing DoD support for export control assistance to the former Soviet Union and other countries under Nunn-Lugar and other programs.

C. On-Site Inspection Activity (OSIA):

The OSIA component of DTRTCA, located at Dulles International Airport, has field offices throughout the country and overseas to facilitate accomplishment of its primary mission of conducting on-site inspections and continuous monitoring at specified foreign facilities, and coordinating and conducting escort activities for foreign inspectors at designated U.S. facilities under the provisions of seven different treaties. Budget estimates reflect requirements resulting from on-going inspection, escort and continuous monitoring operations of the INF Treaty, and preparation and implementation costs for START and START II, which includes provision for continuous monitoring in addition to inspection and escort requirements. The OSIA also has responsibility for preparation and implementation of the CFE Treaty that, like INF, had an intense baseline period of inspections already completed in FY 1993. The bilateral and multilateral chemical weapons agreements also fall to OSIA to prepare to implement inspection/escort regimes. By DoD Directive, OSIA was tasked to prepare for the OS Treaty. In addition to treaty implementation, OSIA has non-treaty oriented missions such as the CSBM, DTIRP, TEI, Plutonium Agreement, and Counterproliferation programs and has been designated the Executive Agent of the Department of Defense to the United Nations Special Commission (UNSCOM) on Iraq. Planning and preparation also continues for activities anticipated under the STI and BW. Expenses for supporting OSIA's mission are primarily identifiable in six major areas: inspection/escort missions; continuous monitoring; foreign chargeback/inspected party payments; mock/training; operational support; and general and administrative support.

1. Inspection/Escort Missions: To conduct inspection missions, DTRTCA augments its inspector cadre with technical specialists on temporary duty to DTRTCA from the Military Services and other U.S. Government Departments and Agencies. Each inspection team is specifically tailored for the facility it will inspect. The DTRTCA escort teams are also organized with the scope of their mission in mind. Upon the

II. DESCRIPTION OF OPERATIONS FINANCED: (cont.)

arrival of inspection teams at a U.S. point of entry, the DTRTCA team chief acts as the official United States Government representative charged with interacting with the Commonwealth of Independent States (CIS) inspection team chief. At a U.S. point of entry, the escort team coordinates all necessary assistance by personnel from the U.S. Customs Service, the Department of Immigration and Naturalization, and the Department of Agriculture. Upon arrival at a U.S. base, DTRTCA escorts are augmented by local personnel who provide site-specific expertise to the effort. Escort and inspection duties can be interchangeable.

2. Continuous Monitoring: In Votkinsk, Russia, DTRTCA portal perimeter monitoring teams perform their production facility inspection mission provided for in the INF Treaty. The living facilities for the U.S. inspectors are immediately outside the gate of the Votkinsk Machine Building Plant. To conduct their inspection mission, DTRTCA personnel perform inspections of vehicles large enough to contain former Soviet SS-20 missiles, which are banned by the INF Treaty and were formerly assembled in the Votkinsk Plant. In addition to measurements and visual observation, the Cargoscan X-ray system permits the U.S. to image the contents of every SS-25 missile canister leaving the plant to ensure that no prohibited missiles are shipped from the facility. When START entered into force on 5 December 1994, the Votkinsk Machine Building Plant began having items of inspection attributable to both the INF and START Treaties; therefore, this budget submission reflects a sharing of costs between INF and START, beginning with FY 1996. At the Alliant Techsystems Plant in Utah, the portal perimeter monitoring team from the former Soviet Union is escorted around-the-clock by OSIA escorts. This team is allowed by the INF Treaty to inspect any vehicle leaving the monitored perimeter area of the Alliant Plant if that vehicle is large enough to contain the first stage of the Pershing II missile, which was formerly produced at the Alliant plant. These inspectors, escorted by OSIA personnel, exercise inspection rights according to the Treaty's Inspection Protocol. These rights are designed to ensure that the inspecting party can gather information to monitor provisions of the Treaty without compromising the rights of the inspected party to protect the legitimate privacy of its missile production process. Under START, monitoring functions at Pavlograd terminated 31 May 1995. It is envisioned that operation of Perimeter Portal Continuous Monitoring (PPCM) facilities under CW will be required. Differences will be dictated by location.

3. Foreign Chargeback/Inspected Party Payments: This budget reflects requirements for estimated U.S. reimbursement payments for the INF, START I/II, CFE, CW, and OS Treaties in accordance with the Agreement on the Settlement of Accounts as identified in the Protocol to the Treaties (Foreign Chargeback) and the Joint Statements of Policy on Reimbursement of Inspection Cost (Inspected Party Payments).

4. Mocks/Training: The most significant lesson learned from the INF Treaty is that early preparation is essential for successful implementation of on-site inspections. Mock inspections provide an opportunity for DTRTCA to role-play as inspectors and to exercise and sensitize the inspectable-site personnel

II. DESCRIPTION OF OPERATIONS FINANCED: (cont.)

before the actual inspection takes place. Mock inspections have enabled us to refine our operations and to standardize procedures at very diverse facilities and to educate teams from other treaty signatories. In preparing for START and START II, DTRTCA conducted staff assistance visits and mock inspections at U.S. facilities subject to inspection. Under CFE, mock inspections were commonly called trial inspections. The trial inspections conducted have been invaluable. The OSIA gained valuable training on underground nuclear testing while escorting Russian inspectors at the Nevada Test Site and participating in the familiarization visit at Novaya Zemlya. In preparation for our OS mission, we are conducting mock flights and mock certifications using U.S. Air Force OC-135s. Under CW, mock inspections are being performed in conjunction with Service components of the Army, Navy, and Air Force at various U.S. chemical storage and former production sites.

5. Operational Support: Operational Support requirements encompass unique treaty specific costs that apply to both inspection and escort missions (deployable costs), such as personnel, unique treaty training, travel and per diem, unique supplies, conferences, and site assistance visits. Also included are support costs for DTRTCA personnel that actually manage DTRTCA's inspection, escort, and monitoring missions at eight operational detachments worldwide.

6. General and Administrative Support (G&A): General and Administrative functions, which are approximately nine percent of the total OSIA program in FY 1997-FY 1999, represent OSIA's true overhead costs and include such functions as comptroller, personnel, legal counsel, and inspector general. A portion of General and Administrative support is allocated to each of the treaties, based on the workload of each treaty, to reflect all OSIA resource requirements against treaty workloads. The level of OSIA resources dedicated to general and administrative support is relatively stable in FY 1997-FY 1999.

D. Office of the Secretary of Defense (OSD) Programs:

1. Defense Against Weapons of Mass Destruction (WMD) Initiative: This funding is for the purpose of implementing the Weapons of Mass Destruction Act of 1996 in the area of domestic preparedness for a WMD emergency. Activities in four broad categories are funded:

a. General Preparedness: This includes providing training and other expert assistance to other federal agencies and state, city and local officials who would be involved in the event of a WMD emergency. Funding is also provided for a help/hotline administered by the Coast Guard and the development of a database on types of WMD and assistance required after exposure.

II. DESCRIPTION OF OPERATIONS FINANCED: (cont.)

b. Exercises: One or two joint exercises each year are planned with DoD, Department of State, state and local government, Environmental Protection Agency, and Federal Emergency Management Agency.

c. Rapid Response Team: The DoD is responsible for the creation and maintenance of a rapid response team for deployment to any WMD emergency site.

d. Program Management: Overhead and program management expenses for the Army Material Command's Chemical and Biological Defense Command.

2. Warsaw Initiative/Partnership for Peace (PfP) Program: This program provides assistance to former Warsaw Pact member nations in central and eastern Europe to enable them to better participate in common European defense arrangements. The main forms of assistance provided are studies, exchange programs, and exercises.

a. Studies and Exchange Programs: Policy and execution of Warsaw Initiative/ PfP funding not devoted to joint exercises will continue to be controlled by the Office of the Assistant Secretary of Defense, International Security Affairs (ISA), European Policy. The DTRTCA will provide support to this office in planning, programming, budgeting, and executing this funding. The DTRTCA will prepare budget submissions and will provide funding, contracting, and other necessary business support for execution.

b. Joint Exercises: Policy direction for two major exercises per year is given for this program by the Joint Staff, in coordination with the OSD staff. The DTRTCA will also provide programming and budget support for this portion of the Warsaw Initiative/ PfP funding.

3. Cooperative Threat Reduction (CTR) Program: Oversight and policy functions will be transferred from OUSD(P) and OATSD(NCB) to DTRTCA. The responsibility for managing, budgeting, and executing the CTR appropriation will also transfer to DTRTCA. These functions involve expenses for payroll, overhead (travel, supplies, and equipment), and program management.

4. Miscellaneous Programs: Subject to the overall direction and control of the Special Access Program (SAP) Coordination Office, the arms control policy development and oversight functions for SAP's will transfer from OUSD(P) to DTRTCA. These functions involve new expenses for payroll, overhead, and program management in DTRTCA. Several OUSD(A&T) functions will be transferred to DTRTCA which involve payroll, overhead, and program management expenses for Arms Control Implementation and Compliance (ACI&C); Multinational Technology Programs; and, Committee on Foreign Investment in the U.S.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION

III. FINANCIAL SUMMARY ($000):

A. ACTIVITY GROUP	FY 1998 Current Estimate	FY 1999 Estimate
1. DNWS	0	914
2. WMD OPERATIONS & SUPPORT	0	56,044
3. STOCKPILE MANAGEMENT	0	5,208
4. JOHNSTON ATOLL	0	19,528
5. ERP & EXERCISE PROGRAM	0	7,798
6. NUCLEAR TREATY PROGRAMS	0	1,945
7. DEFENSE TECHNOLOGY SECURITY	0	10,560
8. INF	0	11,986
9. START	0	16,244
10. START II	0	6,593
11. CFE	0	8,136
12. NTBT	0	1,670
13. CW	0	30,784
14. OPEN SKIES	0	7,031
15. STI	0	381
16. DEFENSE AGAINST WMD	0	49,869
17. WARSAW INITIATIVE/PfP	0	53,992
18. OTHER DTRTCA MISSIONS	0	16,062
TOTAL	0	304,745

B. RECONCILIATION SUMMARY ($000):

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	0
Price Change	0	0
Reprogramming/Functional Transfers	0	280,335
Program Changes	0	24,410
Current Estimate	0	304,745

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
SUMMARY PRICE AND PROGRAM CHANGES
($ IN THOUSANDS)

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	FY 1999 PRICE GROWTH AMT	FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	0	0	58752	58752
Wage Board	0	0	233	233
Voluntary Separation Incentive Pay	0	0	158	158
Disability Compensation	0	0	80	80
TOTAL CIVILIAN PERSONNEL COMP	**0**	**0**	**59223**	**59223**
Travel of Persons	0	0	26095	26095
TOTAL TRAVEL	**0**	**0**	**26095**	**26095**
DFSC Fuel	0	0	691	691
GSA Managed Supplies & Materials	0	0	200	200
Locally Procured DoD Managed Supplies & Materials	0	0	27	27
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**918**	**918**
GSA Managed Equipment	0	0	45	45
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**0**	**0**	**45**	**45**
Communications Services (DISA)	0	0	1615	1615
Defense Financing & Accounting Services	0	0	1549	1549
TOTAL OTHER REVOLVING FUND PURCHASES	**0**	**0**	**3164**	**3164**
MAC Cargo (DBOF)	0	0	5	5
MAC SAAM/JCS Exercises Program (DBOF)	0	0	5768	5768
Commercial Transportation	0	0	899	899
TOTAL TRANSPORTATION	**0**	**0**	**6672**	**6672**
Rental Payments to GSA Leases (SLUC)	0	0	6593	6593
Purchased Utilities (non-DBOF)	0	0	757	757
Purchased Communications (non-DBOF)	0	0	4120	4120
Rents (non-GSA)	0	0	361	361
Postal Services (U.S.P.S.)	0	0	163	163
Supplies & Materials (non-DBOF)	0	0	3876	3876
Printing & Reproduction	0	0	81	81
Equipment Maintenance by Contract	0	0	3642	3642
Facility Maintenance by Contract	0	0	1833	1833
Equipment Purchases (non-DBOF)	0	0	3161	3161
Contract Consultants	0	0	239	239
Studies, Analysis & Evaluations	0	0	1273	1273
Engineering & Technical Services	0	0	2360	2360
Locally Purchased Fuel (non-SF)	0	0	183	183
Other Intra-Governmental Purchases	0	0	12	12
Other Contracts	0	0	56971	56971
Other Costs	0	0	123003	123003
TOTAL OTHER PURCHASES	**0**	**0**	**208628**	**208628**
GRAND TOTAL	**0**	**0**	**304745**	**304745**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION

D. RECONCILIATION OF INCREASES AND DECREASES ($000):

1.	FY 1998 President's Budget Request		0
2.	Congressional Adjustments		
	a. Arms Control	0	
	b. Other	0	
	Total Congressional Adjustments		0
3.	FY 1998 Appropriated Amount		0
4.	Other Programmatic Adjustments		0
5.	FY 1998 Current Estimate		0
6.	Price Growth		0
7.	Functional Program Transfers		
	Transfers In:		
	a. DSWA As part of this budget submission, DSWA's funding and manpower resources programmed for FY 1999 and out are transferred to DTRTCA in compliance with the Defense Reform Initiative (DRI).	88,641	
	b. DTSA As part of this budget submission, DTSA's funding and manpower resources programmed for FY 1999 and out are transferred to DTRTCA in compliance with the DRI.	10,648	
	c. OSIA As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to DTRTCA in compliance with the DRI.	95,862	

D. RECONCILIATION OF INCREASES AND DECREASES ($000): (cont.)

d. OSD/WHS As part of this budget submission, the funding and manpower resources for OSD staff offices funding resources and the funding from WHS in support of various OSD staff offices programmed for FY 1999 and out are transferred to DTRTCA in compliance with the DRI.	85,121	
e. Defense Reform Initiative - Joint Program Transfers two billets (one Army civilian and one Navy officer) from U.S. European Command (USEUCOM) Headquarters to DTRTCA as part of the DRI to restructure the DoD/Joint Staff programs.	63	
Total Transfers In		280,335
Transfers Out:		
Total Transfers Out		0
Total Functional Program Transfers		280,335

D. RECONCILIATION OF INCREASES AND DECREASES ($000): (cont.)

8. Program Increases

a.	INF Continuous Monitoring Inspection Missions	278	
b.	START II Conversion/Elimination	268	
c.	CFE Declared Sites	313	
d.	CFE Destruction Missions	303	
e.	CW Escort Missions	9,024	
f.	STI Inspection/Escort Missions	14	
g.	DNWS - Education and Training	172	
h.	WMD Operations and Support-Other Contracts	3,672	
i.	WMD Operations and Support-General Operating Costs	132	
j.	WMD Operations and Support-ADP Equipment	178	
k.	WMD Operations and Support-DFAS Operations Cost Adjustment	855	
l.	Stockpile Management-Equipment Maintenance	78	
m.	Johnston Atoll-Equipment	204	
n.	Johnston Atoll-General Operating Costs	176	
o.	ERP-Nuclear Weapons Accident Field Training	1,295	
p.	ERP-Travel Support and Equipment Costs	224	
q.	Nuclear Treaty Programs-Contractual Costs	257	
r.	Technology Security Travel Costs	200	
s.	Technology Security Equipment Purchases	185	
t.	Defense Against WMD Initiative	5,964	
u.	Warsaw Initiative/PfP Program	15,375	
	Total Program Increases		39,167

D. RECONCILIATION OF INCREASES AND DECREASES ($000): (cont.)

9. Program Decreases

a.	DTRTCA 5% Consolidation Savings	-2,946
b.	START New Facility	-41
c.	START Post Dispersal	-389
d.	START II Exhibitions	-38
e.	START II Mock Inspections	-44
f.	CWC OPCW Inspector Training Missions	-474
g.	CWC/BDA Monitoring Rotations	-521
h.	Open Skies Aircraft/Sensor Certification	-85
i.	Counterproliferation (FBI/Customs)	-388
j.	Compliance Monitoring Tracking System (CMTS)	-625
k.	Plutonium Agreements	-105
l.	Biological Weapons (BWO Program	-297
m.	Technical Equipment Inspection (TEI)	-157
n.	Foreign Chargeback	-321
o.	General & Administrative Support	-276
p.	Operational Support	-4,816
q.	DNWS-Civilian Compensation and Travel	-6
r.	WMD Operations and Support-Reduced FTE Levels	-1,450
s.	WMD Operations and Support-Studies, Analyses, and Evaluations	-384
t.	WMD Operations and Support-General Operating Costs	-79
u.	Stockpile Management-Reduction in FTE's/NUMIS Support	-578
v.	Johnston Atoll-Facility Maintenance	-408
w.	Johnston Atoll-General Operating Costs	-39
x.	ERP-General Operating Costs	-14
y.	Nuclear Treaty Programs-Civilian Compensation Costs	-5
z.	Technology Security Civilian FTE Reduction	-246
aa.	Technology Security Transportation Costs	-25

	Total Program Decreases	-14,757
10.	FY 1999 Budget Request	304,745

** Explanations for program changes included in Sub-Activity Group detail and address increases/decreases specific to program/ treaty.

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY:

Due to the diversity of activities within this program, a summary of performance data is not reasonably feasible. As such, detailed information concerning performance criteria and evaluation is presented within each Sub-Activity Group individual program and treaty exhibit.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION SUBMISSION

V. PERSONNEL SUMMARY:

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	0	0	1,082	+1,082
Officer	0	0	566	+566
Enlisted	0	0	516	+516
Civilian End Strength (Total)	0	0	992	+992
USDH	0	0	992	+992
Military Workyears (Total)	0	0	1,082	+1,082
Officer	0	0	566	+566
Enlisted	0	0	516	+516
Civilian Workyears (Total)	0	0	937	+937
USDH	0	0	937	+937

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: Defense Nuclear Weapons School

I. Narrative Description:

The Defense Nuclear Weapons School (DNWS) is the only DoD school for courses that familiarize the U.S. nuclear community with the national nuclear weapons stockpile and the nuclear weapons program. In addition, DNWS also provides training to the global nuclear community in nuclear weapons accident response procedures. To ensure comprehensive training, the DNWS maintains the DoD's only radioactive field training sites as well as an extensive classified nuclear weapons display area. The DNWS trains students from all levels of DoD, federal and state agencies, and allied countries. Current courses are taught either in-house or by Mobile Training teams by resident military instructors and subject matter expert guest lecturers. Two courses offered by the DNWS are presented jointly by the school and Sandia Laboratories. The school provides specialized training to requesting organizations and is posturing itself to be the DoD's Center of Excellence for nuclear and other special weapons matters, with emphasis on technical and operational support to the warfighter. The DNWS is one of the oldest joint organizations, tracing its roots to the Manhattan Project in 1947. Through the years, the school has been a part of the Armed Forces Special Weapons Project, Defense Atomic Support Agency, Defense Nuclear Agency, and the Air Force's Air Education and Training Command. Ownership transferred back to the Defense Special Weapons Agency (DSWA) in October 1993.

As a result of the November 1997 Defense Reform Initiative, resources for FY 1999 and out for this subactivity were transferred from DSWA to the Defense Threat Reduction and Treaty Compliance Agency (DTR&TCA).

II. Description of Operations Financed:

DNWS funding supports civilian salaries and benefits for the school's assistant dean/health physicist, registrar, and secretary, mission essential travel for DNWS instructors and travel costs required for DNWS guest lecturers. Funding also provides for shipment of nuclear trainers and associated equipment, course material supplies, equipment maintenance of system trainers and exhibits in the classified weapons display area. To keep personnel costs down, DNWS purchases distance learning, multimedia and automated data processing equipment. Support contracts are required for specialized laundry services to remove radioactive particles from the protective clothing used at the DNWS contaminated field exercise site, for classified storage igloos for weapons display area spares and for new nuclear trainers and equipment, and calibration services for all radiological survey instruments.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: Defense Nuclear Weapons School

III. Financial Summary ($ Thousands):

A. Subactivity Group:	FY 1998 Budget Request	FY 1999 Budget Estimate
Defense Nuclear Weapons School	0	914

B. Reconciliation Summary:	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding		0
Baseline Funding (Amended)		0
Congressional Adjustments		0
Price Changes		0
Reprogrammings/Transfers	0	748
Program Changes		166
Current Estimate	0	914

C. Price and Program Changes:

	FY 1998 Estimate	Change FY 1998/1999 Price Growth	Change FY 1998/1999 Program Growth	FY 1999 Estimate
1. Exec Gen & Spec Sched	0	0	151	151
2. Travel	0	0	101	101
3. Commercial Transportation	0	0	6	6
4. Supplies & Materials	0	0	0	0
5. Equipment Maintenance	0	0	31	31
6. Equipment Purchase	0	0	0	0
7. Other Contracts	0	0	625	625
Total	0	0	914	914

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: Defense Nuclear Weapons School

III. Financial Summary ($ Thousands): (cont.)

D. Reconciliation of Increases and Decreases:

1.	FY 1998 Current Estimate		0
2.	Functional Program Transfer:		
	Program transfer from DSWA.	748	
	Total Functional Program Transfer		748
3.	Program Increases:		
	Cost of DNWS Education and Training Technology Programs contract modifications increased as a result of additional activities requesting training, and availability of new courses.	172	
	Total Program Increases		172
4.	Program Decreases:		
	Cost for civilian compensation, travel, and equipment maintenance less than anticipated.	- 6	
	Total Program Decreases		- 6
5.	FY 1999 Budget Request		914

Activity Group 4/Subactivity Group: Defense Nuclear Weapons School

IV. Performance Criteria and Evaluation Summary:

The DNWS will teach curriculum material relevant to the national nuclear weapons stockpile, the nuclear weapons program, and nuclear weapons accident/incident response with 80 percent of all DNWS students rating course materials as high quality and relevant to their jobs.

V. Personnel Summary:	FY 1998	FY 1999
Military End Strength		
Officer	0	10
Enlisted	0	17
Total	0	27
Civilian End Strength		
USDH	0	3
Total	0	3
Military Average Strength		
Officer	0	10
Enlisted	0	17
Total	0	27
Civilian FTEs		
USDH	0	3
Total	0	3

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: WMD Operations and Support

I. Narrative Description:

This subactivity group provides those resources necessary for the normal day-to-day operating expenses at both the former DSWA in Washington, DC and at DSWA Field Command located in Albuquerque, NM, excluding Nuclear Stockpile Management functions.

Major objectives include: (1) the effective, efficient management of nuclear and other designated advanced weapons effects RDT&E programs to assure consistency with national policy and the needs of military systems, both existing and under development; (2) providing the Secretary of Defense (SecDef), the Joint Chiefs of Staff (JCS), the Unified and Specified Commands, and other high-level commanders with quantitative assessments of various strategic and theater nuclear employment strategies, policies and doctrines; and (3) nuclear weapons implementation planning to include assessing the requirements for nuclear weapons. In addition, DTR&TCA manages the research in nuclear weapons survivability and security, and furnishes sound management advice and assistance to the SecDef, the JCS, and the Services on all aspects of nuclear weapons safety, security, and survivability. The Agency also develops verification technologies to support the implementation of, and compliance with, arms control treaties and agreements. DTR&TCA manages the DoD nuclear weapons stockpile, consolidates nuclear stockpile data, and furnishes the SecDef, JCS, Military Services, and other users with timely, accurate, and complete nuclear weapons stockpile information. DTR&TCA also conducts Nuclear Weapons Technical Inspections (NWTIs) of all Service nuclear-capable units with a goal of inspecting 20-25% of these units annually. Furthermore, DTR&TCA plans and maintains operation and maintenance of Johnston Atoll. DTR&TCA acts as executive agent for the Nuclear Test Personnel Review (NTPR) Program which addresses all matters pertaining to the participation of DoD personnel in the atmospheric nuclear weapons tests from 1945-62, to include certain WWII-era personnel who were Prisoners of War (POWs) in Japan or involved in the occupation of Japan, as well as "on-site" DoD civilians. DTR&TCA acts as executive agent for the coordination of DoD support to the Department of Health and Human Services (HHS) in developing a uniform U.S. Government approach to the problems associated with exposure to all sources of ionizing radiation (Ionizing Radiation Health Effects (IRHE) Issues Coordination Program). DTR&TCA also develops, coordinates and conducts nuclear accident exercises and other nuclear-related terrorism exercises. DTR&TCA has an operation center to monitor peacetime and wartime crises related to nuclear incidents. This center also encompasses the Joint Nuclear Accident Coordinating Center. DTR&TCA also serves as the executive agency providing acquisition strategy, RDT&E and technical assessment support for the DoD Counterproliferation Initiative, and executes the Cooperative Threat Reduction program.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: WMD Operations and Support

I. Narrative Description: (cont.)

DTR&TCA conducts independent force protection-specific vulnerability assessments of DoD installations and sites. These assessments are intended to provide an independent assessment capability to assist local commanders, on site, to identify force protection deficiencies and determine appropriate remedies that will mitigate the effects of future terrorist incidents. Vulnerability assessments are intended as a Commander's tools to provide him with an assessment of his organization's vulnerabilities.

As a result of the November 1997 Defense Reform Initiative, resources for FY 1999 and out for this subactivity group were transferred from DSWA to DTR&TCA.

II. Description of Operations Financed:

Major costs include salaries, benefits, travel of personnel, building rental, communications, transportation, contractual services, supplies, printing and reproduction, and equipment, to support the DTR&TCA mission.

III. Financial Summary ($ Thousands):

A. Subactivity Breakout:	FY 1998 Budget Request	FY 1999 Budget Estimate
WMD Operations and Support	0	56044

B. Reconciliation Summary:

	Change FY 1998-1998	Change FY 1998-1999
Baseline Funding		0
Baseline Funding (Amended)		0
Congressional Adjustments		0
Price Changes		0
Reprogrammings/Transfers	0	54604
Program Changes	0	1440
Current Estimate	0	56044

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 Amended Budget Estimates

Activity Group 4/Subactivity Group: WMD Operations and Support

III. Financial Summary ($ Thousands): (cont.)

C. Price and Program Changes:	FY 1998 Estimate	Change FY 1998-1999 Price Growth	Program Growth	FY 1999 Estimates
1. Exec Gen & Spec Sched	0	0	25226	25226
2. Wage Board	0	0		
3. Civ. Sep. Incent. Pay	0	0		
4. Disability Compensation	0	0	80	80
5. Total Civ Pers. Comp.	0	0	26306	26306
6. Travel	0	0	3535	3535
7. GSA Supplies	0	0	112	112
8. GSA Equipment	0	0	31	31
9. Communications Services (DISA)	0	0	1033	1033
10. Defense Finance and Accounting Services	0	0	2300	2300
11. Commercial Transportation	0	0	52	52
12. Rental payments to GSA	0	0	2390	2390
13. Purchased Util. (Non Fund)	0	0	726	726
14. Purchased Comm. (Non Fund)	0	0	940	940
15. Rents	0	0	0	0
16. Postage (U.S.P.S.)	0	0	132	132
17. Supplies	0	0	583	583
18. Printing & Reproduction	0	0	10	10
19. Equipment Maintenance	0	0	1342	1342
20. Facility Maintenance	0	0		
21. Equipment Purchases	0	0	895	895
22. Studies, Analysis & Evaluations	0	0	1273	1273
23. Other Contracts	0	0	15384	15384
Total	0	0	56044	56044

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Activity Group 4/Subactivity Group: WMD Operations and Support

III. Financial Summary ($ Thousands): (cont.)

D. Reconciliation of Increases and Decreases:

1.	FY 1998 Current Estimate		0
2.	Reprogrammings/Transfers:		
	TOA Transfer in from DSWA	54604	
	Total Reprogrammings/Transfers		54604
3.	Program Increases:		
	a. Other Contracts increased in support of Joint DoD/DoE Nuclear Weapons Radiation Protection Study Group (JNWRPG) record archival collection and preservation data base upgrades; access control system and guard service contracts in support of Force Protection personnel at the new facility; design services for facility improvement projects and the cost of additional facility repair projects.	3672	
	b. General operating cost increases for travel, equipment purchases, communications services, utilities and supplies.	132	
	c. ADP Equipment costs increased due to required upgrades.	178	
	d. Defense Finance and Accounting Service cost increased as a result of cost of operations rate adjustments.	855	
	Total Program Increases		4837
4.	Program Decreases:		
	a. Civilian pay and disability compensation decrease as a result of reduced FTE levels in FY 1999.	-1450	
	b. General operating costs decreased.	- 79	
	c. Cost decrease in Studies, Analysis & Evaluations resulting from reduced requirements.	- 384	
	d. DTR&TCA Five Percent FTE Consolidation Savings	-1484	
	Total Program Decreases		-3397
5.	FY 1999 Budget Request		56044

Activity Group 4/Subactivity Group: WMD Operations and Support

IV. Performance Criteria and Evaluation Summary:

A. The mission of the DTR&TCA is to be the DoD Center of Excellence for nuclear and other special weapon matters, with emphasis on technical and operational support to the warfighter. The effective and efficient accomplishment of the DTR&TCA mission is predicated on constancy of purpose -- a shared understanding within the agency, its customers, and the suppliers that underwrite the agency's program goals and objectives. A Total Quality Leadership process has been utilized to develop a strategic plan to ensure that activities are appropriately focused and integrated to respond to customer needs. Key to the measurement of success of DTR&TCA mission objectives is meeting the requirements of our customers in the most responsive manner.

B. The workload for the Nuclear Test Personnel Review (NTPR) Program involves (1) establishing and maintaining a repository of personnel data and historical information for atmospheric nuclear weapons test participants and Hiroshima and Nagasaki occupation forces, (2) providing dosimetry information and dose reconstruction methodologies for populations supported by the program, and (3) supporting organizations responsible for administering atomic veterans' benefits (Department of Veterans Affairs and Department of Justice) organizations studying health effects of radiation. The primary measures of workload are (1) the size of the repository maintained, (2) the number of individual cases processed, (3) the number of dose reconstructions performed, and (4) the level of effort to support independent studies by outside agencies. The primary performance criteria are (1) the turn-around time for individual cases processed, (2) the number of cases in process at any given time, and (3) the cost per case processed.

C. Inspection of Nuclear-Capable Units:

V. Personnel Summary:

	FY 1998	FY 1999
Military End Strength		
Officer	0	170
Enlisted	0	65
Total	0	235
Civilian End Strength		
USDH	0	398
Total Direct Hire	0	398
(Reimbursable Civilians included above)	0	(2)

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Activity Group 4/Subactivity Group: WMD Operations and Support

V. Personnel Summary: (cont.)

	FY 1998	FY 1999
Military Average Strength		
Officer	0	170
Enlisted	0	65
Total	0	235
Civilian FTEs		
USDH	0	360
Total Direct Hire	0	360
(Reimbursable Civilians included above)	0	(2)

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Activity Group 4/Subactivity Group: Stockpile Management/Top Secret Support System (TS3)/Global Command and Control System (GCCS)

I. Narrative Description:

This subactivity group provides essential financial and manpower resources in support of the Defense Threat Reduction and Treaty Compliance Agency's (DTR&TCA's) mission to provide consolidated management and data control for the DoD nuclear weapons stockpile. This mission, worldwide in scope, requires DTR&TCA to maintain overall surveillance and provide guidance, coordination, advice, or assistance, as appropriate, for all nuclear weapons in DoD custody from completion of production by the Department of Energy (DoE) through retirement. DTR&TCA, as the exclusive source of data for the complete stockpile, performs this function by maintaining and operating the national nuclear weapons accounting system, the nuclear weapons management information system, and the nuclear reporting system. It also provides for integrated material management for nuclear ordnance items and management of the Federal Cataloging and DoD Standardization Program for all nuclear ordnance items. In addition, it provides for the evaluation of nuclear weapons safety procedures and development of new procedures for safe storage, transport and maintenance of nuclear munitions. It also monitors all aspects of weapons programs relating to quality assurance throughout the stockpile life of each weapon.

The long-range goal and major objective of this program is to provide timely, accurate, and complete nuclear weapons stockpile information to the Secretary of Defense, Joint Chiefs of Staff, the Military Services and others. To achieve this goal, DTR&TCA must maintain an accurate file on each weapon in the stockpile including serial number, location, application, configuration, and condition to assure that the complete status of all DoD nuclear weapons is known at all times.

As a result of the November 1997 Defense Reform Initiative, resources for FY 1999 and out for this subactivity were transferred from DSWA to DTR&TCA.

II. Description of Operations Financed:

Principal costs involve the pay of civilian personnel and costs of the DTR&TCA Worldwide Military Command and Control System (WWMCCS), and its follow-on, the GCCS, and other Automatic Data Processing (ADP) operations in support of the Nuclear Weapons Accounting and Reporting systems and the Nuclear Integrated Material and Cataloging System. Other costs relate to travel of personnel, rents and utilities, equipment maintenance, supplies, and other administrative support.

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Activity Group 4/Subactivity Group: Stockpile Management/Top Secret Support System (TS3)/Global Command and Control System (GCCS)

III. Financial Summary ($ Thousands):

A. Subactivity Group:	FY 1998 Budget Request	FY 1999 Budget Estimate
Stockpile Management	0	5208

B. Reconciliation Summary:	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding		0
Baseline Funding (Amended)		0
Congressional Adjustments		0
Price Changes		0
Reprogrammings/Transfers	0	5708
Program Changes	0	- 500
Current Estimate	0	5208

C. Price and Program Changes:

	FY 1998 Estimate	Change FY 1998-1999 Price Growth	Program Growth	FY 1999 Estimate
1. Executive, General and Spec Schedules	0	0	3313	3313
2. Travel	0	0	190	190
3. Commercial Transportation	0	0	1	1
4. Equipment Maintenance	0	0	190	190
5. Equipment Purchases	0	0		
6. Other Contracts	0	0	1514	1514
Total	0	0	5208	5208

Activity Group 4/Subactivity Group: Stockpile Management/Top Secret Support System (TS3)/Global Command and Control System (GCCS)

III. Financial Summary ($ Thousands): (cont.)

D. Reconciliation of Increases and Decreases:

1. FY 1998 Current Estimate		0
2. Functional Program Transfer:		
Program transfer from DSWA.	5708	
Total Functional Program Transfer		5708
3. Program Increases:		
Equipment maintenance increase due to expiration of ADP equipment warranty.	78	
Total Program Increases		78
4. Program Decreases:		
Decrease associated with a reduction in FTEs in a change in requirements for NUMIS computer support maintenance.	- 578	
Total Program Decrease		- 578
5. FY 1999 Budget Request		5208

IV. Performance Criteria and Evaluation Summary:

The workload for the Stockpile Management subactivity group is primarily related to developing policies and procedures to be followed by CINCs and Services worldwide; monitoring the status of weapons, weapon issues and components, and developing, maintaining, fielding and providing day-to-day support for automated systems which are used to manage the nuclear weapons stockpile during peace, crisis and war. Tracking nuclear weapons requires 100 percent accuracy and can never be minimized regardless of the numbers of weapons or components. The key to measurement of success is that the status and location of the DoD nuclear weapons stockpile is known at all times and the components to support these weapons are available when and where they are needed.

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Activity Group 4/Subactivity Group: Stockpile Management/Top Secret Support System (TS3)/Global Command and Control System (GCCS)

V. Personnel Summary:

	FY 1998	FY 1999
Military End Strength		
Officer	0	21
Enlisted	0	14
Total	0	35
Civilian End Strength		
USDH	0	70
Total	0	70
Military Average Strength		
Officer	0	21
Enlisted	0	14
Total	0	35
Civilian FTEs		
USDH	0	65
Total	0	65

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Activity Group 4/Subactivity Group: Johnston Atoll

I. Narrative Description:

This subactivity group provides the necessary financial and manpower support to maintain Johnston Atoll. The historical role of the former Defense Special Weapons Agency at Johnston Atoll was one of a "caretaker," expending only the minimum resources required to meet the Safeguard C contingencies to the 1963 Limited Test Ban Treaty. Resources for Safeguard C activities on Johnston Atoll were eliminated by Congressional action in FY 1994. DTR&TCA continues to perform a host management role at Johnston Atoll, providing base support for the Army's chemical munition demilitarization mission and other activities on the island.

As a result of the November 1997 Defense Reform Initiative, resources for FY 1999 and out for this subactivity group were transferred from DSWA to DTR&TCA.

II. Description of Operations Financed:

Actual operations and maintenance at Johnston Atoll are performed for DTR&TCA by a civilian contractor. A small detachment of DTR&TCA military personnel oversee contract operations on the Atoll. DTR&TCA provides administrative and logistic support to other military organizations located on Johnston Atoll in accordance with host/tenant and other support agreements. Included in this mission are normal base support functions, marine operations and unique requirements for life support at this remote facility in the Pacific. The requirement to provide support for the national chemical weapons program impacts greatly on the amount and type of support currently available and provided to other active tenant missions.

III. Financial Summary ($ Thousands):

A. Subactivity Group:	FY 1998 Budget Request	FY 1999 Budget Estimate
Johnston Atoll	0	19528

B. Reconciliation Summary:	Change FY 1998-1998	Change FY 1998/1999
Baseline Funding		0
Baseline Funding (Amended)		0
Congressional Adjustments		0
Price Changes		0
Reprogrammings/Transfers	0	19595
Program Changes	0	- 67
Current Estimate	0	19528

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Activity Group 4/Subactivity Group: Johnston Atoll

III. Financial Summary ($ Thousands): (cont.)

C. Price and Program Changes:

		FY 1998 Estimate	Change FY 1998/1999 Price Growth	Program Growth	FY 1999 Estimate
1.	Exec Gen & Spec Sched	0	0	71	71
2.	Travel	0	0	275	275
3.	DFSC Fuel	0	0	691	691
4.	AF Depot Maintenance	0	0	0	0
5.	Communications Services (DISA)	0	0	582	582
6.	Total Fund Purchases	0	0	582	582
7.	Commercial Transportation	0	0	603	603
8.	Purchased Comm. (Non Fund)	0	0	1026	1026
9.	Supplies	0	0	1631	1631
10.	Facility Maintenance	0	0	1777	1777
11.	Equipment Purchases	0	0	406	406
12.	Other Contracts	0	0	12466	12466
	Total	0	0	19528	19528

D. Reconciliation of Increases and Decreases:

1.	FY 1998 Current Estimate		0
2.	Functional Program Transfer:		
	Program transfer from DSWA.	19595	
	Total Functional Program Transfer		19595

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Activity Group 4/Subactivity Group: Johnston Atoll

III. Financial Summary ($ Thousands): (cont.)

D. Reconciliation of Increases and Decreases: (cont.)

3. Program Increases:		
a. Equipment cost increase for purchase of scheduled replacement vehicles.	204	
b. General operating cost increase for supplies, commercial transportation and communication services, to include purchased communications.	176	
Total Program Increases		380
4. Program Decreases:		
a. Facility Maintenance cost decrease associated with completion of facility improvement projects in FY 1998.	-408	
b. General operating cost decrease for travel, fuel, and salary.	- 39	
Total Program Decreases		- 447
5. FY 1999 Budget Request		19528

IV. Performance Criteria and Evaluation Summary:

	FY 1999
A. Island Population:	1324
B. Cargo Received (amount in tons):	11508

V. Personnel Summary:

	FY 1999
Military End Strength	
Officer	9
Enlisted	13
Total	22
Military Average Strength	
Officer	9
Enlisted	13
Total	22

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Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

I. Narrative Description:

A. The Defense Threat Reduction and Treaty Compliance Agency (DTR&TCA) is charged to develop national level plans, policies and procedures to respond to a nuclear weapon accident, Improvised Nuclear Device (IND) incident and acts of terrorism at or on U.S. weapons storage facilities worldwide and to conduct requisite exercises to validate these plans, policies and procedures. DTR&TCA plans and directs a series of exercises deploying nuclear weapon accident/IND incident response elements to worldwide locations to test and evaluate these national level response and coordination procedures. Exercises are based upon a peacetime nuclear weapon accident/IND incident which poses a radiological hazard to life and property. The long term goals and major objectives of these programs are to evaluate and test selected response and coordination procedures which comprise this country's collective capability to deal with peacetime nuclear weapon accidents and IND incidents. This mission requires a continuing series of exercises be conducted in the U.S. and overseas. Exercises provide an excellent vehicle to evaluate various response forces throughout the Federal Government, as well as the response forces of the host nation, when conducted overseas. They are designed to determine the effectiveness of nuclear weapon accident and IND incident response policies, plans, procedures, techniques, and equipment; evaluate the effectiveness of the coordination and communications of all response forces; and to exercise Federal, State and local interfaces which would be required if an actual nuclear weapon event occurred. The ancillary training benefit for all response forces cannot be over emphasized. The broad objectives of these exercises are:

- To evaluate the effectiveness of national plans, policies and procedures for response to a nuclear weapon accident/IND incident in both the United States and foreign countries.

- To evaluate the effectiveness of Department of Defense (DoD) plans, policies and procedures for response to a nuclear weapon accident/IND incident in the U.S. or in a host nation.

- To evaluate command, control, communications and coordination procedures among DoD, Department of State (DoS), and Department of Energy (DoE) response elements within a multi-service, multi-federal agency and host nation response to a nuclear weapon accident/IND incident.

- To evaluate the interface, coordination and command relationships among the Federal, State and local response forces as coordinated through the Federal Emergency Management Agency in the event of a nuclear weapons accident/IND incident.

- To provide a realistic training vehicle for various response organizations involved in a nuclear weapon accident/IND incident either within the U.S., its territories and possessions or in the territorial confines of a host nation.

Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

I. Narrative Description: (cont.)

Significant results from this effort include an overall enhancement of the national capability to respond to nuclear weapon accident/IND incident situations, the publication of the DoD Nuclear Weapon Response Procedures (NWRP) Manual, the continuing validation and modification of a computer driven program to provide decision makers with a cost-benefit analysis of various strategies and methods for restoring a radiologically contaminated accident site, and the development of DoD policies and procedures to accomplish site restoration in a manner that maintains public health and safety, is environmentally sound, technically achievable and politically acceptable.

The DTR&TCA nuclear weapon accident and incident exercise programs are composed of briefings, seminars, symposia, Table-top Exercises (TTX), Command Post Exercises (CPX), and Field Training Exercises (FTX). Major exercises are scheduled in accordance with the five year JCS exercise schedule, and coordinated with relevant organizations through the Joint Nuclear Weapons Accident Exercise Steering Group (JNWAESG) and/or the Joint IND Incident Exercise Coordinating Committee (JIIECC). Other events are scheduled on an as needed basis to be responsive to evolving mission requirements. In addition, DTR&TCA is required to participate in certain exercises under the auspices of the Chairman's Covered Exercise Program. Both accident and IND incident exercises are conducted in CONUS and OCONUS locations in accordance with the above-mentioned JCS exercise schedule and bilateral agreements with host nations.

Another facet was added to the nuclear weapon accident exercise program with the expansion of exercise scope. Previously, exercises concentrated solely on the emergency response phase of nuclear weapon accident response. Site restoration play was limited and unrealistic in the sense that exercise participants attempted to produce a draft site restoration plan within a four day exercise. As a result, many of the policies, procedures and organizational issues concerning site restoration were left unresolved. Starting with EXERCISE DIAGRAM JUMP 94, exercises have been designed to focus on previously neglected aspects of the response process such as site restoration, as well as the still vital emergency response phase.

The mission to develop policies, plans and procedures to respond to an IND incident is newer than the accident response mission and as a result, the associated exercise program is less developed. Initially, these exercises were focused on operational readiness tests at the unit level. Recently however, the exercises have started to address the wider policy, coordination, and procedural issues. It is likely that more exercises will be added in this area as the threat continues to increase.

B. DTR&TCA is the Department of Defense action agency charged with administration and support of the "POPPYSEED" program. Further information can be made available either via briefing or separate correspondence.

Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

I. Narrative Description: (cont.)

C. In addition, DTR&TCA represents DoD on national-level committees establishing radiological emergency response policies and procedures; maintains and trains a Defense Nuclear Advisory Team (DNAT) which supports the DoD On-Scene Commander/Defense Senior Representative in the event of a nuclear weapon accident/IND incident; acts as the DoD executive agent for the DoD hazard assessment system; and provides communications and system automation support to the nuclear weapon accident/IND incident exercise program.

D. At the direction of the Joint Staff, the former DSWA established, developed and DTR&TCA will maintain site characterization packages on all U.S. and overseas land-based U.S. weapons storage sites. This information will be made available for contingency operations and appropriate exercises will be conducted for validation.

E. DTR&TCA supports the Services, CINCs, and other federal agencies in the execution of their own exercise and training programs. DTR&TCA provides technical experts, exercise design specialists, controllers, observers, and players for a variety of exercises relating to the core DTR&TCA mission. A rapidly emerging task is to provide similar support to foreign nations, primarily Eastern Europe and the Republics of the Former Soviet Union.

F. DTR&TCA supports the Office of the Under Secretary of Defense for Policy (OUSD(P)), North Atlantic Treaty Organization (NATO) and Commander in Chief, U.S. Forces Europe (USCINCEUR) disaster preparedness and humanitarian relief programs which respond to an Eastern European, Baltic, or Former Soviet Union Reactor or Nuclear Weapon accident by providing expertise and coordination support for exercises as well as actual incidents.

G. DTR&TCA provides expert support to the DoS Nuclear Accident/Incident Program to train personnel from the DoS and other Federal Agencies in the implementation of Nuclear Weapon (and other Weapons of Mass Destruction) Accidents/Incident procedures.

As a result of the November 1997 Defense Reform Initiative, resources for FY 1999 and out for this subactivity were
transferred from DSWA to DTR&TCA.

II. Description of Operations Financed:

Major costs involve: travel of personnel for exercise planning coordination and conduct; contractual services for document preparation, analysis, evaluation and reports; and supplies and land line/satellite communications facilities to support exercise plan, both within the U.S. and overseas.

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Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

III. Financial Summary ($ Thousands):

	FY 1998 Budget Request	FY 1999 Budget Estimate
A. Subactivity Group:		
Emergency Response Planning and Exercise Program	0	7798

B. Reconciliation Summary:

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding		0
Baseline Funding (Amended)		0
Congressional Adjustments		0
Price Changes		0
Reprogrammings/Transfers	0	6293
Program Changes	0	1505
Current Estimate	0	7798

C. Price and Program Changes:

	FY 1998 Estimate	Change FY 1998/1999 Price Growth	Change FY 1998/1999 Program Growth	FY 1999 Estimate
1. Exec Gen & Spec Sched	0	0	237	237
2. Travel	0	0	1848	1848
3. Supplies	0	0	18	18
4. Equipment Purchases	0	0	122	122
5. Other Contracts	0	0	5573	5573
Total	0	0	7798	7798

Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

III. Financial Summary ($ Thousands):(cont.)

D. Reconciliation of Increases and Decreases:(cont.)

1.	FY 1998 Current Estimate		0
2.	Functional Program Transfer:		
	Program transfer from DSWA.	6293	
	Total Functional Program Transfer		6293
3.	Program Increases:		
	a. The biennial Nuclear Weapons Accident Field Training Exercise is scheduled in FY 1999. This is a full scale exercise and contractual support costs are increased accordingly.	1295	
	b. Increased travel in support of all participants of the exercises, to included CONUS and OCONUS.	219	
	c. General increase in equipment costs.	5	
	Total Program Increases		1519
4.	Program Decreases:		
	General operating costs less than anticipated.	- 14	
	Total Program Decreases		- 14
5.	FY 1999 Budget Request		7798

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Activity Group 4/Subactivity Group: Emergency Response Planning and Exercise Program

IV. Performance Criteria and Evaluation Summary:

	FY 1999
A. Number of Nuclear Weapon Accident Exercises:	
1. Major Field Training Exercises (FTX)	1
2. Field Training Exercisesw (FTX)	1
3. Command Post Exercise (CPX)	0
4. Table Top Exercise (TTX)	0
5. Foreign, Service, and Agency Exercises	4
B. Number of Improvised Nuclear Device Incident Exercises:	
1. Major Field Training Exercise (FTX)	0
2. Field Training Exercises (FTX)	3
3. Command Post Exercises (CPX)	3
4. Table Top Exercise (TTX)	2
5. Foreign, Service, and Agency Exercises	4

V. Personnel Summary:

	FY 1998	FY 1999
Military End Strength		
Officer	0	12
Enlisted	0	4
Total	0	16
Civilian End Strength		
USDH	0	4
Total	0	4
Military Average Strength		
Officer	0	12
Enlisted	0	4
Total	0	16
Civilian FTEs		
USDH	0	4
Total	0	4

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Activity Group 4/Subactivity Group: Nuclear Treaty Programs

I. Narrative Description:

The Defense Threat Reduction and Treaty Compliance Agency (DTR&TCA) is responsible for the development of technology to support DoD activities involving arms control implementation, verification, monitoring and inspection requirements. Included is the requirement to provide a comprehensive and integrated DoD Research, Development, Test and Evaluation (RDT&E) program to support preparation, implementation, compliance, and verification of the Comprehensive Test Ban Treaty (CTBT). This effort supports direction given December 1995 by the Deputy Secretary of Defense (Implementation of the Comprehensive Test Ban Treaty), May 1996 by the Under Secretary of Defense for Acquisition and Technology (Revised Arms Control Treaties and Agreements Planning Assumptions) and the August 1996 Program Decision Memorandum 1 that described funding for CTBT safeguards support and funding required for CTBT Entry Into Force (EIF).

The nuclear treaty program includes the following efforts: CTBT research and development program; U.S. CTBT International Monitoring System (IMS); CTBT International Data Center; U.S. CTBT Interface; implementation and compliance support; and technical support to other nuclear treaties, such as Fissile Material Cutoff and Advanced Nuclear Safeguards. The CTBT element of this program supports signature of the treaty in late CY 96, EIF in 1999, and a Preparatory Commission (to be established within 30 days after signature) responsible for coordinating the implementation of the CTBT verification regime. While the above efforts are primarily funded within the RDT&E appropriation, Operation and Maintenance funds are required for the supporting personnel infrastructure. Additionally, this budget activity supports U.S. obligations to operate and maintain 28 seismic, hydroacoustic, infrasound and radionuclide sensor stations as part of the CTBT IMS.

As a result of the November 1997 Defense Reform Initiative, resources for FY 1999 and out for this subactivity group were transferred from DSWA to the DTR&TCA.

II. Description of Operations Financed:

Major costs include salaries and benefits associated with civilian personnel supporting the nuclear treaty mission, as well as contractual support associated with operating and maintaining IMS sensor stations.

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Activity Group 4/Subactivity Group: Nuclear Treaty Programs

III. Financial Summary ($ in Thousands):

A. Subactivity Group:	FY 1998 Budget Request	FY 1999 Budget Request
Nuclear Treaty Programs	0	1945

B. Reconciliation Summary:	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Baseline Funding (Amended)		0
Congressional Adjustments		0
Price Changes	0	0
Reprogrammings/Transfers	0	1693
Program Changes	0	252
Current Estimate	0	1945

C. Price and Program Changes:	FY 1998 Estimate	Change FY 1998-1999 Price Growth	Change FY 1998-1999 Program Growth	FY 1999 Estimate
1. Exec Gen & Spec Sched	0	0	542	542
2. Other Contracts	0	0	1403	1403
Total	0	0	1945	1945

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Activity Group 4/Subactivity Group: Nuclear Treaty Programs

III. Financial Summary ($ Thousands): (cont.)

D. Reconciliation of Increases and Decreases:

1. FY 1998 Current Estimate		0
2. Functional Program Transfer:		
Program transfer from DSWA.	1693	
Total Functional Program Transfer		1693
3. Program Increases:		
Contractual costs increased as a result of additional IMS sensor stations becoming operational.	257	
Total Program Increases		257
4. Program Decreases:		
Civilian Compensation cost less than anticipated.	- 5	
Total Program Decreases		- 5
5. FY 1999 Budget Request		1945

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Activity Group 4/Subactivity Group: Nuclear Treaty Programs

IV. Performance Criteria and Evaluation Summary:

Performance is measured through the availability of technologies and data necessary to support the implementation, compliance and verification of CTBT and other nuclear treaties.

V. Personnel Summary:	FY 1998	FY 1999
Civilian End Strength		
USDH	0	6
Total	0	6
Civilian FTEs		
USDH	0	6
Total	0	6

I. NARRATIVE DESCRIPTION:

As part of this budget submission, the Defense Technology Security Administration's funding and manpower resources programmed for FY 1999 and out are transferred to the DTR&TCA. A five percent military and civilian personnel savings associated with the DTR&TCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTR&TCA.

II. DESCRIPTION OF OPERATIONS FINANCED:

The Defense Threat Reduction and Treaty Compliance Agency (DTR&TCA), formerly the Defense Technology Security Administration (DTSA) develops and implements DoD policies on international transfers of defense-related goods, services, and technologies to ensure that: (1) critical U.S. military technological advantages are preserved; (2) transfers of defense-related technology which could prove detrimental to U.S. security interests are controlled and limited; (3) proliferation of weapons of mass destruction and their means of delivery is prevented; and, (4) legitimate defense cooperation with foreign allies and friends is supported. DTR&TCA manages and implements the programs outlined in DoD Directive 2040.2 including:

-- Determining DoD positions on over 20,000 export license applications per year for both military and dual use goods and technologies which are referred respectively by the Department of State and Commerce;

-- Developing technology security policies on the releasability of defense-related systems and technologies to allies and friends including performing the technical analyses used in developing export control lists and associated regulations;

-- Participating in international export negotiations covering arms, dual use technologies, and nuclear, chemical, biological, and missile technologies;

-- Providing technical support to U.S. Government intelligence and enforcement agencies to prevent unauthorized defense-related technology transfers;

-- Determining DoD positions on interagency reviews of foreign investments in U.S. defense-related companies as required by law and

-- Providing DoD support for export control assistance to the Former Soviet Union and other countries under Nunn-Lugar and other programs.

II. DESCRIPTION OF OPERATIONS FINANCED (cont.):

DTR&TCA employs 0 civilians and 0 military in FY 1998. The cost of salaries and benefits for the civilian staff and all normal expenses required to operate a government activity are financed by the DTSA budget. Salaries and benefits for the civilian staff, account for approximately two-thirds of the O&M budget. The remainder is used to cover rent, utilities, travel, supplies, equipment, training, and technical engineering ADP support.

DTR&TCA's request reflects virtually a zero growth budget in real terms as adjusted by reductions in civilian end strength. Minor adjustments reflect changes in responsibilities for finance and other activities which have been decentralized throughout DoD.

III. FINANCIAL SUMMARY ($000)

	FY 1997		FY 1998		FY 1999
A. ACTIVITY GROUP	ACTUAL	BUDGET REQUEST	APPRO-PRIATION	CURRENT ESTIMATE	ESTIMATE
DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	0	0	0	0	10,560

B. RECONCILIATION SUMMARY	CHANGE FY 1998/FY 1998	CHANGE FY 1998/FY 1999
BASELINE FUNDING	0	0
CONGRESSIONAL ADJUSTMENTS	0	0
PRICE CHANGES	0	0
FUNCTIONAL PROGRAM TRANSFERS IN	0	10,648
PROGRAM CHANGES	0	-88
CURRENT ESTIMATE	0	10,560

C. FINANCIAL SUMMARY ($000)

		CHANGE FY 1997 / FY 1998			CHANGE FY 1998 / FY 1999			
	FY 1997 ACTUALS	PRICE GROWTH	PROGRAM GROWTH	FY 1998 PROGRAM	FY 1998 PROGRAM	PRICE GROWTH	PROGRAM GROWTH	FY 1999 PROGRAM
CIVILIAN PERSONNEL COMPENSATION								
EX., GEN., & SPECIAL SCHEDULES	0	0	0	0	0	0	6,878	6,878
TOTAL CIVILIAN PERSONNEL COMP.	0	0	0	0	0	0	6,878	6,878
TRAVEL								
TRAVEL OF PERSONS	0	0	0	0	0	0	479	479
OTHER TRAVEL COSTS	0	0	0	0	0	0	0	0
TOTAL TRAVEL	0	0	0	0	0	0	479	479
TRANSPORTATION	0	0	0	0	0	0	0	0
OTHER PURCHASES								
RENTAL PAYMENTS TO GSA (SLUC)	0	0	0	0	0	0	899	899
PURCHASED COMMUNICATIONS	0	0	0	0	0	0	188	188
RENTS (NON-GSA)	0	0	0	0	0	0	30	30
SUPPLIES AND MATERIALS	0	0	0	0	0	0	336	336
PRINTING & REPRODUCTION	0	0	0	0	0	0	0	0
EQUIPMENT MAINTENANCE BY CONT.	0	0	0	0	0	0	1,548	1,548
EQUIPMENT PURCHASES (NON-FUND)	0	0	0	0	0	0	192	192
LEASED VEHICLES	0	0	0	0	0	0	10	10
TOTAL OTHER PURCHASES	0	0	0	0	0	0	3,203	3,203
TOTAL	0	0	0	0	0	0	10,560	10,560

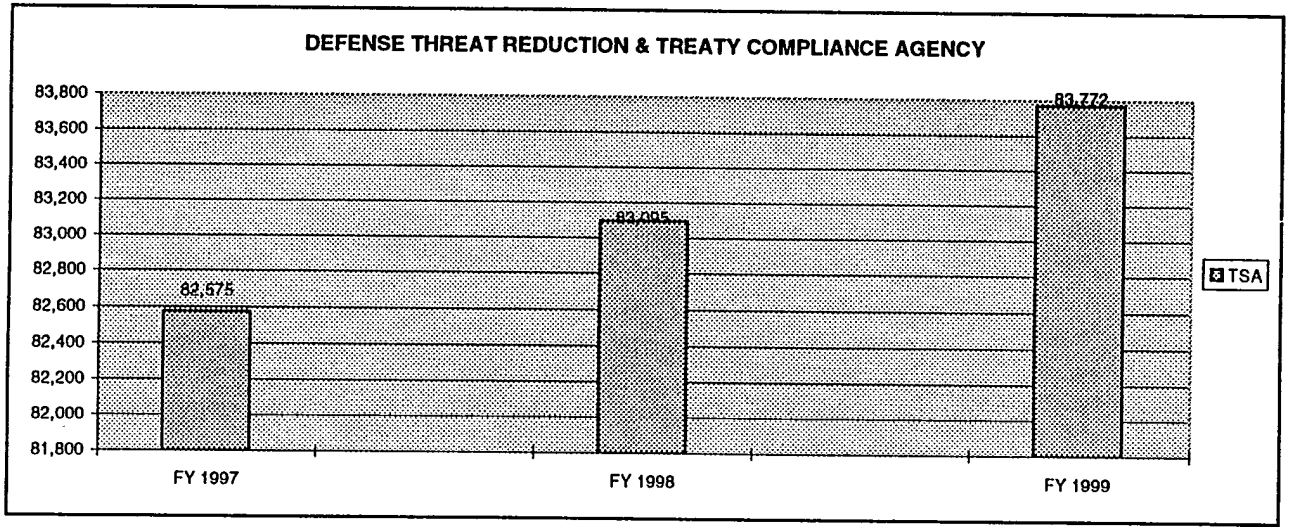
D. RECONCILIATION OF INCREASES AND DECREASES: ($000)

1. FY 1998 CURRENT ESTIMATE		0
2. PRICE GROWTH		0
3. FUNCTIONAL PROGRAM TRANSFER		10,648
4. PROGRAM INCREASES		
TRAVEL: Increased travel costs due to additional foreign travel, including support of the WASSENAAR Arrangement and increased space launch travel.	200	
EQUIPMENT PURCHASES: Increased equipment purchase costs are for civilian and military presonnel transfers due to DTSA merging with the DTR&TCA.	185	
TOTAL PROGRAM INCREASES		385
5. PROGRAM DECREASES		
CIVILIAN PERSONNEL COMPENSATION: a. Decrease in civilian personnel compensation is due to mandated personnel reductions which DTSA has been required to meet for the past severa Fiscal Years.	-246	
b. Decrease in civilian personnel compensation is due to a 5% civilian personnel savings associated with the DTR&TCA consolidation on 1 October 1998.	-202	
TRANSPORTATION: Decrease in transportation costs are due to completion of a civilian Permanent Change of Station, returning to home station (Washington D.C.) from London, England.	-25	
TOTAL PROGRAM DECREASES		(473)
FY 1999 BUDGET REQUEST		10,560

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

These workload performance indicators, or Technology Security Actions (TSAs), represent a wide range of work accomplished by DTSA's five Directorates: Policy, License, Technology, Technology Security Operations, and Resource Management in support of this Office of Secretary of Defense Field Activity. It is noted that, despite the civilian personnel reductions of 5% per year (from FY 1995 through FY 2003), DTR&TCA's workload continues to increase. The TSAs represent a generic weighted unit of measure which allows for the tracking and analysis of our business activity. It is important to note that not every action within DTR&TCA's has been measured as a TSA. The composite number of such actions actually counted, e.g., review and analysis of munitions and dual-use export applications, preparation of policy documents, and technical support to interagency/international negotiations represent a major application of resources to achieve all mission, regulatory and statutory objectives. TSA growth is based on an estimated increase of 6,800 dual-use export licenses in FY 1997 and out-years received from the Department of Commerce. However, many TSAs are devoid of precise performance measurement criteria, e.g., one particular policy development/implementation may take a portion of three professionals a total of one staff week, whereas another may take several staff-months.

	FY 1997	FY 1998	FY 1999
TSA	**82,575**	**83,095**	**83,772**
O&M BUDGET	**$10,466**	**$10,434**	**$10,560**
$/TSA	**$127**	**$127**	**$126**



V. PERSONNEL SUMMARY:

	FY 1997	FY 1998	FY 1999	Change FY 1998 / 1999
ACTIVE MILITARY END STRENGTH (Total)				
OFFICER	0	0	20	21
ENLISTED	0	0	21	22
CIVILIAN END STRENGTH (Total)				
U.S. DIRECT HIRE	0	0	0	74
MILITARY WORKYEARS (Total)				
OFFICER	0	0	20	20
ENLISTED	0	0	21	21
CIVILIAN WORKYEARS (Total)				
U.S. DIRECT HIRE	0	0	67	67

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Intermediate-Range Nuclear Forces Treaty

I. Narrative Description (Statement of Requirements and Mission):

The November 1997 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

The OSIA became operational in FY 1988 and was charged with conducting inspections of Intermediate-Range Nuclear Forces (INF) facilities in the Commonwealth of Independent States (CIS); overseeing CIS inspections of INF facilities in the United States and western Europe; establishment and operation of a Portal Perimeter Continuous Monitoring (PPCM) facility located in the CIS; and providing support for the CIS at the U.S. PPCM facility in Utah.

Two types of inspections are currently being implemented in the INF Treaty: Quotas and Continuous Monitoring. Quota inspections of declared sites are to continue for 13 years after the Treaty entered into force (15 per year through FY 1995; 10 for the next five years; and seven in the final year, FY 2001). Continuous monitoring inspections at the Votkinsk Machine Building Plant are to continue for at least three years and up to 13 years after entry into force (EIF).

The FY 1998 current estimate of $11.9 million for INF is reflected in the FY 1999 Amended Budget Submission and reflects a decrease of $2.4 million from the FY 1998 President's Budget request. The FY 1999 budget request for INF is $12.0 million. The INF funding profile reflects a "steady-state" treaty program, consistent with the INF Treaty Protocol and assumptions.

II. Description of Operations Financed: The DTRTCA (OSIA) has an around-the-clock, 365 days per year operational mission. DTRTCA (OSIA) is located at Dulles International Airport, Washington, DC; the San Francisco Detachment is located at Travis Air Force Base, California; OSIA European Operations is located at Rhein-Main Air Base, Germany; and the Arms Control

Implementation Unit (ACIU) is located at the American Embassy in Moscow. There is a continuous U.S. presence at the PPCM in Russia and an oversight detachment at the PPCM facility in Utah. The DTRTCA (OSIA) also has two gateways for entry into and exit from the CIS: one is an integral part of OSIA European Operations in Germany; the other one is in Yokota Air Base, Japan. Expenses are primarily in the areas of inspections, escort activities, perimeter portal monitoring, linguist support, transportation, facilities, logistics, civilian pay, and other management support.

A. Inspections/Escorts. There are five types of inspection/escort missions: baseline (completed in FY 1998), close out, elimination, quota, and portal monitoring. The only missions remaining in this steady state" treaty are quota and portal monitoring. The DTRTCA (OSIA) staff is augmented by a pool of over 700 specialists from Military Departments, Government Agencies, and private industry. U.S. escorts must accompany the CIS teams at all times during the in-country period. By far, the largest DTRTCA (OSIA) cost for inspections is travel (both commercial and military airlift) and per diem. Special training, monitoring equipment, and unique supplies are also required. The DTRTCA (OSIA) must provide lodging, food and medical care for the team and transportation to and from the site being inspected. In the Continental United States, this transportation is by military airlift or commercial air, commercial bus service, and rental vehicles. In western Europe, transportation is primarily by commercial bus. Military airlift supports inspections in Italy and the United Kingdom.

B. Perimeter Portal Monitoring. Under the INF Treaty, each party has the right to station up to 30 inspectors at the facility where portions of INF-prohibited missiles were assembled. In the CIS, this facility is at Votkinsk. The DTRTCA (OSIA) mans this facility continuously, rotating partial teams of inspectors every three weeks. Transportation is via commercial air for the rotation of the inspectors. Contractual expenses for manning of the portal includes spare parts and maintenance for monitoring equipment, data collection, food services, and other operational support. When the Strategic Arms Reduction Treaty (START) entered into force on 5 December 1994, the Votkinsk Machine Building Plant began having items of inspection attributable to both the INF and the START Treaties; therefore, all costs at Votkinsk are shared by INF and START. At the PPCM in Magna, Utah, DTRTCA (OSIA) provides quarters and warehousing for the CIS teams. The CIS inspection teams rotate every four weeks. They are transported between the point-of-entry at Travis Air Force Base and Magna by commercial air. The San Francisco Detachment provides escort to and from Magna. Contract escorts at the site and security off site is also provided. The DTRTCA (OSIA) is responsible for installation of all CIS equipment and measuring systems, site preparation, electrical power, water, fuel, heating, sewage, communications, quarters repair and maintenance, and transportation of materials and tools.

C. Operational Support. Operational support requirements reflect daily operational costs that are specific to the INF mission (deployable costs) but apply to both inspection and escort missions, such as personnel and training costs, travel/per diem costs, coordinating group meetings and unique supplies.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Intermediate-Range Nuclear Forces Treaty

III. FINANCIAL SUMMARY (O&M $ in Thousands)

		FY 1998			
A. ACTIVITY GROUP	FY 1997 Actuals	Budget Request	Appropriation	Current Estimate	FY 1999 Estimate
1. INF	0	0	0	0	11,986
2. START					
3. START II					
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS					
Total	0	0	0	0	11,986

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	0
Reprogramming/Functional Transfers	0	12,141
Program Changes	0	-155
Current Estimate	0	11,986

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999 FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	0	0	2009	2009
Wage Board	0	0	24	24
Voluntary Separation Incentive Pay	0	0	20	20
TOTAL CIVILIAN PERSONNEL COMP	**0**	**0**	**2053**	**2053**
Travel of Persons	0	0	1190	1190
TOTAL TRAVEL	**0**	**0**	**1190**	**1190**
GSA Managed Supplies & Materials	0	0	11	11
Locally Procured DoD Managed Supplies & Materials	0	0	3	3
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**14**	**14**
GSA Managed Equipment	0	0	3	3
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**0**	**0**	**3**	**3**
Defense Financing & Accounting Services	0	0	31	31
TOTAL OTHER REVOLVING FUND PURCHASES	**0**	**0**	**31**	**31**
MAC Cargo (DBOF)	0	0	1	1
MAC SAAM/JCS Exercises Program (DBOF)	0	0	317	317
Commercial Transportation	0	0	18	18
TOTAL TRANSPORTATION	**0**	**0**	**336**	**336**
Rental Payments to GSA Leases (SLUC)	0	0	397	397
Purchased Utilities (non-DBOF)	0	0	3	3
Purchased Communications (non-DBOF)	0	0	234	234
Rents (non-GSA)	0	0	173	173
Postal Services (U.S.P.S.)	0	0	4	4
Supplies & Materials (non-DBOF)	0	0	146	146
Printing & Reproduction	0	0	6	6
Equipment Maintenance by Contract	0	0	106	106
Facility Maintenance by Contract	0	0	5	5
Equipment Purchases (non-DBOF)	0	0	78	78
Contract Consultants	0	0	28	28
Engineering & Technical Services	0	0	307	307
Locally Purchased Fuel (non-SF)	0	0	3	3
Other Intra-Governmental Purchases	0	0	3	3
Other Contracts	0	0	6320	6320
Other Costs	0	0	546	546
TOTAL OTHER PURCHASES	**0**	**0**	**8359**	**8359**
GRAND TOTAL	**0**	**0**	**11986**	**11986**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Intermediate-Range Nuclear Forces Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 Current Estimate		0
2. Price Growth		0
3. Functional Program Transfers		
Transfers In		
a. Defense Threat Reduction & Treaty Compliance Agency As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	12,141	
b. Defense Reform Initiative-Joint Program	0	
Total Transfers In		12,141
Transfers Out Southwest Asia Contingency Operations Transfers resources from the DTRTCA (On-Site Inspection Agency) Operation & Maintenance, Defense-wide to the Overseas Contingency Operations to support initiatives under the United Nations (UNSCOM) on Iraq.	0	
Total Transfers Out		0
Total Functional Program Transfers		12,141
4. Program Increases		
a. Continuous Monitoring Inspection Missions (FY 1998 Base: $4,092) Continuous monitoring inspections at the Votkinsk Machine Building Plant are to continue up to 13 years after EIF. Costs are shared between INF and START. This increase reflects an adjustment in the program management overhead costs associated with the contract.	278	
Total Program Increases		278
5. Program Decreases		
a. Foreign Chargeback (FY 1998 Base: 331) Foreign Chargeback costs are estimated payments to foreign governments for reimbursement of services provided to U.S. inspectors during treaty inspection missions. Foreign Chargeback cost estimates are based upon individual treaty workloads that have been developed based upon the exchange of bills and payments over the past several years. This decrease reflects the net of expected FY 1999 U.S. payments to foreign governments.	-295	

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

b.	DTRTCA Consolidation Savings - DRI (FY 1998 Base: $2,070) As part of the DRI to establish the DTRTCA, this budget submission reflects a five percent military and civilian personnel savings associated with the DTRTCA consolidation that has been applied to all funding and manpower resources transferred for FY 1999 and beyond. This programmatic decrease reflects the anticipated savings resulting from the DTRTCA consolidation.	-138
	Total Program Decreases	-433
6.	FY 1999 Budget Request	11,986

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Intermediate-Range Nuclear Forces Treaty

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
Quota	0	0	10
Portal Monitoring	0	0	9
TOTAL	0	0	19

Each mission equals one inspection. Quota inspection teams consist of 10 inspectors and PPCM teams, no more than 30 inspectors.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
Quota	0	0	4
Portal Monitoring	0	0	15
TOTAL	0	0	19

The treaty allows for 10 quota inspections per year; however, based on historical data, only four inspections are budgeted in FY 1999.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY	0	0	3

Mock inspection exercises support the readiness level of the INF inspectable sites.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Intermediate-Range Nuclear Forces Treaty

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	0	0	61	+61
Officer	0	0	20	+20
Enlisted	0	0	41	+41
Civilian End Strength (Total)	0	0	32	+32
USDH	0	0	32	+32
Military Workyears (Total)	0	0	61	+61
Officer	0	0	20	+20
Enlisted	0	0	41	+41
Civilian Workyears (Total)	0	0	32	+32
USDH	0	0	32	+32

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty

I. Narrative Description (Statement of Requirements and Mission):

The November 1997 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

The DTRTCA (OSIA) mission includes planning to accomplish inspection and escort activities in accordance with the terms of the Strategic Arms Reduction Treaty (START). This mission requires support in the areas of: inspections, escort activities, Perimeter Portal Continuous Monitoring (PPCM), telecommunications, transportation, facilities, logistics, civilian pay, linguist support, and other management support. This funding will permit OSIA to accomplish its responsibilities with respect to U.S. implementation of the treaty in the time frame specified. START entered into force on 5 December 1994. Monitoring functions at Pavlograd terminated 31 May 1995 and baseline inspections were completed on 30 June 1995.

The FY 1998 current estimate of $17.0 million for START is reflected in the OSIA FY 1999 Amended Budget Submission. The FY 1999 budget request for START is $16.2 million.

II. Description of Operations Financed: Inspections will be conducted in the Commonwealth of Independent States (CIS), and support must be provided for CIS inspections in the United States. The CIS inspection teams will receive logistical support such as transportation, access to communications, billeting and meals, and emergency medical and dental care. In the CIS, maintenance and operation of the U.S. PPCM site entails military airlift costs and the use of contractors to provide technicians, operators, logisticians, support and administrative personnel. In addition to flights into the CIS for this array of inspections, unique inspection/escort equipment is also required. The DTRTCA's (OSIA) European Gateway will provide billeting and support transportation for all inspectors and monitors going into and out of the western CIS. Gateway Yokota, Japan, supports inspectors going into and out of the eastern CIS.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START	0	0	0	0	16,244
3. START II					
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS					
Total	0	0	0	0	16,244

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	0
Reprogramming/Functional Transfers	0	17,233
Program Changes	0	-989
Current Estimate	0	16,244

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	0	0	4176	4176
Wage Board	0	0	46	46
Voluntary Separation Incentive Pay	0	0	37	37
TOTAL CIVILIAN PERSONNEL COMP	**0**	**0**	**4259**	**4259**
Travel of Persons	0	0	2419	2419
TOTAL TRAVEL	**0**	**0**	**2419**	**2419**
GSA Managed Supplies & Materials	0	0	6	6
Locally Procured DoD Managed Supplies & Materials	0	0	6	6
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**12**	**12**
GSA Managed Equipment	0	0	4	4
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**0**	**0**	**4**	**4**
Defense Financing & Accounting Services	0	0	58	58
TOTAL OTHER REVOLVING FUND PURCHASES	**0**	**0**	**58**	**58**
MAC Cargo (DBOF)	0	0	1	1
MAC SAAM/JCS Exercises Program (DBOF)	0	0	2061	2061
Commercial Transportation	0	0	43	43
TOTAL TRANSPORTATION	**0**	**0**	**2105**	**2105**
Rental Payments to GSA Leases (SLUC)	0	0	761	761
Purchased Utilities (non-DBOF)	0	0	24	24
Purchased Communications (non-DBOF)	0	0	464	464
Rents (non-GSA)	0	0	38	38
Postal Services (U.S.P.S.)	0	0	8	8
Supplies & Materials (non-DBOF)	0	0	284	284
Printing & Reproduction	0	0	16	16
Equipment Maintenance by Contract	0	0	88	88
Facility Maintenance by Contract	0	0	16	16
Equipment Purchases (non-DBOF)	0	0	139	139
Contract Consultants	0	0	56	56
Engineering & Technical Services	0	0	583	583
Locally Purchased Fuel (non-SF)	0	0	4	4
Other Intra-Governmental Purchases	0	0	3	3
Other Contracts	0	0	3611	3611
Other Costs	0	0	1292	1292
TOTAL OTHER PURCHASES	**0**	**0**	**7387**	**7387**
GRAND TOTAL	**0**	**0**	**16244**	**16244**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 Current Estimate		0
2. Price Growth		0
3. Functional Program Transfers		
Transfers In		
a. Defense Threat Reduction & Treaty Compliance Agency As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	17,233	
b. Defense Reform Initiative-Joint Program	0	
Total Transfers In		17,233
Transfers Out Southwest Asia Contingency Operations Transfers resources from the DTRTCA (On-Site Inspection Agency) Operation & Maintenance, Defense-wide to the Overseas Contingency Operations to support initiatives under the United Nations (UNSCOM) on Iraq.	0	
Total Transfers Out	0	
Total Functional Program Transfers		17,233
4. Program Increases	0	
Total Program Increases		0
5. Program Decreases		
a. DTRTCA Consolidation Savings - DRI (FY 1998 Base: $4,291) As part of the DRI to establish the DTRTCA, this budget submission reflects a five percent military and civilian personnel savings associated with the DTRTCA consolidation that has been applied to all funding and manpower resources transferred for FY 1999 and beyond. This programmatic decrease reflects the anticipated savings resulting from the DTRTCA consolidation.	-264	
b. New Facility (FY 1998 Base: $141) This decrease reflects a change in gateway locations resulting in the use of commercial air in lieu of military airlift.	-41	
c. Post Dispersal (FY 1998 Base: $450) This decrease reflects a change in gateway locations resulting in the use of commercial air on lieu of military airlift.	-389	

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (cont)

d.	Foreign Chargeback (FY 1998 Base: $499) Foreign Chargeback costs are estimated payments to foreign governments for reimbursement of services provided to U.S. inspectors during treaty inspection missions. Foreign Chargeback cost estimates are based on individual treaty workloads that have been developed based on the exchange of bills and payments over the past several years. This decrease reflects the net of expected FY 1999 U.S. payments to foreign governments.	-202
e.	General & Administrative Support (FY 1998 Base: $1,600) G&A support reflects OSIA's true overhead costs and includes such functions as comptroller, personnel, legal counsel, and inspector general. A portion of G&A is allocated to each of the treaties, based on the workload of each treaty, in order to reflect all OSIA resource requirements against treaties. This decrease reflects START's portion of the total G&A adjustment of $-421 thousand.	-93
	Total Program Decreases	-989
6.	FY 1999 Budget Request	16,244

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

A. INSPECTIONS ACTIVITY	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
New Facility	0	0	1
Baseline	0	0	0
Exhibition	0	0	1
RVOSI	0	0	10
Formerly Declared	0	0	3
Data Update	0	0	13
Suspect Site	0	0	2
Conversion/Elimination	0	0	2
Closeout	0	0	2
Special Right of Access	0	0	1
Post Dispersal	0	0	1
Continuous Monitoring	0	0	9
TOTAL	0	0	45

Treaty EIF determines the scheduling of inspections. Baseline inspections were completed on 30 June 1995. Operations at Votkinsk PPCM reflect a shared responsibility between INF and START beginning with FY 1996. The typical Inspection Team will consist of no more than (NMT) 10 inspectors, except: (1) for conversion/elimination ispections, NMT 20 inspectors; (2) for exhibitions, NMT 15 inspectors for a period of 165 days starting at EIF and NMT 10 inspectors for EIF +165; and (3) for PPCM teams, NMT 30 inspectors.

B. ESCORT ACTIVITY	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
New Facility	0	0	0
Baseline	0	0	0
Exhibition	0	0	0
RVOSI	0	0	10
Formerly Declared	0	0	3
Data Update	0	0	13
Suspect Site	0	0	2
Conversion/Elimination	0	0	2
Closeout	0	0	1
Special Right of Access	0	0	1
Continuous Monitoring	0	0	0
TOTAL	0	0	32

The DTRTCA (OSIA) in Washington, D.C. and the Inspection Operations, San Francisco Detachment support the escort activity requirements of training and operations for the START implementation plan. CIS inspections of U.S. sites average four days each. The typical Escort Team for the CIS Inspection Team will consist of NMT 10 escorts, except: (1) for conversion/elimination inspections, NMT 20 escorts; (2) for exhibitions, NMT 15 escorts for a period of 165 days starting at EIF and NMT 10 escorts for EIF +165; and (3) for PPCM teams, NMT 30 escorts.

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY (Cont.)

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY	0	0	10

Mock inspection exercises continue through FY 1999 to maintain the readiness level at all U.S. inspectable sites.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	0	0	112	+112
Officer	0	0	47	+47
Enlisted	0	0	65	+65
Civilian End Strength (Total)	0	0	67	+67
USDH	0	0	67	+67
Military Workyears (Total)	0	0	112	+112
Officer	0	0	47	+47
Enlisted	0	0	65	+65
Civilian Workyears (Total)	0	0	67	+67
USDH	0	0	67	+67

DEFEMSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

I. Narrative Description (Statement of Requirements and Mission):

The November 1997 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel tranfers to DTRTCA.

The On-Site Inspection Agency (OSIA) mission includes planning to accomplish inspection and escort activities in accordance with the terms of the Strategic Arms Reduction Treaty II (START II). This mission requires support in the areas of: inspections, escort activities, telecommunications, transportation, facilities, logistics, civilian pay, linguist support, and other management support. This funding will permit OSIA to accomplish its responsibilities with respect to U.S. implementation of the treaty in the timeframe specified.

The FY 1998 current estimate of $6.4 million for START II is reflected in the OSIA FY 1999 Amended Budget Submission and reflects a decrease of $2.9 million from the FY 1998 President's Budget Request. This is primarily the result of a delay in the entry into force (EIF) of the START II Treaty. The current EIF assumption is first/second quarter 1998; however, we anticipate revised planning assumptions will be issued in the near future which will slip the EIF date until the third quarter 1998. The FY 1999 budget request for START II is $6.6 million.

II. Description of Operations Financed:

Inspections will be conducted in Russia and support must be provided for Russian inspections in the United States. The Russian inspection teams will receive logistical support such as transportation, access to communications, billeting and meals, and emergency medical and dental care.

In addition to flights into Russia for this array of inspections, unique inspection/escort equipment is also required. DTRTCA's (OSIA) European Gateway will provide billeting and support transportation for all inspectors and monitors going into and out of western Russia. Gateway Yokota, Japan, supports inspectors going into and out of eastern Russia.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II	0	0	0	0	6,593
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS					
Total	0	0	0	0	6,593

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	
Reprogramming/Functional Transfers	0	6,500
Program Changes	0	93
Current Estimate	0	6,593

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	0	0	1420	1420
Wage Board	0	0	20	20
Voluntary Separation Incentive Pay	0	0	16	16
TOTAL CIVILIAN PERSONNEL COMP	**0**	**0**	**1456**	**1456**
Travel of Persons	0	0	1788	1788
TOTAL TRAVEL	**0**	**0**	**1788**	**1788**
GSA Managed Supplies & Materials	0	0	7	7
Locally Procured DoD Managed Supplies & Materials	0	0	3	3
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**10**	**10**
GSA Managed Equipment	0	0	1	1
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**0**	**0**	**1**	**1**
Defense Financing & Accounting Services	0	0	25	25
TOTAL OTHER REVOLVING FUND PURCHASES	**0**	**0**	**25**	**25**
MAC Cargo (DBOF)	0	0	1	1
MAC SAAM/JCS Exercises Program (DBOF)	0	0	1487	1487
Commercial Transportation	0	0	16	16
TOTAL TRANSPORTATION	**0**	**0**	**1504**	**1504**
Rental Payments to GSA Leases (SLUC)	0	0	330	330
Purchased Utilities (non-DBOF)	0	0	1	1
Purchased Communications (non-DBOF)	0	0	179	179
Rents (non-GSA)	0	0	5	5
Postal Services (U.S.P.S.)	0	0	3	3
Supplies & Materials (non-DBOF)	0	0	73	73
Printing & Reproduction	0	0	7	7
Equipment Maintenance by Contract	0	0	34	34
Facility Maintenance by Contract	0	0	5	5
Equipment Purchases (non-DBOF)	0	0	60	60
Contract Consultants	0	0	24	24
Engineering & Technical Services	0	0	253	253
Other Intra-Governmental Purchases	0	0	1	1
Other Contracts	0	0	280	280
Other Costs	0	0	554	554
TOTAL OTHER PURCHASES	**0**	**0**	**1809**	**1809**
GRAND TOTAL	**0**	**0**	**6593**	**6593**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 Current Estimate		0
2. Price Growth		0
3. Functional Program Transfers		
Transfers In		
a. Defense Threat Reduction & Treaty Compliance Agency As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	6,500	
b. Defense Reform Initiative-Joint Program	0	
Total Transfers In		6,500
Transfers Out Southwest Asia Contingency Operations Transfers resources from the DTRTCA (On-Site Inspection Agency) Operation & Maintenance, Defense-wide to the Overseas Contingency Operations to support initiatives under the United Nations (UNSCOM) on Iraq.	0	
Total Transfers Out		0
Total Functional Program Transfers		6,500
4. Program Increases		
a. Conversion/Elimination (FY 1998 Base: $2,253) This increase supports an adjustment to transportation costs for missions scheduled at diverse locations.	268	
b. Foreign Chargeback (FY 1998 Base: $231) Foreign Chargeback costs are estimated payments to foreign governments for reimbursement of services provided to U.S. inspectors during treaty inspection missions. Foreign chargeback cost estimates are based upon individual treaty workloads that have been developed based upon the exchange of bills and payments over the past several years. This increase reflects the net of expected FY 1999 U.S. payments to foreign governments.	22	
Total Program Increases		290

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

5. Program Decreases		
a. DTRTCA Consolidation Savings - DRI (FY 1998 Base: $1,485)	-115	
As part of the DRI to establish the DTRTCA, this budget submission reflects a percent military and civilian personnel savings associated with the DTRTCA consolidation that has been applied to all funding and manpower resources transferred for FY 1999 and beyond. This programmatic decrease reflects the anticipated savings resulting from the DTRTCA consolidation.		
b. Mock Inspections (FY 1998 Base: $44)	-44	
Mock inspection missions decrease from 4 in FY 1998 to 0 in FY 1999.		
c. Exhibition (FY 1998 Base: $38)	-38	
Exhibitions decrease from two in FY 1998 to zero in FY 1999.		
Total Program Decreases		-197
6. FY 1999 Budget Request		6,593

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
Exhibition	0	0	0
RVOSI	0	0	0
Conversion/Elimination	0	0	43
TOTAL	0	0	43

Treaty EIF will determine the scheduling of inspections. The typical Inspection Team will consist of no more than (NMT) 10 inspectors, except for some of the conversion/elimination inspections which will have NMT 20 inspectors.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
Exhibition	0	0	0
TOTAL	0	0	0

The DTRTCA (OSIA) Headquarters in Washington, D.C. supports the escort activity requirements of training and operations for the START II implementation plan. Inspections of U.S. sites average four days each. The typical Escort Team for the Russian Inspection Team will consist of NMT 10 escorts. Russians will require escorts for approximately four days for the one exhibition inspection in the U.S.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY	0	0	0

Mock inspection exercises support the readiness level of the U.S. inspectable sites.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	0	0	32	+32
Officer	0	0	17	+17
Enlisted	0	0	15	+15
Civilian End Strength (Total)	0	0	23	+23
USDH	0	0	23	+23
Military Workyears (Total)	0	0	32	+32
Officer	0	0	17	+17
Enlisted	0	0	15	+15
Civilian Workyears (Total)	0	0	23	+23
USDH	0	0	23	+23

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Conventional Armed Forces in Europe Treaty

I. Narrative Description (Statement of Requirements and Mission):

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel tranfers to DTRTCA.

The DTRTCA (OSIA) is required to provide support for the Conventional Armed Forces in Europe (CFE) Treaty ensuring compliance by the former Warsaw Pact countries. Unlike the bilateral Intermediate-Range Nuclear Forces (INF) Treaty, CFE is a multilateral treaty between countries of the former Warsaw Pact and North Atlantic Treaty Organization (NATO). The United States is potentially responsible for inspecting up to 20 percent of the quota (Objects of Verification (OOV)) inspections of former Warsaw Pact sites. This mission requires support in the areas of: inspection activities, escort activities, linguistic support, telecommunications, training, transportation (commercial air/military air/vehicles), facilities, logistics, civilian/military personnel, and other management areas. This funding will permit DTRTCA (OSIA) to accomplish its assigned responsibilities with respect to U.S. compliance with terms of the treaty in the timeframe specified.

The FY 1998 current estimate of $7.3 million for CFE is reflected in the OSIA FY 1999 Amended Budget Submission and reflects a decrease of $4.8 million from the FY 1998 President's Budget request. The FY 1999 budget request for CFE is $8.1 million.

II. Description of Operations Financed: Under CFE, there are several types of on-site inspections such as: Declared Site, Challenge Site, Certification Site, and Reduction Site. The Reduction Site inspections monitor the drawdown of conventional armaments and equipment limited by the treaty, and the process of reduction where all excess Treaty Limited Equipment (TLE) are either destroyed or converted. Following the completion of the CFE's Treaty Reduction Period and following discussions during the Treaty's first Review Conference in Vienna, the U.S. and NATO Allies agreed to implement additional arms control opportunities to visit destruction sites

II. Description of Operations Financed (cont):

in Russia. These new opportunities, "CFE-Like Agreements", which lie in three areas -- East of Urals, Decommissioning, and Flank -- will not change the existing treaty, but will incur additional costs. These on-site visits will be conducted similar to CFE inspections, with NATO Alliance sharing the costs and responsibility to conduct the visits.

Since all operations in connection with the implementation of the CFE inspection and reduction protocols will take place in Europe, DTRTCA (OSIA) permanently stations both inspectors and escorts in Europe. Transportation requirements to former Warsaw Pact locations may involve military airlift and/or commercial air flights. There will be additional transportation requirements for escort/liaison teams, such as commercial air for locations as diverse as Iceland, Azores, and Turkey; and ground transportation (vehicles) to Germany, Luxembourg, and Denmark. The NATO host countries will provide transport of former Warsaw Pact inspectors between a country's point-of-entry and inspection sites. Provisional entry into force (EIF) to validate the number of armament and equipment declared by all Parties began on 17 July 1992. The Treaty was officially ratified on 9 November 1992, only days before the 120-day baseline validation period was completed.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Conventional Armed Forces in Europe Treaty

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE	0	0	0	0	8,136
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS					
Total	0	0	0	0	8,136

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	0
Reprogramming/Functional Transfers	0	7,462
Program Changes	0	674
Current Estimate	0	8,136

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999 FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	0	0	1670	1670
Wage Board	0	0	47	47
Voluntary Separation Incentive Pay	0	0	11	11
TOTAL CIVILIAN PERSONNEL COMP	**0**	**0**	**1728**	**1728**
Travel of Persons	0	0	2887	2887
TOTAL TRAVEL	**0**	**0**	**2887**	**2887**
GSA Managed Supplies & Materials	0	0	63	63
Locally Procured DoD Managed Supplies & Materials	0	0	2	2
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**65**	**65**
GSA Managed Equipment	0	0	1	1
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**0**	**0**	**1**	**1**
Defense Financing & Accounting Services	0	0	16	16
TOTAL OTHER REVOLVING FUND PURCHASES	**0**	**0**	**16**	**16**
MAC SAAM/JCS Exercises Program (DBOF)	0	0	916	916
Commercial Transportation	0	0	12	12
TOTAL TRANSPORTATION	**0**	**0**	**928**	**928**
Rental Payments to GSA Leases (SLUC)	0	0	231	231
Purchased Communications (non-DBOF)	0	0	229	229
Rents (non-GSA)	0	0	93	93
Postal Services (U.S.P.S.)	0	0	2	2
Supplies & Materials (non-DBOF)	0	0	168	168
Printing & Reproduction	0	0	4	4
Equipment Maintenance by Contract	0	0	22	22
Facility Maintenance by Contract	0	0	3	3
Equipment Purchases (non-DBOF)	0	0	54	54
Contract Consultants	0	0	17	17
Engineering & Technical Services	0	0	177	177
Locally Purchased Fuel (non-SF)	0	0	8	8
Other Contracts	0	0	545	545
Other Costs	0	0	958	958
TOTAL OTHER PURCHASES	**0**	**0**	**2511**	**2511**
GRAND TOTAL	**0**	**0**	**8136**	**8136**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Conventional Armed Forces in Europe Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1.	FY 1998 Current Estimate		0
2.	Price Growth		0
3.	Functional Program Transfers		
	Transfers In		
	a. Defense Threat Reduction & Treaty Compliance Agency As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	7,399	
	b. Defense Reform Initiative-Joint Program Transfers 2 billets (one Army Civilian and one Navy Officer) from U.S. European Command (USEUCOM) Headquarters to DTRTCA (OSIA) as part of the defense reform initiative to restructure the DoD Joint Staff programs.	63	
	Total Transfers In		7,462
	Transfers Out Southwest Asia Contingency Operations Transfers resources from the DTRTCA (On-Site Inspection Agency) Operation & Maintenance, Defense-wide to the Overseas Contingency Operations to support initiatives under the United Nations (UNSCOM) on Iraq.	0	
	Total Transfers Out		0
	Total Functional Program Transfers		7,462
4.	Program Increases		
	a. Declared Sites (FY 1998 Base: $644) This increase reflects increased commercial air rate for travel within the European threatre.	313	
	b. Destruction Missions (FY 1998 Base: $789) This increase reflects adjustments to on-site visits (inspections) based on proposed revisions to CFE such as Decommissioning missions.	303	
	c. Operational Support (FY 1998 Base: $4,053) Operational Support requirements reflect daily operational costs that are specific to individual treaties (deployable costs) but apply to both inspection and escort missions, such as personnel, unique treaty training, travel/per diem costs, and unique supplies. This increase reflects changes in operational support such as linquist/treaty training.	169	
	Total Program Increases		785

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Conventional Armed Forces in Europe Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

5. Program Decreases		
a. DTRTCA Consolidation Savings - DRI (FY 1998 Base: $1,730)	-80	
As part of the DRI to establish the DTRTCA, this budget submission reflects a five percent military and civilian personnel savings associated with the DTRTCA consolidation that has been applied to all funding and manpower resources transferred for FY 1999 and beyond. This programmatic decrease reflects the anticipated savings resulting from the DTRTCA consolidation.		
b. General & Administrative (G&A) Support (FY 1998 Base: $487)	-31	
G&A support reflects DTRTCA's (OSIA) true overhead costs and includes such functions as comptroller, personnel, legal counsel, and inspector general. A portion of G&A is allocated to each of the treaties, based on the workload of each treaty, in order to reflect all DTRTCA (OSIA) resource requirement against treaties. This decrease reflects all DRTTCA (OSIA) resource requirement against treaties. This decrease reflects CFE's portion of the total G&A adjustment of $-421 thousand.		
Total Program Decreases		-111
6. FY 1999 Budget Request		8,136

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Conventional Armed Forces in Europe Treaty

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
Declared Sites - Reduction Period	0	0	0
- Residual-Level Period	0	0	0
- Residual Period	0	0	30
Reduction Sites	0	0	0
Certification Sites	0	0	0
NATO Missions (Singletons)	0	0	90
Destruction - Decommissioning	0	0	24
- East of the Urals	0	0	4
- Flanks	0	0	4
TOTAL	0	0	152

Each mission equals 1 inspection. Inspection teams consist of 9 members (6 U.S./3 NATO augmentees), except NATO missions which consist of only 1 observer. Declared Sites - Residual level Periods - Second Baseline was implemented within the first 120 days after completion of the Reduction Period (November 1995).

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
Declared Sites - Reduction Period	0	0	0
- Residual-Level Period	0	0	0
- Residual Period	0	0	10
NATO Sites (LNOs)	0	0	76
TOTAL	0	0	86

Each mission equals 1 inspection. Escort teams consist of 9 members, plus 3 NATO host country observers, except NATO Sites (LNOs) which consist of only 2 escorts. Declared Sites - Residual-Level Periods - Second Baseline was implemented within the first 120 days after completion of the Reduction Period (November 1995).

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY	0	0	15

Each mission equals 1 inspection. Mock/Training teams consist of 9 inspectors/escorts and 3 observers.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Conventional Armed Forces in Europe Treaty

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	0	0	105	+105
Officer	0	0	36	+36
Enlisted	0	0	69	+69
Civilian End Strength (Total)	0	0	28	+28
USDH	0	0	28	+28
Military Workyears (Total)	0	0	105	+105
Officer	0	0	36	+36
Enlisted	0	0	69	+69
Civilian Workyears (Total)	0	0	28	+28
USDH	0	0	28	+28

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Nuclear Test Ban Treaties

I. Narrative Description (Statement of Requirements and Mission:

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

On 1 June 1990, the United States and the Soviet Union signed the Verification Protocols to the Threshold Test Ban Treaty (TTBT) and the Peaceful Nuclear Explosions Treaty (PNET). On 3 July 1993, President Clinton declared a 15-month U.S. moratorium on all underground nuclear testing and the Russian Federation followed by suspending the FY 1993 Russian test PRILIV indefinitely. In January 1995, President Clinton decided to extend the moratorium on United States nuclear tests under the assumption that the Comprehensive Test Ban Treaty (CTBT) will enter into force (EIF) by January 1999. The United States moratorium is subject to the same understandings that governed the earlier moratorium decisions. The CTBT is a means to strengthen international measures against nuclear weapons proliferation. The DTRTCA (OSIA) provides travel funding for negotiations at the Geneva Conference on Disarmament and the CTBT Preparatory Commission. Under the NTBT, costs identified for the TTBT shift to the CTBT in FY 1999. Effective with FY 1997, DTRTCA (OSIA) no longer funds readiness/start-up requirements associated with a possible resumption of nuclear testing under the TTBT. In preparation for the implementation of the CTBT in FY 1999, DTRTCA (OSIA) has begun to reduce operating, storage, and equipment maintenance costs for TTBT.

The FY 1998 current estimate of $1.8 million for NTBT is reflected in the OSIA FY 1999 Amended Budget Submission and reflects an increase of $0.5 million from the FY 1998 President's Budget. The FY 1999 budget request for NTBT is $1.7 million.

II. Description of Operations Financed: In FY 1998, there are two designed seismic sites, Newport, Rhode Island and Black Hills, South Dakota maintained under the TTBT. Maintenance of the Black Hills site will be terminated in FY 1998 with only the site at Newport maintained through FY 1999. All civilian payroll, training, and other support costs have shifted to CTBT in FY 1998/1999.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Nuclear Test Ban Treaties

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE					
5. NTBT	0	0	0	0	1,670
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS					
Total	0	0	0	0	1,670

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	0
Reprogramming/Functional Transfers	0	1,869
Program Changes	0	199
Current Estimate	0	1,670

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999 FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	0	0	761	761
Wage Board	0	0	6	6
Voluntary Separation Incentive Pay	0	0	4	4
TOTAL CIVILIAN PERSONNEL COMP	**0**	**0**	**771**	**771**
Travel of Persons	0	0	232	232
TOTAL TRAVEL	**0**	**0**	**232**	**232**
Locally Procured DoD Managed Supplies & Materials	0	0	1	1
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**1**	**1**
Defense Financing & Accounting Services	0	0	7	7
TOTAL OTHER REVOLVING FUND PURCHASES	**0**	**0**	**7**	**7**
Commercial Transportation	0	0	52	52
TOTAL TRANSPORTATION	**0**	**0**	**52**	**52**
Rental Payments to GSA Leases (SLUC)	0	0	99	99
Purchased Communications (non-DBOF)	0	0	53	53
Rents (non-GSA)	0	0	1	1
Postal Services (U.S.P.S.)	0	0	1	1
Supplies & Materials (non-DBOF)	0	0	22	22
Printing & Reproduction	0	0	3	3
Equipment Maintenance by Contract	0	0	9	9
Facility Maintenance by Contract	0	0	2	2
Equipment Purchases (non-DBOF)	0	0	18	18
Contract Consultants	0	0	7	7
Engineering & Technical Services	0	0	31	31
Other Contracts	0	0	181	181
Other Costs	0	0	180	180
TOTAL OTHER PURCHASES	**0**	**0**	**607**	**607**
GRAND TOTAL	**0**	**0**	**1670**	**1670**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Nuclear Test Ban Treaties

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1.	FY 1998 Current Estimate		0
2.	Price Growth		0
3.	Functional Program Transfers		
	Transfers In		
	a. Defense Threat Reduction & Treaty Compliance Agency As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	1,869	
	b. Defense Reform Initiative-Joint Program	0	
	Total Transfers In		1,869
	Transfers Out Southwest Asia Contingency Operations Transfers resources from the DTRTCA (On-Site Inspection Agency) Operation & Maintenance, Defense-wide to the Overseas Contingency Operations to support initiatives under the United Nations (UNSCOM) on Iraq.	0	
	Total Transfers Out		0
	Total Functional Program Transfers		1,869
4.	Program Increases	0	
	Total Program Increases		0
5.	Program Decreases		
	a. DTRTCA Consolidation Savings - DRI (FY 1998 Base: $773) As part of the DRI to establish the DTRTCA, this budget submission reflect a five percent military and civilian personnel savings associated with the DTRTCA consolidation that has been applied to all funding and manpower resources transferred for FY 1999 and beyond. This programmatic decrease reflects the anticipated savings resulting from the DTRTCA consolidation.	-34	
	b. Operational Support (FY 1998 Base: $1,513) Operation support requirements reflect daily operational costs that are specific to individual treaties, but apply to both inspection and escort missions, such as personnel, unique treaty training, travel/per diem costs, and unique supplies. This decrease reflects an adjustment for treaty training and transportation costs under the NTBT.	-165	
	Total Program Decreases		-199
6.	FY 1999 Budget Request		1,670

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Nuclear Test Ban Treaties

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
No Tests			
Unknown	0	0	0
TOTAL	0	0	0

No tests are planned for FY 1996 - FY 1999 due to the imposed moratorium on all underground nuclear testing.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
TTBT	0	0	0
CTBT	0	0	1
TOTAL	0	0	1

No tests are planned for FY 1996 - FY 1999 due to the imposed moratorium on all underground nuclear testing. CTBT will provide escorts for one on-site inspection in FY 1999.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY			
TOTAL	0	0	2

Mock inspection exercises support the readiness level of the CTBT escorts.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Nuclear Test Ban Treaties

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	0	0	18	+18
Officer	0	0	8	+8
Enlisted	0	0	10	+10
Civilian End Strength (Total)	0	0	13	+13
USDH	0	0	13	+13
Military Workyears (Total)	0	0	18	+18
Officer	0	0	8	+8
Enlisted	0	0	10	+10
Civilian Workyears (Total)	0	0	13	+13
USDH	0	0	13	+13

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

I. Narrative Description (Statement of Requirements and Mission):

The November 1997 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

In May of 1990, the OSIA was tasked to plan for on-site inspection, escort, and continuous monitoring activities in preparation for implementation of the Chemical Weapons (CW) Agreements. These Agreements include the Chemical Weapons Convention (CWC), which entered into force (EIF) on 29 April 1997, and the Bilateral Destruction Agreement (BDA). The "official" DoD planning assumption for BDA is no earlier than January 1999, however, this budget submission represents an EIF of no earlier than January 2000 to reflect DTRTCA's (OSIA) increased financial risk.

The DTRTCA (OSIA) has no responsibility to inspect under the CWC, but will be required to escort teams of international inspectors from the Organization for the Prohibition of Chemical Weapons (OPCW) inspecting at U.S. DoD facilities until all weapons at the site have been destroyed. The OPCW will also conduct periodic inspections at former CW production facilities until these have been certified by the OPCW as destroyed by 2007. The DTRTCA (OSIA) will also escort for periodic inspections of permitted small-scale production facilities for defensive research and development, medical and protective purposes, and for Challenge Inspections. Finally, DTRTCA (OSIA) expects to provide escort for routine inspection at non-DoD commercial and other government facilities on a cost-reimbursable basis.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

I. Narrative Description (Statement of Requirements and Mission) (cont):

Inspections of CW facilities under provisions of the BDA are expected to begin in FY 2000 and remain constant through FY 2003. Under the BDA, DTRTCA (OSIA) will conduct both inspection and escort activities to facilitate demonstrating and ensuring compliance. The BDA inspections will be under the CWC umbrella as "bilateral complementary verification measures". For practical purposes, "complementary" means that small numbers of OPCW inspectors will accompany U.S. and Russian inspection teams to ensure that each BDA inspection also satisfies CWC requirements and the OPCW will not normally duplicate these particular types of inspections. Monitored destruction under BDA will occur jointly with the CWC monitoring of destruction beginning FY 2000. The BDA Monitoring will occur in the U.S. beginning with two sites in FY 2000, and with eight sites on-line by FY 2003. The BDA Monitoring will occur at Russian sites beginning with one site in FY 2001 and another in FY 2002. The CW Agreements require resources in the areas of: inspections, escort activities, linguist and translation support, telecommunications, transportation, facilities, logistics, civilian pay, and other management support. This funding allows DTRTCA (OSIA) to accomplish its responsibilities as tasked by the policy community and in timeframes specified under the terms of the Agreements.

The FY 1998 current estimate of $22.8 million is reflected in the OSIA's FY 1999 Amended Budget Submission, and reflects a decrease of $11.9 million from the FY 1998 President's Budget. The FY 1999 budget request for CW is $30.8 million.

II. Description of Operations Financed:

Provides support to U.S./Commonwealth of Independent States bilateral agreement inspections for joint verification and destruction of chemical warfare stocks as well as supporting provisions for escort of international teams of inspectors at U.S. facilities under the multilateral CWC. In FY 1999, DTRTCA (OSIA) will also provide reimbursement to OPCW for various types of equipment used during the CWC inspections as well as salaries, subsistence allowances and international travel costs for the inspection team members. The multilateral CWC was signed January, 1993, and entered into force 29 April 1997. The BDA is expected to EIF no earlier than January, FY 2000.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

III. FINANCIAL SUMMARY (O&M $ in Thousands)

		FY 1998			
A. ACTIVITY GROUP	FY 1997 Actuals	Budget Request	Appropriation	Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE					
5. NTBT					
6. CW	0	0	0	0	30,784
7. OPEN SKIES					
8. STI					
9. OTHER MISSONS					
TOTAL	0	0	0	0	30,784

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	0
Reprogramming/Functional Transfers	0	23,219
Program Changes	0	7,565
Current Estimate	0	30,784

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999 FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	0	0	6837	6837
Wage Board	0	0	60	60
Voluntary Separation Incentive Pay	0	0	48	48
TOTAL CIVILIAN PERSONNEL COMP	**0**	**0**	**6945**	**6945**
Travel of Persons	0	0	6320	6320
TOTAL TRAVEL	**0**	**0**	**6320**	**6320**
Locally Procured DoD Managed Supplies & Materials	0	0	8	8
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**8**	**8**
GSA Managed Equipment	0	0	4	4
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**0**	**0**	**4**	**4**
Defense Financing & Accounting Services	0	0	76	76
TOTAL OTHER REVOLVING FUND PURCHASES	**0**	**0**	**76**	**76**
MAC Cargo (DBOF)	0	0	2	2
MAC SAAM/JCS Exercises Program (DBOF)	0	0	855	855
Commercial Transportation	0	0	70	70
TOTAL TRANSPORTATION	**0**	**0**	**927**	**927**
Rental Payments to GSA Leases (SLUC)	0	0	991	991
Purchased Utilities (non-DBOF)	0	0	3	3
Purchased Communications (non-DBOF)	0	0	537	537
Rents (non-GSA)	0	0	15	15
Postal Services (U.S.P.S.)	0	0	8	8
Supplies & Materials (non-DBOF)	0	0	362	362
Printing & Reproduction	0	0	22	22
Equipment Maintenance by Contract	0	0	125	125
Facility Maintenance by Contract	0	0	16	16
Equipment Purchases (non-DBOF)	0	0	232	232
Contract Consultants	0	0	72	72
Engineering & Technical Services	0	0	735	735
Locally Purchased Fuel (non-SF)	0	0	2	2
Other Intra-Governmental Purchases	0	0	4	4
Other Contracts	0	0	2268	2268
Other Costs	0	0	11112	11112
TOTAL OTHER PURCHASES	**0**	**0**	**16504**	**16504**
GRAND TOTAL	**0**	**0**	**30784**	**30784**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1.	FY 1998 Current Estimate		0
2.	Price Growth		0
3.	Functional Program Transfers		
	Transfers In		
	a. Defense Threat Reduction & Treaty Compliance Agency As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	23,219	
	b. Defense Reform Initiative-Joint Program	0	
	Total Transfers In		23,219
	Transfers Out Southwest Asia Contingency Operations Transfers resources from the DTRTCA (On-Site Inspection Agency) Operation & Maintenance, Defense-wide to the Overseas Contingency Operations to support initiatives under the United Nations (UNSCOM) on Iraq.	0	
	Total Transfers Out		0
	Total Functional Program Transfers		23,219
4.	Program Increases		
	a. CW Escort Missions (FY 1998 Base: $7,700) Increase results from the transfer of funding to DTRTCA for payments/reimbursements to the OPCW for inspection team costs incurred during the CWC inspections of U.S. DoD chemical weapons facilities. As a result of DoD/Department of State agreement, effective 1 October 1998, DTRTCA will be responsible for forwarding payments to the OPCW for various types of equipment used during the CWC inspections as well as salaries, subsistence allowances and international travel costs for the inspection team members and/or associated equipment.	9,024	
	Total Program Increases		9,024

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

5. Program Decreases		
a. DTRTCA Consolidation Savings - DRI (FY 1998 Base: $6,945)		-344
As part of the DRI to establish the DTRTCA, this budget submission reflects a five percent military and civilian personnel savings associated with the DTRTCA consolidation that has been applied to all funding and manpower resources transferred for FY 1999 and beyong. This programmatic decrease reflects the anticipated savings resulting from the DTRTCA consolidation.		
b. CWC OPCW Inspector Training Missions (FY 1998 Base: $474)		-474
OPCW Inspector Training missions decrease from 4 in FY 1998 to 0 in FY 1999.		
c. CWC/BDA Monitoring Rotations (FY 1998 Base: $5,110)		-521
Decrease reflects a change from military airlift to commercial airfare for missions to Johnson Island.		
d. General and Administrative Support (G&A) (FY 1998 Base: $2,091)		-120
G&A support reflects OSIA's true overhead costs and includes such functions as comptroller, personnel, legal counsel, and inspector general. A portion of G&A is allocated to each of the treaties, based on the workload of each treaty, in order to reflect all OSIA resource requirements against treaties. This decrease reflects CW's portion of the total G&A adjustment of -$421 thousand.		
Total Program Decreases		-1,459
6. FY 1999 Budget Request		30,784

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
BDA Routine	0	0	0
BDA Equipment Certification	0	0	0
TOTAL	0	0	0

BDA inspection activity is expected to begin in FY 2000.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
BDA Equipment Certification	0	0	0
CWC Challenge/OPCW Inspector Training	0	0	1
CWC Routine/Joint BDA Facilities	0	0	14
Non Stockpile CW Destruction Site	0	0	6
CWC Routine DoD	0	0	5
CWC/BDA Monitoring Rotations	0	0	36
CWC Equipment Certification	0	0	1
TOTAL	0	0	63

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY	0	0	14

Mock inspection exercises continue to maintain the readiness level at all U.S. sites of the Army, Navy, Air Force and other government-owned facilities.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	0	0	225	+225
Officer	0	0	105	+105
Enlisted	0	0	120	+120
Civilian End Strength (Total)	0	0	111	+111
USDH	0	0	111	+111
Military Workyears (Total)	0	0	225	+225
Officer	0	0	105	+105
Enlisted	0	0	120	+120
Civilian Workyears (Total)	0	0	105	+105
USDH	0	0	105	+105

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Open Skies Treaty

I. Narrative Description (Statement of Requirements and Mission):

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel tranfers to DTRTCA.

The Open Skies (OS) Treaty is a multilateral treaty involving the European states (East and West), the Republic of Belarus and the Russian Federation Group of State Parties, Canada, and the United States. The OS involves reciprocal overflights of states using specific aircraft with specified sensors. The DTRTCA (OSIA) has been directed to plan and prepare for receiving and conducting OS observation missions, and for conducting and participating in aircraft and sensor certification inspections. The current "official" Department of Defense planning assumption -- entry into force (EIF) is planned for 2nd/3rd Quarter FY 1998.

The FY 1998 current estimate of $8.3 million for OS is reflected in the OSIA FY 1999 Amended Budget Submission and reflects an increase of $1.1 million from the FY 1998 President's Budget request. The FY 1999 budget request for OS is $7.0 million.

II. Description of Operations Financed: During the first Observation Period, the United States will conduct up to eight active observation missions over Russia and one joint flight with Canada over Ukraine; and receive up to four observation missions from Russia/Belarus. The level of effort will increase during the initial implementation phase to 15 active and 15 passive observation missions per year. Once the treaty reaches full implementation phase, the number of observation missions per year will increase to 22 active and 22 passive. The DTRTCA (OSIA) will conduct continual mock certification and observation flights to adhere to flying hour guidelines and proficiency.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Open Skies Treaty

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES	0	0	0	0	7,031
8. STI					
9. OTHER MISSIONS					
Total	0	0	0	0	7,031

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	0
Reprogramming/Functional Transfers	0	8,429
Program Changes	8	-1,398
Current Estimate	0	7,031

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999: FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999: FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	0	0	1600	1600
Wage Board	0	0	16	16
Voluntary Separation Incentive Pay	0	0	13	13
TOTAL CIVILIAN PERSONNEL COMP	**0**	**0**	**1629**	**1629**
Travel of Persons	0	0	954	954
TOTAL TRAVEL	**0**	**0**	**954**	**954**
GSA Managed Supplies & Materials	0	0	1	1
Locally Procured DoD Managed Supplies & Materials	0	0	2	2
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**3**	**3**
GSA Managed Equipment	0	0	1	1
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**0**	**0**	**1**	**1**
Defense Financing & Accounting Services	0	0	19	19
TOTAL OTHER REVOLVING FUND PURCHASES	**0**	**0**	**19**	**19**
Commercial Transportation	0	0	13	13
TOTAL TRANSPORTATION	**0**	**0**	**13**	**13**
Rental Payments to GSA Leases (SLUC)	0	0	264	264
Purchased Communications (non-DBOF)	0	0	147	147
Rents (non-GSA)	0	0	4	4
Postal Services (U.S.P.S.)	0	0	3	3
Supplies & Materials (non-DBOF)	0	0	95	95
Printing & Reproduction	0	0	6	6
Equipment Maintenance by Contract	0	0	55	55
Facility Maintenance by Contract	0	0	4	4
Equipment Purchases (non-DBOF)	0	0	46	46
Contract Consultants	0	0	18	18
Engineering & Technical Services	0	0	202	202
Locally Purchased Fuel (non-SF)	0	0	166	166
Other Intra-Governmental Purchases	0	0	1	1
Other Contracts	0	0	2978	2978
Other Costs	0	0	423	423
TOTAL OTHER PURCHASES	**0**	**0**	**4412**	**4412**
GRAND TOTAL	**0**	**0**	**7031**	**7031**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Open Skies Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1.	FY 1998 Current Estimate		0
2.	Price Growth		0
3.	Functional Program Transfers		
	Transfers In		
	a. Defense Threat Reduction & Treaty Compliance Agency As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	8,429	
	b. Defense Reform Initiative-Joint Program	0	
	Total Transfers In		8,429
	Transfers Out		
	Southwest Asia Contingency Operations Transfers resources from the DTRTCA (OSIA) Operation & Maintenance, Defense-wide to the Overseas Contingency Operations to support initiatives under the United Nations (UNSCOM) on Iraq.	0	
	Total Transfers Out		0
	Total Functional Program Transfers		8,429
4.	Program Increases		
	Foreign Chargeback (FY 1998 Base $44) Foreign Chargeback costs are estimated payments to foreign governments for reimbursement of services provided to U.S. inspectors during treaty inspection missions. Foreign Chargeback cost estimates are based on individual treaty workloads that have been developed based on the exchange of bills and payments over the past several years. This increase reflects the net of expected FY 1999 U.S. payments to foreign governments.	7	
	Total Program Increases		7
5.	Program Decreases		
	a. DTRTCA Consolidation Savings - DRI (FY 1998 Base: $1,635) As part of the DRI to establish the DTRTCA, this budget submission reflect a five percent military and civilian personnel savings associated with the DTRTCA consolidation that has been applied to all funding and manpower resources transferred for FY 1999 and beyond. This programmatic decrease reflects the anticipated savings resulting from the DTRTCA consolidation.	-92	

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

b.	Aircraft Sensor/Certification (FY 1998 Base $115) With phased implementation of the Treaty, the requirement decreased from seven missions in FY 1998 to three missions in FY 1999.	-85
c.	Operational Support (FY 1998 Base: $6,929) Operational support requirements reflect daily operational costs that are specific to individual treaties, but apply to both inspection and escort missions, such as personnel, unique treaty training, travel/per diem costs, and unique supplies. This decrease reflects an adjustment for operational support such as linguist and treaty training and software support.	-1,196
d.	General & Administrative Support (FY 1998 Base: $554) G&A support reflects DTRTCA's (OSIA) true overhead costs and includes such functions as comptroller, personnel, legal counsel, and inspector general. A portion of G&A is allocated to each of the treaties, based on the workload of each treaty, in order to reflect all DTRTCA (OSIA) resource requirements against treaties. This decrease reflects Open Skies' portion of the total G&A adjustment of $-421 thousand.	-32
	Total Program Decreases	-1,405
6.	FY 1999 Budget Request	7,031

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
Aircraft/Sensor Certification	0	0	3
Observation Flight	0	0	7
TOTAL	0	0	10

Each mission is the equivalent of one certification/observation. Certifications average four people per team. Observation Flights average thirty-four people per team (including aircrew and observers), and OSIA has funding responsibility for only 10 members of the team.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
Aircraft/Sensor Certification	0	0	0
Observation Flight	0	0	3
TOTAL	0	0	3

Each mission is the equivalent of one certification/observation. Certifications average 10 people per team. Observation flights average four people per team.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY			
Mock Certification	0	0	0
Mock Observation	0	0	15
TOTAL	0	0	15

Each mission is the equivalent of one certification/observation. Mock certifications/observations average 20 people per team.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Open Skies Treaty

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	0	0	39	+39
Officer	0	0	19	+19
Enlisted	0	0	20	+20
Civilian End Strength (Total)	0	0	26	+26
USDH	0	0	26	+26
Military Workyears (Total)	0	0	39	+39
Officer	0	0	19	+19
Enlisted	0	0	20	+20
Civilian Workyears (Total)	0	0	26	+26
USDH	0	0	26	+26

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Safeguards, Transparency, and Irreversibility Agreements (STI)

I. Narrative Description (Statement of Requirements and Mission):

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel tranfers to DTRTCA.

Funds are required to provide support to the DTRTCA(OSIA) to accomplish inspection and escort activities associated with the anticipated agreements under STI. The STI activities include such transparency initiatives as the exchange of detailed stockpile data, mutual reciprocal inspections (MRIs) to confirm the exchanged data, and other cooperative measures to increase confidence in declarations of highly enriched uranium (HEU) reserves. Further agreement on transparency initiatives continue to be issued with each successive meeting of the Gore-Chernomyrdin Commission. Some STI agreements will increase confidence that weapon components are secure, and others will increase confidence that fissile materials declared to be excess are not being used to build new nuclear weapons. This is the specific intent of the HEU MRI regimes. These missions require support in the areas of: inspection activities, escort activities, linguistic support, telecommunications, training, transportation, facilities, logistics, civilian/military personnel (augmented), and other management areas.

The FY 1998 current estimate of $361 thousand for STI is reflected in the OSIA FY 1999 Amended Budget Submission and reflects a decrease of $2.0 million from the FY 1998 President's Budget request. This decrease is primarily the result of transferring the funding for Plutonium agreements to the "Other Missions" activity group and the slippage of the entry into force (EIF) date for STI from 3rd Quarter of FY 1997 to 1 July 1998. The FY 1999 budget request for STI is $381 thousand.

II. Description of Operations Financed: The transparency MRI agreements will allow deployment of U.S. inspection teams to Russian plutonium storage sites at Seversk and Krasnoyarsk and at agreed HEU storage sites and will confirm, through agreed measurement procedures, that the items declared in any data exchange are of the size and composition declared. The U.S. teams will escort Russian inspectors to U.S. plutonium storage facilities at Pantex, Texas, and Rocky Flats, Colorado, at agreed HEU storage sites and possibly U.S. military reserve stockpiles at four Department of Defense sites, allowing inspection teams to conduct agreed measurements on selected items. It is anticipated that DTRTCA (OSIA) will provide all travel and per diem expenses for the U.S. inspection/escort teams, portable instrumentation and automated data processing support equipment as necessary, as well as housing, meals, and transportation support to the Russian inspectors throughout their stay in the United States.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Safeguards, Transparency, and Irreversibility Agreements (STI)

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI	0	0	0	0	381
9. OTHER MISSIONS					
Total	0	0	0	0	381

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	0
Reprogramming/Functional Transfers	0	367
Program Changes	0	14
Current Estimate	0	381

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999: FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999: FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Travel of Persons	0	0	360	360
TOTAL TRAVEL	**0**	**0**	**360**	**360**
Supplies & Materials (non-DBOF)	0	0	9	9
Other Contracts	0	0	2	2
Other Costs	0	0	10	10
TOTAL OTHER PURCHASES	**0**	**0**	**21**	**21**
GRAND TOTAL	**0**	**0**	**381**	**381**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Safeguards, Transparency, and Irreversibility Agreements (STI)

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1.	FY 1998 Current Estimate		0
2.	Price Growth		0
3.	Functional Program Transfers		
	Transfers In		
	a. Defense Threat Reduction & Treaty Compliance Agency As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	367	
	b. Defense Reform Initiative-Joint Program	0	
	Total Transfers In		367
	Transfers Out Southwest Asia Contingency Operations Transfers resources from the DTRTCA (On-Site Inspection Agency) Operation & Maintenance, Defense-wide to the Overseas Contingency Operations to support initiatives under the United Nations (UNSCOM) on Iraq.	0	
	Total Transfers Out		0
	Total Functional Program Transfers		367
4.	Program Increases		
	a. Inspection and Escort Activity (FY 1998 Base: S173) Increase supports four additional Inspection and Escort missions for STI in FY 1999.	14	
	Total Program Increases		14
5.	Program Decreases		
	Total Program Decreases		0
6.	FY 1999 Budget Request		381

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Safeguards, Transparency, and Irreversibility Agreements (STI)

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
Transparency - Mutual Reciprocal Inspections	0	0	4
TOTAL	0	0	4

Inspection activity supports requirements for Safeguards, Transparency, and Irreversibility Agreements.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
Transparency - Mutual Reciprocal Inspections	0	0	4
TOTAL	0	0	4

Escort activity supports requirements for Safeguards, Transparency, and Irreversibility Agreements.

V. PERSONNEL SUMMARY

STI has no authorized manpower billets associated with its missions. The DTRTCA (OSIA) is currently augmenting civilian/military personnel to STI missions until requirements are refined and the STI Agreements are signed.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Defense Against Weapons of Mass Destruction Initiative

I. NARRATIVE DESCRIPTION:

The Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA), effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: Defense Special Weapons Agency, Defense Technology Security Administration, and On-Site Inspection Agency. In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support. For this budget submission, the DRI directs the transfer of associated funding and manpower resources programmed for FY 1999 and out from the three affected agencies, OSD, and WHS to the DTRTCA beginning 1 October 1998.

Nuclear, chemical, and biological terrorism is considered an increasing U.S. problem. Leaders of Congress view terrorism as a "top national security threat for years to come" (Senator Nunn). In response to this challenge, Congress passed the Defense Against Weapons of Mass Destruction (WMD) Act of 1996 which would enhance emergency response by federal, state, and local governments to terrorist incidents involving the use of WMD. The Department of Defense (DoD) has the lead role in the execution of the Domestic Preparedness portion of the legislation. The DoD will provide federal, state, and local agencies with training and expert advice regarding emergency response to the use or threatened use of these weapons. In addition DoD will develop a domestic terrorism rapid response team to aid federal, state, and local officials in detection, neutralization, containment, dismantlement, and disposal of chemical and biological (CB) WMD. The Secretary of the Army has been designated the Executive Agent for the Domestic Preparedness Program. The Secretary of the Army will use the Director of Military Support (DOMS) as the focal point for coordination and the Chemical and Biological Defense Command (CBDCOM) as Program Director for management of day-to-day execution of the program. As the Executive Agent, the Army will take the lead in coordinating DoD assistance to the Department of Energy (DoE) in their role as Executive Agent for assistance to these officials for threats involving nuclear weapons.

II. DESCRIPTION OF OPERATIONS FINANCED:

The Domestic Preparedness Program is divided into three major programs areas: Emergency Response Preparedness (ERP); Coordination of CB Response; and, Exercises and Preparedness Testing.

Emergency Response Preparedness: The ERP program provides the training programs for "first responders" and the expert assistance required to prepare and aid the first responders in dealing with WMD incidents.

II. DESCRIPTION OF OPERATIONS FINANCED: (cont.)

1. The Training of First Responders program has been recognized as the single most critical effort for enhancing emergency response to WMD incidents. This effort will develop a training program using a "train-the-trainer" concept to prepare first responders in handling WMD incidents. The training program will target three audiences: (a) first responders; (b) Emergency Command and Control officials; and, (c) trainers of first responders and Emergency Command and Control officials. The plan is to train the Nation's top 120 metropolitan areas over a 3-year period. The metropolitan areas will be prioritized by the Senior Interagency Coordination Group, established under the Defense Against WMD Initiative legislation.

2. The Expert Assistance program will develop and maintain an integrated process/system that draws on the existing expertise located within DoD and various federal agencies and make this support accessible to federal, state, and local agencies in the event of a WMD incident. This includes the DoD portion of the rapid response information system being designed by the Federal Emergency Management Agency (FEMA). The vulnerability assessments will be conducted on a prioritized list of facilities/events or on an as-needed basis.

Chemical and Biological Response: The goal of this segment of the program is improved assistance to federal, state, and local officials in responding to CB threats. As part of this assistance, DoD will provide the Nation a rapidly deployable team to augment the local first responders when responding to a CB incident or threat. The CB Emergency Response Program will enhance and improve the response teams already in existence within DoD to better address the needs of the civilian population. Funding for actual responses is not included.

Exercises and Preparedness Testing: This segment of the program shall include field exercises and systematic preparedness tests to be carried out in order to: (a) test and improve preparedness and responses of federal, state, and local agencies to emergencies involving CB weapons and (b) provide suggestions for improvements based on lessons learned from the exercises. The execution of this program requires the active participation by the DoD, the Federal Bureau of Investigation, the FEMA, the DoE, and other federal, state, and local government agencies that have expertise or responsibility relevant to CB emergencies. This is the mechanism that will be used to gauge the Nation's ability to respond to CB incidents and threats.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Defense Against Weapons of Mass Destruction Initiative

III. FINANCIAL SUMMARY ($000):

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
Defense Against WMD	0	0	0	0	49,869
Total	0	0	0	0	49,869

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	0
Reprogramming/Functional Transfers	0	43,905
Program Changes	0	5,964
Current Estimate	0	49,869

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999 FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Other Costs	0	0	49869	49869
TOTAL OTHER PURCHASES	**0**	**0**	**49869**	**49869**
GRAND TOTAL	**0**	**0**	**49869**	**49869**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Defense Against Weapons of Mass Destruction Initiative

III. FINANCIAL SUMMARY ($000): (cont.)

D. RECONCILIATION OF INCREASES AND DECREASES:

1.	FY 1998 President's Budget Request		0
2.	Congressional Adjustments		0
3.	FY 1998 Appropriated Amount		0
4.	Other Programmatic Adjustments		0
5.	FY 1998 Current Estimate		0
6.	Price Growth		0
7.	Functional Program Transfers		
	Transfers In		
	a. Office of the Secretary of Defense/Washington Headquarters Services As part of this budget submission, the funding resources from WHS for this OSD program programmed for FY 1999 and out are transferred to the DTRTCA in compliance with the DRI.	43,905	
	Total Functional Program Transfers		43,905
8.	Program Increases		
	a. Systematic Preparedness Testing Support of the requirement for extensive systematic preparedness testing of full integrated capability of federal, state, and local organizations.	5,964	
	Total Program Increases		5,964
9.	FY 1999 Budget Request		49,869

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Defense Against Weapons of Mass Destruction Initiative

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY:

Due to the transfer of the Defense Against WMD Initiative program from the Office of the Secretary of Defense (OSD) to the newly established DTRTCA and because workload factors associated with this program were previously under other OSD budget submissions, a summary of performance data is not reasonably feasible at this time. However, detailed information concerning WMD performance criteria is currently under development and will be presented in future budget submissions as part of this sub-activity group.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Defense Against Weapons of Mass Destruction Initiative

V. PERSONNEL SUMMARY:

The DTRTCA has no authorized manpower billets associated with the Defense Against WMD Initiative. General policy direction is provided by the Office of the Secretary of Defense, Special Operations/Low Intensity Conflict. Program execution is performed by the U.S. Army Material Command's Chemical and Biological Defense Command.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Warsaw Initiative/Partnership for Peace

I. NARRATIVE DESCRIPTION:

The Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA), effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: Defense Special Weapons Agency, Defense Technology Security Administration, and On-Site Inspection Agency. In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support. For this budget submission, the DRI directs the transfer of associated funding and manpower resources programmed for FY 1999 and out from the three affected agencies, OSD, and WHS to the DTRTCA beginning 1 October 1998.

The Warsaw Initiative (WI) (which supports the Partnership for Peace (PfP) program, a North Atlantic Treaty Organization program) provides assistance to PfP member nations in central and eastern Europe and the Newly Independent States (NIS). This assistance comes in the form of funding for PfP nations which enables them to participate in joint exercises and interoperability programs (exchanges and studies). Responsibility for administration of WI(PfP) funding will transfer from OSD and WHS to DTRTCA.

II. DESCRIPTION OF OPERATIONS FINANCED:

A. WI Interoperability Programs: Policy oversight of this portion of the WI(PfP) will continue to be jointly controlled by the Office of the Assistant Secretary of Defense, International Security Affairs (European Policy) and the Office of the Assistant Secretary of Defense, Strategy and Threat Reduction (Russian, Ukrainian, and Eurasian Policy). The DTRTCA will plan, program, budget, and execute funding for these offices. The DTRTCA will prepare budget submissions and will provide other business support, as needed.

B. WI Exercise Program: Policy direction for exercises will remain with the Joint Staff/Strategic Plans and Policy (J-5), in coordination with OSD, European Command, Atlantic Command, and Central Command. The DTRTCA will plan, program, budget, and execute funding for the Joint Staff exercise program. The DTRTCA will also prepare budget submissions and will provide other business support, as needed.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Warsaw Initiative/Partnership for Peace

III. FINANCIAL SUMMARY ($000):

		FY 1998			
A. ACTIVITY GROUP	FY 1997 Actuals	Budget Request	Appropriation	Current Estimate	FY 1999 Estimate
Warsaw Initiative/PfP	0	0	0	0	53,992
Total	0	0	0	0	53,992

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	0
Reprogramming/Functional Transfers	0	38,617
Program Changes	0	15,375
Current Estimate	0	53,992

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999 FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Other Costs	0	0	53992	53992
TOTAL OTHER PURCHASES	**0**	**0**	**53992**	**53992**
GRAND TOTAL	**0**	**0**	**53992**	**53992**

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Warsaw Initiative/Partnership for Peace

III. FINANCIAL SUMMARY ($000): (cont.)

D. RECONCILIATION OF INCREASES AND DECREASES:

1.	FY 1998 President's Budget Request		0
2.	Congressional Adjustments		0
3.	FY 1998 Appropriated Amount		0
4.	Other Programmatic Adjustments		0
5.	FY 1998 Current Estimate		0
6.	Price Growth		0
7.	Functional Program Transfers		
	Transfers In		
	a. Office of the Secretary of Defense/Washington Headquarters Services As part of this budget submission, the funding resources from WHS for this OSD program programmed for FY 1999 and out are transferred to the DTRTCA in compliance with the DRI.	38,617	
	Total Functional Program Transfers		38,617
8.	Program Increases		
	a. Operational Support to OSD and Joint Staff WI Programs Increased operational support to fund exercises and new and ongoing exchange programs and studies over the FY98 level.	15,375	
	Total Program Increases		15,375
9.	FY 1999 Budget Request		53,992

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Warsaw Initiative/Partnership for Peace

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY:

Due to the transfer of the Warsaw Initiative/PfP program from the Office of the Secretary of Defense (OSD) to the newly established DTRTCA and because workload factors associated with this program were previously under other OSD budget submissions, a summary of performance data is not reasonably feasible at this time. However, detailed information concerning Warsaw Initiative/PfP performance criteria is currently under development and will be presented in future budget submissions as part of this sub-activity group.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Warsaw Initiative/Partnership for Peace

V. PERSONNEL SUMMARY:

The DTRTCA has no authorized manpower billets associated with the Warsaw Initiative/PfP mission. Policy guidance responsibilities for the OSD Interoperability Program portion of the WI(PfP) belong to the Office of the Assistant Secretary of Defense, International Security Affairs (European Policy) for central and eastern Europe and to the Office of the Assistant Secretary of Defense, Strategy and Threat Reduction (Russian, Ukrainian, and Eurasian Policy) for the Newly Independent States. Policy direction for the exercise program belongs to the Joint Staff, with appropriate command (European Command, Atlantic Command, or Central Command) providing the development and execution of the exercises.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Other Missions

I. Narrative Description (Statement of Requirements and Mission):

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the OSIA, and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

This activity group reflects missions and programs previously submitted as part of the OSIA budget and includes special interest projects, such as the Confidence and Security Building Measures (CSBM) inspections and evaluations, which are associated with the Conference on Security and Cooperation in Europe (CSCE). The DTRTCA (OSIA) has been tasked by Department of Defense as the Executive Agent for the United Nations Special Commission (UNSCOM) on Iraq, the Defense Treaty Inspection Readiness Program (DTIRP), and the Technical Equipment Inspection (TEI) program. The DTRTCA (OSIA) has also been tasked to provide assistance for support to the Biological Weapons (BW) program, the Bosnia Peace Plan, the Plutonium Production Reactors Agreement, the DoD/Federal Bureau of Investigation and DoD/Customs Service Counterproliferation Programs, the Compliance Monitoring and Tracking System (CMTS), and the Cooperative Threat Reduction (CTR) program. This activity group also incorporates other missions transferred to DTRTCA from the Office of the Assistant to the Secretary of Defense (Nuclear, Chemical, and Biological Defense Programs) (OATSD(NCB), Office of the Under Secretary of Defense Acquisition and Technology (OUSD(A&T)), and Office of the Under Secretary of Defense (OUSD(P)) such as the Arms Control Implementation and Compliance Office, the Multinational Technology Programs, the Committee of Foreign Investment in the United States, CTR program oversight, the Nuclear Treaty Programs, and Counterproliferation Programs. The FY 1999 budget request for Other DTRTCA Missions is $16.1 million.

II. Description of Operations Financed:

A. Confidence and Security Building Measures (CSBM): The Vienna Document 1994, signed December 1994 in Budapest, provides for compliance/verification measures for which DTRTCA (OSIA) is responsible -- inspections and evaluations. This agreement, by participating states in negotiations on confidence and security building measures, is designed to strengthen security and achieve disarmament. This activity group provides funding in FY 1999 of $181 thousand.

B. United Nations Special Commission (UNSCOM) on Iraq: The Department of Defense designated OSIA as the Executive Agent for the UNSCOM on Iraq. As Executive Agent, DTRTCA (OSIA) has the lead in planning and coordinating operations with the appropriate federal agencies as well as programming and budgeting for most support. This activity group provides funding in FY 1999 of $2.1 million.

C. Defense Treaty Inspection Readiness Program (DTIRP): The DTRTCA (OSIA) was assigned as Executive Agent for the DTIRP which, as an interagency program, provides service to both government and industry in support of site preparation for treaty-imposed inspections. The DTIRP has conducted over 100 assessments and staff assistance visits, and is involved in supporting preparations for Strategic Arms Reduction Treaty (START), Chemical Weapons (CW), and Open Skies (OS), as well as other initiatives directed by the Deputy Assistant Secretary of Defense, Counterintelligence and Security Countermeasures (DASD(CCI&CS)). This activity group provides funding in FY 1999 of $2.3 million.

D. Technical Equipment Inspection (TEI): The DTRTCA (OSIA) was assigned responsibility as the central manager for maintaining and employing technical inspection equipment. The DTRTCA's (OSIA) primary mission is to develop and submit to the interagency procedures for certification and examination of treaty-allowed equipment and supplies; manage the certification process; conduct the examination of treaty-allowed equipment and supplies upon their arrival at the U.S. point of entry; and develop resource requirements, coordinate, and task other organizations to accomplish these responsibilities. This activity group provides funding in FY 1999 of $876 thousand.

E. Cooperative Threat Reduction (CTR) Program: At the direction of the Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs (ATSD(NCB)), DTRTCA (OSIA) supports implementation of the CTR (Nunn-Lugar) Program for DoD. Specifically, the DTRTCA (OSIA) assists in program activities involving the transportation, storage, safeguarding, and destruction of weapons of mass destruction (nuclear, chemical, and biological) and the dismantlement of their former production facilities and delivery vehicles and assists in the prevention of the proliferation of these weapons in Russia and the former Soviet Republics. Major areas of DTRTCA (OSIA) assistance to the CTR Program include: providing Russian language interpreter/linguist and translation support; program planning, execution and coordination functions; technical advice and oversight, audit and examinations, and manpower augmentation of the U.S. Embassy Arms Control Implementation Units in Moscow, Kiev, Minsk and Almaty, the Office the DATSD(CTR), and the Chemical Weapons Destruction Support Office, Moscow.

II. Description of Operations Financed (Cont.):

The DTRTCA (OSIA) support provided, including operating and travel costs, apartment lease, equipment, interpreting and translations, is funded by a reimbursable Military Interdepartmental Purchase Request issued by the Defense Special Weapons Agency (DSWA). There is some direct Operation & Maintenance (O&M) funding associated with this program - primarily costs required to support military and civilian personal assigned to support audit and examination visits for the CTR program. This activity group provides funding in FY 1999 of $915 thousand.

F. DoD/Federal Bureau of Investigation and DoD/Customs Service Counterproliferation Programs: On 28 April 1997, the Office of the Secretary of Defense (OSD) designated OSIA as the Executive Agent for both counterproliferation training programs. The programs provide several former Soviet, eastern European, and Baltic countries training on proliferation problems associated with weapons of mass destruction, and national and international measures to counter them. As Executive Agent, DTRTCA (OSIA) has the lead role in planning and coordinating policy visits and training workshops associated with these programs. This activity group provides funding in FY 1999 of $4.2 million.

G. Compliance Monitoring and Tracking System (CMTS): This system is designed to support mandated U.S. Government data reporting requirements and responsibility of treaty limited equipment (TLE). The system provides data handling, hardware and software, and reporting procedure and methodology for compliance tracking of U.S. weapons systems subject to negotiated treaty restrictions. The CMTS consists of custom-designed systems corresponding to specific treaty areas (START, START II, CFE/CSBM, Intermediate-Range Nuclear Forces (INF), and OS). The CMTS is installed on user workstations at DoD Agencies, Service headquarters, Service components, and Joint commands that have compliance reporting responsibilities at the Nuclear Risk Reduction Center (NRCC). In February 1991, the OSIA committed to be the host site for the CMTS to include all of its associated subsystems. The OSIA became the Executive Agency for CMTS on 9 May 1997 when the system officially transitioned from the development phase under the DSWA to the O&M support phase. This activity group provides funding in FY 1999 of $2.3 million.

H. Plutonium Production Reactors Agreement (PPRA): At the June 1994 Gore-Chernomyrdin Conference, the United States and Russia signed a bilateral agreement to shutdown all plutonium production reactors by the year 2000. The OSIA participated in follow-on negotiations leading to implementation, and committed, in a joint DoD and Department of Energy memorandum dated 4 November 1994, to share costs associated with implementing the compliance regime. The detailed compliance agreement was signed 23 September 1997. This activity group provides funding in FY 1999 of $639 thousand.

II. Description of Operations Financed (Cont.):

I. Biological Weapons (BW): In January 1995, the Office of the Under Secretary of Defense for International Security Policy (OUSD (ISP)) requested OSIA provide support for Russian visits to military biological facilities. The Assistant to the Secretary of Defense for Atomic Energy (ATSD (AE)) also requested this support in February 1995. This budget request supports exchange visits beginning in FY 1998 and to be completed in FY 1999. This activity group provides funding in FY 1999 of $131 thousand.

J. Cooperative Threat Reduction (CTR) Program: Oversight and policy functions will be transferred from OUSD(P) and OATSD(NCB) to DTRTCA. The responsibility for managing, budgeting, and executing the CTR appropriation will also transfer to DTRTCA. These functions involve expenses for payroll, overhead (travel, supplies, and equipment), and program management. This activity group provides funding in FY 1999 of $540 thousand.

K. Miscellaneous Programs: Subject to the overall direction and control of the Special Access Program (SAP) Coordination Office, the arms control policy development and oversight functions for SAP's will transfer from OUSD(P) to DTRTCA. These functions involve new expenses for payroll, overhead, and program management in DTRTCA. Several OUSD(A&T) functions will be transferred to DTRTCA which involve payroll, overhead, and program management expenses for Arms Control Implementation and Compliance (ACI&C); Multinational Technology Programs; and, Committee on Foreign Investment in the U.S. This activity group provides funding in FY 1999 of $2.0 million.

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Other Missions

III. FINANCIAL SUMMARY (O&M $ in Thousands)

		FY 1998			
A. ACTIVITY GROUP	FY 1997 Actuals	Budget Request	Appropriation	Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS	0	0	0	0	16,062
Total	0	0	0	0	16,062

B. RECONCILIATION SUMMARY:

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	0	0
Congressional Adjustments	0	NA
Price Change	0	0
Reprogramming/Functional Transfers	0	21,304
Program Changes	0	-5,242
Current Estimate	0	16,062

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999: FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999: FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	0	0	3732	3732
Wage Board	0	0	14	14
Voluntary Separation Incentive Pay	0	0	9	9
TOTAL CIVILIAN PERSONNEL COMP	**0**	**0**	**3755**	**3755**
Travel of Persons	0	0	3502	3502
TOTAL TRAVEL	**0**	**0**	**3502**	**3502**
Locally Procured DoD Managed Supplies & Materials	0	0	2	2
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**2**	**2**
Defense Financing & Accounting Services	0	0	17	17
TOTAL OTHER REVOLVING FUND PURCHASES	**0**	**0**	**17**	**17**
MAC SAAM/JCS Exercises Program (DBOF)	0	0	132	132
Commercial Transportation	0	0	14	14
TOTAL TRANSPORTATION	**0**	**0**	**146**	**146**
Rental Payments to GSA Leases (SLUC)	0	0	231	231
Purchased Communications (non-DBOF)	0	0	123	123
Rents (non-GSA)	0	0	2	2
Postal Services (U.S.P.S.)	0	0	2	2
Supplies & Materials (non-DBOF)	0	0	149	149
Printing & Reproduction	0	0	7	7
Equipment Maintenance by Contract	0	0	92	92
Facility Maintenance by Contract	0	0	5	5
Equipment Purchases (non-DBOF)	0	0	919	919
Contract Consultants	0	0	17	17
Engineering & Technical Services	0	0	72	72
Other Contracts	0	0	2954	2954
Other Costs	0	0	4067	4067
TOTAL OTHER PURCHASES	**0**	**0**	**8640**	**8640**
GRAND TOTAL	**0**	**0**	**16062**	**16062**

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 Current Estimate		0
2. Price Growth		0
3. Functional Program Transfers		
Transfers In:		
a. Defense Threat Reduction & Treaty Compliance Agency. As part of this budget submission, funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	21,304	
b. Defense Reform Initiative-Joint Program	0	
Total Transfers In		21,304
Total Functional Program Transfers		21,304
4. Program Decreases		
a. DTRTCA Consolidation Savings - DRI As part of the DRI to establish the DTRTCA, this budget submission reflect a five percent military and civilian personnel savings associated with the DTRTCA consolidation that has been applied to all funding and manpower resources transferred for FY 1999 and beyond. This programmatic decrease reflects the anticipated savings resulting from the DTRTCA consolidation.	-193	
b. Counterproliferation (FY 1998 Base; $4,500) Decrease in FY 1999 reflects a decrease of missions from 35 in FY 1998 to 33 in FY 1999	-388	
c. Compliance Monitoring and Tracking System (CMTS)(FY 1998 Base: $2,895) Decrease in FY 1999 results from decreased costs for one-time support costs for software programming changes, systems changes, and documentation that occurred in FY 1998.	-625	

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

d. TEI (FY 1998 Base $1,030) This adjustment reflects a decrease in travel requirements in support of certification and examination of treaty-allowed equipment and supplies	-157	
e. Plutoniun (FY 1998 Base: $741) This decrease reflects one-time requirement buy in FY 1998 only.	-105	
f. BW (FY 1998 Base: $447) This decrease reflects a decrease of inspection/escort/mock missions from 15 in FY 1998 to 4 in FY 1999.	-297	
g. Operational Support - Miscellaneous Programs (FY 1998 Base: $5,420) Operational support requirements reflect daily operational costs that are specific to individual treaties, but apply to both inspection and escort missions, such as personnel, unique treaty training, travel/per diem costs, and unique supplies. This decrease reflects an adjustment for reduced UNSCOM on Iraq operations and costs related to emerging arms control requirements.	-3,477	
Total Program Decreases		-5,242
5. FY 1999 Budget Request		16,062

DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Other Missions

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. MISSIONS			
Biological Weapons	0	0	4
Plutonium Agreement	0	0	9
Counterproliferation (FBI/Customs)	0	0	33
TOTALS	0	0	46

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Other Missions

V. PERSONNEL SUMMARY

"Other Missions" currently has authorized manpower spaces associated with DTIRP, support to UNSCOM on Iraq missions, CMTS, SAP, Audit and Examination missions associated with CTR, and OATSD(NCB) and OUSD(A&T) functions that transferred to DTRTCA as part of the DRI. As requirements are refined, manpower authorizations for other OSIA missions will be determined to fill mission requirements.

		FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)		0	0	54	+54
Officer -	UNSCOM	0	0	4	+4
	DTIRP	0	0	7	+7
	CTR A&E	0	0	9	+9
	CMTS	0	0	0	0
	ATSD (NCB) FUNCTION	0	0	10	+10
	SAP PROGRAM	0	0	0	0
	CTR PROGRAM OVERSIGHT	0	0	2	+2
	OUSD(A&T) FUNCTIONS	0	0	4	+4
Enlisted -	UNSCOM	0	0	1	+1
	DTIRP	0	0	4	+4
	CTR A&E	0	0	11	+11
	CMTS	0	0	0	0
	ATSD (NCB) FUNCTION	0	0	0	0
	SAP PROGRAM	0	0	0	0
	CTR PROGRAM OVERSIGHT	0	0	1	+1
	OUSD(A&T) FUNCTIONS	0	0	1	+1
Civilian End Strength (Total)		0	0	52	+52
USDH -	UNSCOM	0	0	4	+4
	DTIRP	0	0	19	+19
	CTR A&E	0	0	7	+7
	CMTS	0	0	3	+3
	ATSD (NCB) FUNCTION	0	0	10	+10
	SAP PROGRAM	0	0	2	+2
	CTR PROGRAM OVERSIGHT	0	0	5	+5
	OUSD(A&T) FUNCTIONS	0	0	2	+2

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Other Missions

V. PERSONNEL SUMMARY (Cont.)

Military Workyears (Total)		0	0	54	+54
Officer -	UNSCOM	0	0	4	+4
	DTIRP	0	0	7	+7
	CTR A&E	0	0	9	+9
	CMTS	0	0	0	0
	ATSD (NCB) FUNCTION	0	0	10	+10
	SAP PROGRAM	0	0	0	0
	CTR PROGRAM OVERSIGHT	0	0	2	+2
	OUSD(A&T) FUNCTIONS	0	0	4	+4
Enlisted -	UNSCOM	0	0	1	+1
	DTIRP	0	0	4	+4
	CTR A&E	0	0	11	+11
	CMTS	0	0	0	0
	ATSD (NCB) FUNCTION	0	0	0	0
	SAP PROGRAM	0	0	0	0
	CTR PROGRAM OVERSIGHT	0	0	1	+1
	OUSD(A&T) FUNCTIONS	0	0	1	+1
Civilian Workyears (Total)		0	0	52	+52
USDH -	UNSCOM	0	0	4	+4
	DTIRP	0	0	19	+19
	CTR A&E	0	0	7	+7
	CMTS	0	0	3	+3
	ATSD (NCB) FUNCTION	0	0	10	+10
	SAP PROGRAM	0	0	2	+2
	CTR PROGRAM OVERSIGHT	0	0	5	+5
	OUSD(A&T) FUNCTIONS	0	0	2	+2

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 PRESIDENT'S BUDGET SUBMISSION

I. NARRATIVE DESCRIPTION:

The Defense Technology Security Administration (DTSA) was established as a DoD field activity on May 10, 1985 to review the international transfer of defense-related technology, goods, services, and munitions consistent with U.S. foreign policy and national security objectives and to ensure implementation of DoD technology security policy relative to those international transfers. DTSA also provides support to the Deputy Assistant Secretary of Defense for Counterproliferation Policy (DASD/CI in meeting the threat posed by weapons of mass destruction and advanced conventional weapons and their delivery systems. In accordance with the Defense Reform Initiative, DTSA's mission and resources are transferred to the Defense Threat Reduti Agency effective October 1, 1998.

II. DESCRIPTION OF OPERATIONS FINANCED:

The Defense Technology Security Administration (DTSA) develops and implements DoD policies on international transfers of defense-related goods, services, and technologies to ensure that: (1) critical U.S. military technological advantages are preserved; (2) transfers of defense-related technology which could prove detrimental to U.S. security interests are controlled and limited; (3) proliferation of weapons of mass destruction and their means of delivery is prevented; and, (4) legitimate defense cooperation with foreign allies and friends is supported. DTSA manages and implements the programs outlined in Dc Directive 2040.2 including:

-- Determining DoD positions on over 20,000 export license applications per year for both military and dual use goods and technologies which are referred respectively by the Department of State and Commerce;

-- Developing technology security policies on the releasability of defense-related systems and technologies to allies and friends including performing the technical analyses used in developing export control lists and associated regulations;

-- Participating in international export negotiations covering arms, dual use technologies, and nuclear, chemical, biological, and missile technologies;

-- Providing technical support to U.S. Government intelligence and enforcement agencies to prevent unauthorized defense-related technology transfers;

-- Determining DoD positions on interagency reviews of foreign investments in U.S. defense-related companies as required by law; and

-- Providing DoD support for export control assistance to the Former Soviet Union and other countries under Nunn-Lugar and other programs.

II. DESCRIPTION OF OPERATIONS FINANCED (cont.):

DTSA employs 78 civilians and 43 military in FY 1997. The cost of salaries and benefits for the civilian staff and all normal expenses required to operate a government activity are financed by the DTSA budget. Salaries and benefits for the civilian staff, account for approximately two-thirds of the O&M budget. The remainder is used to cover rent, utilities, travel, supplies, equipment, training, and technical engineering ADP support.

DTSA's request reflects virtually a zero growth budget in real terms as adjusted by reductions in civilian end strength. Minor adjustments reflect changes in responsibilities for finance and other activities which have been decentralized throughout DoD.

III. FINANCIAL SUMMARY ($000)

	FY 1997		FY 1998		FY 1999
A. ACTIVITY GROUP	ACTUAL	BUDGET REQUEST	APPRO-PRIATION	CURRENT ESTIMATE	ESTIMATE
DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	10,465	10,545	10,545	10,434	0

B. RECONCILIATION SUMMARY	CHANGE FY 1998/FY 1998	CHANGE FY 1998/FY 1999
BASELINE FUNDING	10,545	10,434
CONGRESSIONAL ADJUSTMENTS	-83	0
PRICE CHANGES	0	214
PROGRAMMING/FUNCTIONAL TRANSFERS	0	-10648
PROGRAM CHANGES	-28	0
CURRENT ESTIMATE	10434	0

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 PRESIDENT'S BUDGET SUBMISSION

C. FINANCIAL SUMMARY ($000)

		CHANGE FY 1997 / FY 1998			CHANGE FY 1998 / FY 1999			
	FY 1997 ACTUALS	PRICE GROWTH	PROGRAM GROWTH	FY 1998 PROGRAM	FY 1998 PROGRAM	PRICE GROWTH	PROGRAM GROWTH	FY 1999 PROGRAM
CIVILIAN PERSONNEL COMPENSATION								
EX., GEN., & SPECIAL SCHEDULES								
TOTAL CIVILIAN PERSONNEL COMP.	7,234	198	(270)	7,162	7,162	164	(7,326)	0
TRAVEL	7,234	198	(270)	7,162	7,162	164	(7,326)	0
TRAVEL OF PERSONS								
OTHER TRAVEL COSTS	151	2	122	275	275	4	(279)	0
TOTAL TRAVEL	0	-0	0	0	0	0	0	0
	151	2	122	275	275	4	(279)	0
TRANSPORTATION								
	5	0	20	25	25	0	(25)	0
OTHER PURCHASES								
RENTAL PAYMENTS TO GSA (SLUC)								
PURCHASED COMMUNICATIONS	862	13	10	885	885	14	(899)	0
RENTS (NON-GSA)	176	3	6	185	185	3	(188)	0
SUPPLIES AND MATERIALS	30	0	0	30	30	0	(30)	0
PRINTING & REPRODUCTION	426	0	(95)	331	331	5	(336)	0
EQUIPMENT MAINTENANCE BY CONTRACT	0	0	0	0	0	0	0	0
EQUIPMENT PURCHASES (NON-FUND)	1,524	0	0	1,524	1,524	24	(1,548)	0
LEASED VEHICLES	52	0	(45)	7	7	0	(7)	0
TOTAL OTHER PURCHASES	5	1	4	10	10	0	(10)	0
	3,075	17	(120)	2,972	2,972	46	(3,018)	0
TOTAL								
	10,465	217	(248)	10,434	10,434	214	(10,648)	0

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 PRESIDENT'S BUDGET SUBMISSION

D. RECONCILIATION OF INCREASES AND DECREASES: ($000)

1. FY 1998 AMENDED PRESIDENTS BUDGET REQUEST		10,545
CONGRESSIONAL ADJUSTMENTS (DISTRIBUTED)	0	
TOTAL CONGRESSIONAL ADJUSTMENTS (DISTRIBUTED)		0
2. FY 1998 APPROPRIATED AMOUNT		10,545
CONGRESSIONAL ADJUSTMENTS (UNDISTRIBUTED)		
QDR SAVINGS	-39	
REVISED ECONOMIC ASSUMPTIONS	-20	
DEFENSE AUTOMATED PRINTING SERVICE	-8	
CONGRESSIONAL EARMARKS	-16	
TOTAL CONGRESSIONAL ADJUSTMENTS (DISTRIBUTED)		(83)
3. FUNCTIONAL TRANSFERS		0
4. PROGRAM CHANGES		
PROGRAM INCREASES	0	
PROGRAM DECREASES: Program reduction to fund higher priority programs	-28	
TOTAL PROGRAM CHANGES		-28
5. FY 1998 CURRENT ESTIMATE		10434

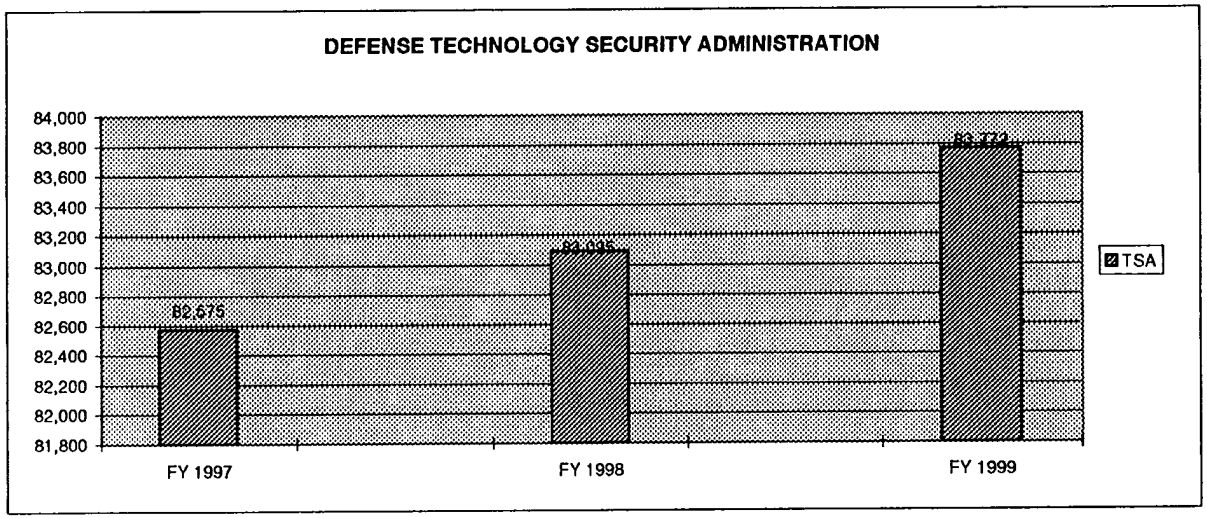
DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 PRESIDENT'S BUDGET SUBMISSION

D. RECONCILIATION OF INCREASES AND DECREASES: ($000)

6. FY 1999 PRICE GROWTH		
ANNUALIZATION OF PAY RAISE		
TRAVEL	164	
RENTAL PAYMENTS TO GSA (SLUC)	4	
PURCHASED COMMUNICATIONS	14	
SUPPLIES AND MATERIALS	3	
EQUIPMENT MAINTENANCE BY CONTRACT	5	
	24	
TOTAL PRICE GROWTH		214
7. FUNCTIONAL PROGRAM TRANSFER		
TRANSFER OUT TO DTR&TCA		(10,648)
8. PROGRAM INCREASES		0
9. PROGRAM DECREASES		0
10. FY 1999 BUDGET REQUEST		0

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY:

These workload performance indicators, or Technology Security Actions (TSAs), represent a wide range of work accomplished by DTSA's five Directorates: Policy, License, Technology, Technology Security Operations, and Resource Management in support of this Office of Secretary of Defense Field Activity. It is noted that, despite the civilian personnel reductions of 5% per year (from FY 1995 through FY 2003), DTSA's workload continues to increase. The TSAs represent a generic weighted unit of measure which allows for the tracking and analysis of our business activity. It is important to note that not every action within DTSA has been measured as a TSA. The composite number of such actions actually counted, e.g., review and analysis of munitions and dual-use export applications, preparation of policy documents, and technical support to interagency/international negotiations represent a major application of resources to achieve all mission, regulatory and statutory objectives. TSA growth is based on an estimated increase of 6,800 dual-use export licenses in FY 1997 and out-years received from the Department of Commerce. However, many TSAs are devoid of precise performance measurement criteria, e.g., one particular policy development/implementation may take a portion of three professionals a total of one staff week, whereas another may take several staff-months.



DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 PRESIDENT'S BUDGET SUBMISSION

V. PERSONNEL SUMMARY:

	FY 1997	FY 1998	FY 1999	Change FY 1998 / 1999
ACTIVE MILITARY END STRENGTH (Total)				
OFFICER	21	21	0	-21
ENLISTED	22	22	0	-22
CIVILIAN END STRENGTH (Total)				
U.S. DIRECT HIRE	78	74	0	-74
MILITARY WORKYEARS (Total)				
OFFICER	21	21	0	-21
ENLISTED	22	22	0	-22
CIVILIAN WORKYEARS (Total)				
U.S. DIRECT HIRE	80	76	0	-76

OFFICE OF THE SECRETARY OF DEFENSE
Operation and Maintenance, Defense-Wide
Federal Energy Management Program

I. Narrative Description: These funds are used to promote Energy Efficiency in Department of Defense buildings consistent with the Energy Policy Act of 1992, P. L. 102-486, and the President's Executive Order on Federal Agency Energy Efficiency and Alternative Fuel Use. These instruments direct Federal agencies to take actions necessary to increase energy efficiency in Federal Buildings and reduce global warming.

The major goals of the Energy Policy Act of FY 1992 are to reduce energy consumption by 30% by 2005 and to accomplish all the identified energy conserving measures that will pay back their investment in ten or fewer years.

II. Description of Operations Financed: The operations financed include engineering criteria and systems, awareness activities, training, research and development programs, demonstration of new technologies, energy program management empowering energy efficiency improvements through Energy Savings Performance Contracts (ESPG), and the modernization of energy systems. The modernization activities include insulating buildings, installing fans, providing solar power, updating of lighting, air conditioning, heating and hot water systems, replacing inefficient motors and installing automatic lighting controls. All other funding is in the military services.

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

A. Activity Group:	FY1997 Actual	FY 1998 Budget Request	FY 1998 Appro-priated	FY 1998 Current Estimate	FY 1998 Estimate
FEMP	-0-	-0-	15,000	15,000	15,000

B. Reconciliation Summary:	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	-0-	15,000
Congressional Adjustments	15,000	-0-
Price Change	-0-	240
Program Changes	-0-	-15,240
Current Estimate	15,000	-0-

C. Price and Program ChangesS:

	FY 1997 Actuals	Change FY 1997/FY 1998 Price Growth	Program Growth	FY 1998 Estimate	Change FY 1998/FY 1999 Price Growth	Program Growth	FY 1999 Estimate
Other Costs	-0-	-0-	15,000	15,000	240	-15,240	-0-

OFFICE OF THE SECRETARY OF DEFENSE
Operation and Maintenance, Defense-Wide
Federal Energy Management Program

III. Financial Summary (O&M: $ in Thousands) Con't:

C. Reconciliation of Increases & Decreases:

1.	FY 1998 Amended President's Budget		-0-
2.	Congressional Adjustments (Distributed)		
	Increase	15,000	
3.	Total Congressional Adjustments (Distributed)		15,000
4.	FY 1998 Appropriated Amount		15,000
5.	Congressional Adjustments (Undistributed)		-0-
6.	Functional Transfers		-0-
7.	Price Changes		-0-
8.	Program Increases/Decreases		-0-
9.	FY 1998 Current Estimate		15,000
10.	Program Increase		
	Other Costs due to price escalation	240	
11.	Total Program Increase		240
12.	Program Decrease		
	Decrease, this program was transferred to the military services previously.	-15,240	
13.	Total Program Decrease		-15,240
14.	Current FY 1999 Estimate		-0-

IV. Performance Criteria and Evaluation Summary:

The Department's energy consumption and building inventory is being tracked against the target reductions of the Energy Policy Act. Per square foot energy consumption at the end of 1996 was 15.2% lower than the usage in 1985. This is despite the workforce becoming more mechanized and computerized

Office of Economic Adjustment
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

I. Narrative Description:

The Office of Economic Adjustment (OEA) provides technical and financial assistance to communities: (a) that are affected by base closures, realignments, and reductions in defense industry employment; (b) where the local economy is heavily dependent on defense expenditures; (c) where expansion of the local military installation significantly increases the demand for public facilities and services; or (d) when community development threatens the mission of an installation. During FY 1997, OEA provided assistance to 150 communities. In FY 1999, BRAC 1988 and 1991 communities and most BRAC 1993 communities will no longer require OEA grant funding but will continue to receive technical support from the OEA staff. OEA resources are also used to support the mission of the Base Transition Office.

II. Description of Operations Financed:

OEA's FY 1999 funding will be used to continue assistance to BRAC communities and those affected by other changes in DoD programs. It is anticipated that all communities will have completed their base reuse plans and will require OEA funding to undertake follow-on, specialized plans and for additional organizational support to facilitate the reuse of the base. Assistance averages from $400,000 to $500,000 annually per community and typically is required for a three to five year period. Another ten or more communities and states will need funding for the second phase of economic adjustment strategies designed to offset impacts resulting from reductions in defense activity. Assistance to defense industry communities averages $200,000 annually and are required for two to three years. It is also expected that four to six military installations will request assistance in preventing further community development from encroaching on the operational effectiveness of the base.

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

		FY 1998			
A. Activity Group:	FY 1997 Actuals	Budget Request	Appropriation	Current Estimate	FY 1999 Estimate
Office of Economic Adjustment	36,795	40,217	114,217	113,519	31,233

Office of Economic Adjustment
Operation and Maintenance, Defense-Wide
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III. Financial Summary (O&M: $ in Thousands) (Cont.):

B. Reconciliation Summary:

	Change FY 1998/FY 1998	Change FY 1998/FY1999
Baseline Funding	40,217	113,519
Price Change		1,827
Program Changes	73,302	-84,113
Current Estimate	113,519	31,233

C. Price and Program Changes:

	FY 1997 Actuals	Change FY 1997/FY 1998 Price Growth	Change FY 1997/FY 1998 Program Growth	FY 1998 Estimate	Change FY 1998/FY 1999 Price Growth	Change FY 1998/FY 1999 Program Growth	FY 1999 Estimate
Exec, Gen & Spec Schedules	3,561	82	-208	3,435	71	-107	3,399
Travel of Persons	561	8	-194	375	6	-56	325
SLUC (GSA Leases)	273	0	0	273	0	0	273
Purchased Communications	89	0	1	90	1	0	91
Rents	73	0	1	74	1	0	75
Postal Services	2	0	1	3	0	1	4
Supplies & Materials	6	0	1	7	0	1	8
Printing & Reproduction	0	0	0	0	0	0	0
Equipment Maintenance	5	0	1	6	0	1	7
Equipment (Non-fund)	326	5	0	331	5	-308	28

Office of Economic Adjustment
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

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

C. Price and Program Changes (Cont.):

	FY 1997 Actual	Change FY 1997/FY 1998 Price Growth	Change FY 1997/FY 1998 Program Growth	FY 1998 Estimate	Change FY 1998/FY 1999 Price Growth	Change FY 1998/FY 1999 Program Growth	FY 1999 Estimate
Contract Consultants	0	0	0	0	0	0	0
Professional, Mgmt Spt Svcs	180	3	17	200	3	-3	200
Contract Studies and Analysis	275	4	31	310	5	0	315
Grants	14,666	220	19,093	33,979	544	-8,755	25,768
Other Contracts	16,778	252	57,406	74,436	1,191	-74,887	740
Total	36,795	576	76,148	113,519	1,827	-84,113	31,233

D. Reconciliation of Increases and Decreases:

1. FY 1998 Amended President's Budget		40,217
2. Congressional Adjustments (Distributed)		
- Monterey Inst Counter-Proliferation Analysis	9,000	
- Industrial Modernization	50,000	
- Fort Ord Defense Conversion Center	7,500	
- San Diego Conversion Center	7,500	
Total Congressional Adjustments (Distributed)		74,000
3. FY 1998 Appropriated Amount		114,217

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

D. Reconciliation of Increases and Decreases (Cont.):

4.	Congressional Adjustments (Undistributed)		
	- QDR Savings	-148	
	- Revised Economic Assumptions	-235	
	- Defense Automated Printing Service	- 31	
	- Congressional Earmarks (Total)	-176	
	Total Congressional Adjustments (Undistributed)		-590
5.	Program Decreases		
	Program reductions to fund higher priority programs		-66
6.	FY 1998 Current Estimate		113,519
7.	Price Changes		1,827
8.	Program Increases		
	Program increase is needed for OEA's administrative functions		3
9.	Program Decreases		
	a. Program decreases are due to congressionally directed and one-time appropriated projects ($74.0 million). Also, in FY 1999, many of the BRAC 1998 and 1991 and some BRAC 1993 communities will no longer require OEA federal grants. Similarly, many of the areas affected by Defense downsizing will have completed their adjustment strategies and no longer require OEA assistance. With fewer communities requiring OEA assistance, OEA's personnel and travel will decrease. This reduction in funds and personnel will not adversely affect OEA's ability to perform its mission.		-84,074

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

D. Reconciliation of Increases and Decreases (Cont.):

b.	To fund higher priority programs	-42
	Total Program Decreases	-84,116
10.	FY 1999 Budget Request	31,233

IV. Performance Criteria and Evaluation Summary:

The major decrease in demand for OEA resources will occur in FY 1999 because most BRAC communities will have completed their base reuse planning. With this reduction of funds, the distribution of OEA grant funds follows:

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
Base Closure Grants/Realignments	80	70	40
Defense Industry Impacts	7	5	5
Joint Land Use Studies	5	4	5
State Grants	5	3	6
Advanced Planning	0	2	4

Office of Economic Adjustment
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V. Personnel Summary:

	FY 1997	FY 1998	FY 1999	Change FY 1997/FY 1998	Change FY 1998/FY 1999
Military End Strength					
Officer	3	3	3	0	0
Enlisted	0	0	0	0	0
Total	3	3	3	0	0
Civilian End Strength					
US Direct Hire	50	48	46	-2	-2
Military Workyears					
Officer	3	3	3	0	0
Enlisted	0	0	0	0	0
Total	3	3	3	0	0
Civilian FTEs					
US Direct Hire	50	48	46	-2	-2

OFFICE OF THE SECRETARY OF DEFENSE
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

I. Narrative Description:

A. Headquarters Operating Program

The Office of the Secretary of Defense (OSD) is the principal staff element of the Secretary in the exercise of policy development, planning, resource management, fiscal, and program evaluation responsibilities. OSD includes the immediate offices of the Secretary and Deputy Secretary of Defense, Under Secretaries of Defense, Director of Defense Research and Engineering, Assistant Secretaries of Defense, General Counsel, Director of Operational Test and Evaluation, Assistants to the Secretary of Defense, Director of Administration and Management and such other staff offices as the Secretary establishes to assist in carrying out assigned responsibilities.

The Quadrennial Defense Review (QDR) examined the national security threats, risks, and opportunities facing the United States out to 2015. Based on the QDR analysis, the Department designed a defense strategy to implement the defense requirements of the President's National Security Strategy for a New Century. The Secretary of Defense white paper, Defense Reform Initiative--The Business Strategy for Defense in the 21st Century, November 1997, announced a series of reforms necessary to carryout that defense strategy. Central to the reform effort is the reorganization of the Office of the Secretary of Defense (OSD), resulting in a leaner OSD staff and modernized support systems and practices.

To implement the OSD reorganization, the DRI does the following:

- Disestablishes the Defense Support Activities (DSAs) and transfers their functions to either OSD or the Defense Agencies during 1998.
- Directs development and implementation of detailed OSD streamlining plans to include functional transfers out of OSD, internal restructures and realignments, and further downsizing.
- Eliminates the practice of augmenting staffs with overstrength personnel; all civilian personnel authorizations will be acknowledged, programmed, and budgeted.

Using FY 1996 authorizations as a baseline the table below shows that these actions will have reduced the OSD/DSAs personnel authorizations by 33 percent by the end of FY 1999. The reduction is achieved by eliminating some functions and transferring others to more appropriate line organizations (i.e., the Services or Defense Agencies/Field Activities).

OSD/DSAs *
Personnel Authorizations

	FY 1996	FY 1997	FY 1998	FY 1999	FY 00-03
Military	714	619	487	436	436
Civilian	2,279	1,968	1,657	1,566	1,566
Total	2,993	2,587	2,144	2,002	2,002
Cum Change	-	-406	-849	-991	-991

* Current planning calls for 625 (63 percent) of OSD streamlining to come from transfers and 366 (37 percent) to come from eliminations by the end of FY 1999. Of those transferred, 31 will be eliminated by the end of FY 2001 changing the transfer estimate to 594 (60 percent) and the elimination estimate to 397 (40 percent). Further, these estimates are based on plans developed by the OSD staff components. These plans are still under review with the goal of increasing eliminations.

B. Reserve Affairs Programs

Civil Military Pilot Programs encompass three separate pilot programs identified as:

1. Innovative Readiness Training (IRT) Pilot Program;
2. DoD Starbase Pilot Program;
3. Youth Opportunities Pilot Program ("ChalleNGe").

Consistent with congressional action in FY 1998, the Civil Military Programs were transferred into their own program beginning in FY 1998.

The Increased Use of Reserve Components (RC) Program is a Secretary of Defense initiative that helps reduce Active component personnel operating intensity by increasing the utilization of the RC in meeting CINC operational mission requirements. The program was designed as a short-term pilot program. As such, funding for this program is terminated at the end of FY 1998.

The Reserve CINC support program provides partial funding for integration of RC personnel at the Unified Command Headquarters to meet CINC warfighting requirements. Funding for this effort continues through FY 1998 only.

C. Defense Against Weapons of Mass Destruction Initiative

Nuclear, chemical and biological terrorism is considered an increasing U.S. problem. Leaders of Congress view terrorism as a "top national security threat for years to come" (Senator Nunn). In response to this challenge, Congress has passed the Defense Against Weapons of Mass Destruction (WMD) Act of 1996 which would enhance emergency response to terrorist incidents involving the use of weapons of mass destruction by Federal, State and local governments. The Department of Defense (DoD) has the lead role in the execution of the Domestic Preparedness portion of the legislation. The DoD will provide Federal, State, and local agencies with training and expert advice regarding emergency response to the use or threatened use of these weapons. In addition, the Department will develop a domestic terrorism rapid response team to aid Federal, State, and local officials in detection, neutralization, containment, dismantlement, and disposal of chemical and biological weapons of mass destruction. The Secretary of the Army has been designated the Executive Agent for the Domestic Preparedness Program. The Secretary of the Army will use the Director of Military Support (DOMS) as the focal point for coordination and the Chemical and Biological Defense Command (CBDCOM) as Program Director for management of day-to-day execution of the program. As the executive agent, the Army will take the lead in coordinating DoD assistance to Federal, State, and local officials in responding to threats involving chemical and biological (CB)

weapons. The Army will also take the lead in coordinating DoD assistance to the Department of Energy in their role as executive agent for assistance to these officials for threats involving nuclear weapons. This program is transferred to the new Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) commencing in FY 1999 as determined by the Defense Reform Initiative.

D. Acquisition and Technology Programs

Open Systems-Joint Task Force (OS-JTF): The OS-JTF was chartered in November 1994 by the Under secretary of Defense Acquisition and Technology as a temporary vehicle to promote the use of an open systems approach in the acquisition of weapons systems. This is an adjunct to, but separate and distinct from, other efforts within the Department - Acquisition Reform, Defense Performance Review, use of performance specifications rather than DoD specifications, and reduction/elimination of MILSPECS and standards - to change the way in which DoD acquires weapon systems.

Specific goals of the OS-JTF are:

-Coordinate the approval of a DoD policy for implementation of an open systems approach.
-Oversee Service transition to open systems centered acquisitions.
-Coordinate and support DoD participation with appropriate industry standards bodies.
-Establish sources of training in open systems.
-Designate appropriate architectures and open systems standards for DoD use.

The OS-JTF is navigating uncharted waters in areas that if successful will require fundamental changes in the Department's acquisition policy. Not only must the Task Force develop workable open systems methodologies, it must develop the resultant policies, procedures, processes and tools to support open systems.

Acquisition Reform Support and Implementation: In "Acquisition Reform: A Mandate for Change," which describes his strategic vision for acquisition reform, Secretary Perry stated that acquisition reform is in consonance with many of our Nation's most important goals: saving the taxpayer money; reinventing government; strengthening the military, including maintaining its technological superiority, while it reduces in size; and improving our economy. In order to support these goals, the Office of the Deputy Under Secretary of Defense for Acquisition Reform operates as the primary change agent for reengineering the DoD acquisition system and has the responsibility for providing tools and techniques that assist in changing the business culture in DoD (i.e., incentives; elimination of disincentives; metrics; enhancing the professionalism of the acquisition workforce; communication; education and training; and identifying technologies for business process reengineering and improvement).

Deskbook/Consolidated Acquisition Reporting System (CARS): Deskbook and CARS are ongoing programs that effectively leverage information technology for the entire Defense acquisition community. In prior fiscal years, the funding sources for Deskbook and CARS were spread among OSD and each of the Military Departments. In order to reduce administrative burden, these programs transfer to the OSD FY 1998.

Deskbook is a software development and maintenance program that permits the electronic distribution of acquisition policy and procedures throughout the Defense acquisition community. CARS is a PC-based data entry and reporting software package that maintains and reports information on defense programs.

Acquisition Programs Support Systems: This program funds maintenance and modernization of critical acquisition-wide program support systems. Rapidly advancing information technology has allowed the development of software applications that greatly improve the interaction between the OUSD(A&T) staff, other OSD staff elements, and members of the acquisition community. The focus of these applications has been rapidly expanding over the past few years to include a broader department-wide acquisition and technology community. These applications require maintenance support and modernization efforts to sustain and increase their effectiveness and utility.

E. Other DoD Programs and Initiatives

This segment of the budget highlights other defense-wide programs and initiatives included in the OSD account and congressional interest items. Congressional interest items include the Legacy Resource Management Program and Native American Land Mitigation. Some of the other department-wide funding initiatives residing in the OSD include but are not limited to the following: Drug Enforcement Program, C3I Mission and Analysis Fund, Quality Management, Canadian Environmental Clean-Up, and the Interagency Training Center. Commencing in FY 1999 funds for commissions and panels such as the Critical Infrastructure Protection Commission, Veterans Benefits Improvements Commission, and the National Defense Panel transfer to Washington Headquarters Services (WHS). The Persian Gulf War Illnesses Commission remains in the OSD through FY 1999.

II. Description of Operations Financed:

A. Headquarters Operating Program

This program funds personnel compensation and benefit costs for the civilian employees assigned to the OSD staff. In addition, it funds mission related travel costs of the Secretary and the civilian and military staff, advisory and assistance services, transportation of things, printing requirements, and official representation expenses. Advisory and assistance services include studies and analyses in areas critical to the mission of the OSD. These services provide expertise not available within the Department and assist the OSD staff in addressing topics of immediate concern, formulating positions on a multitude of issues, and making critical decisions that are in the best interest of national defense.

B. Reserve Affairs Program

Civil Military Pilot Programs encompass three separate pilot programs identified as 1) Innovative Readiness Training (IRT) Pilot Program; 2) DoD Starbase Pilot; and 3) National Guard Civilian Youth Opportunities Pilot Programs (ChalleNGe). Consistent with congressional action in FY 1998, the Civil Military Programs were transferred into their own program beginning in FY 1998.

The Increased Use of Reserve Components (RC) Program is a Secretary of Defense initiative that helps reduce Active component personnel operating intensity by increasing the utilization of the RC in meeting CINC operational mission requirements. Reserve combat, combat support and combat service support units are integrated in the CINC's planning process for training resulting in a more effective use of RC. The program was designed as a short-term pilot program. As such, funding for this program is terminated at the end of FY 1998.

The RC CINC Support Program is a Department initiative that focuses on supporting the Chairman's program. The program will provide partial funding to the CINC Wartime Augmentation program which enhances integration of RC personnel at the Unified Command Headquarters level. Funding for this effort continues through FY 1998 only.

C. Defense Against Weapons of Mass Destruction Initiative

The Domestic Preparedness Program is divided into three major program areas: Emergency Response Preparedness; Coordination of Chemical Biological (CB) Response; and Exercises and Preparedness Testing.

Emergency Response Preparedness: The Emergency Response Preparedness program provides the training programs for first responders and the expert assistance required to prepare and aid the first responders in dealing with Defense Against Weapons of Mass Destruction Initiative (WMD) incidents.

1. Training of First Responders has been recognized as the single most critical effort for enhancing emergency response to WMD incidents. This effort will develop a training program using a "train-the-trainer concept" to prepare first responders in handling WMD incidents. The training program will target three audiences, (1) First responders, (2) Emergency Command and Control Officials, and (3) Trainers of First Responders and Emergency Command and Control Officials. The plan is to train the nation's top one hundred twenty metropolitan areas over a three year period. The metropolitan areas will be prioritized by the Senior Interagency Coordination Group, established under the Defense Against WMD legislation.

2. The Expert Assistance program will develop and maintain an integrated process/system that draws on the existing expertise located within DoD and various federal agencies and make this support accessible to federal, state and local agencies in the event of a WMD incident. This assistance is anticipated to be provided in the form of Hot Lines, Help Lines, databases, and vulnerability assessments. This includes the DoD portion of the rapid response information system being designed by the Federal Emergency Management Agency. The vulnerability assessments will be conducted on a prioritized list of facilities/events or on an as needed basis.

Chemical and Biological Response: The goal of this segment of the program is improved assistance to Federal, State and local officials in responding to chemical and biological threats. As part of this assistance, the Department will provide the nation a rapidly deployable team to augment the local first responders when responding to a CB incident or threat. The CB Emergency Response Program will enhance and improve the response teams already in existence within the DoD to better address the needs of the civilian population. Funding for actual responses is not included.

Exercises and Preparedness Testing: This segment of the program shall include field exercises and systematic preparedness tests to be carried out in order to: 1) test and improve preparedness and responses of Federal, State, and local agencies to emergencies involving chemical and biological weapons and 2) provide suggestions for improvements based on lessons learned from the exercise(s). The execution of this program requires the active participation by the DoD, the Federal Bureau of Investigation (FBI), the Federal Emergency Management Agency (FEMA), the Department of Energy (DOE), and other Federal, State and local government agencies that have expertise or responsibility relevant to CB emergencies. This is the mechanism that will be used to gauge the nation's ability to respond to CB incidents.

D. Acquisition and Technology Programs

Open Systems-Joint Task Force (OS-JTF): The Task Force was established with a four year sunset, so it only has a short time to accomplish its goals. The idea is to quickly make those cultural and other changes necessary to establish and institutionalize an open systems approach to weapons systems acquisition. As a result the OS-JTF budget was designed to start

small, quickly increase and finally decrease substantially for the final sunset year. The increase of FY 1998 over FY 1997 represent the increased activity of the OS-JTF as it ramps up to create and implement an open systems program for the Department.

Acquisition Reform Support and Implementation: In "Acquisition Reform: A Mandate for Change," which describes his strategic vision for acquisition reform, Secretary Perry stated that acquisition reform is in consonance with many of our Nation's most important goals: saving the taxpayer money; reinventing government; strengthening the military, including maintaining its technological superiority, while it reduces in size; and improving our economy. DoD must re-engineer the acquisition system within the framework of what DoD buys, how DoD buys, and under what terms and conditions DoD negotiates with its suppliers. Process action teams and working groups are being used to develop re-engineering plans of action to achieve specific goals within the above framework. The teams will also identify the actions that must be taken to implement the recommendations in the plan of action, including funding. Six process action teams have completed their work: Electronic Commerce/Electronic Data Interchange (EC/EDI), Specifications and Standards, Procurement Process, Contract Administration, Oversight and Review, and Automated Acquisition Information. All are in the process of implementing their recommendations.

Deskbook/Consolidated Acquisition Reporting System (CARS): The Deskbook funds provide for the continued development and maintenance of current and coherent acquisition information. With Deskbook serving as the vehicle, this information is being distributed to all persons in DoD responsible for acquisition functions. The reference library and discretionary information contained in the Deskbook allowed the Department to reduce the volume of mandatory guidance contained in the DoD 5000 series by over 90%. Deskbook is released to the acquisition community on a quarterly basis. Deskbook is central to changing the way the DoD does business and is a key part of the Department's ongoing acquisition reform effort.

The CARS funds allow automated oversight systems to be streamlined and add management information capabilities to the software package. The resulting software package will be known as "CARS Plus." CARS currently serves over 100 program offices, numerous program executive officers, and members of the Service staffs and the OSD staff. In addition to maintaining current capabilities, CARS Plus provides access and management capabilities beyond

the current Selected Acquisition Report, Defense Acquisition Executive Summary, and Acquisition Program Baseline modules.

The Acquisition Programs Support Systems: FY 1999 funding will be used for contractor personnel to maintain and modernize existing and FY 1998 funded A&T-wide program support systems: ACQWEB Internet (A&T's unclassified electronic face to the world); Lotus Notes applications (a variety of tracking and collaborative groupware applications; e.g., A&T Task Management System); A&T-wide applications (e.g., Personnel Management System and Program Budget Decision Tracking system); A&T Intranet (unclassified and classified internal webs to greatly facilitate staff access to A&T information bases); and A&T electronic conferencing capabilities (broadcast and stored video at the desktop, Internet and Intranet interactive text and audio, and desktop video teleconferencing).

E. Other DoD Programs and Initiatives

Resources for these programs pay for civilian salaries and benefits, contract consultant support, travel, and advisory and assistance services. Unlike the OSD Headquarters Program, overhead expenses to include rent, utilities, equipment purchases, and supplies are also funded with these resources in cases where the program and/or initiative does not already have an OSD sponsor.

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

A. Activity Groups	FY1997 Actuals	FY 1998 Budget Request	FY 1998 Amount Approp	FY 1998 Current Estimate	FY 1999 Estimate
1. Headquarters Operating Program					
a. Compensation and Benefits	155,146	143,296	143,296	136,027	159,570
b. Travel of Persons	9,699	11,511	10,077	9,908	12,408
c. Operational Support	29,084	45,705	13,720	51,349	87,857

OFFICE OF THE SECRETARY OF DEFENSE
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

A. Activity Groups	FY1997 Actual	FY 1998 Budget Request	FY 1998 Amount Approp	FY 1998 Current Estimate	FY 1999 Estimate
d. Official Representation Funds	1,793	1,950	1,707	1,678	1,921
2. Reserve Affairs Programs					
a. National Guard ChalleNGe	37,100	20,000	0	0	0
b. Innovative Readiness Trng	9,894	16,000	0	0	0
c. DoD Starbase	4,095	4,000	0	0	0
d. Increased Use of Guard and Reserve Units	2,301	22,867	8,758	8,607	0
e. CINC Support	0	6,000	0	0	0
3. Defense Against Weapons of Mass Destruction	37,050	48,714	50,014	43,214	0
4. Military Personnel Information System	13,211	15,552	20,552	0	0
5. Acquisition and Technology Programs					
a. Acquisition Reform Support and Improvement	6,044	9,621	8,464	8,283	10,425

OFFICE OF THE SECRETARY OF DEFENSE
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

A. Activity Groups	FY1997 Actual	FY 1998 Budget Request	FY 1998 Amount Approp	FY 1998 Current Estimate	FY 1999 Estimate
b. Open Systems Architecture Joint Program	5,780	8,325	7,287	7,165	4,398
c. Deskbook	0	721	623	625	2,800
d. Consolidated Acquisition Reporting System	0	650	576	554	650
e. Acquisition Programs Support Systems	0	0	0	0	2,248
6. Other DoD Programs and Initiatives					
a. Strategic Mobility Enhancements	34,973	0	0	0	0
b. Drug Enforcement Program	9,725	0	0	0	0
c. C3I Mission and Analysis Fund	10,620	20,695	13,741	13,511	11,119
d. Financial Management Education & Training	16,420	0	0	0	0
e. Persian Gulf War Illnesses Initiative	28,779	11,358	11,358	29,558	35,866

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

A. Activity Groups	FY1997 Actual	FY 1998 Budget Request	FY 1998 Amount Approp	FY 1998 Current Estimate	FY 1999 Estimate
f. Anti-Terrorism Initiative	11,600	0	0	0	0
g. DoD Panels & Commissions Support	15,968	2,300	6,896	7,982	0
h. Canadian Environmental Clean-up	0	10,235	10,150	10,150	10,312
i. Native American Land Remediation	7,874	0	0	8,000	0
j. Interagency Training Ctr	4,068	4,544	3,980	3,913	5,431
k. Quality Management	839	852	747	734	877
l. Continuity of Operations	0	698	611	601	487
m. Partnership for Peace	0	0	44,162	38,009	0
n. Artic Military Environmental Cooperation	0	0	0	0	5,500
o. Deputy Director Test Systems Engineering & Evaluation/ Systems Engineering	0	0	0	0	3,600

OFFICE OF THE SECRETARY OF DEFENSE
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FY 1999 AMENDED BUDGET ESTIMATES

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

A. Activity Groups	FY1997 Actual	FY 1998 Budget Request	FY 1998 Amount Approp	FY 1998 Current Estimate	FY 1999 Estimate
p. Defense Environmental Security Information Management	0	0	0	0	11,670
q. Systems Engineering	0	0	0	0	369
r. Basic Allowance for Housing Data Collection	0	0	0	0	978
s. Legacy Resource Management	9,151	0	10,000	10,000	0
t. National Performance Review	1,300	1,300	0	1,300	1,300
u. No Year Appropriation	0	230	0	230	0
Total	462,514	407,124	366,719	391,398	369,836

B. Reconciliation Summary:

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	407,124	391,398
Congressional Adjustments	-26,690	
Price Change		8,400
Functional Transfer	-20,552	-20,756
Program Changes	31,516	-9,206
Current Estimate	391,398	369,836

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

C. Summary of Price and Program Change:

	FY 1997 Actual	Change FY1997/FY1998 Price Growth	Change FY1997/FY1998 Program Growth	FY 1998 Estimate	Change FY1998/FY1999 Price Growth	Change FY1998/FY1999 Program Growth	FY 1999 Estimate
Executive, General and Special Schedules	153,054	3,419	-22,750	133,723	4,312	19,120	157,155
Wage Board	379	4	-8	375	4	7	386
Benefits to Former employees	1,384	0	216	1,600	0	100	1,700
Disability Compensation	329	0	0	329	0	0	329
Travel of Persons	9,699	145	64	9,908	158	2,342	12,408
Commercial Transportation	73	1	305	379	6	59	444
Management and Professional Support	636	9	2	647	10	364	1,021
Studies, Analysis, & Evaluation	93,465	1,401	-3,210	91,656	1,466	56,748	149,870
Other Contracts	74,483	1,117	-25,096	50,504	808	-30,177	21,135
Other Costs	129,012	1,935	-28,670	102,277	1,636	-78,525	25,388
Total	462,514	8,031	-79,147	391,398	8,400	-29,962	369,836

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

D. Reconciliation of Increases & Decreases:

1. FY 1998 Amended President's Budget Request		407,124
2. Congressional Adjustments (Distributed)		
a. Legacy Program	10,000	
b. OSD Administrative Savings	-20,000	
c. Civil Military Programs Transfer	-40,000	
d. Increased Use of the Guard & Reserve	-12,867	
e. CINC Support	-6,000	
f. C3I Mission & Analysis Fund	-5,000	
g. Military Personnel Information System	5,000	
h. First Responder Training	1,300	
i. Partnership for Peace	44,162	
j. PTAP	-17,000	
3. Total Congressional Adjustments (Distributed)		-40,405
4. FY 1998 Appropriated Amount		366,719
5. Congressional Adjustments (Undistributed)		
a. Section 8035 FFRDC	-1,943	
b. Section 8041 CAAS	-4,621	
c. Native American Lands Mitigation and Other Earmarks	7,418	
d. QDR Undistributed Reduction	-1,419	
e. Revised Economic Assumption	-1,508	
f. High Risk Automation Systems	-250	
g. Defense Automated Printing Service	-296	

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

6. Total Other Congressional Adjustments Undistributed		-2,619
7. Functional Transfers		
a. Transfers In: None *		
b. Transfers Out: *		
- Military Personnel Information System Transfer to DHRA	-20,552	
8. Total Functional Transfers		-20,552
9. Program Increases		
a. Persian Gulf War Illnesses	18,200	
b. Civilian Personnel	11,900	
c. Commissions and Panels	718	
d. Reallocation of PTAP Transfer	16,334	
e. Other Miscellaneous Programs	1,056	
10. Total Program Increases		48,208
11. Program Decrease to finance higher priority programs		-358
12. FY 1998 Current Estimate		391,398

* DRI functional transfers into and out of OSD are on a reimbursable basis in FY 1998.

Note: Personnel transfers are reflected in OSD manpower exhibits.

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

13. Price Changes		8,400
14. Functional Transfers		
a. Transfers In		
Disestablish the PPASC and merge into the OSD	21,953	
Disestablish the CISA and merge into the OSD	34,872	
Disestablish the OUSD(A&T)DSA and merge into the OSD	26,300	
Transfer Acquisition Deskbook from the R&D appropriation	2,360	
Transfer Artic Military Environmental Cooperation previously funded in the Cooperative Threat Reduction Appropriation.	5,500	
b. Transfers Out		
Transfer of the Partnership for Peace Program to DTRTCA	-38,617	
Transfer of the Defense Against weapons of Mass Destruction to DTRTCA	-43,905	

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

Transfer of the Military Banking program to DFAS	-100
Transfer of the NATO Personnel Program to the Army	-2,500
Transfer of the Net Assessment Organization to NDU	-1,686
Transfer of the SDSSG to NDU	-314
Transfer of the Emergency Planning Directorate to the Army	-1,335
Transfer of OUSD(A&T) functions into the Army	-1,561
Transfer of the Humanitarian Assistance\ Demining to DSAA	-889
Transfer of the IACP into DSAA	-2,452
Transfer of the NCCS funding initiative to STRATCOM	-614
Transfer of the SAP to DTRTCA	-220
Transfer of the CTR to DTRTCA	-528
Transfer of OUSD(A&T) functions into the DTRTCA	-243

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

Transfer of the ATSD(NCB) into the DTRTCA	-971
Transfer of the DASD(POW/MP) function into the DPMO	-112
Transfer of the Electronic Commerce function into the DLA	-96
Transfer of OUSD(A&T) functions into the DLA	-1,688
Transfer of OUSD(A&T) functions into DTIC	-52
Transfer of OUSD(A&T) functions into the Navy	-122
Transfer of the AGS into the DHRA	-230
Transfer of the Military Details Activity into WHS	-102
Transfer of the FOISR Program into WHS	-1,434
Transfer of the Commissions to WHS	-1,100
Transfer of the White House Fellows into WHS	-389

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

Transfer of the Defense Privacy Office into WHS	-336	
Transfer of the ASAP into WHS	-309	
Transfer of the AET&CD to NDU	-383	
Transfer of the OUSD(A&T) Information Management to the Army	-1,117	
Transfer of OUSD(A&T) activities to DSAA	-142	
Transfer of OUSD(A&T) activities to the AF	-94	
Transfer of HA to TRICARE	-2,600	
15. Total Functional Transfers		-15,256
16. Program Increases:		
a. Interagency Training Center - Increase designated for the recapitalization of Technical Security Counter Measures equipment.	1,455	
b. Acquisition Reform Support - Increase to provide the necessary education and training opportunities for the acquisition community in the area of Acquisition Reform, and support the evaluation and implementation of promising PAT team findings.	2,118	

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

c. Acquisition Programs Support Systems - Program commencing in FY 1999, created to identify and fund the maintenance and modernization of critical acquisition-wide program support systems that will greatly improve the interaction between the OUSD(A&T) staff, other OSD staff elements and the Acquisition community. 2,248

d. Quality Management - Increase will provide additional resources to the OSD community for the education of quality management principles and guidelines and for the adoption of critical PAT team recommendations. 131

e. Persian Gulf War Illnesses - Increase to finance an in-depth on-site investigation by senior OSA (GWI) personnel, to include physicians and epidemiologists for 6-9 months in Saudi Arabia, Kuwait, and other coalition countries in the Middle East. 5,835

f. Travel & Other Administrative - Increase to the OSD travel and other administrative services programs in support of anticipated global and regional requirements of the Secretary and staff in determining policy for the department and in providing defense for the nation. Some of the issues facing the department are, but are not limited to the following: Assessing future DoD requirements for basing and infrastructure, Emerging Revolution in Military Affairs, Assessing asymmetric threats to U.S. security, evaluation of the entire NATO Enlargement Issue, and assessing alternative approaches for the planning and execution of major theater wars. 4,110

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

g.	Systems Engineering - Resources provided for policy and support of the early integration of functional disciplines, e.g., manufacturing, software engineering, modeling and simulation, etc. in the acquisition process. This assures consideration of the most effective and efficient application of state-of-the-practice methodologies in order to establish effective risk reduction efforts. The systems engineering process utilizes Integrated Product and Process Development principles to effectively and efficiently integrate engineering, development, test and evaluation processes to ensure reliable, maintainable, and affordable systems that meet user needs over the life cycle.	3,600	
h.	BAH Data Collection - Resources that will be used to purchase housing market data needed to calculate Basic Allowance for Housing (BAH) rates for 335 geographic areas known as Military Housing areas (MHA) and other smaller housing areas known as County Cost Groups (CCG) that will be used in developing a billion dollar annual allowance program for the military.	978	
17.	Total Program Increases		20,475
18.	Program Decreases		
a.	Legacy - Reserve Management Program - Congressional add for FY 1998 that is not projected for FY 1999.	-10,160	
b.	Increased Use of the Guard & Reserve - Resources for this initiative are not programmed beyond FY 1998.	-8,745	

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

c.	Open Systems Architecture JPO - Resources are programmed at a reduced level to ensure the continued maintenance of prior year accomplishments.	-2,882	
d.	C3I Mission and Analysis Fund - Resource reduction based On projected completion of program requirements for the OSD level year 2000 and the Defense Integrated Support Tools (DIST) activities.	-2,608	
e.	Native American Lands Mitigation - Congressional Earmark for FY 1998 that is not projected for FY 1999 and beyond.	-8,128	
f.	No-Year Funding - Resources not provided in this appropriation beyond FY 1998.	-234	
g.	Civilian personnel compensation and benefits - Projected decrease in support of planned FTE levels of the revised OSD Headquarters Program resulting from DRI related actions.	-2,424	
19.	Total Program Decreases		-35,181
20.	FY 1999 Budget Request		369,836

IV. Performance Criteria and Evaluation Summary:

The function of the Office of the Secretary of Defense is to provide civilian direction and control over the Department of Defense. Evaluation of the performance of the component offices of OSD is made by the Secretary and Deputy Secretary and, in certain cases, by the Under Secretaries of Defense. Control and management of the DoD is maintained through the establishment of policies, directives, funding controls, and personnel authorizations.

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The OSD has oversight responsibility for the following:

	Major Weapon Systems FY 1997	FY 1998
Strategic Land Based ICBMs		
Minuteman	530	500
Peacekeeper	50	50
Strategic Bombers		
B52 G/H	56	56
B-1B	60	60
B-2	10	12
Fleet Ballistic Launchers		
Poseidon (C-3 and C-4)		
Trident (C-4 and C-5)	408	432

Source: Defense Almanac 1996, Issue 5

Active Duty Military: 1,466,545 (Budget of the United States Government Fiscal Year 1996)

V. Personnel Summary:	FY 1997	FY 1998	FY 1999	FY 1997/1998	FY 1998/1999
Military End Strength					
Officer	426	395	381	-31	-14
Enlisted	83	45	54	-38	+9
Total	509	440	435	-69	-5
Civilian End Strength					
US Direct Hire	1,565	1,597	1,515	+32	-82
Military Workyears					
Officer	426	395	381		

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V. Personnel Summary:	FY 1997	FY 1998	FY 1999	FY 1997/1998	FY 1998/1999
Enlisted	83	45	54		
Total	509	440	435	-69	-5
Civilian Workyears					
US Direct Hire	1,570	1,599 *	1,540	+29	-59

* Includes 267 reimbursable FTE's.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
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I. NARRATIVE DESCRIPTION:

Arms control is an integral part of our country's national security strategy. Arms control ensures confidence in compliance through effective inspection, monitoring, and verification; and, ultimately, contributes to a more stable and calculable world balance of power. The full and faithful implementation of existing arms control agreements, followed by ratification of the Strategic Arms Reduction Treaty (START) II and implementation of the Chemical Weapons Bilateral Destruction Agreement (CW BDA) remains an important element of the Administration's national security policy. With the entry into force (EIF) of START II planned for 2nd/3rd Quarter of FY 1998, the EIF of the Open Skies (OS) Treaty planned for 2nd/3rd Quarter of FY 1998 and the EIF of CW BDA planned for January 2000 (for budgetary planning only), the On-Site Inspection Agency (OSIA) budget resources have been adjusted to support the significantly expanded missions associated with these treaties in the outyears. The OSIA continues its efforts to carry out the inspection, escort, and monitoring provisions of the Intermediate-Range Nuclear Forces (INF) Treaty, START I, the Conventional Armed Forces in Europe (CFE) Treaty, as well as providing support for the Nuclear Test Ban Treaties (NTBT), the Chemical Weapons Convention (CWC), the Plutonium Agreement, and the Counterproliferation Programs (FBI and Customs Service). With the advent of new missions, OSIA is playing an expanding role in providing support to the Cooperative Threat Reduction (CTR) Program and Safeguards, Transparency, and Irreversibility (STI) Agreements. Other missions include support for the Bosnia Peace Plan initiative, the Biological Weapons (BW) Trilateral Agreement, the Confidence and Security Building Measures (CSBM), the Technical Equipment Inspections (TEI) Program, the Executive Agent for the Defense Treaty Inspection Readiness Program (DTIRP), and the United Nations Special Commission (UNSCOM) on Iraq.

The primary mission of the OSIA is to conduct U.S. Government inspections of foreign facilities, territories, or events. To accomplish this mission, OSIA organizes, trains, equips, and deploys inspection, monitoring, and escort teams to ensure that the U.S. Government can exercise its full treaty rights for on-site inspection and to protect U.S. treaty rights with respect to inspected sites or activities. The OSIA also provides technical advice to U.S. Government elements concerned with developing, implementing, or evaluating compliance with arms control treaties and agreements. The OSIA executes other missions requiring unique skills, organization, or experience resident in OSIA.

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA), effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: Defense Special Weapons Agency (DSWA), On-Site Inspection Agency (OSIA), and Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

I. NARRATIVE DESCRIPTION (Cont.):

As part of this budget submission, the OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

II. DESCRIPTION OF OPERATIONS FINANCED:

The OSIA, located at Dulles International Airport, has field offices throughout the country and overseas to facilitate accomplishment of its primary mission of conducting on-site inspections and continuous monitoring at specified foreign facilities, and coordinating and conducting escort activities for foreign inspectors at designated U.S. facilities under the provisions of seven different treaties. Budget estimates reflect requirements resulting from on-going inspection, escort and continuous monitoring operations of the INF Treaty, and preparation and implementation costs for START and START II, which includes provision for continuous monitoring in addition to inspection and escort requirements. The OSIA also has responsibility for preparation and implementation of the CFE Treaty that, like INF, had an intense baseline period of inspections already completed in FY 1993. The bilateral and multilateral chemical weapons agreements also fall to OSIA to prepare to implement inspection/escort regimes. By DoD Directive, OSIA was tasked to prepare for the OS Treaty. In addition to treaty implementation, OSIA has non-treaty oriented missions such as CSBM, DTIRP, TEI, Plutonium Agreement, and Counterproliferation programs and has been designated the Executive Agent for the Department of Defense to the UNSCOM on Iraq. Planning and preparation also continues for activities anticipated under the STI and BW. Expenses for supporting OSIA's mission are primarily identifiable in six major areas: inspection/escort missions; continuous monitoring; foreign chargeback/inspected party payments; mock/training; operational support; and general and administrative support.

A. Inspection/Escort Missions: To conduct inspection missions, OSIA augments its inspector cadre with technical specialists on temporary duty to OSIA from the Military Services and other U.S. Government Departments and Agencies. Each inspection team is specifically tailored for the facility it will inspect. OSIA escort teams are also organized with the scope of their mission in mind. Upon the arrival of inspection teams at a U.S. point of entry, the OSIA team chief acts as the official United States Government representative charged with interacting with the Commonwealth of Independent States (CIS) inspection team chief. At a U.S. point of entry, the escort team coordinates all necessary assistance by personnel from the U.S. Customs Service, the Department of Immigration and Naturalization, and the Department of Agriculture. Upon arrival at a U.S. base, OSIA escorts are augmented by local personnel who provide site-specific expertise to the effort. Escort and inspection duties can be interchangeable.

II. DESCRIPTION OF OPERATIONS FINANCED (Cont.):

B. Continuous Monitoring: In Votkinsk, Russia, OSIA portal perimeter monitoring teams perform their production facility inspection mission provided for in the INF Treaty. The living facilities for the U.S. inspectors are immediately outside the gate of the Votkinsk Machine Building Plant. To conduct their inspection mission, OSIA personnel perform inspections of vehicles large enough to contain former Soviet SS-20 missiles, which are banned by the INF Treaty and were formerly assembled in the Votkinsk Plant. In addition to measurements and visual observation, the Cargoscan X-ray system permits the U.S. to image the contents of every SS-25 missile canister leaving the plant to ensure that no prohibited missiles are shipped from the facility. When START entered into force on 5 December 1994, the Votkinsk Machine Building Plant began having items of inspection attributable to both the INF and START Treaties; therefore, this budget submission reflects a sharing of costs between INF and START, beginning with FY 1996. At the Alliant Techsystems Plant in Utah, the portal perimeter monitoring team from the former Soviet Union is escorted around-the-clock by OSIA escorts. This team is allowed by the INF Treaty to inspect any vehicle leaving the monitored perimeter area of the Alliant Plant if that vehicle is large enough to contain the first stage of the Pershing II missile, which was formerly produced at the Alliant plant. These inspectors, escorted by OSIA personnel, exercise inspection rights according to the Treaty's Inspection Protocol. These rights are designed to ensure that the inspecting party can gather information to monitor provisions of the Treaty without compromising the rights of the inspected party to protect the legitimate privacy of its missile production process. Under START, monitoring functions at Pavlograd terminated on 31 May 1995. It is envisioned that operation of Perimeter Portal Continuous Monitoring (PPCM) facilities under CW will be required. Differences will be dictated by location.

C. Foreign Chargeback/Inspected Party Payments: This budget reflects requirements for estimated U.S. reimbursement payments for the INF, START I/II, CFE, CW, and OS Treaties in accordance with the Agreement on the Settlement of Accounts as identified in the Protocol to the Treaties (Foreign Chargeback) and the Joint Statements of Policy on Reimbursement of Inspection Cost (Inspected Party Payments).

D. Mocks/Training: The most significant lesson learned from the INF Treaty is that early preparation is essential for successful implementation of on-site inspections. Mock inspections provide an opportunity for OSIA to role-play as inspectors and to exercise and sensitize the inspectable-site personnel before the actual inspection takes place. Mock inspections have enabled us to refine our operations and to standardize procedures at very diverse facilities and to educate teams from other treaty signatories. In preparing for START and START II, OSIA conducted staff assistance visits and mock inspections at U.S. facilities subject to inspection. Under CFE, mock inspections were commonly called trial inspections. The trial inspections conducted have been invaluable. The OSIA gained valuable training on underground nuclear testing while

II. DESCRIPTION OF OPERATIONS FINANCED (Cont.):

escorting Russian inspectors at the Nevada Test Site and participating in the familiarization visit at Novaya Zemlya. In preparation for our OS mission, we are conducting mock flights and mock certifications using USAF OC-135s. Under CW, mock inspections are being performed in conjunction with Service components of the Army, Navy and Air Force at various U.S. chemical storage and former production sites.

E. Operational Support: Operational Support requirements encompass unique treaty specific costs that apply to both inspection and escort missions (deployable costs), such as personnel, unique treaty training, travel and per diem, unique supplies and conferences/site assistance visits. Also included are support costs for OSIA personnel that actually manage OSIA's inspection, escort, and monitoring missions at eight operational detachments worldwide.

F. General and Administrative Support (G&A): General and Administrative functions, which are approximately nine percent of the total OSIA program in FY 1997-FY 1998, represent OSIA's true overhead costs and include such functions as comptroller, personnel, legal counsel, and inspector general. A portion of General and Administrative support is allocated to each of the treaties, based on the workload of each treaty, to reflect all OSIA resource requirements against treaty workloads. The level of OSIA resources dedicated to general and administrative support is relatively stable in FY 1997-FY 1998.

On-Site Inspection Agency
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III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
			FY 1998		
1. INF	11,133	14,311	14,311	11,944	0
2. START	15,002	21,001	21,001	16,962	0
3. START II	3,126	9,276	6,490	6,401	0
4. CFE	5,601	12,095	12,095	7,281	0
5. NTBT	1,690	1,303	1,303	1,836	0
6. CW	13,470	34,659	27,445	22,825	0
7. OPEN SKIES	5,388	7,242	7,242	8,291	0
8. STI	98	2,428	2,428	361	0
9. OTHER MISSIONS	11,911	6,911	3,311	18,400	0
Total	67,419	109,226	95,626	94,301	0

B. RECONCILIATION SUMMARY:

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	109,226	94,301
Congressional Adjustments	-14,825	NA
Price Change	0	1,561
Reprogramming/Functional Transfers	0	-95,862
Program Changes	-100	0
Current Estimate	94,301	0

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
SUMMARY PRICE AND PROGRAM CHANGES
($ IN THOUSANDS)

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1997 PROGRAM	FY 1998 PRICE GROWTH AMT	FY 1998 PROGRAM GROWTH	FY 1998 PROGRAM
Executive, General, and Special Schedule	18161	298	2020	20479
Wage Board	191	4	32	227
Voluntary Separation Incentive Pay	0	0	158	158
TOTAL CIVILIAN PERSONNEL COMP	**18352**	**302**	**2210**	**20864**
Travel of Persons	8281	124	11786	20191
TOTAL TRAVEL	**8281**	**124**	**11786**	**20191**
GSA Managed Supplies & Materials	59	1	-55	5
Locally Procured DoD managed supplies & materials	10	0	17	27
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**69**	**1**	**-38**	**32**
GSA Managed Equipment	31	0	-17	14
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**31**	**0**	**-17**	**14**
Defense Financing & Accounting Services	230	-29	39	240
TOTAL OTHER REVOLVING FUND PURCHASES	**230**	**-29**	**39**	**240**
MAC Cargo	0	0	5	5
MAC SAAM	3086	549	2739	6374
Commercial Transportation	151	2	82	235
TOTAL TRANSPORTATION	**3237**	**551**	**2826**	**6614**
Rental Payments to GSA Leases (SLUC)	3122	0	-2	3120
Purchased Utilities	61	1	-31	31
Purchased Communications	1158	17	760	1935
Rents (Non-GSA)	469	7	-223	253
Postal Services (U.S.P.S.)	27	0	4	31
Supplies & Materials (non centrally managed)	1355	20	-101	1274
Printing & Reproduction	101	2	-33	70
Equipment Maintenance by Contract	1046	16	-581	481
Facility Maintenance by Contract	129	2	-76	55
Equipment Purchases (non centrally managed)	4310	65	-1868	2507
Contract Consultants	195	3	37	235
Engineering Technical Services	2381	36	-94	2323
Locally Purchased Fuel	49	1	184	234
Other Intra-Governmental Purchases	13	0	-5	13
Other Contracts	14790	222	5422	20434
Other Costs	8008	120	5222	13350
TOTAL OTHER PURCHASES	**37219**	**512**	**8615**	**46346**
GRAND TOTAL	**67419**	**1461**	**25421**	**94301**

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
SUMMARY PRICE AND PROGRAM CHANGES
($ IN THOUSANDS)

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	FY 1999 PRICE GROWTH AMT	FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	20479	471	-20950	0
Wage Board	227	6	-233	0
Voluntary Separation Incentive Pay	158	0	-158	0
TOTAL CIVILIAN PERSONNEL COMP	**20864**	**477**	**-21341**	**0**
Travel of Persons	20191	323	-20514	0
TOTAL TRAVEL	**20191**	**323**	**-20514**	**0**
GSA Managed Supplies & Materials	5	0	-5	0
Locally Procured DoD managed supplies & materials	27	0	-27	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**32**	**0**	**-32**	**0**
GSA Managed Equipment	14	0	-14	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**14**	**0**	**-14**	**0**
Defense Financing & Accounting Services	240	9	-249	0
TOTAL OTHER REVOLVING FUND PURCHASES	**240**	**9**	**-249**	**0**
MAC Cargo	5	0	-5	0
MAC SAAM	6374	57	-6431	0
Commercial Transportation	235	4	-239	0
TOTAL TRANSPORTATION	**6614**	**61**	**-6675**	**0**
Rental Payments to GSA Leases (SLUC)	3120	0	-3120	0
Purchased Utilities	31	0	-31	0
Purchased Communications	1935	31	-1966	0
Rents (Non-GSA)	253	4	-257	0
Postal Services (U.S.P.S.)	31	0	-31	0
Supplies & Materials (non centrally managed)	1274	20	-1294	0
Printing & Reproduction	70	1	-71	0
Equipment Maintenance by Contract	481	8	-489	0
Facility Maintenance by Contract	55	1	-56	0
Equipment Purchases (non centrally managed)	2507	40	-2547	0
Contract Consultants	235	4	-239	0
Engineering Technical Services	2323	37	-2360	0
Locally Purchased Fuel	234	4	-238	0
Other Intra-Governmental Purchases	13	0	-13	0
Other Contracts	20434	327	-20761	0
Other Costs	13350	214	-13564	0
TOTAL OTHER PURCHASES	**46346**	**691**	**-47037**	**0**
GRAND TOTAL	**94301**	**1561**	**-95862**	**0**

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1.	FY 1998 President's Budget Request		109,226
2.	Congressional Adjustments (Distributed)		
	a. Arms Control	-10,000	
	b. Transfer to Overseas Contingency Operations Transfer Fund	-3,600	
	Total Congressional Adjustments (Distributed)		-13,600
3.	FY 1998 Appropriated Amount		95,626
4.	Congressional Adjustments (Undistributed)		
	a. Quadrennial Defense Review Savings	-352	
	b. Revised Economic Assumptions	-455	
	c. Defense Automated Printing Service	-85	
	d. Section 8041, Contract Advisory & Assistance Services	-186	
	e. Congressional Earmarks (Total)	-147	
	Total Congressional Adjustments (Undistributed)		-1,225
5.	Program Increases		
	a. International Cooperative Administrative Support Services	179	
	Total Program Increases		179
6.	Program Decreases		
	a. Program Balance - Operations & Maintenance, Defense-Wide	-100	
	b. Reallocation of PTAP Funding Transfer	-179	
	Total Program Decreases		-279
7.	FY 1998 Current Estimate		94,301
8.	Price Growth		1,561
9.	Functional Program Transfer		
	Transfer Out		
	Defense Threat Reduction and Treaty Compliance Agency	-95,862	
	Total Transfer Out		-95,862
10.	FY 1999 Budget Request		0

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

Due to the diversity of activities within this program a summary of performance data is not reasonably feasible. As such, detailed information concerning performance criteria and evaluation is presented within each Sub-Activity Group individual treaty program.

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	537	609	0	-609
Officer	207	264	0	-264
Enlisted	330	345	0	-345
Civilian End Strength (Total)	300	347	0	-347
USDH	300	347	0	-347
Military Workyears (Total)	537	609	0	-609
Officer	207	264	0	-264
Enlisted	330	345	0	-345
Civilian FTEs (Total)	306	324	0	-324
USDH	306	324	0	-324

Narrative: As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Intermediate-Range Nuclear Forces Treaty

I. Narrative Description (Statement of Requirements and Mission):

The On-Site Inspection Agency (OSIA) became operational in FY 1988 and was charged with conducting inspections of Intermediate-Range Nuclear Forces (INF) facilities in the Commonwealth of Independent States (CIS); overseeing CIS inspections of INF facilities in the United States and western Europe; establishment and operation of a Portal Perimeter Continuous Monitoring (PPCM) facility located in the CIS; and providing support for the CIS at the U.S. PPCM facility in Utah.

Two types of inspections are currently being implemented in the INF Treaty: Quotas and Continuous Monitoring. Quota inspections of declared sites are to continue for 13 years after the Treaty entered into force (15 per year through FY 1995; 10 for the next five years; and seven in the final year, FY 2001). Continuous monitoring inspections at the Votkinsk Machine Building Plant are to continue for at least three years and up to 13 years after entry into force (EIF).

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel tranfers to DTRTCA.

The FY 1998 current estimate of $11.9 million for INF reflects a decrease of $2.4 million from the FY 1998 President's Budget request. The FY 1999 budget request for INF is $0 million. The INF funding profile reflects a "steady-state" treaty program, consistent with the INF Treaty Protocol and assumptions.

II. Description of Operations Financed: The OSIA has an around-the-clock, 365 days per year operational mission. Both the OSIA Headquarters and the Inspection Operations (Washington) Command are located at Dulles International Airport, Washington, DC; the San Francisco Detachment is located at Travis Air Force Base, California; OSIA European Operations is located at Rhein-Main Air Base, Germany; and the Arms Control

Implementation Unit (ACIU) is located at the American Embassy in Moscow. There is a continuous U.S. presence at the PPCM in Russia and an oversight detachment at the PPCM facility in Utah. The OSIA also has two gateways for entry into and exit from the CIS: one is an integral part of OSIA European Operations in Germany; the other one is in Yokota Air Base, Japan. Expenses are primarily in the areas of inspections, escort activities, perimeter portal monitoring, linguist support, transportation, facilities, logistics, civilian pay, and other management support.

A. Inspections/Escorts. There are five types of inspection/escort missions: baseline (completed in FY 1998), close out, elimination, quota, and portal monitoring. The only missions remaining in this steady state" treaty are quota and portal monitoring. The OSIA staff is augmented by a pool of over 700 specialists from Military Departments, Government Agencies, and private industry. U.S. escorts must accompany the CIS teams at all times during the in-country period. By far, the largest OSIA cost for inspections is travel (both commercial and military airlift) and per diem. Special training, monitoring equipment, and unique supplies are also required. The OSIA must provide lodging, food and medical care for the team and transportation to and from the site being inspected. In the Continental United States, this transportation is by military airlift or commercial air, commercial bus service, and rental vehicles. In western Europe, transportation is primarily by commercial bus. Military airlift supports inspections in Italy and the United Kingdom.

B. Perimeter Portal Monitoring. Under the INF Treaty, each party has the right to station up to 30 inspectors at the facility where portions of INF-prohibited missiles were assembled. In the CIS, this facility is at Votkinsk. The OSIA mans this facility continuously, rotating partial teams of inspectors every three weeks. Transportation is via commercial air for the rotation of the inspectors. Contractual expenses for manning of the portal includes spare parts and maintenance for monitoring equipment, data collection, food services, and other operational support. When the Strategic Arms Reduction Treaty (START) entered into force on 5 December 1994, the Votkinsk Machine Building Plant began having items of inspection attributable to both the INF and the START Treaties; therefore, all costs at Votkinsk are shared by INF and START. At the PPCM in Magna, Utah, OSIA provides quarters and warehousing for the CIS teams. The CIS inspection teams rotate every four weeks. They are transported between the point-of-entry at Travis Air Force Base and Magna by commercial air. The San Francisco Detachment provides escort to and from Magna. Contract escorts at the site and security off site is also provided. The OSIA is responsible for installation of all CIS equipment and measuring systems, site preparation, electrical power, water, fuel, heating, sewage, communications, quarters repair and maintenance, and transportation of materials and tools.

C. Operational Support. Operational support requirements reflect daily operational costs that are specific to the INF mission (deployable costs) but apply to both inspection and escort missions, such as personnel and training costs, travel/per diem costs, coordinating group meetings and unique supplies.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
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III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF	11,133	14,311	14,311	11,944	0
2. START					
3. START II					
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS					
Total	11,133	14,311	14,311	11,944	0

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	14,311	11,944
Congressional Adjustments	-68	NA
Price Change	0	197
Reprogramming/Functional Transfers	0	-12,141
Program Changes	-2,299	0
Current Estimate	11,944	0

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
INTERMEDIATE-RANGE NUCLEAR FORCES TREATY

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1997 PROGRAM	CHANGE FY 1997/FY 1998 FY 1998 PRICE GROWTH AMT	CHANGE FY 1997/FY 1998 FY 1998 PROGRAM GROWTH	FY 1998 PROGRAM
Executive, General, and Special Schedule	2055	34	-62	2027
Wage Board	22	0	1	23
Voluntary Separation Incentive Pay	0	0	20	20
TOTAL CIVILIAN PERSONNEL COMP	**2077**	**34**	**-41**	**2070**
Travel of Persons	1040	16	126	1182
TOTAL TRAVEL	**1040**	**16**	**126**	**1182**
GSA Managed Supplies & Materials	9	0	-9	0
Locally Procured DoD managed supplies & materials	1	0	2	3
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**10**	**0**	**-7**	**3**
GSA Managed Equipment	5	0	-2	3
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**5**	**0**	**-2**	**3**
Defense Financing & Accounting Services	28	-4	6	30
TOTAL OTHER REVOLVING FUND PURCHASES	**28**	**-4**	**6**	**30**
MAC Cargo	0	0	1	1
MAC SAAM	137	24	153	314
Commercial Transportation	9	0	19	28
TOTAL TRANSPORTATION	**146**	**24**	**173**	**343**
Rental Payments to GSA Leases (SLUC)	374	0	-1	373
Purchased Utilities	3	0	0	3
Purchased Communications	138	2	91	231
Rents (Non-GSA)	163	2	-7	158
Postal Services (U.S.P.S.)	4	0	0	4
Supplies & Materials (non centrally managed)	161	2	-16	147
Printing & Reproduction	13	0	-7	6
Equipment Maintenance by Contract	161	2	-60	103
Facility Maintenance by Contract	15	0	-10	5
Equipment Purchases (non centrally managed)	273	4	-123	154
Contract Consultants	22	0	6	28
Engineering Technical Services	276	4	24	304
Locally Purchased Fuel	2	0	1	3
Other Intra-Governmental Purchases	4	0	-1	3
Other Contracts	5737	86	146	5969
Other Costs	481	7	334	822
TOTAL OTHER PURCHASES	**7827**	**109**	**377**	**8313**
GRAND TOTAL	**11133**	**179**	**632**	**11944**

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
INTERMEDIATE-RANGE NUCLEAR FORCES TREATY

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999: FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999: FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	2027	47	-2074	0
Wage Board	23	1	-24	0
Voluntary Separation Incentive Pay	20	0	-20	0
TOTAL CIVILIAN PERSONNEL COMP	**2070**	**48**	**-2118**	**0**
Travel of Persons	1182	19	-1201	0
TOTAL TRAVEL	**1182**	**19**	**-1201**	**0**
GSA Managed Supplies & Materials	0	0	0	0
Locally Procured DoD managed supplies & materials	3	0	-3	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**3**	**0**	**-3**	**0**
GSA Managed Equipment	3	0	-3	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**3**	**0**	**-3**	**0**
Defense Financing & Accounting Services	30	1	-31	0
TOTAL OTHER REVOLVING FUND PURCHASES	**30**	**1**	**-31**	**0**
MAC Cargo	1	0	-1	0
MAC SAAM	314	3	-317	0
Commercial Transportation	28	0	-28	0
TOTAL TRANSPORTATION	**343**	**3**	**-346**	**0**
Rental Payments to GSA Leases (SLUC)	373	0	-373	0
Purchased Utilities	3	0	-3	0
Purchased Communications	231	4	-235	0
Rents (Non-GSA)	158	3	-161	0
Postal Services (U.S.P.S.)	4	0	-4	0
Supplies & Materials (non centrally managed)	147	2	-149	0
Printing & Reproduction	6	0	-6	0
Equipment Maintenance by Contract	103	2	-105	0
Facility Maintenance by Contract	5	0	-5	0
Equipment Purchases (non centrally managed)	154	2	-156	0
Contract Consultants	28	0	-28	0
Engineering Technical Services	304	5	-309	0
Locally Purchased Fuel	3	0	-3	0
Other Intra-Governmental Purchases	3	0	-3	0
Other Contracts	5969	95	-6064	0
Other Costs	822	13	-835	0
TOTAL OTHER PURCHASES	**8313**	**126**	**-8439**	**0**
GRAND TOTAL	**11944**	**197**	**-12141**	**0**

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
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Intermediate-Range Nuclear Forces Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 President's Budget Request	14,311
2. Congressional Adjustments (Distributed)	
a. Arms Control	0
b. Transfer to Overseas Contingency Operations Transfer Fund	0
Total Congressional Adjustments (Distributed)	0
3. FY 1998 Appropriated Amount	14,311
4. Congressional Adjustments (Undistributed)	
a. Quadrennial Defense Review Reductions	0
b. Revised Economic Assumptions	-68
c. Defense Automated Printing	0
d. Reallocation of PTAP Funding Transfer	0
e. Section 8041 Contractor Advisory & Assistance Services	0
f. Congressional Earmarks (Total)	0
Total Congressional Adjustments (Undistributed)	-68
5. Program Decrease	
Other Programmatic Adjustments	-2,299

The OSIA's planned funding requirements for FY 1998 have changed since submission of the FY 1998 President's Budget. These changes are primarily the result of treaty EIF slippages and changes in treaty assumptions. Additionally, internal OSIA recosting initiatives have allowed us to develop and refine our funding strategies over the past 12 months to capitalize upon past execution performance trends, building on greater risk-taking in the development of budget requirements. The OSIA has internally realigned FY 1998 funding between budget programs to support treaty workload shortfalls and other high-priority program requirements. This decrease reflects INF's portion of the total internal OSIA programmatic adjustment.

Total Program Decrease	-2,299

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

6. FY 1998 Current Estimate		11,944
7. Price Growth	197	
8. Functional Program Transfer		
Transfer Out		
Defense Threat Reduction and Treaty Compliance Agency (DTRTCA)	-12,141	
As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.		
Total Transfer Out	-12,141	
9. FY 1999 Budget Request		0

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
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IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
Quota	9	10	0
Portal Monitoring	9	9	0
TOTAL	18	19	0

Each mission equals one inspection. Quota inspection teams consist of 10 inspectors and PPCM teams, no more than 30 inspectors.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
Quota	3	4	0
Portal Monitoring	15	15	0
TOTAL	18	19	0

The treaty allows for 10 quota inspections per year; however, based on historical data, only four inspections are budgeted in FY 1998.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY	3	3	0

Mock inspection exercises support the readiness level of the INF inspectable sites.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
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Intermediate-Range Nuclear Forces Treaty

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	65	65	0	-65
Officer	25	22	0	-22
Enlisted	40	43	0	-43
Civilian End Strength (Total)	33	34	0	-34
USDH	33	34	0	-34
Military Workyears (Total)	65	65	0	-65
Officer	25	22	0	-22
Enlisted	40	43	0	-43
Civilian FTE's (Total)	34	34	0	-34
USDH	34	34	0	-34

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Strategic Arms Reduction Treaty

I. Narrative Description (Statement of Requirements and Mission): The On-Site Inspection Agency (OSIA) mission includes planning to accomplish inspection and escort activities in accordance with the terms of the Strategic Arms Reduction Treaty (START). This mission requires support in the areas of: inspections, escort activities, Perimeter Portal Continuous Monitoring (PPCM), telecommunications, transportation, facilities, logistics, civilian pay, linguist support, and other management support. This funding will permit OSIA to accomplish its responsibilities with respect to U.S. implementation of the treaty in the time frame specified. START entered into force on 5 December 1994. Monitoring functions at Pavlograd terminated 31 May 1995 and baseline inspections were completed on 30 June 1995.

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies as well as various OSD and WHS staff elements involved in the management of associated programs. As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

The FY 1998 current estimate of $17.0 million for START reflects a decrease of $4.0 million from the FY 1998 President's Budget Request. The FY 1999 budget request for START is $0 million.

II. Description of Operations Financed: Inspections will be conducted in the Commonwealth of Independent States (CIS), and support must be provided for CIS inspections in the United States. The CIS inspection teams will receive logistical support such as transportation, access to communications, billeting and meals, and emergency medical and dental care. In the CIS, maintenance and operation of the U.S. PPCM site entails military airlift costs and the use of contractors to provide technicians, operators, logisticians, support and administrative personnel. In addition to flights into the CIS for this array of inspections, unique inspection/escort equipment is also required. The OSIA's European Gateway will provide billeting and support transportation for all inspectors and monitors going into and out of the western CIS. Gateway Yokota, Japan, supports inspectors going into and out of the eastern CIS.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Strategic Arms Reduction Treaty

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START	15,002	21,001	21,001	16,962	0
3. START II					
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS					
Total	15,002	21,001	21,001	16,962	0

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	21,001	16,962
Congressional Adjustments	-100	NA
Price Change	0	271
Reprogramming/Functional Transfers	0	-17,233
Program Changes	-3,939	0
Current Estimate	16,962	0

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
STRATEGIC ARMS REDUCTION TREATY (START I)

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1997 PROGRAM	CHANGE FY 1997/FY 1998 FY 1998 PRICE GROWTH AMT	CHANGE FY 1997/FY 1998 FY 1998 PROGRAM GROWTH	FY 1998 PROGRAM
Executive, General, and Special Schedule	4084	67	59	4210
Wage Board	43	1	0	44
Voluntary Separation Incentive Pay	0	0	37	37
TOTAL CIVILIAN PERSONNEL COMP	**4127**	**68**	**96**	**4291**
Travel of Persons	1968	30	358	2356
TOTAL TRAVEL	**1968**	**30**	**358**	**2356**
GSA Managed Supplies & Materials	2	0	2	4
Locally Procured DoD managed supplies & materials	3	0	3	6
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**5**	**0**	**5**	**10**
GSA Managed Equipment	7	0	-3	4
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**7**	**0**	**-3**	**4**
Defense Financing & Accounting Services	52	-7	10	55
TOTAL OTHER REVOLVING FUND PURCHASES	**52**	**-7**	**10**	**55**
MAC Cargo	0	0	1	1
MAC SAAM	1742	310	543	2595
Commercial Transportation	13	0	42	55
TOTAL TRANSPORTATION	**1755**	**310**	**586**	**2651**
Rental Payments to GSA Leases (SLUC)	717	0	1	718
Purchased Utilities	40	1	-17	24
Purchased Communications	287	4	166	457
Rents (Non-GSA)	39	1	-4	36
Postal Services (U.S.P.S.)	6	0	2	8
Supplies & Materials (non centrally managed)	304	5	-31	278
Printing & Reproduction	23	0	-7	16
Equipment Maintenance by Contract	212	3	-129	86
Facility Maintenance by Contract	42	1	-27	16
Equipment Purchases (non centrally managed)	525	8	-246	287
Contract Consultants	45	1	8	54
Engineering Technical Services	530	8	41	579
Locally Purchased Fuel	2	0	2	4
Other Intra-Governmental Purchases	5	0	-1	4
Other Contracts	3241	49	218	3508
Other Costs	1070	16	434	1520
TOTAL OTHER PURCHASES	**7088**	**97**	**410**	**7595**
GRAND TOTAL	**15002**	**498**	**1462**	**16962**

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	4210	97	-4307	0
Wage Board	44	1	-45	0
Voluntary Separation Incentive Pay	37	0	-37	0
TOTAL CIVILIAN PERSONNEL COMP	**4291**	**98**	**-4389**	**0**
Travel of Persons	2356	38	-2394	0
TOTAL TRAVEL	**2356**	**38**	**-2394**	**0**
GSA Managed Supplies & Materials	4	0	-4	0
Locally Procured DoD managed supplies & materials	6	0	-6	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**10**	**0**	**-10**	**0**
GSA Managed Equipment	4	0	-4	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**4**	**0**	**-4**	**0**
Defense Financing & Accounting Services	55	2	-57	0
TOTAL OTHER REVOLVING FUND PURCHASES	**55**	**2**	**-57**	**0**
MAC Cargo	1	0	-1	0
MAC SAAM	2595	23	-2618	0
Commercial Transportation	55	1	-56	0
TOTAL TRANSPORTATION	**2651**	**24**	**-2675**	**0**
Rental Payments to GSA Leases (SLUC)	718	0	-718	0
Purchased Utilities	24	0	-24	0
Purchased Communications	457	7	-464	0
Rents (Non-GSA)	36	1	-37	0
Postal Services (U.S.P.S.)	8	0	-8	0
Supplies & Materials (non centrally managed)	278	4	-282	0
Printing & Reproduction	16	0	-16	0
Equipment Maintenance by Contract	86	1	-87	0
Facility Maintenance by Contract	16	0	-16	0
Equipment Purchases (non centrally managed)	287	5	-292	0
Contract Consultants	54	1	-55	0
Engineering Technical Services	579	9	-588	0
Locally Purchased Fuel	4	0	-4	0
Other Intra-Governmental Purchases	4	0	-4	0
Other Contracts	3508	57	-3565	0
Other Costs	1520	24	-1544	0
TOTAL OTHER PURCHASES	**7595**	**109**	**-7704**	**0**
GRAND TOTAL	**16962**	**271**	**-17233**	**0**

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
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Strategic Arms Reduction Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 President's Budget Request		21,001
2. Congressional Adjustments (Distributed)		
a. Arms Control	0	
b. Transfer to Overseas Contingency Operations Transfer Fund	0	
Total Congressional Adjustments (Distributed)		0
3. FY 1998 Appropriated Amount		21,001
4. Congressional Adjustments (Undistributed)		
a. Quadrennial Defense Review Reductions	0	
b. Revised Economic Assumptions	-100	
c. Defense Automated Printing	0	
d. Reallocation of PTAP Funding Transfer	0	
e. Section 8041 Contract Advisory & Assistance Services	0	
f. Congressional Earmarks	0	
Total Congressional Adjustments (Undistributed)		-100
5. Program Increase		
International Cooperative Administrative Support Services Program increase distributes OSIA's portion of the FY 1998 fund transfer to Department of Defense from the Department of State for ICASS.	80	
Total Program Increase		-80
6. Program Decrease		
Other Programmatic Adjustments The OSIA's planned funding requirements for FY 1998 have changed since submission of the FY 1998 President's Budget. These changes are primarily the result of treaty EIF slippages and changes in treaty assumptions. Additionally, internal OSIA recosting initiatives have allowed us to develop and refine our funding strategies over the past 12 months to capitalize upon past execution performance trends, building on greater risk-taking in the development of	-4,019	

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

budget requirements. The OSIA has internally realigned FY 1998 funding between budget programs to support treaty workload shortfalls and other high-priority program requirements. This decrease reflects START's portion of the total internal OSIA programmatic adjustment.

	Total Program Decreases		-4,019
7.	FY 1998 Current Estimate		16,962
8.	Price Growth		271
9.	Functional Program Transfer		
	Transfer Out		
	Defense Threat Reduction and Treaty Compliance Agency (DTRTCA)	-17,233	
	As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.		
	Total Transfer Out		-17,233
10.	FY 1999 Budget Request		0

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
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Strategic Arms Reduction Treaty

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
New Facility	0	1	0
Baseline	1	0	0
Exhibition	1	0	0
RVOSI	9	10	0
Formerly Declared	2	3	0
Data Update	17	13	0
Suspect Site	1	2	0
Conversion/Elimination	1	2	0
Closeout	1	2	0
Special Right of Access	0	1	0
Post Dispersal	0	1	0
Continuous Monitoring	10	9	0
TOTAL	43	44	0

Treaty EIF determines the scheduling of inspections. Baseline inspections were completed on 30 June 1995. Operations at Votkinsk PPCM reflect a shared responsibility between INF and START beginning with FY 1996. The typical Inspection Team will consist of no more than (NMT) 10 inspectors, except: (1) for conversion/elimination ispections, NMT 20 inspectors; (2) for exhibitions, NMT 15 inspectors for a period of 165 days starting at EIF and NMT 10 inspectors for EIF +165; and (3) for PPCM teams, NMT 30 inspectors.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
New Facility	1	0	0
Baseline	0	0	0
Exhibition	0	0	0
RVOSI	7	10	0
Formerly Declared	0	3	0
Data Update	14	13	0
Suspect Site	1	2	0
Conversion/Elimination	0	2	0
Closeout	0	1	0
Special Right of Access	0	1	0
Continuous Monitoring	0	0	0
TOTAL	23	32	0

The OSIA Headquarters in Washington, D.C. and the Inspection Operations, San Francisco Detachment support the escort activity requirements of training and operations for the START implementation plan. CIS inspections of U.S. sites average four days each. The typical Escort Team for the CIS Inspection Team will consist of NMT 10 escorts, except: (1) for conversion/elimination inspections, NMT 20 escorts; (2) for exhibitions, NMT 15 escorts for a period of 165 days starting at EIF and NMT 10 escorts for EIF +165; and (3) for PPCM teams, NMT 30 escorts.

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY (Cont.)

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY	10	10	0

Mock inspection exercises continue through FY 1999 to maintain the readiness level at all U.S. inspectable sites.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Strategic Arms Reduction Treaty

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	114	118	0	-118
Officer	45	51	0	-51
Enlisted	69	67	0	-67
Civilian End Strength (Total)	67	70	0	-70
USDH	67	70	0	-70
Military Workyears (Total)	114	118	0	-118
Officer	45	51	0	-51
Enlisted	69	67	0	-67
Civilian Workyears (Total)	69	70	0	-70
USDH	69	70	0	-70

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

I. Narrative Description (Statement of Requirements and Mission): The On-Site Inspection Agency (OSIA) mission includes planning to accomplish inspection and escort activities in accordance with the terms of the Strategic Arms Reduction Treaty II (START II). This mission requires support in the areas of: inspections, escort activities, telecommunications, transportation, facilities, logistics, civilian pay, linguist support, and other management support. This funding will permit OSIA to accomplish its responsibilities with respect to U.S. implementation of the treaty in the timeframe specified.

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies as well as various OSD and WHS staff elements involved in the management of associated programs. As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

The FY 1998 current estimate of $6.4 million for START II reflects a decrease of $2.9 million from the FY 1998 President's Budget Request. This is primarily the result of a delay in the entry into force (EIF) of the START II Treaty. The current EIF assumption is first/second quarter 1998; however, we anticipate revised planning assumptions will be issued in the near future which will slip the EIF date until the third quarter 1998. The FY 1999 budget request for START II is $0 million.

II. Description of Operations Financed:

Inspections will be conducted in Russia and support must be provided for Russian inspections in the United States. The Russian inspection teams will receive logistical support such as transportation, access to communications, billeting and meals, and emergency medical and dental care.

In addition to flights into Russia for this array of inspections, unique inspection/escort equipment is also required. OSIA's European Gateway will provide billeting and support transportation for all inspectors and monitors going into and out of western Russia. Gateway Yokota, Japan, supports inspectors going into and out of eastern Russia.

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II	3,126	9,276	6,490	6,401	0
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS					
Total	3,126	9,276	6,490	6,401	0

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	9,276	6,401
Congressional Adjustments	-2,861	NA
Price Change	0	99
Reprogramming/Functional Transfers	0	-6,500
Program Changes	-14	0
Current Estimate	6,401	0

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1997 PROGRAM	CHANGE FY 1997/FY 1998 FY 1998 PRICE GROWTH AMT	CHANGE FY 1997/FY 1998 FY 1998 PROGRAM GROWTH	FY 1998 PROGRAM
Executive, General, and Special Schedule	1425	23	1	1449
Wage Board	20	0	0	20
Voluntary Separation Incentive Pay	0	0	16	16
TOTAL CIVILIAN PERSONNEL COMP	**1445**	**23**	**17**	**1485**
Travel of Persons	117	2	1724	1843
TOTAL TRAVEL	**117**	**2**	**1724**	**1843**
GSA Managed Supplies & Materials	0	0	0	0
Locally Procured DoD managed supplies & materials	1	0	2	3
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**1**	**0**	**2**	**3**
GSA Managed Equipment	3	0	-2	1
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**3**	**0**	**-2**	**1**
Defense Financing & Accounting Services	23	-3	4	24
TOTAL OTHER REVOLVING FUND PURCHASES	**23**	**-3**	**4**	**24**
MAC Cargo	0	0	1	1
MAC SAAM	0	0	1229	1229
Commercial Transportation	7	0	14	21
TOTAL TRANSPORTATION	**7**	**0**	**1244**	**1251**
Rental Payments to GSA Leases (SLUC)	312	0	0	312
Purchased Utilities	3	0	-2	1
Purchased Communications	106	2	68	176
Rents (Non-GSA)	7	0	-2	5
Postal Services (U.S.P.S.)	3	0	0	3
Supplies & Materials (non centrally managed)	100	2	-29	73
Printing & Reproduction	10	0	-3	7
Equipment Maintenance by Contract	88	1	-55	34
Facility Maintenance by Contract	11	0	-6	5
Equipment Purchases (non centrally managed)	226	3	-105	124
Contract Consultants	20	0	4	24
Engineering Technical Services	231	3	17	251
Other Intra-Governmental Purchases	1	0	0	1
Other Contracts	191	3	68	262
Other Costs	221	3	292	516
TOTAL OTHER PURCHASES	**1530**	**17**	**247**	**1794**
GRAND TOTAL	**3126**	**39**	**3236**	**6401**

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
STRATEGIC ARMS REDUCTION TREATY II (START II)

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	1449	33	-1482	0
Wage Board	20	1	-21	0
Voluntary Separation Incentive Pay	16	0	-16	0
TOTAL CIVILIAN PERSONNEL COMP	**1485**	**34**	**-1519**	**0**
Travel of Persons	1843	29	-1872	0
TOTAL TRAVEL	**1843**	**29**	**-1872**	**0**
GSA Managed Supplies & Materials	0	0	0	0
Locally Procured DoD managed supplies & materials	3	0	-3	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**3**	**0**	**-3**	**0**
GSA Managed Equipment	1	0	-1	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**1**	**0**	**-1**	**0**
Defense Financing & Accounting Services	24	1	-25	0
TOTAL OTHER REVOLVING FUND PURCHASES	**24**	**1**	**-25**	**0**
MAC Cargo	1	0	-1	0
MAC SAAM	1229	11	-1240	0
Commercial Transportation	21	0	-21	0
TOTAL TRANSPORTATION	**1251**	**11**	**-1262**	**0**
Rental Payments to GSA Leases (SLUC)	312	0	-312	0
Purchased Utilities	1	0	-1	0
Purchased Communications	176	3	-179	0
Rents (Non-GSA)	5	0	-5	0
Postal Services (U.S.P.S.)	3	0	-3	0
Supplies & Materials (non centrally managed)	73	1	-74	0
Printing & Reproduction	7	0	-7	0
Equipment Maintenance by Contract	34	1	-35	0
Facility Maintenance by Contract	5	0	-5	0
Equipment Purchases (non centrally managed)	124	2	-126	0
Contract Consultants	24	0	-24	0
Engineering Technical Services	251	4	-255	0
Other Intra-Governmental Purchases	1	0	-1	0
Other Contracts	262	5	-267	0
Other Costs	516	8	-524	0
TOTAL OTHER PURCHASES	**1794**	**24**	**-1818**	**0**
GRAND TOTAL	**6401**	**99**	**-6500**	**0**

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 President's Budget Request		9,276
2. Congressional Adjustments (Distributed)		
a. Arms Control	-2,786	
b. Transfer to Overseas Contingency Operations Transfer Fund	0	
Total Congressional Adjustments (Distributed)		-2,786
3. FY 1998 Appropriated Amount		6,490
4. Congressional Adjustments (Undistributed)		
a. Quadrennial Defense Review Reductions	-44	
b. Revised Economic Assumptions	-31	
c. Defense Automated Printing	0	
d. Reallocation of PTAP Funding Transfer	0	
e. Section 8041 Contract Advisory & Assistance Services	0	
f. Congressional Earmarks	0	
Total Congressional Adjustments (Undistributed)		-75
5. Program Decrease		
Other Programmatic Adjustments	-14	
The OSIA's planned funding requirements for FY 1998 have changed since submission of the FY 1998 President's Budget. These changes are primarily the result of treaty EIF slippages and changes in treaty assumptions. Additionally, internal OSIA recosting initiatives have allowed us to develop and refine our funding strategies over the past 12 months to capitalize upon past execution performance trends, building on greater risk-taking in the development of budget requirements. The OSIA has internally realigned FY 1998 funding between budget programs to support treaty workload shortfalls and other high-priority program requirements. This decrease reflects START II's portion portion of the total internal OSIA programmatic adjustment.		
Total Program Decrease		-14
6. FY 1998 Current Estimate		6,401
7. Price Growth		99

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

8. Functional Program Transfer		
Transfer Out		
Defense Threat Reduction and Treaty Compliance Agency (DTRTCA)	6,500	
As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.		
Total Transfer Out		-6,500
9. FY 1999 Budget Request		0

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
Exhibition	0	1	0
RVOSI	0	0	0
Conversion/Elimination	0	43	0
TOTAL	0	44	0

Treaty EIF will determine the scheduling of inspections. The typical Inspection Team will consist of no more than (NMT) 10 inspectors, except for some of the conversion/elimination inspections which will have NMT 20 inspectors.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
Exhibition	0	1	0
TOTAL	0	1	0

OSIA Headquarters in Washington, D.C. supports the escort activity requirements of training and operations for the START II implementation plan. Inspections of U.S. sites average four days each. The typical Escort Team for the Russian Inspection Team will consist of NMT 10 escorts. Russians will require escorts for approximately four days for the one exhibition inspection in the U.S.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY	0	4	0

Mock inspection exercises support the readiness level of the U.S. inspectable sites.

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES SUBMISSION
Strategic Arms Reduction Treaty II

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	30	33	0	-33
Officer	15	17	0	-17
Enlisted	15	16	0	-16
Civilian End Strength (Total)	24	24	0	-24
USDH	24	24	0	-24
Military Workyears (Total)	30	33	0	-33
Officer	15	17	0	-17
Enlisted	15	16	0	-16
Civilian Workyears (Total)	24	24	0	-24
USDH	24	24	0	-24

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Conventional Armed Forces in Europe Treaty

I. Narrative Description (Statement of Requirements and Mission): The On-Site Inspection Agency (OSIA) is required to provide support for the Conventional Armed Forces in Europe (CFE) Treaty ensuring compliance by the former Warsaw Pact countries. Unlike the bilateral Intermediate-Range Nuclear Forces (INF) Treaty, CFE is a multilateral treaty between countries of the former Warsaw Pact and North Atlantic Treaty Organization (NATO). The United States is potentially responsible for inspecting up to 20 percent of the quota (Objects of Verification (OOV)) inspections of former Warsaw Pact sites. This mission requires support in the areas of: inspection activities, escort activities, linguistic support, telecommunications, training, transportation (commercial air/military air/vehicles), facilities, logistics, civilian/military personnel, and other management areas. This funding will permit OSIA to accomplish its assigned responsibilities with respect to U.S. compliance with terms of the treaty in the timeframe specified.

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel tranfers to DTRTCA.

The FY 1998 current estimate of $7.3 million for CFE reflects a decrease of $4.8 million from the FY 1998 President's Budget request. The FY 1999 budget request for CFE is $0 million.

II. Description of Operations Financed: Under CFE, there are several types of on-site inspections such as: Declared Site, Challenge Site, Certification Site, and Reduction Site. The Reduction Site inspections monitor the drawdown of conventional armaments and equipment limited by the treaty, and the process of reduction where all excess Treaty Limited Equipment (TLE) are either destroyed or converted. Following the completion of the CFE's Treaty Reduction Period and following discussions during the Treaty's first Review Conference in Vienna, the U.S. and NATO Allies agreed to implement additional arms control opportunities to visit destruction sites

II. Description of Operations Financed (cont):

in Russia. These new opportunities, "CFE-Like Agreements", which lie in three areas -- East of Urals, Decommissioning, and Flank -- will not change the existing treaty, but will incur additional costs. These on-site visits will be conducted similar to CFE inspections, with NATO Alliance sharing the costs and responsibility to conduct the visits.

Since all operations in connection with the implementation of the CFE inspection and reduction protocols will take place in Europe, OSIA permanently stations both inspectors and escorts in Europe. Transportation requirements to former Warsaw Pact locations may involve military airlift and/or commercial air flights. There will be additional transportation requirements for escort/liaison teams, such as commercial air for locations as diverse as Iceland, Azores, and Turkey; and ground transportation (vehicles) to Germany, Luxembourg, and Denmark. The NATO host countries will provide transport of former Warsaw Pact inspectors between a country's point-of-entry and inspection sites. Provisional entry into force (EIF) to validate the number of armament and equipment declared by all Parties began on 17 July 1992. The Treaty was officially ratified on 9 November 1992, only days before the 120-day baseline validation period was completed.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Conventional Armed Forces in Europe Treaty

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE	5,601	12,095	12,095	7,281	0
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS					
Total	5,601	12,095	12,095	7,281	0

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	12,095	7,281
Congressional Adjustments	-167	NA
Price Change	0	118
Reprogramming/Functional Transfers	0	-7,399
Program Changes	-4,647	0
Current Estimate	7,281	0

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
CONVENTIONAL ARMED FORCES IN EUROPE (CFE)

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1997 PROGRAM	CHANGE FY 1997/FY 1998 FY 1998 PRICE GROWTH AMT	CHANGE FY 1997/FY 1998 FY 1998 PROGRAM GROWTH	FY 1998 PROGRAM
Executive, General, and Special Schedule	1632	27	14	1673
Wage Board	13	0	33	46
Voluntary Separation Incentive Pay	0	0	11	11
TOTAL CIVILIAN PERSONNEL COMP	**1645**	**27**	**58**	**1730**
Travel of Persons	1616	24	624	2264
TOTAL TRAVEL	**1616**	**24**	**624**	**2264**
GSA Managed Supplies & Materials	48	1	-49	0
Locally Procured DoD managed supplies & materials	1	0	1	2
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**49**	**1**	**-48**	**2**
GSA Managed Equipment	2	0	-1	1
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**2**	**0**	**-1**	**1**
Defense Financing & Accounting Services	16	-2	2	16
TOTAL OTHER REVOLVING FUND PURCHASES	**16**	**-2**	**2**	**16**
MAC SAAM	254	45	610	909
Commercial Transportation	5	0	9	14
TOTAL TRANSPORTATION	**259**	**45**	**619**	**923**
Rental Payments to GSA Leases (SLUC)	219	0	-1	218
Purchased Utilities	2	0	-2	0
Purchased Communications	106	2	118	226
Rents (Non-GSA)	146	2	-115	33
Postal Services (U.S.P.S.)	2	0	0	2
Supplies & Materials (non centrally managed)	92	1	74	167
Printing & Reproduction	7	0	-3	4
Equipment Maintenance by Contract	68	1	-48	21
Facility Maintenance by Contract	8	0	-5	3
Equipment Purchases (non centrally managed)	158	2	-74	86
Contract Consultants	14	0	3	17
Engineering Technical Services	162	2	12	176
Locally Purchased Fuel	5	0	3	8
Other Intra-Governmental Purchases	1	0	-1	0
Other Contracts	474	7	50	531
Other Costs	550	8	295	853
TOTAL OTHER PURCHASES	**2014**	**25**	**306**	**2345**
GRAND TOTAL	**5601**	**120**	**1560**	**7281**

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
CONVENTIONAL ARMED FORCES IN EUROPE (CFE)

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

		CHANGE FY 1998/FY 1999		
DESCRIPTION	FY 1998 PROGRAM	FY 1999 PRICE GROWTH AMT	FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	1673	38	-1711	0
Wage Board	46	1	-47	0
Voluntary Separation Incentive Pay	11	0	-11	0
TOTAL CIVILIAN PERSONNEL COMP	**1730**	**39**	**-1769**	**0**
Travel of Persons	2264	36	-2300	0
TOTAL TRAVEL	**2264**	**36**	**-2300**	**0**
GSA Managed Supplies & Materials	0	0	0	0
Locally Procured DoD managed supplies & materials	2	0	-2	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**2**	**0**	**-2**	**0**
GSA Managed Equipment	1	0	-1	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**1**	**0**	**-1**	**0**
Defense Financing & Accounting Services	16	1	-17	0
TOTAL OTHER REVOLVING FUND PURCHASES	**16**	**1**	**-17**	**0**
MAC SAAM	909	8	-917	0
Commercial Transportation	14	0	-14	0
TOTAL TRANSPORTATION	**923**	**8**	**-931**	**0**
Rental Payments to GSA Leases (SLUC)	218	0	-218	0
Purchased Utilities	0	0	0	0
Purchased Communications	226	4	-230	0
Rents (Non-GSA)	33	1	-34	0
Postal Services (U.S.P.S.)	2	0	-2	0
Supplies & Materials (non centrally managed)	167	3	-170	0
Printing & Reproduction	4	0	-4	0
Equipment Maintenance by Contract	21	0	-21	0
Facility Maintenance by Contract	3	0	-3	0
Equipment Purchases (non centrally managed)	86	1	-87	0
Contract Consultants	17	0	-17	0
Engineering Technical Services	176	3	-179	0
Locally Purchased Fuel	8	0	-8	0
Other Intra-Governmental Purchases	0	0	0	0
Other Contracts	531	8	-539	0
Other Costs	853	14	-867	0
TOTAL OTHER PURCHASES	**2345**	**34**	**-2379**	**0**
GRAND TOTAL	**7281**	**118**	**-7399**	**0**

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Conventional Armed Forces in Europe Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 President's Budget Request		12,095
2. Congressional Adjustments (Distributed)		
a. Arms Control	0	
b. Transfer to Overseas Contingency Operations Transfer Fund	0	
Total Congressional Adjustments (Distributed)		0
3. FY 1998 Appropriated Amount		12,095
4. Congressional Adjustments (Undistributed)		
a. Quadrennial Defense Review Reductions	-109	
b. Revised Economic Assumptions	-58	
c. Defense Automated Printing	0	
d. Reallocation of PTAP Funding Transfer	0	
e. Section 8041 Contract Advisory & Assistance Services	0	
f. Congressional Earmarks (Total)	0	
Total Congressional Adjustments (Undistributed)		-167
5. Program Decrease		
Other Programmatic Adjustments	-4,647	
The OSIA's planned funding requirements for FY 1998 have changed since submission of the FY 1998 President's Budget. These changes are primarily the result of treaty EIF slippages and changes in treaty assumptions. Additionally, internal OSIA recosting initiatives have allowed us to develop and refine our funding strategies over the past 12 months to capitalize upon past execution performance trends, building on greater risk-taking in the development of budget requirements. The OSIA has internally realigned FY 1998 funding between budget programs to support treaty workload shortfalls and other high-priority program requirements. This decrease reflects CFE's portion of the total internal OSIA programmatic adjustment.		
Total Program Decrease		-4,647

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Conventional Armed Forces in Europe Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

6.	FY 1998 Current Estimate		7,281
7.	Price Growth		118
8.	Functional Program Transfer		
	Transfer Out Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	-7,399	
	Total Transfer Out		-7,399
9.	FY 1999 Budget Request		0

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Conventional Armed Forces in Europe Treaty

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
Declared Sites - Reduction Period	0	0	0
- Residual-Level Period	0	0	0
- Residual Period	30	30	0
Reduction Sites	0	0	0
Certification Sites	0	0	0
NATO Missions (Singletons)	90	90	0
Destruction - Decommissioning	0	24	0
- East of the Urals	4	4	0
- Flanks	4	4	0
TOTAL	128	152	0

Each mission equals 1 inspection. Inspection teams consist of 9 members (6 U.S./3 NATO augmentees), except NATO missions which consist of only 1 observer. Declared Sites - Residual level Periods - Second Baseline was implemented within the first 120 days after completion of the Reduction Period (November 1995).

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
Declared Sites - Reduction Period	0	0	0
- Residual-Level Period	0	0	0
- Residual Period	10	10	0
NATO Sites (LNOs)	76	76	0
TOTAL	86	86	0

Each mission equals 1 inspection. Escort teams consist of 9 members, plus 3 NATO host country observers, except NATO Sites (LNOs) which consist of only 2 escorts. Declared Sites - Residual-Level Periods - Second Baseline was implemented within the first 120 days after completion of the Reduction Period (November 1995).

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY	15	15	0

Each mission equals 1 inspection. Mock/Training teams consist of 9 inspectors/escorts and 3 observers.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Conventional Armed Forces in Europe Treaty

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	104	108	0	-108
Officer	37	37	0	-37
Enlisted	67	71	0	-71
Civilian End Strength (Total)	27	29	0	-29
USDH	27	29	0	-29
Military Workyears (Total)	107	108	0	-108
Officer	37	37	0	-37
Enlisted	67	71	0	-71
Civilian Workyears (Total)	27	29	0	-29
USDH	27	29	0	-29

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Nuclear Test Ban Treaties

I. Narrative Description (Statement of Requirements and Mission: On 1 June 1990, the United States and the Soviet Union signed the Verification Protocols to the Threshold Test Ban Treaty (TTBT) and the Peaceful Nuclear Explosions Treaty (PNET). On 3 July 1993, President Clinton declared a 15-month U.S. moratorium on all underground nuclear testing and the Russian Federation followed by suspending the FY 1993 Russian test PRILIV indefinitely. In January 1995, President Clinton decided to extend the moratorium on United States nuclear tests under the assumption that the Comprehensive Test Ban Treaty (CTBT) will enter into force (EIF) by January 1999. The United States moratorium is subject to the same understandings that governed the earlier moratorium decisions. The CTBT is a means to strengthen international measures against nuclear weapons proliferation. The OSIA provides travel funding for negotiations at the Geneva Conference on Disarmament and the CTBT Preparatory Commission. Under the NTBT, costs identified for the TTBT shift to the CTBT in FY 1999. Effective with FY 1997, OSIA no longer funds readiness/start-up requirements associated with a possible resumption of nuclear testing under the TTBT. In preparation for the implementation of the CTBT in FY 1999, OSIA has begun to reduce operating, storage, and equipment maintenance costs for TTBT.

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel tranfers to DTRTCA.

The FY 1998 current estimate of $1.8 million for NTBT reflects an increase of $0.5 million from the FY 1998 President's Budget. The FY 1999 budget request for NTBT is $0 million.

II. Description of Operations Financed: In FY 1998, there are two designed seismic sites, Newport, Rhode Island and Black Hills, South Dakota maintained under the TTBT. Maintenance of the Black Hills site will be terminated in FY 1998 with only the site at Newport maintained through FY 1999. All civilian payroll, training, and other support costs have shifted to CTBT in FY 1998/1999.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Nuclear Test Ban Treaties

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE					
5. NTBT	1,690	1,303	1,303	1,836	0
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS					
Total	1,690	1,303	1,303	1,836	0

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	1,303	1,836
Congressional Adjustments	-6	NA
Price Change	0	33
Reprogramming/Functional Transfers	0	-1,869
Program Changes	539	0
Current Estimate	1,836	0

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
NUCLEAR TEST BAN TREATIES

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1997 PROGRAM	CHANGE FY 1997/FY 1998 FY 1998 PRICE GROWTH AMT	CHANGE FY 1997/FY 1998 FY 1998 PROGRAM GROWTH	FY 1998 PROGRAM
Executive, General, and Special Schedule	629	10	124	763
Wage Board	6	0	0	6
Voluntary Separation Incentive Pay	0	0	4	4
TOTAL CIVILIAN PERSONNEL COMP	**635**	**10**	**128**	**773**
Travel of Persons	80	1	228	309
TOTAL TRAVEL	**80**	**1**	**228**	**309**
Locally Procured DoD managed supplies & materials	0	0	1	1
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**1**	**1**
GSA Managed Equipment	1	0	-1	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**1**	**0**	**-1**	**0**
Defense Financing & Accounting Services	7	-1	1	7
TOTAL OTHER REVOLVING FUND PURCHASES	**7**	**-1**	**1**	**7**
Commercial Transportation	51	1	-46	6
TOTAL TRANSPORTATION	**51**	**1**	**-46**	**6**
Rental Payments to GSA Leases (SLUC)	94	0	0	94
Purchased Utilities	1	0	-1	0
Purchased Communications	33	0	19	52
Rents (Non-GSA)	1	0	0	1
Postal Services (U.S.P.S.)	1	0	0	1
Supplies & Materials (non centrally managed)	45	1	-24	22
Printing & Reproduction	3	0	0	3
Equipment Maintenance by Contract	27	0	-18	9
Facility Maintenance by Contract	3	0	-1	2
Equipment Purchases (non centrally managed)	68	1	-31	38
Contract Consultants	6	0	1	7
Engineering Technical Services	69	1	-39	31
Other Contracts	443	7	-275	175
Other Costs	122	2	181	305
TOTAL OTHER PURCHASES	**916**	**12**	**-188**	**740**
GRAND TOTAL	**1690**	**23**	**123**	**1836**

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999 FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	763	18	-781	0
Wage Board	6	0	-6	0
Voluntary Separation Incentive Pay	4	0	-4	0
TOTAL CIVILIAN PERSONNEL COMP	**773**	**18**	**-791**	**0**
Travel of Persons	309	5	-314	0
TOTAL TRAVEL	**309**	**5**	**-314**	**0**
Locally Procured DoD managed supplies & materials	1	0	-1	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**1**	**0**	**-1**	**0**
GSA Managed Equipment	0	0	0	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**0**	**0**	**0**	**0**
Defense Financing & Accounting Services	7	0	-7	0
TOTAL OTHER REVOLVING FUND PURCHASES	**7**	**0**	**-7**	**0**
Commercial Transportation	6	0	-6	0
TOTAL TRANSPORTATION	**6**	**0**	**-6**	**0**
Rental Payments to GSA Leases (SLUC)	94	0	-94	0
Purchased Utilities	0	0	0	0
Purchased Communications	52	1	-53	0
Rents (Non-GSA)	1	0	-1	0
Postal Services (U.S.P.S.)	1	0	-1	0
Supplies & Materials (non centrally managed)	22	0	-22	0
Printing & Reproduction	3	0	-3	0
Equipment Maintenance by Contract	9	0	-9	0
Facility Maintenance by Contract	2	0	-2	0
Equipment Purchases (non centrally managed)	38	1	-39	0
Contract Consultants	7	0	-7	0
Engineering Technical Services	31	0	-31	0
Other Contracts	175	3	-178	0
Other Costs	305	5	-310	0
TOTAL OTHER PURCHASES	**740**	**10**	**-750**	**0**
GRAND TOTAL	**1836**	**33**	**-1869**	**0**

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Nuclear Test Ban Treaties

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 President's Budget Request		1,303
2. Congressional Adjustments (Distributed)		
a. Arms Control	0	
b. Transfer to Overseas Contingency Operations Transfer Fund	0	
Total Congressional Adjustments (Distributed)		0
3. FY 1998 Appropriated Amount		1,303
4. Congressional Adjustments (Undistributed)		
a. Quadrennial Defense Review Reductions	0	
b. Revised Economic Assumptions	-6	
c. Defense Automated Printing	0	
d. Reallocation of PTAP Funding Transfer	0	
e. Section 8041 Contract Advisory & Assistance Services	0	
f. Congressional Earmarks (Total)	0	
Total Congressional Adjustments (Undistributed)		-6
5. Program Increases		
a. International Cooperative Administrative Support Services	0	
b. Other Programmatic Adjustments	539	

The OSIA's planned funding requirements for FY 1998 have changed since submission of the FY 1998 President's Budget. These changes are primarily the result of treaty EIF slippages and changes in treaty assumptions. Additionally, internal OSIA recosting initiatives have allowed us to develop and refine our funding strategies over the past 12 months to capitalize upon past execution performance trends, building on greater risk-taking in the development of budget requirements. The OSIA has internally realigned FY 1998 funding between budget programs to support treaty workload shortfalls and other high-priority program requirements. This increase reflects NTBT's portion of the total internal OSIA programmatic adjustment.

Total Program Increases	539

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submisison
Nuclear Test Ban Treaties

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

6.	FY 1998 Current Estimate		1,836
7.	Price Growth		33
8.	Functional Program Transfer		
	Transfer Out		
	Defense Threat Reduction and Treaty Compliance Agency (DTRTCA)	-1,869	
	As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.		
	Total Transfer Out		-1,869
9.	FY 1999 Budget Request		0

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Nuclear Test Ban Treaties

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
No Tests			
Unknown	0	0	0
TOTAL	0	0	0

No tests are planned for FY 1996 - FY 1999 due to the imposed moratorium on all underground nuclear testing.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
TTBT	0	0	0
CTBT	0	0	0
TOTAL	0	0	0

No tests are planned for FY 1996 - FY 1999 due to the imposed moratorium on all underground nuclear testing. CTBT will provide escorts for one on-site inspection in FY 1999.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY			
TOTAL	0	2	0

Mock inspection exercises support the readiness level of the CTBT escorts.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Nuclear Test Ban Treaties

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	12	18	0	-18
Officer	5	8	0	-8
Enlisted	7	10	0	-10
Civilian End Strength (Total)	11	12	0	-12
USDH	11	12	0	-12
Military Workyears (Total)	12	18	0	-18
Officer	5	8	0	-8
Enlisted	7	10	0	-10
Civilian Workyears (Total)	11	12	0	-12
USDH	11	12	0	-12

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

I. Narrative Description (Statement of Requirements and Mission):

In May of 1990, the On-Site Inspection Agency (OSIA) was tasked to plan for on-site inspection, escort, and continuous monitoring activities in preparation for implementation of the Chemical Weapons (CW) Agreements. These Agreements include the Chemical Weapons Convention (CWC), which entered into force (EIF) on 29 April 1997, and the Bilateral Destruction Agreement (BDA). The "official" DoD planning assumption for BDA is no earlier than January 1999, however, this budget submission represents an EIF of no earlier than January 2000 to reflect OSIA's increased financial risk.

The OSIA has no responsibility to inspect under the CWC, but will be required to escort teams of international inspectors from the Organization for the Prohibition of Chemical Weapons (OPCW) inspecting at U.S. DoD facilities until all weapons at the site have been destroyed. The OPCW will also conduct periodic inspections at former CW production facilities until these have been certified by the OPCW as destroyed by 2007. The OSIA will also escort for periodic inspections of permitted small-scale production facilities for defensive research and development, medical and protective purposes, and for Challenge Inspections. Finally, OSIA expects to provide escort for routine inspection at non-DoD commercial and other government facilities on a cost-reimbursable basis.

Inspections of CW facilities under provisions of the BDA are expected to begin in FY 2000 and remain constant through FY 2003. Under the BDA, OSIA will conduct both inspection and escort activities to facilitate demonstrating and ensuring compliance. The BDA inspections will be under the CWC umbrella as "bilateral complementary verification measures". For practical purposes, "complementary" means that small numbers of OPCW inspectors will accompany U.S. and Russian inspection teams to ensure that each BDA inspection also satisfies CWC requirements and the OPCW will not normally duplicate these particular types of inspections. Monitored destruction under BDA will occur jointly with the CWC monitoring of destruction beginning FY 2000. The BDA Monitoring will occur in the U.S. beginning with two sites in FY 2000, and with eight sites on-line by FY 2003. The BDA Monitoring will occur at Russian sites beginning with one site in FY 2001 and another in FY 2002. The CW Agreements require resources in the areas of: inspections, escort activities, linguist and translation support, telecommunications, transportation, facilities, logistics, civilian pay, and other management support. This funding allows OSIA to accomplish its responsibilities as tasked by the policy community and in timeframes specified under the terms of the Agreements.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

I. Narrative Description (Statement of Requirements and Mission) (cont):

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies as well as various OSD and WHS staff elements involved in the management of associated programs. As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel transfers to DTRTCA.

The FY 1998 current estimate of $22.8 million reflects a decrease of $11.9 million from the FY 1998 President's Budget; the FY 1999 budget request is $0 million.

II. Description of Operations Financed:

Provides support to U.S./Commonwealth of Independent States bilateral agreement inspections for joint verification and destruction of chemical warfare stocks as well as supporting provisions for escort of international teams of inspectors at U.S. facilities under the multilateral CWC. The multilateral CWC was signed January, 1993, and entered into force 29 April 1997. The BDA is expected to EIF no earlier than January, FY 2000. In FY 1998, OSIA expects to conduct 76 escort missions and mock missions under the CWC as well as continue support for the cooperative exchange activities with the Russians funded by Nunn-Lugar.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE					
5. NTBT					
6. CW	13,470	34,659	27,445	22,825	0
7. OPEN SKIES					
8. STI					
9. OTHER MISSONS					
TOTAL	13,470	34,659	27,445	22,825	0

B RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	34,659	22,825
Congressional Adjustments	-7,345	NA
Price Change	0	394
Reprogramming/Functional Transfers	0	-23,219
Program Changes	-4,489	0
Current Estimate	22,825	0

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1997 PROGRAM	CHANGE FY 1997/FY 1998 FY 1998 PRICE GROWTH AMT	CHANGE FY 1997/FY 1998 FY 1998 PROGRAM GROWTH	FY 1998 PROGRAM
Executive, General, and Special Schedule	5172	85	1582	6839
Wage Board	58	1	-1	58
Voluntary Separation Incentive Pay	0	0	48	48
TOTAL CIVILIAN PERSONNEL COMP	**5230**	**86**	**1629**	**6945**
Travel of Persons	1621	24	5515	7160
TOTAL TRAVEL	**1621**	**24**	**5515**	**7160**
Locally Procured DoD managed supplies & materials	3	0	5	8
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**3**	**0**	**5**	**8**
GSA Managed Equipment	9	0	-5	4
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**9**	**0**	**-5**	**4**
Defense Financing & Accounting Services	69	-9	12	72
TOTAL OTHER REVOLVING FUND PURCHASES	**69**	**-9**	**12**	**72**
MAC Cargo	0	0	2	2
MAC SAAM	679	121	47	847
Commercial Transportation	56	1	25	82
TOTAL TRANSPORTATION	**735**	**122**	**74**	**931**
Rental Payments to GSA Leases (SLUC)	937	0	-1	936
Purchased Utilities	8	0	-5	3
Purchased Communications	324	5	199	528
Rents (Non-GSA)	106	2	-94	14
Postal Services (U.S.P.S.)	7	0	1	8
Supplies & Materials (non centrally managed)	389	6	-42	353
Printing & Reproduction	30	0	-9	21
Equipment Maintenance by Contract	273	4	-154	123
Facility Maintenance by Contract	34	1	-20	15
Equipment Purchases (non centrally managed)	823	12	-416	419
Contract Consultants	58	1	11	70
Engineering Technical Services	692	10	7	709
Locally Purchased Fuel	1	0	1	2
Other Intra-Governmental Purchases	6	0	-2	4
Other Contracts	991	15	1200	2206
Other Costs	1124	17	1153	2294
TOTAL OTHER PURCHASES	**5803**	**73**	**1829**	**7705**
GRAND TOTAL	**13470**	**296**	**9059**	**22825**

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
CHEMICAL WEAPONS US/CIS BILATERAL AGREEMENTS

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999: FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999: FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	6839	157	-6996	0
Wage Board	58	2	-60	0
Voluntary Separation Incentive Pay	48	0	-48	0
TOTAL CIVILIAN PERSONNEL COMP	**6945**	**159**	**-7104**	**0**
Travel of Persons	7160	115	-7275	0
TOTAL TRAVEL	**7160**	**115**	**-7275**	**0**
Locally Procured DoD managed supplies & materials	8	0	-8	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**8**	**0**	**-8**	**0**
GSA Managed Equipment	4	0	-4	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**4**	**0**	**-4**	**0**
Defense Financing & Accounting Services	72	3	-75	0
TOTAL OTHER REVOLVING FUND PURCHASES	**72**	**3**	**-75**	**0**
MAC Cargo	2	0	-2	0
MAC SAAM	847	8	-855	0
Commercial Transportation	82	1	-83	0
TOTAL TRANSPORTATION	**931**	**9**	**-940**	**0**
Rental Payments to GSA Leases (SLUC)	936	0	-936	0
Purchased Utilities	3	0	-3	0
Purchased Communications	528	8	-536	0
Rents (Non-GSA)	14	0	-14	0
Postal Services (U.S.P.S.)	8	0	-8	0
Supplies & Materials (non centrally managed)	353	6	-359	0
Printing & Reproduction	21	0	-21	0
Equipment Maintenance by Contract	123	2	-125	0
Facility Maintenance by Contract	15	0	-15	0
Equipment Purchases (non centrally managed)	419	7	-426	0
Contract Consultants	70	1	-71	0
Engineering Technical Services	709	11	-720	0
Locally Purchased Fuel	2	0	-2	0
Other Intra-Governmental Purchases	4	0	-4	0
Other Contracts	2206	36	-2242	0
Other Costs	2294	37	-2331	0
TOTAL OTHER PURCHASES	**7705**	**108**	**-7813**	**0**
GRAND TOTAL	**22825**	**394**	**-23219**	**0**

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 President's Budget Request		34,659
2. Congressional Adjustments (Distributed)		
a. Arms Control	-7,214	
b. Transfer to Overseas Contingency Operations Transfer Fund	0	
Total Congressional Adjustments (Distributed)		-7,214
3. FY 1998 Appropriated Amount		27,445
4. Congressional Adjustments (Undistributed)		
a. Quadrennial Defense Review Reductions	0	
b. Revised Economic Assumptions	-131	
c. Defense Automated Printing	0	
d. Reallocation of PTAP Funding Transfer	0	
e. Section 8041 Contractor Advisory & Assistance Services	0	
f. Congressional Earmarks (Total)	0	
Total Congressional Adjustments (Undistributed)		-131
5. Program Increase		
International Cooperative Administrative Support Services Program increase distributes OSIA's portion of the FY 1998 fund transfer to Department of Defense from the Department of State for ICASS.	99	
Total Program Increase		99
6. Program Decreases		
a. Program Balance - Operation & Maintenance, Defense-Wide (O&M, DW) Program reduction to fund higher priority programs within O&M, DW	-100	
b. Other Programmatic Adjustments The OSIA's planned funding requirements for FY 1998 have changed since submission of the FY 1998 President's Budget. These changes are primarily the result of treaty EIF slippages and changes in treaty assumptions. Additionally, internal OSIA recosting initiatives have allowed us to develop and refine our	-4,488	

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

	funding strategies over the past 12 months to capitalize upon past execution performance trends, building on greater risk-taking in the development of budget requirements. The OSIA has internally realigned FY 1998 funding between budget programs to support treaty workload shortfalls and other high-priority program requirements. This decrease reflects CW's portion of the total internal OSIA programmatic adjustment.		
	Total Program Decrease		-4,588
7.	FY 1998 Current Estimate		22,825
8.	Price Growth		394
9.	Functional Program Transfer		
	Transfer Out		
	Defense Threat Reduction and Treaty Compliance Agency (DTRTCA)	-23,219	
	As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.		
	Total Transfer Out		-23,219
10.	FY 1999 Budget Request		0

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
BDA Routine	0	0	0
BDA Equipment Certification	0	0	0
TOTAL	0	0	0

BDA inspection activity is expected to begin in FY 2000.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
BDA Equipment Certification	0	0	0
CWC Challenge/OPCW Inspector Training	4	5	0
CWC Routine/Joint BDA Facilities	8	14	0
Non Stockpile CW Destruction Site	4	6	0
CWC Routine DoD	0	2	0
CWC/BDA Monitoring Rotations	6	36	0
CWC Equipment Certification	1	1	0
TOTAL	23	64	0

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY	7	12	0

Mock inspection exercises continue to maintain the readiness level at all U.S. sites of the Army, Navy, Air Force and other government-owned facilities.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Chemical Weapons U.S./CIS Bilateral and Multilateral Agreements

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	126	229	0	-229
Officer	38	96	0	-96
Enlisted	88	133	0	-133
Civilian End Strength (Total)	84	119	0	-119
USDH	84	119	0	-119
Military Workyears (Total)	126	229	0	-229
Officer	38	96	0	-96
Enlisted	88	133	0	-133
Civilian Workyears (Total)	87	113	0	-113
USDH	87	113	0	-113

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Open Skies Treaty

I. Narrative Description (Statement of Requirements and Mission): The Open Skies (OS) Treaty is a multilateral treaty involving the European states (East and West), the Republic of Belarus and the Russian Federation Group of State Parties, Canada, and the United States. The OS involves reciprocal overflights of states using specific aircraft with specified sensors. The On-Site Inspection Agency (OSIA) has been directed to plan and prepare for receiving and conducting OS observation missions, and for conducting and participating in aircraft and sensor certification inspections. The current "official" Department of Defense planning assumption -- entry into force (EIF) is planned for 2nd/3rd Quarter FY 1998.

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel tranfers to DTRTCA.

The FY 1998 current estimate of $8.3 million for OS reflects an increase of $1.1 million from the FY 1998 President's Budget request. The FY 1999 budget request for OS is $0 million.

II. Description of Operations Financed: During the first Observation Period, the United States will conduct up to eight active observation missions over Russia and one joint flight with Canada over Ukraine; and receive up to four from Russia/Belarus. The level of effort will increase during the initial implementation phase to 15 active and 15 passive observation missions per year. Once the treaty reaches full implementation phase, the number of observation missions per year will increase to 22 active and 22 passive. The OSIA will conduct continual mock certification and observation flights to adhere to flying hour guidelines and proficiency.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Open Skies Treaty

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES	5,388	7,242	7,242	8,291	0
8. STI					
9. OTHER MISSIONS					
Total	5,388	7,242	7,242	8,291	0

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	7,242	8,291
Congressional Adjustments	-34	NA
Price Change	0	138
Reprogramming/Functional Transfers	0	-8,429
Program Changes	1,083	0
Current Estimate	8,291	0

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1997 PROGRAM	CHANGE FY 1997/FY 1998 FY 1998 PRICE GROWTH AMT	CHANGE FY 1997/FY 1998 FY 1998 PROGRAM GROWTH	FY 1998 PROGRAM
Executive, General, and Special Schedule	1584	26	-4	1606
Wage Board	15	0	1	16
Voluntary Separation Incentive Pay	0	0	13	13
TOTAL CIVILIAN PERSONNEL COMP	**1599**	**26**	**10**	**1635**
Travel of Persons	628	9	529	1166
TOTAL TRAVEL	**628**	**9**	**529**	**1166**
GSA Managed Supplies & Materials	0	0	1	1
Locally Procured DoD managed supplies & materials	1	0	1	2
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**1**	**0**	**2**	**3**
GSA Managed Equipment	2	0	-1	1
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**2**	**0**	**-1**	**1**
Defense Financing & Accounting Services	18	-2	3	19
TOTAL OTHER REVOLVING FUND PURCHASES	**18**	**-2**	**3**	**19**
MAC SAAM	0	0	46	46
Commercial Transportation	5	0	11	16
TOTAL TRANSPORTATION	**5**	**0**	**57**	**62**
Rental Payments to GSA Leases (SLUC)	250	0	0	250
Purchased Utilities	2	0	-2	0
Purchased Communications	87	1	56	144
Rents (Non-GSA)	5	0	-1	4
Postal Services (U.S.P.S.)	2	0	1	3
Supplies & Materials (non centrally managed)	104	2	-19	87
Printing & Reproduction	8	0	-2	6
Equipment Maintenance by Contract	71	1	-17	55
Facility Maintenance by Contract	9	0	-5	4
Equipment Purchases (non centrally managed)	241	4	-54	191
Contract Consultants	16	0	2	18
Engineering Technical Services	185	3	13	201
Locally Purchased Fuel	39	1	177	217
Other Intra-Governmental Purchases	1	0	0	1
Other Contracts	1803	27	2027	3857
Other Costs	312	5	50	367
TOTAL OTHER PURCHASES	**3135**	**44**	**2226**	**5405**
GRAND TOTAL	**5388**	**77**	**2826**	**8291**

ON-SITE INSPECTION AGENCY
OPERATION AND MAINTENENCE, DEFENSE-WIDE
OPEN SKIES TREATY

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999: FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999: FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	1606	37	-1643	0
Wage Board	16	0	-16	0
Voluntary Separation Incentive Pay	13	0	-13	0
TOTAL CIVILIAN PERSONNEL COMP	**1635**	**37**	**-1672**	**0**
Travel of Persons	1166	19	-1185	0
TOTAL TRAVEL	**1166**	**19**	**-1185**	**0**
GSA Managed Supplies & Materials	1	0	-1	0
Locally Procured DoD managed supplies & materials	2	0	-2	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**3**	**0**	**-3**	**0**
GSA Managed Equipment	1	0	-1	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**1**	**0**	**-1**	**0**
Defense Financing & Accounting Services	19	1	-20	0
TOTAL OTHER REVOLVING FUND PURCHASES	**19**	**1**	**-20**	**0**
MAC SAAM	46	0	-46	0
Commercial Transportation	16	0	-16	0
TOTAL TRANSPORTATION	**62**	**0**	**-62**	**0**
Rental Payments to GSA Leases (SLUC)	250	0	-250	0
Purchased Utilities	0	0	0	0
Purchased Communications	144	2	-146	0
Rents (Non-GSA)	4	0	-4	0
Postal Services (U.S.P.S.)	3	0	-3	0
Supplies & Materials (non centrally managed)	87	1	-88	0
Printing & Reproduction	6	0	-6	0
Equipment Maintenance by Contract	55	1	-56	0
Facility Maintenance by Contract	4	0	-4	0
Equipment Purchases (non centrally managed)	191	3	-194	0
Contract Consultants	18	0	-18	0
Engineering Technical Services	201	3	-204	0
Locally Purchased Fuel	217	3	-220	0
Other Intra-Governmental Purchases	1	0	-1	0
Other Contracts	3857	62	-3919	0
Other Costs	367	6	-373	0
TOTAL OTHER PURCHASES	**5405**	**81**	**-5486**	**0**
GRAND TOTAL	**8291**	**138**	**-8429**	**0**

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Open Skies Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 President's Budget Request		7,242
2. Congressional Adjustments (Distributed)		
a. Arms Control	0	
b. Transfer to Overseas Contingency Operations Transfer Fund	0	
Total Congressional Adjustments (Distributed)		0
3. FY 1998 Appropriated Amount		7,242
4. Congressional Adjustments (Undistributed)		
a. Quadrennial Defense Review Reductions	0	
b. Revised Economic Assumptions	-34	
c. Defense Automated Printing	0	
d. Reallocation of PTAP Funding Transfer	0	
e. Section 8041 Contractor Advisory & Assistance Services	0	
f. Congressional Earmarks (Total)	0	
Total Congressional Adjustments (Undistributed)		-34
5. Program Increase		
Other Programmatic Adjustments	1,083	
The OSIA's planned funding requirements for FY 1998 have changed since submission of the FY 1998 President's Budget. These changes are primarily the result of treaty EIF slippages and changes in treaty assumptions. Additionally, internal OSIA recosting initiatives have allowed us to develop and refine our funding strategies over the past 12 months to capitalize upon past execution performance trends, building on greater risk-taking in the development of budget requirements. The OSIA has internally realigned FY 1998 funding between budget programs to support treaty workload shortfalls and other high-priority program requirements. This increase reflects OS's portion of the total internal OSIA programmatic adjustment.		
Total Program Increase		1,083

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Open Skies Treaty

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

6.	FY 1998 Current Estimate		8,291
7.	Price Growth		138
8.	Functional Program Transfer		
	Transfer Out Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	-8,429	
	Total Transfer Out		-8,429
9.	FY 1999 Budget Request		0

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Open Skies Treaty

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
Aircraft/Sensor Certification	0	6	0
Observation Flight	0	2	0
TOTAL	0	8	0

Each mission is the equivalent of one certification/observation. Certifications average four people per team. Observation Flights average thirty-four people per team (including aircrew and observers), and OSIA has funding responsibility for only 10 members of the team.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
Aircraft/Sensor Certification	0	1	0
Observation Flight	0	1	0
TOTAL	0	2	0

Each mission is the equivalent of one certification/observation. Certifications average 10 people per team. Observation flights average four people per team.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
C. MOCK ACTIVITY			
Mock Certification	1	1	0
Mock Observation	14	15	0
TOTAL	15	16	0

Each mission is the equivalent of one certification/observation. Mock certifications/observations average 20 people per team.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Open Skies Treaty

V. PERSONNEL SUMMARY

	FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)	39	41	0	-41
Officer	18	20	0	-20
Enlisted	21	21	0	-21
Civilian End Strength (Total)	26	27	0	-27
USDH	26	27	0	-27
Military Workyears (Total)	39	41	0	-41
Officer	18	20	0	-20
Enlisted	21	21	0	-21
Civilian Workyears (Total)	27	27	0	-27
USDH	27	27	0	-27

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Safeguards, Transparency, and Irreversibility Agreements (STI)

I. Narrative Description (Statement of Requirements and Mission): Funds are required to provide support to the On-Site Inspection Agency (OSIA) to accomplish inspection and escort activities associated with the anticipated agreements under STI. The STI activities include such transparency initiatives as the exchange of detailed stockpile data, mutual reciprocal inspections (MRIs) to confirm the exchanged data, and other cooperative measures to increase confidence in declarations of highly enriched uranium (HEU) reserves. Further agreement on transparency initiatives continue to be issued with each successive meeting of the Gore-Chernomyrdin Commission. Some STI agreements will increase confidence that weapon components are secure, and others will increase confidence that fissile materials declared to be excess are not being used to build new nuclear weapons. This is the specific intent of the HEU MRI regimes. These missions require support in the areas of: inspection activities, escort activities, linguistic support, telecommunications, training, transportation, facilities, logistics, civilian/military personnel (augmented), and other management areas.

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel tranfers to DTRTCA.

The FY 1998 current estimate of $361 thousand for STI reflects a decrease of $2.0 million from the FY 1998 President's Budget request. This decrease is primarily the result of transferring the funding for Plutonium agreements to the "Other Missions" activity group and the slippage of the entry into force (EIF) date for STI from 3rd Quarter of FY 1997 to 1 July 1998.

II. Description of Operations Financed: The transparency MRI agreements will allow deployment of U.S. inspection teams to Russian plutonium storage sites at Seversk and Krasnoyarsk and at agreed HEU storage sites and will confirm, through agreed measurement procedures, that the items declared in any data exchange are of the size and composition declared. The U.S. teams will escort Russian inspectors to U.S. plutonium storage facilities at Pantex, Texas, and Rocky Flats, Colorado, at agreed HEU storage sites and possibly U.S. military reserve stockpiles at four Department of Defense sites, allowing inspection teams to conduct agreed measurements on selected items. It is anticipated that OSIA will provide all travel and per diem expenses for the U.S. inspection/escort teams, portable instrumentation and automated data processing support equipment as necessary, as well as housing, meals, and transportation support to the Russian inspectors throughout their stay in the United States.

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Safeguards, Transparency, and Irreversibility Agreements (STI)

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI	98	2,428	2,428	361	0
9. OTHER MISSIONS					
Total	98	2,428	2,428	361	0

B. RECONCILIATION SUMMARY

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	2,428	361
Congressional Adjustments	-808	NA
Price Change	0	6
Reprogramming/Functional Transfers	0	-367
Program Changes	-1,259	0
Current Estimate	361	0

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1997 PROGRAM	CHANGE FY 1997/FY 1998 FY 1998 PRICE GROWTH AMT	CHANGE FY 1997/FY 1998 FY 1998 PROGRAM GROWTH	FY 1998 PROGRAM
Travel of Persons	96	1	264	361
TOTAL TRAVEL	**96**	**1**	**264**	**361**
Supplies & Materials (non centrally managed)	0	0	0	0
Other Contracts	0	0	0	0
Other Costs	2	0	-2	0
TOTAL OTHER PURCHASES	**2**	**0**	**-2**	**0**
GRAND TOTAL	**98**	**1**	**262**	**361**

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999: FY 1999 PRICE GROWTH AMT	CHANGE FY 1998/FY 1999: FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Travel of Persons	361	6	-367	0
TOTAL TRAVEL	**361**	**6**	**-367**	**0**
Supplies & Materials (non centrally managed)	0	0	0	0
Other Contracts	0	0	0	0
Other Costs	0	0	0	0
TOTAL OTHER PURCHASES	**0**	**0**	**0**	**0**
GRAND TOTAL	**361**	**6**	**-367**	**0**

On-Site Inspection Agency
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates Submission
Safeguards, Transparency, and Irreversibility Agreements (STI)

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 President's Budget Request		2,428
2. Congressional Adjustments (Distributed)		
a. Arms Control	0	
b. Transfer to Overseas Contingency Operations Transfer Fund	0	
Total Congressional Adjustments (Distributed)		0
3. FY 1998 Appropriated Amount		2,428
4. Congressional Adjustments (Undistributed)		
a. Quadrennial Defense Review Reductions	-199	
b. Revised Economic Assumptions	-12	
c. Defense Automated Printing	-85	
d. Section 8041 Contractor Advisory & Assistance Services	-186	
e. Congressional Earmarks (Total)	-147	
Total Congressional Adjustments (Undistributed)		-629
5. Program Decreases		
a. Reallocation of PTAP Funding Transfer	-179	
b. Other Programmatic Adjustments	-1,259	
The OSIA's planned funding requirements for FY 1998 have changed since submission of the FY 1998 President's Budget. These changes are primarily the result of treaty EIF slippages amd changes in treaty assumptions. Additionally, internal OSIA recosting initiatives have allowed us to develop and refine our funding strategies over the past 12 months to capitalize upon past execution performance trends, building on greater risk-taking in the development of budget requirements. The OSIA has internally realigned FY 1998 funding between budget programs to support treaty workload shortfalls and other high-priority program requirements. This decrease reflects STI's portion of the total internal OSIA programmatic adjustment.		
Total Program Decreases		-1,438

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

6. FY 1998 Current Estimate		361
7. Price Growth		6
8. Functional Program Transfer		
Transfer Out		
Defense Threat Reduction and Treaty Compliance Agency (DTRTCA)	-367	
As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.		
Total Transfer Out		-367
9. FY 1999 Budget Request		0

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. INSPECTIONS ACTIVITY			
Transparency - Mutual Reciprocal Inspections	0	2	0
TOTAL	0	2	0

Inspection activity supports requirements for Safeguards, Transparency, and Irreversibility Agreements. Inspection missions are expected to begin in FY 1998.

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
B. ESCORT ACTIVITY			
Transparency - Mutual Reciprocal Inspections	0	2	0
TOTAL	0	2	0

Escort activity supports requirements for Safeguards, Transparency, and Irreversibility Agreements. Escort missions are expected to begin in FY 1998.

V. PERSONNEL SUMMARY

STI has no authorized manpower billets associated with its missions. OSIA is currently augmenting civilian/military personnel to STI missions until requirements are refined and the STI Agreements are signed.

On-site Inspection Agency
Operation and Maintenance, Defense-Wide
Fy 1999 Amended Budget Estimates Submission
Other OSIA Missions

I. Narrative Description (Statement of Requirements and Mission):

The primary mission of the On-Site Inspection Agency (OSIA) is to conduct on-site inspections and continuous monitoring by U.S. personnel at specified facilities overseas, and to coordinate and conduct the escort of inspection teams for inspections or continuous monitoring activities in the United States and at U.S. facilities overseas. The OSIA's mission has expanded to include special interest projects, such as the Confidence and Security Building Measures (CSBM) inspections and evaluations, which are associated with the Conference on Security and Cooperation in Europe (CSCE). The OSIA has been tasked by Department of Defense as the Executive Agent for the United Nations Special Commission (UNSCOM) on Iraq, the Defense Treaty Inspection Readiness Program (DTIRP), and the Technical Equipment Inspection (TEI) program. The OSIA has also been tasked to provide assistance for support to the Biological Weapons (BW) program, the Bosnia Peace Plan, the Plutonium Production Reactors Agreement, the DoD/Federal Bureau of Investigation and DoD/Customs Service Counterproliferation Programs, the Compliance Monitoring and Tracking System (CMTS), and the Cooperative Threat Reduction (CTR) program.

The FY 1998 Defense Reform Initiative (DRI) directed the establishment of the Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) effective 1 October 1998. The DTRTCA will be formed through the consolidation of three existing agencies: the Defense Special Weapons Agency (DSWA), the On-Site Inspection Agency (OSIA), and the Defense Technology Security Administration (DTSA). In addition, several functions from the Office of the Secretary of Defense (OSD) and Washington Headquarters Services (WHS) currently involved in the management of associated programs will transfer to DTRTCA as well. The DTRTCA will also carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and provide nuclear weapon stockpile and related support.

As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA. A five percent military and civilian personnel savings associated with the DTRTCA consolidation has already been applied and is reflected in the funding and personnel tranfers to DTRTCA.

The FY 1998 current estimate of $18.4 million for Other OSIA Missions reflects an increase of $11.5 million from the FY 1998 President's Budget request. This increase is primarily the result of transferring the funding associated with planning and coordinating DoD operations for the UNSCOM on Iraq to the Overseas Contingency Operations Fund ($-3.6 million); realigning funds for the Plutonium Agreement ($741 thousand) from the Safeguards, Transparency, and Irreversibility (STI) activity group to the Other Missions activity group; the advent of new missions and changes to existing programs, such as CMTS ($2.9 million), the TEI program ($895 thousand), Counterproliferation programs (FBI and Customs) ($4.5 million), DTIRP ($1.4 million), and OSIA direct support costs for the CTR program ($932 thousand).

On-site Inspection Agency
Operation and Maintenance, Defense-Wide
Fy 1999 Amended Budget Estimates Submission
Other OSIA Missions

II. Description of Operations Financed:

A. Confidence and Security Building Measures (CSBM): The Vienna Document 1994, signed December 1994 in Budapest, provides for compliance/verification measures for which OSIA is responsible -- inspections and evaluations. This agreement, by participating states in negotiations on confidence and security building measures, is designed to strengthen security and achieve disarmament. This activity group provides funding in FY 1998/1999 of $178 thousand and $0 thousand, respectively.

B. United Nations Special Commission (UNSCOM) on Iraq: The Department of Defense designated OSIA as the Executive Agent for the UNSCOM on Iraq. As Executive Agent, OSIA has the lead in planning and coordinating operations with the appropriate federal agencies as well as programming and budgeting for most support. This activity group provides funding in FY 1998/1999 of $2.3 million and $0 million, respectively.

C. Defense Treaty Inspection Readiness Program (DTIRP): The OSIA was assigned as Executive Agent for the DTIRP which, as an interagency program, provides service to both government and industry in support of site preparation for treaty-imposed inspections. The DTIRP has conducted over 100 assessments and staff assistance visits, and is involved in supporting preparations for Strategic Arms Reduction Treaty (START), Chemical Weapons (CW), and Open Skies (OS), as well as other initiatives directed by the Deputy Assistant Secretary of Defense, Counterintelligence and Security Countermeasures (DASD(CCI&CS)). This activity group provides funding in FY 1998/1999 of $2.2 million and $0 million, respectively.

D. Technical Equipment Inspection (TEI): The OSIA was assigned responsibility as the central manager for maintaining and employing technical inspection equipment. The OSIA's primary mission is to develop and submit to the interagency procedures for certification and examination of treaty-allowed equipment and supplies; manage the certification process; conduct the examination of treaty-allowed equipment and supplies upon their arrival at the U.S. point of entry; and develop resource requirements, coordinate, and task other organizations to accomplish these responsibilities. This activity group provides funding in FY 1998/1999 of $1.0 million and $0 thousand, respectively.

E. Cooperative Threat Reduction (CTR) Program: At the direction of the Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs (ATSD(NCB)), OSIA supports implementation of the CTR (Nunn-Lugar) Program for DoD. Specifically, the OSIA assists in program activities involving the transportation, storage, safeguarding, and destruction of weapons of mass destruction (nuclear, chemical, and biological) and the dismantlement of their former production facilities and delivery vehicles and assists in the prevention of the proliferation of these weapons in Russia and the former Soviet Republics. Major areas of OSIA assistance to the CTR Program include: providing Russian language interpreter/linguist and translation support; program planning, execution and coordination functions; technical advice and oversight, audit and examinations, and manpower augmentation of the U.S. Embassy Arms Control Implementation Units in Moscow, Kiev, Minsk and Almaty, the Office the DATSD(CTR), and the Chemical Weapons Destruction Support Office, Moscow.

II. Description of Operations Financed (Cont.):

The OSIA support provided, including operating and travel costs, apartment lease, equipment, interpreting and translations, is funded by a reimbursable Military Interdepartmental Purchase Request issued by the Defense Special Weapons Agency (DSWA). There is some direct Operation & Maintenance (O&M) funding associated with this program - primarily costs required to support military and civilian personal assigned to support audit and examination visits for the CTR program. This activity group provides funding in FY 1998/1999 of $932 thousand and $0 thousand, respectively.

F. Bosnia Peace Plan: The OSIA was directed to initiate planning and conduct operations to support agreement negotiations in accordance with Annex 1-B of the Dayton Agreement, concerning the negotiations and implementation of confidence-building and arms control measures in the Balkans. The OSIA will provide assistance to the Organizations for Security and Cooperation in Europe (OSCE) in the form of training inspectors and participation in inspections under OSCE auspices. This activity group provides funding in FY 1998/1999 of $20 thousand and $0, respectively.

G. DoD/Federal Bureau of Investigation and DoD/Customs Service Counterproliferation Programs: On 28 April 1997, the Office of the Secretary of Defense (OSD) designated OSIA as the Executive Agent for both counterproliferation training programs. The programs provide several former Soviet, eastern European, and Baltic countries training on proliferation problems associated with weapons of mass destruction, and national and international measures to counter them. As Executive Agent, OSIA has the lead role in planning and coordinating policy visits and training workshops associated with these programs. This activity group provides funding in FY 1998/1999 of $4.5 million and $0 million, respectively.

H. Compliance Monitoring and Tracking System (CMTS): This system is designed to support mandated U.S. Government data reporting requirements and responsibility of treaty limited equipment (TLE). The system provides data handling, hardware and software, and reporting procedure and methodology for compliance tracking of U.S. weapons systems subject to negotiated treaty restrictions. The CMTS consists of custom-designed systems corresponding to specific treaty areas (START, START II, CFE/CSBM, Intermediate-Range Nuclear Forces (INF), and OS). The CMTS is installed on user workstations at DoD Agencies, Service headquarters, Service components, and Joint commands that have compliance reporting responsibilities at the Nuclear Risk Reduction Center (NRCC). In February 1991, the OSIA committed to be the host site for the CMTS to include all of its associated subsystems. The OSIA became the Executive Agency for CMTS on 9 May 1997 when the system officially transitioned from the development phase under the DSWA to the O&M support phase. This activity group provides funding in FY 1998/1999 of $2.9 million and $0 million, respectively.

II. Description of Operations Financed (Cont.):

I. Plutonium Production Reactors Agreement (PPRA): At the June 1994 Gore-Chernomyrdin Conference, the United States and Russia signed a bilateral agreement to shutdown all plutonium production reactors by the year 2000. The OSIA participated in follow-on negotiations leading to implementation, and committed, in a joint DoD and Department of Energy memorandum dated 4 November 1994, to share costs associated with implementing the compliance regime. The detailed compliance agreement was signed 23 September 1997. This activity group provides funding in FY 1998/1999 of $741 thousand and $0 thousand, respectively.

J. Biological Weapons (BW): In January 1995, the Office of the Under Secretary of Defense for International Security Policy (OUSD (ISP)) requested OSIA provide support for Russian visits to military biological facilities. The Assistant to the Secretary of Defense for Atomic Energy (ATSD (AE)) also requested this support in February 1995. This budget request supports exchange visits beginning in FY 1998 and to be completed in FY 1999. This activity group provides funding in FY 1998/1999 of $447 thousand and $0 thousand, respectively.

K. Miscellaneous Programs: This section supports on-site inspection activities related to emerging arms control requirements such as (1) implementation of nuclear safeguards verification measures to detect clandestine nuclear activities in non-nuclear weapons states and (2) escorting foreign inspectors monitoring U.S. fuel fabrication facilities under the Highly Enriched Uranium (HEU) Purchase Agreements. This activity group provides funding in FY 1998 of $3.1 million.

On-site Inspection Agency
Operation and Maintenance, Defense-Wide
Fy 1999 Amended Budget Estimates Submission
Other OSIA Missions

III. FINANCIAL SUMMARY (O&M $ in Thousands)

A. ACTIVITY GROUP	FY 1997 Actuals	FY 1998 Budget Request	FY 1998 Appropriation	FY 1998 Current Estimate	FY 1999 Estimate
1. INF					
2. START					
3. START II					
4. CFE					
5. NTBT					
6. CW					
7. OPEN SKIES					
8. STI					
9. OTHER MISSIONS	11,911	6,911	6,911	18,400	0
Total	11,911	6,911	6,911	18,400	0

B. RECONCILIATION SUMMARY:

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	6,911	18,400
Congressional Adjustments	-3,615	NA
Price Change	0	305
Reprogramming/Functional Transfers	0	-18,705
Program Changes	15,104	0
Current Estimate	18,400	0

ON-SITE INSPECTION AGENCY
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III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1997 PROGRAM	CHANGE FY 1997/FY 1998 FY 1998 PRICE GROWTH AMT	CHANGE FY 1997/FY 1998 FY 1998 PROGRAM GROWTH	FY 1998 PROGRAM
Executive, General, and Special Schedule	1580	26	306	1912
Wage Board	14	0	0	14
Voluntary Separation Incentive Pay	0	0	9	9
TOTAL CIVILIAN PERSONNEL COMP	**1594**	**26**	**315**	**1935**
Travel of Persons	1115	17	2418	3550
TOTAL TRAVEL	**1115**	**17**	**2418**	**3550**
Locally Procured DoD managed supplies & materials	0	0	2	2
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**0**	**0**	**2**	**2**
GSA Managed Equipment	2	0	-2	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**2**	**0**	**-2**	**0**
Defense Financing & Accounting Services	17	-2	2	17
TOTAL OTHER REVOLVING FUND PURCHASES	**17**	**-2**	**2**	**17**
MAC SAAM	274	49	111	434
Commercial Transportation	5	0	8	13
TOTAL TRANSPORTATION	**279**	**49**	**119**	**447**
Rental Payments to GSA Leases (SLUC)	219	0	0	219
Purchased Utilities	2	0	-2	0
Purchased Communications	77	1	43	121
Rents (Non-GSA)	2	0	0	2
Postal Services (U.S.P.S.)	2	0	0	2
Supplies & Materials (non centrally managed)	160	2	-15	147
Printing & Reproduction	7	0	0	7
Equipment Maintenance by Contract	146	2	-98	50
Facility Maintenance by Contract	7	0	-2	5
Equipment Purchases (non centrally managed)	1996	30	-818	1208
Contract Consultants	14	0	3	17
Engineering Technical Services	236	4	-168	72
Other Contracts	1910	29	1987	3926
Other Costs	4126	62	2485	6673
TOTAL OTHER PURCHASES	**8904**	**130**	**3415**	**12449**
GRAND TOTAL	**11911**	**220**	**6269**	**18400**

III. FINANCIAL SUMMARY (O&M: $ IN THOUSANDS) (CONT.)

C. SUMMARY OF PRICE AND PROGRAM CHANGES:

DESCRIPTION	FY 1998 PROGRAM	CHANGE FY 1998/FY 1999 FY 1999 PRICE GROWTH AMT	FY 1999 PROGRAM GROWTH	FY 1999 PROGRAM
Executive, General, and Special Schedule	1912	44	-1956	0
Wage Board	14	0	-14	0
Voluntary Separation Incentive Pay	9	0	-9	0
TOTAL CIVILIAN PERSONNEL COMP	**1935**	**44**	**-1979**	**0**
Travel of Persons	3550	57	-3607	0
TOTAL TRAVEL	**3550**	**57**	**-3607**	**0**
Locally Procured DoD managed supplies & materials	2	0	-2	0
TOTAL REVOLVING FUND SUPPLIES & MATERIAL PURCHASES	**2**	**0**	**-2**	**0**
GSA Managed Equipment	0	0	0	0
TOTAL REVOLVING FUND EQUIPMENT PURCHASES	**0**	**0**	**0**	**0**
Defense Financing & Accounting Services	17	1	-18	0
TOTAL OTHER REVOLVING FUND PURCHASES	**17**	**1**	**-18**	**0**
MAC SAAM	434	4	-438	0
Commercial Transportation	13	0	-13	0
TOTAL TRANSPORTATION	**447**	**4**	**-451**	**0**
Rental Payments to GSA Leases (SLUC)	219	0	-219	0
Purchased Utilities	0	0	0	0
Purchased Communications	121	2	-123	0
Rents (Non-GSA)	2	0	-2	0
Postal Services (U.S.P.S.)	2	0	-2	0
Supplies & Materials (non centrally managed)	147	2	-149	0
Printing & Reproduction	7	0	-7	0
Equipment Maintenance by Contract	50	1	-51	0
Facility Maintenance by Contract	5	0	-5	0
Equipment Purchases (non centrally managed)	1208	19	-1227	0
Contract Consultants	17	0	-17	0
Engineering Technical Services	72	1	-73	0
Other Contracts	3926	67	-3993	0
Other Costs	6673	107	-6780	0
TOTAL OTHER PURCHASES	**12449**	**199**	**-12648**	**0**
GRAND TOTAL	**18400**	**305**	**-18705**	**0**

On-site Inspection Agency
Operation and Maintenance, Defense-Wide
Fy 1999 Amended Budget Estimates Submission
Other OSIA Missions

D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands)

1. FY 1998 President's Budget Request		6,911
2. Congressional Adjustments (Distributed)		
a. Arms Control	0	
b. Transfer to Overseas Contingency Operations Transfer Fund	-3,600	
Total Congressional Adjustments (Distributed)		-3,600
3. FY 1998 Appropriated Amount		3,311
4. Congressional Adjustments (Undistributed)		
a. Quadrennial Defense Review Reductions	0	
b. Revised Economic Assumptions	-15	
c. Defense Automated Printing	0	
d. Reallocation of PTAP Funding Transfer	0	
e. Section 8041 Contractor Advisory & Assistance Services	0	
f. Congressional Earmarks (Total)	0	
Total Congressional Adjustments (Undistributed)		-15
5. Program Increases		
Other Programmatic Adjustments	15,104	

The OSIA's planned funding requirements for FY 1998 have changed since submission of the FY 1998 President's Budget. These changes are primarily the result of treaty EIF slippages and changes in treaty assumptions. Additionally, internal OSIA recosting initiatives have allowed us to develop and refine our funding strategies over the past 12 months to capitalize upon past execution performance trends, building on greater risk-taking in the development of budget requirements. The OSIA has internally realigned FY 1998 funding between budget programs to support treaty workload shortfalls and other high-priority program requirements. This increase reflects the Other OSIA Missions' portion of the total internal OSIA programmatic adjustment. This increase is primarily the result of transferring the funding for the Plutonium Agreement to the Other Missions activity group as well as the advent of new missions, such as CMTS, the Counterproliferation programs (FBI/Customs), TEI program, DTIRP, and OSIA direct support costs for the CTR program.

Total Program Increases	15,104

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D. RECONCILIATION OF INCREASES AND DECREASES ($ in Thousands) (Cont.)

6.	FY 1998 Current Estimate		18,400
7.	Price Growth		305
8.	Functional Program Transfer		
	Transfer Out Defense Threat Reduction and Treaty Compliance Agency (DTRTCA) As part of this budget submission, OSIA's funding and manpower resources programmed for FY 1999 and out are transferred to the DTRTCA.	-18,705	
	Total Transfer Out		-18,705
9.	FY 1999 Budget Request		0

On-site Inspection Agency
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Other OSIA Missions

IV. PERFORMANCE CRITERIA AND EVALUATION SUMMARY

	FY 1997 NO OF MISSIONS	FY 1998 NO OF MISSIONS	FY 1999 NO OF MISSIONS
A. MISSIONS			
Biological Weapons	7	15	0
Plutonium Agreements	2	9	0
Counterproliferation (FBI/Customs)	10	35	0
TOTALS	19	59	0

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V. PERSONNEL SUMMARY

"Other OSIA Missions" currently has authorized manpower spaces associated with DTIRP, support to UNSCOM on Iraq missions, CMTS, and Audit and Examination missions associated with CTR. As requirements are refined, manpower authorizations for other OSIA missions will be determined to fill treaty mission requirements. Although OSIA is supporting efforts in Bosnia, manpower has not been specifically designated for this short term mission. Bosnia support personnel are being borrowed from other treaty - assigned personnel as required.

		FY 1997	FY 1998	FY 1999	FY 1998/1999
Military End Strength (Total)		31	38	0	-38
Officer -	UNSCOM	4	4	0	-4
	DTIRP	8	8	0	-8
	CTR A&E	8	11	0	-11
	CMTS	0	0	0	0
Enlisted -	UNSCOM	1	1	0	-1
	DTIRP	3	4	0	-4
	CTR A&E	7	10	0	-10
	CMTS	0	0	0	0
Civilian End Strength (Total)		27	32	0	-32
USDH -	UNSCOM	3	3	0	-3
	DTIRP	14	19	0	-19
	CTR A&E	7	7	0	-7
	CMTS	3	3	0	-3
Military Workyears (Total)		31	38	0	-38
Officer -	UNSCOM	4	4	0	-4
	DTIRP	8	8	0	-8
	CTR A&E	8	11	0	-11
	CMTS	0	0	0	0
Enlisted -	UNSCOM	1	1	0	-1
	DTIRP	3	4	0	-4
	CTR A&E	7	10	0	-10
	CMTS	0	0	0	0
Civilian Workyears (Total)		27	32	0	-32
USDH -	UNSCOM	3	3	0	-3
	DTIRP	14	19	0	-19
	CTR A&E	7	7	0	-7
	CMTS	3	3	0	-3

The Joint Staff
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

I. Narrative Description:

The Joint Staff supports the principal military advisor to the President, National Security Council, and Secretary of Defense. The Chairman serves as a member of, and presides over, the Joint Chiefs of Staff. He is responsible for the organization and management of the Joint Staff. Funds are budgeted to accomplish a variety of functions and activities directed by the Chairman of the Joint Chiefs of Staff and the Director of the Joint Staff.

The Defense Reform Initiative (DRI) will revolutionize the way the Department provides its corporate and support services. As part of the DRI review, functions and missions conducted within joint headquarters were reviewed. The review concluded that the Chairman of the Joint Chiefs of Staff (CJCS) requires strong staff support to carry out his core Title 10 areas of responsibility. However, the review also identified areas within the Joint Staff and the Chairman-controlled activities that had been added since the Goldwater-Nichols Act implementation from which efficiencies could be achieved. As a result, 752 civilian and military positions currently reporting to the Chairman of the Joint Chiefs of Staff will be eliminated, consolidated, or transferred to lower echelon organizations. The consolidations/transfers will occur during FY 1999 and the eliminations will be implemented over a five year period.

II. Description of Operations Financed:

a. Budget Activity 1/Operating Forces -- Funds the transportation costs of joint exercises under the CJCS Exercise Program. This activity group also provides funding for a CINC Initiatives Fund (CIF); Combating Terrorism Readiness Initiative Fund (CBTRIF); the Joint Warfighting Center (JWFC); Command, Control, Communications, Computers, and Intelligence for the Warrior (C4IFTW); the Joint Command, Control, Communications, Computer, Intelligence, Surveillance, and Reconnaissance (C4ISR) Battle Center (JBC); the CINC Command and Control Initiatives Program (C2IP); and Partnership for Peace (PFP). In FY98, PFP transferred to the Office of the Secretary of Defense (OSD) as directed by Congress. In FY99, the JWFC and JBC transfer to US Atlantic Command (USACOM) as directed in the Defense Reform Initiative (DRI).

b. Budget Activity 4/Administration and Servicewide Activities -- Funds the day-to-day operations of the Joint Staff, including civilian personnel, travel, lease, rents and utilities, communications, purchased equipment maintenance, printing, contract studies, professional management services, facility maintenance, supplies, equipment, and other services. This budget activity also includes the Combating Terrorism Directorate, Joint Warfighting Capabilities Assessments (JWCA), Joint Modeling and Simulation (which includes both the Joint Analytical Model Improvement Program (JAMIP) and the current legacy models), Joint Staff Automation of the Nineties (JSAN), ISLAND SUN, and Pentagon Reservation Maintenance Revolving Fund payments.

The Joint Staff
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

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

A. The Joint Staff	FY 97 Actuals	FY 98 Budget Request	FY 98 Approp	FY 98 Current Estimate	FY 99 Estimate
1. Operating Forces	437,537	541,169	452,007	440,536	410,065
2. Administrative & Servicewide Activities	116,324	128,561	117,561	118,072	139,616
TOTAL	553,861	669,730	569,568	558,608	549,681

B. Reconciliation Summary:

	Change FY98/98	Change FY98/FY99
Baseline Funding	669,730	558,608
Congressional Adjustments		
Distributed	-100,162	0
Undistributed	-7,785	0
Functional Transfer	0	-48,382
Price Change	0	14,997
Program Change	-3,175	24,458
Current Estimate	558,608	549,681

The Joint Staff
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates

C. Summary of Price & Program Changes:

			Change FY1997/1998			Change FY1998/1999		
		FY 1997 Estimate	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
	CIVILIAN PERSONNEL COMP							
101	Ex., Gen & Spec Sched	14,176	425	140	14,741	413	79	15,233
103	Wage Board	33	1	0	34	1	0	35
199	Total Civ Pers Comp.	14,209	426	140	14,775	414	79	15,268
	TRAVEL							
308	Travel of Persons	5,624	84	2,705	8,413	134	-3,572	4,975
399	Total Travel	5,624	84	2,705	8,413	134	-3,572	4,975
	INDUSTRIAL FUND PURCHASES							
672	Pentagon Reservation Maintenance Revolving Fund	21,816	262	647	22,725	11,348	0	34,073
699	Total Industrial Fund Purchases	21,816	262	647	22,725	11,348	0	34,073
	TRANSPORTATION							
703	Total JCS Exercises	317,015	61,408	-23,976	354,447	573	13,017	368,037
	OTHER PURCHASES							
912	Rental Payments to GSA	302	5	-61	246	4	83	333
914	Purchased Commun. (non-WCF)	4,820	72	2,273	7,165	114	-2,914	4,365
915	Rents (non-GSA)	319	5	-127	197	3	-5	195
917	Postal Services (U.S.P.S.)	100	0	-3	97	0	0	97
920	Supplies & Materials (non-WCF)	4,036	61	-629	3,468	55	-11	3,512
921	Printing and Reproduction	952	15	-453	514	8	-423	99
922	Equipment Maint by Contract	1,030	16	572	1,618	26	-459	1,185
923	Fac Maint by Contract	248	4	-242	10	0	-10	0

925	Equipment Purchases (non-WCF)	4,149	62	-1,479	2,732	43	-1,622	1,153
932	Mgt & Professional Spt Svs	1,230	19	314	1,563	25	1,000	2,588
933	Studies, Analysis & Evaluations	3,643	55	1,492	5,190	83	-107	5,166
934	Engineering and Technical Svs	7,988	120	-198	7,910	126	388	8,424
989	Other Contracts	166,380	2,496	-41,338	127,538	2,041	-29,368	100,211
999	Total Other Purchases	195,197	2,930	-39,879	158,248	2,528	-33,448	127,328
9999	TOTAL	553,861	65,110	-60,363	558,608	14,997	-23,924	549,681

Dollars in Thousands

D. Reconciliation of Increases and Decreases:

FY 1998 President's Budget:		**669,730**
Congressional Adjustments (Distributed)	-100,162	
JCS Exercises	-50,000	
Northern Edge	5,000	
Partnership for Peace Transfer	-44,162	
Travel and Administrative Cost	-11,000	
FY 1998 Appropriated		**569,568**
Congressional (Undistributed)	-7,785	
QDR Savings	-2,068	
Revised Economic Assumptions	-1,291	
High Risk Automation Systems	-500	
Defense Automated Printing Service	-484	
Section 8041, Contracted Advisory & Assistance Services	-1,446	

Section 8035, Federally Funded Research & Development Centers	-1,123		
Congressional Earmarks	-873		
Program Decreases		-3,581	
Program reductions to fund higher priority programs	-2,485		
Reduction to fund the Procurement Technical Assistance Program (PTAP)	-1,096		
Program Increases		406	
Development/Coordination/Presentation of Executive Level Combating Terrorism Seminars	300		
International Cooperative Administrative Support Service (ICASS)(State Dept reimbursement)	106		
FY 1998 Current Estimate			**558,608**
Functional Transfers:		-48,382	
Standard Tactical Entry Point (STEP) transfer to DISA	-4,649		
Combating Terrorism Readiness Initiative Fund (CBTRIF) - The fund was 100% O&M in FY97 and FY98, however, numerous requests received from the CINCs requested procurement funds due to either the dollar value being over $100 thousand or being centrally managed items. Therefore, we have programmed $5 million procurement dollars to meet this requirement in the future. (The fund remains at $15M total O&M and procurement.) Examples of physical security equipment that fall into the procurement area include such items as: surveillance and intrusion detection systems and x-ray and chem-bio detectors.	-5,000		
Joint Warfighting Center (JWFC) and Joint C4ISR Battle Center (JBC) transfer to US Atlantic Command (USACOM) as directed in the Defense Reform Initiative. (The Navy is the Executive Agent for USACOM.)	-38,733		
Price Changes:		14,997	

Program Increases		25,113
Joint Vision 2010 - is the conceptual template for future joint warfighting and is among the CJCS's top three priorities. The change is based on new requirements identified during the implementation of JV 2010. These requirements include: 1) Develop options to synchronize joint experiments, wargames, simulations, and exercises in support of Joint Staff JV 2010 activities; 2) Quickly access "lessons learned" from all joint experiments, wargames, simulations, and exercises; 3) Determine implications and influence on subsequent experiments across all operational concepts to allow Joint Staff coordinating authorities to dynamically task, focus and prioritize those subsequent experiments; 4) Study emerging operational architectures that evolve from joint experimentation, wargames, simulations, and exercises; 5) Initiate joint forces experimentation to study the implications of joint experimentation results on the six critical considerations that must simultaneously evolve with JV 2010 operational concepts to realize the full potential of a JV 2010 capable force; 6) Study implications of results of full spectrum dominance; and 7) Participate in CINCs/Services/Agencies 21st century wargames and conferences exploring JV 2010. These efforts will ensure a concurrent, systematic evolution of the seven critical considerations with emerging operational concepts and allow exploration of discoveries in subsequent experiments, wargames, simulations, and exercises. This is needed to dynamically integrate all coordinating authority activities and allow DOD to meet congressional requirements of submitting annual reports on emerging operational concepts and joint experimentation results.	1,389	
JCS Exercise Program - FY98 funding was reduced below the Quadrennial Defense Review (QDR) directed OPTEMPO level due to the combination of Congressional distributed and Congressional/other undistributed reductions. FY99 funding returns the program to the QDR directed OPTEMPO level (" . . . decrease the number of man-days required for joint exercises by 15 percent.") The CJCS exercise transportation program OPTEMPO for FY99 and outyears has been reduced, as directed by the QDR to 51,000 flying hours and 1,100 steaming days. This is an 15 percent reduction to the OPTEMPO rates budgeted/experienced since Desert Storm (60,000	13,017	

flying hours and 1,300 steaming days.) Actual flying hours/steaming days experienced each year will fluctuate based on the cyclic nature of the exercises - some exercises are annual, biennial, triennial, etc.

FY98 CJCS exercise program funding was reduced below the QDR directed OPTEMPO level due to a number of factors: 1) the Congressional distributed reduction of $50M to the CJCS exercise program; 2) the budget activity (BA) 4 Congressional distributed reduction of $11M and undistributed reduction of $1.6M for Sections 8041 and 8035 caused a double hit to several critical programs and forced a small realignment of funding from BA 1; 3) the remaining Congressional undistributed reductions of $6.2M which had to be absorbed by BA 1; and 4) the reduction to fund the Procurement Technical Assistance Program (PTAP) of $1.1M which also had to be absorbed by BA 1. The CJCS exercise program constitutes over 80% of BA 1 funding and had to absorb the majority of the reductions. This reduction was acceptable only because early indications are that the latest crises in the Gulf will drive some level of cancellations or reductions in the FY98 CJCS exercise program.

Communications costs for Standard Tactical Entry Point (STEP) - the STEP program, *which transfers to DISA in FY99*, establishes a standard set of C4I services at selected DSCS gateways and STEP sites to support a CJTF and its component forces worldwide. STEP essentially extends the DISN to the tactical forces. FY98 was the first year that the STEP services, called prepositioned tail circuits, were provided to key sites around the globe, ensuring connectivity between the strategic and tactical C4I environments and to the warfighter. Prepositioned tail circuits services include items like DSN, DRSN, SIPRNET, NIPRNET and JWICS connectivity from the STEP sites to the Defense Information Infrastructure (DII.) FY98 funding provided the prepositioned tail circuits connectivity services to the first eight sites. The FY99 increase is for the delivery of prepositioned tail circuits services to 10 additional STEP sites. 2,211

Combating Terrorism Directorate - Department of Defense's rapidly expanding Anti Terrorism and Force Protection initiatives have generated a significant number of operational planning requirements that require the Combating Terrorism Directorate's direct participation. Given current and projected requirements and the existing manpower expertise within the directorate, the increase in funding for full-time contractor support is essential. The increase in funding will 685

be utilized for the continuation and additional contractual studies and analysis support to identify, advise, analyze and recommend employment of Anti Terrorist/Force Protection programs.

Joint Modeling & Simulation - Increases address the significant limitations of existing theater-level simulations to provide analytic support to senior officials. Existing systems are grounded in Cold War theory about the use and deployment of forces and the nature of combat operations; they have limited capability to address the emerging concepts of joint operation warfighting. FY98/99 funds the development of the new theater level joint model for analysis, Joint Warfare System (JWARS), and the new Joint Data system (JDS). Joint analysis models are used to perform course of action evaluation, force sufficiency analysis, force trade-off analysis, and analysis of system alternatives. These models support assessments by the JROC, CINCs, Services, and OSD. JWARS will significantly improve DOD's ability to conduct studies such as the Quadrennial Defense Review (QDR) and Deep Attack Weapons Mix Study. JDS provides high-quality, consistent, certified data to JWARS and to selected, existing theater-level simulations used by DOD. Increased funding also supports analytical model and simulation requirements to ensure compliance with DOD and Joint Staff Automated Information System (AIS) lifecycle management initiatives, particularly to assist the Joint analytical community in the transition from the current legacy models to JWARS. The funds will be required for the development of a JWARS support package, to include a fielding plan, configuration management plan, training plan and training materials and the actual distribution and direct support to the CINC staffs using JWARS. Another essential part of the transition to JWARS will be the startup of a team involved with the testing of the prototypes as they become available, and gain familiarity with the model to ensure a smooth transition upon assumptions of maintenance and management responsibilities when the model is delivered to the Joint Staff. Increase is also to ensure compliance with the DOD-mandated transition to the high level architecture (HLA) standard. 1,055

Joint Doctrine - The change is two fold based on CJCS-directed tasking to reorganize the joint doctrine system: 1)The objective of Joint Doctrine Electronic Information System (JDEIS) is to improve the quality of joint doctrine and streamline the development process. JDEIS will 1,373

establish a doctrine database that is linked electronically to the Universal Joint Task List (UJTL), appropriate CJCS instructions and manuals, lessons learned, historical collections, future concepts, the DOD dictionary, and other related material. It will also include complementary research, audio, video, and other multimedia material. JDEIS will be available to the entire military community on CD-ROM, the world wide web, and other selected defense networks. With JDEIS, staffing and updating doctrine will be done electronically, saving money and time. The potential for this cutting-edge concept is unlimited as it will dramatically improve the operational usefulness of Joint Doctrine. 2) Joint Doctrine Master Plan increases joint doctrine awareness among all leadership levels. The increased funding supports the cost of producing high quality, readable, and professionally formatted publications necessary to increase awareness. Funding will also support the update and maintenance of the Joint Doctrine Awareness program products such as: the Joint Doctrine World Wide Web site; the Joint Force Employment Course of Instruction; Joint Force Employment Briefing Modules; Joint Force Employment Interactive Multimedia CD-ROM; Joint Force Employment Video; Joint Doctrine Reference Desk Set; Joint Doctrine Complete Library Set; the Joint Doctrine Capstone and Keystone Primer with Joint Force Employment Annex.

Joint Exercise Evaluation - Through the Joint Center for Lessons Learned, the increase provides hardware, software and support for the Joint Exercise Management Package Phase III, which is the automated support for the Joint Training System. This system allows the CINCs to leverage the ongoing training/evaluation information into DOD-wide learning. It provides export of lessons learned for the benefit of all of DOD (doctrine, organization, training, materiel, leadership, and personnel), the adjustment of future training plans, and highlights key issues for resolution by appropriate parties within DOD. Additionally, increased funding provides travel and per diem for personnel in support of real world and exercise observations to assess the unified commands' ability to carry out their assigned missions 824

Global Combat Support System (GCSS) - will ensure the joint warfighter an integrated, interoperable view of the battlespace and enables the fusion of information, logistics, and transportation technologies. By improving information and process integration between the forward-deployed elements and the sustaining bases, GCSS significantly improves combat 1,000

support to the joint warfighter through increased readiness, reduced theater presence, and reduced forward stockpiles and inventories. GCSS also provides the joint warfighter with a real-time, focused-logistics environment in support of JV2010. The change is based on the new requirements to: 1) Develop joint strategy to provide information interoperability across/between combat support functions and command and control; and 2) Provide a joint strategy for Services to conduct business process reengineering improvements to support any box, any user, one net, and one picture concept, using the Defense Information Infrastructure Common Operating Environment (DII-COE) and shared data environment

Joint Training System (JTS)- Phase I currently provides an integrated, requirements-based methodology for aligning training programs with the CINC's assigned missions. Future military forces must be able to dominate in a wider range of threats than previously -- threats emerging unpredictably anywhere in the world, employing varying combinations of technology. The JTS, phase II, must meet this new training requirement. JTS must accommodate a revolution in military affairs where information superiority is the "high ground" and force structure has been modified to swiftly leverage information through flexible, smaller, more lethal forces. Joint training in the year 2010 will rely heavily upon distance learning, more effective development of warfighting skills, and telecommuting to centers of learning where American technology will support the "mission space" at a lower cost. The CJCS initiative to take the military into the 21st century is JV 2010. JTS must migrate from Phase I to the CJCS vision by 2010, and must also support the entire military journey, experimenting with new concepts and technology while scientifically studying the current (Phase I) system. - The increase includes developing a 15-year strategic plan to unify stakeholders to study the gaps between present capabilities and future needs, develop new learning technologies, recommend organizational changes to accommodate the JV 2010 operational concepts, and implement these products into a coherent, executable implementation plan. The Joint Staff will refine the plan, gather data on the present system, and study training technologies and strategies that hold promise for the JTS of 2010 — 750

Supply Services/Contract Labor - Joint Staff efficiency and effectiveness has been significantly enhanced through new automated data processing technology. However, this same technological evolution has a corollary negative impact on the logistics support infrastructure, — 1,346

causing increased costs for replacement supplies including toner cartridges, color components, write once CD ROMs, and Zip Cartridges. Supply costs have also increased due to the recent requirement to maintain separate systems for the TOP SECRET, SECRET, and UNCLASSIFIED networks. While absolutely mission essential, these separate networks significantly increase supply support costs. Beyond ADP support, increased costs of high consumption supplies and contract labor have exceeded inflation. For example, paper prices have risen almost 20 percent and contract labor hourly rates rose 50 percent. These costs have been covered in the execution year through program slippage or cancellation. The increased requirement has been programmed for over the future years, however, the FY98 costs remain a shortfall that will be addressed in execution.

Other Purchases - includes minor adjustments to numerous programs. For example: CINC Counterterrorism/Counterproliferation Support has experienced an explosive growth of high profile national missions and tasks as a direct result of Presidential Decision Directives (PDD) 13 and 39, the SECDEF DOD Counterproliferation Initiative, CJCS CONPLAN 0300-97, and CJCS CONPLAN 0400-96. Also, lessons learned from recent deployments, including Operation JOINT ENDEAVOR, highlighted problems in the Joint Operation Planning and Execution System (JOPES) processes and software. DISA continues to address the software problems by providing a revised GCCS/JOPES, however, J-3 is responsible for the publication of JOPES documentation that promulgates policy, procedures, and guidance. The JOPES documentation is the vehicle that guides the joint deployment community in the performance of their mission. The lack of updated and accurate JOPES documentation and management support impedes joint operations and command and control of deploying US forces.	1,463	
Program Decreases		-655
Other - Several programs remain at fixed levels per year throughout the FYDP. Reduction reflects the fact that these programs are not inflated each year.	-655	
FY 1999 Current Estimate		**549,681**

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V. Personnel Summary:

	Actuals FY 1997	FY 1998	FY 1999	Change FY 1997/1998	Change FY 1998/1999
Active Military End Strength					
Officer	857	862	813	5	-49
Enlisted	338	320	284	-18	-36
TOTAL	1,195	1,182	1,097	-13	-85
Civilian End Strength					
USDH	219	219	215	0	-4
TOTAL	219	219	215	0	-4
Military Average Strength					
Officer	855	861	839	6	-22
Enlisted	331	330	303	-1	-27
TOTAL	1,186	1,191	1,142	5	-49
Civilian FTEs					
USDH	209	210	210	1	0
TOTAL	209	210	210	1	0

Reductions between FY98/99 are due to Deputy Secretary of Defense decisions in the Defense Reform Initiative (DRI): 1) 73 military billets transferred to the Services for the realignment of the National Airborne Operations Center (NAOC) to USSTRATCOM (there is no corresponding reduction in Joint Staff funding as the NOAC's support was never funded through the Joint Staff.); and 2) The remaining reduction in military and civilian billets reflects the first of a five year phase out plan to reduce Joint Staff by 12%. A total of 87 billets will be reduced over the five years.

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V. Outyear Impact Summary:	FY00	FY01	FY02	FY03
O&M ($ in thousands)	544,009	552,871	572,189	574,941
Military End Strength	1,092	1,083	1,068	1047
Civilian FTE	207	199	196	190

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I. Narrative Description:

This activity group provides minimum essential joint readiness training and support required to maintain US capability to effectively employ joint combat forces to meet contingencies world-wide. It provides tangible demonstrations of US resolve and joint readiness capability to project a military presence anywhere in the world in support of national interests and commitments to US allies. Joint training with Allies provides the necessary interaction to test/evaluate combined systems, lines of communication, and technical agreements. Besides actual exercises to enhance readiness, the training programs of the Commander-in-Chiefs (CINCs) are supported by computer simulation technology managed by the Joint Warfighting Center (JWFC). Emergent requirements of the unified/specified commands are supported by the Combating Terrorism Readiness Initiative Fund (CBTRIF), the CINC Initiatives Fund (CIF), and the CINCs Command and Control Initiatives Program (C2IP). Additionally, the Partnership for Peace (PFP) program, (which transferred to the Office of the Secretary of Defense in FY98) supports the military efforts to lead the NATO alliance to broader, cooperative relationships with recently democratized Central and Eastern European nations and nations of the former Soviet Union. This budget activity also includes the Command, Control, Communications, Computers, and Intelligence for the Warrior (C4IFTW) program and the Joint C4I Surveillance and Reconnaissance (C4ISR) Battle Center (JBC). In FY99, the JWFC and JBC will transfer to US Atlantic Command (USACOM) as directed in the Defense Reform Initiative (DRI).

II. Description of Operations Financed:

Joint Vision 2010 (JV2010) is the Chairman's vision for how America's Armed Forces will fight in the future. The vision is a conceptual template that provides a common direction and framework for the Services to develop unique capabilities while preparing for a challenging and uncertain future. The vision is built on the premise that emerging technologies -- particularly information specific advances -- will have an unprecedented impact on the use of military force, making possible a new level of joint warfighting capability. JV2010 will align organizational visions and require enhancements to the process for changing joint doctrine, organizational structure, training and education, materiel, and leadership development. Additional activities include developing implementation policy and communicating the vision. The vision will guide the development and assessment of future warfighting concepts and lead to fielding joint operational capabilities. This three-phase effort includes concept development, assessment, and integration. The premise of this program relates to all the goals established for the Joint Staff and has tentacles reaching throughout the DPG.

Combating Terrorism Readiness Initiative Fund (CBTRIF) provides a flexible response to meet CINC worldwide emergency or unforeseen security requirements which, in the view of the Combatant Commander, require immediate attention. The program was

established in FY96 and first funded in FY97. The primary focus of the fund is on physical security equipment, physical security site improvements, and security investigative matters.

The **CJCS Exercise Program** is the Chairman's principal vehicle for achieving joint and multinational training. The Joint Staff's Exercise budget funds only the transportation of personnel and equipment to these worldwide exercises. The program provides Unified Commanders with their primary means to train battle staffs and forces in joint and combined operations, to evaluate war plans, and to execute their engagement strategies. It provides an opportunity to stress strategic transportation and C4I systems, and evaluate their readiness and supportability across the full range of military operations. This critical program also provides a vehicle for DOD to assess the military's ability to satisfy joint national security requirements and to enhance and evaluate interoperability between the Services, as well as exercise critical Service unique deployment and redeployment skills.

Partnership for Peace (PFP) supports military efforts to lead the NATO alliance to broader, cooperative relationships with recently democratized Central and Eastern European nations and the nations of the former Soviet Union. PFP helps develop strong candidates for NATO membership and builds strong ties with countries that do not join NATO. The PFP program also helps emerging democracies establish shared values and interests, free market economies, civilian control of armed forces, and commitment to regional stability and security. This process fosters transparency and democratization in PFP Partner defense establishments; encourages joint planning, training, and military exercises with NATO forces; and promotes greater Partner interoperability with NATO. Congress directed the PFP program be transferred to OSD starting in FY98.

Other CINC Support includes:

CINC's training programs are supported by computer simulation technology managed by the **Joint Warfighting Center** (JWFC). JWFC supports operational-level training and exercises for CINC battlestaffs and Joint Task Force commanders. The JWFC also supports Joint Doctrine development, both for current needs and future concepts for joint operations, and is a coordinating agency for user requirements with respect to developments and enhancements in Modeling and Simulation (M&S). FY99 reflects the DRI decision to transfer JWFC to USACOM.

The **CINC Initiatives Fund** supports critical, emergent CINC contingency and interoperability requirements that are high benefit-low cost in the areas of exercises and force training, contingencies, selected operations, humanitarian and civic assistance, military education and training of foreign personnel, and personal expenses in support of bilateral or regional cooperation programs.

The **CINC Command and Control Initiatives Program** (C2IP) supports timely, low-cost, near-term projects to increase CINCs C2 capabilities in response to emerging or unforeseen requirements presented by the rapidly changing information technology environment. Each project must be under $300,000, certified as interoperable for joint force applicability, and receive follow-on support through existing logistical and personnel channels.

Command, Control, Communication, Computers, and Intelligence (C4I) for the Warrior (C4IFTW) is the CJCS initiative promoting joint coalition C4I interoperability immediately worldwide. This program provides focus and visibility into resolving C4I interoperability issues and provides organizing principles, policy, and doctrine for Information Superiority as directed in Joint Vision 2010. C4IFTW stresses interoperability, leverages the rapid pace of C4I technology advancements, and recognizes the shrinking fiscal environment. It is a unifying concept that will provide warriors an accurate and complete picture of the battlespace. The O&M program is based on two projects:

- Joint Warrior Interoperability Demonstrations (JWIDs) are joint demonstrations of existing, commercial off-the-shelf (COTS), new and evolving technologies that, through Joint Staff screening, can satisfy warfighting requirements. JWIDs are the only opportunities where these technologies can be inserted into a joint C4I network and stressed under the scrutiny of warfighters, without impacting training or real world missions. JWIDs enable warfighting CINCs to review and use technologies immediately, rather than go through costly and time-consuming full-scale development efforts.

- Standardized Tactical Entry Point (STEP) provides standardized pre-positioned C4I core services (or networks) and equipment at selected Defense Satellite Communications System (DSCS) terminals to support the commander joint task force (CJTF) and his forces worldwide. STEP extends Defense Information System Network services to deployed tactical forces. Specifically, the connectivity supports Defense Switched Network (DSN), Defense Red Switch Network (DRSN), Unclassified, but sensitive, and SECRET Internet Protocol Router Networks (NIPRNET/SIPRNET) video teleconference (VTC), and the Joint Worldwide Intelligence Communications System (JWICS). The STEP segment provides a seamless information superhighway for the deployed joint warrior to enhance readiness. The STEP program will transfer to DISA starting in FY99.

The **Joint C4I Surveillance and Reconnaissance (C4ISR) Battle Center** (JBC) is the Chairman's, facility for warfighter exploration and assessment of C4ISR capabilities. The Center provides the combatant commands, at the Joint Task Force (JTF) level, with a joint assessment and experimental environment for warfighters and technologists in support of Joint Vision 2010. It serves as the technical analysis and assessment agency for the Joint Requirement Operating Council in determining C4ISR system "value-added" PRIOR to

introduction to CINCs and in advance of system fielding in operational environments. The intent is for the JBC to be a forcing function for joint synchronization and a means to foster rapid, near-term insertion of C4ISR technology. The mission of the JBC is to provide rapid assessment of required C4ISR interoperability and warfighter utility, join emerging C4ISR technology with new operational doctrine, and result in fielding C4ISR capabilities that meet the joint warfighter's needs. FY99 reflects the DRI decision to transfer JBC to USACOM.

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

A. Operating Forces	FY 97 Actuals	FY 98 Budget Request	FY 98 Approp	FY 98 Current Estimate	FY 99 Estimate
1. Joint Vision 2010	2,556	3,200	3,200	3,117	4,556
2. Combating Terrorism Readiness Init. Fund	24,000	15,000	15,000	15,000	10,000
3. CJCS Exercise Program	317,015	408,958	363,958	354,447	368,037
4. Partnership for Peace (PFP)	36,500	44,162	0	0	0
5. Other CINC Support	57,466	69,849	69,849	67,972	27,472
TOTAL	437,537	541,169	452,007	440,536	410,065

B. Reconciliation Summary:

	Change FY98/98	Change FY98/99
Baseline Funding	541,169	440,536
Congressional Adjustments		
Distributed	-89,162	0
Undistributed	-5,572	0
Functional Transfer	0	-48,382
Price Change	0	1,949
Program Change	-5,899	15,962
Current Estimate	440,536	410,065

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C. Summary of Price & Program Changes:

			Change FY97/98			Change FY98/99		
		FY 1997 Estimate	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
	CIVILIAN PERSONNEL COMP							
101	Ex., Gen & Spec Sched	0	0	0	0	0	0	0
103	Wage Board	0	0	0	0	0	0	0
199	Total Civ Pers Comp.	0	0	0	0	0	0	0
	TRAVEL							
308	Travel of Persons	1,099	16	2,471	3,586	57	-3,593	50
399	Total Travel	1,099	16	2,471	3,586	57	-3,593	50
0	TRANSPORTATION							
703	Total JCS Exercises	317,015	61,408	-23,976	354,447	573	13,017	368,037
0	OTHER PURCHASES							
914	Purchased Commun. (non-WCF)	2,425	36	2,802	5,263	84	-2,853	2,494
920	Supplies & Materials (non-WCF)	787	12	340	1,139	18	-1,157	0
921	Printing and Reproduction	175	3	-35	143	2	-145	0
922	Equipment Maint by Contract	256	4	199	459	7	-466	0
923	Fac Maint by Contract	248	4	-242	10	0	-10	0
925	Equipment Purchases (non-WCF)	1,789	27	-599	1,217	19	-1,236	0
932	Mgt & Professional Spt Svs	113	2	183	298	5	-187	116
933	Studies, Analysis & Evaluations	1,528	23	1,498	3,049	49	-2,395	703
934	Engineering and Technical Services	730	11	-111	630	10	-640	0
989	Other Contracts	111,372	1,671	-42,748	70,295	1,125	-32,755	38,665
999	Total Other Purchases	119,423	1,793	-38,713	82,503	1,319	-41,844	41,978
9999	TOTAL	437,537	63,217	-60,218	440,536	1,949	-32,420	410,065

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D. Reconciliation of Increases and Decreases:		Dollars in Thousands
FY 1998 President's Budget:		**541,169**
Congressional Adjustments (Distributed)		-89,162
JCS Exercises	-50,000	
Northern Edge	5,000	
Partnership for Peace Transfer	-44,162	
FY 1998 Appropriated		**452,007**
Congressional Adjustments (Undistributed)		-5,572
QDR Savings	-2,068	
Revised Economic Assumptions	-646	
High Risk Automation Systems	-500	
Defense Automated Printing Service	-484	
Section 8041, Contracted Advisory & Assistance Services	-334	
Section 8035, Federally Funded Research & Development Centers	-667	
Congressional Earmarks	-873	
Program Decreases:		-5,899
Program reductions to fund higher priority programs	-4,803	
Reduction to fund the Procurement Technical Assistance Program (PTAP)	-1,096	

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FY 1998 Current Estimate		**440,536**
Functional Transfers:		-48,382
Standard Tactical Entry Point (STEP) transfer to DISA	-4,649	
Combating Terrorism Readiness Initiative Fund (CBTRIF) - The fund was 100% O&M in FY97 and FY98, however, numerous requests received from the CINCs requested procurement funds due to either the dollar value being over $100 thousand or being centrally managed items. Therefore, we have programmed $5 million procurement dollars to meet this requirement in the future. (The fund remains at $15M total O&M and procurement.) Examples of physical security equipment that fall into the procurement area include such items as: surveillance and intrusion detection systems and x-ray and chem-bio detectors.	-5,000	
Joint Warfighting Center (JWFC) and Joint C4ISR Battle Center (JBC) transfer to US Atlantic Command (USACOM) as directed in the Defense Reform Initiative. (The Navy is the Executive Agent for USACOM.)	-38,733	
Price Changes:		1,949
Program Increases:		16,617
Joint Vision 2010 is the conceptual template for future joint warfighting and is among the CJCS's top three priorities. The change is based on new requirements identified during the implementation of JV 2010. These requirements include: 1) Develop options to synchronize joint experiments, wargames, simulations, and exercises in support of Joint Staff JV 2010 activities; 2) Quickly access "lessons learned" from all joint experiments, wargames, simulations, and exercises; 3) Determine implications and influence on subsequent experiments across all operational concepts to allow Joint Staff coordinating authorities to dynamically task, focus and prioritize those subsequent experiments; 4) Study emerging operational architectures that evolve from joint experimentation, wargames, simulations, and exercises; 5) Initiate joint	1,389	

forces experimentation to study the implications of joint experimentation results on the six critical considerations that must simultaneously evolve with JV 2010 operational concepts to realize the full potential of a JV 2010 capable force; 6) Study implications of results of full spectrum dominance; and 7) Participate in CINCs/Services/Agencies 21st century wargames and conferences exploring JV 2010. These efforts will ensure a concurrent, systematic evolution of the seven critical considerations with emerging operational concepts and allow exploration of discoveries in subsequent experiments, wargames, simulations, and exercises. This is needed to dynamically integrate all coordinating authority activities and allow DOD to meet congressional requirements of submitting annual reports on emerging operational concepts and joint experimentation results.

JCS Exercise Program - FY98 funding was reduced below the Quadrennial Defense Review (QDR) directed OPTEMPO level due to the combination of Congressional distributed and Congressional/other undistributed reductions. FY99 funding returns the program to the QDR directed OPTEMPO level (" . . . decrease the number of man-days required for joint exercises by 15 percent.") 13,017

The CJCS exercise transportation program OPTEMPO for FY99 and outyears has been reduced, as directed by the QDR to 51,000 flying hours and 1,100 steaming days. This is an 15 percent reduction to the OPTEMPO rates budgeted/experienced since Desert Storm (60,000 flying hours and 1,300 steaming days.) Actual flying hours/steaming days experienced each year will fluctuate based on the cyclic nature of the exercises - some exercises are annual, biennial, triennial, etc.

FY98 CJCS exercise program funding was reduced below the QDR directed OPTEMPO level due to a number of factors: 1) the Congressional distributed reduction of $50M to the CJCS exercise program; 2) the budget activity (BA) 4 Congressional distributed reduction of $11M and undistributed reduction of $1.6M for Sections 8041 and 8035 caused a double hit to several critical programs and forced a small realignment of funding from BA 1; 3) the remaining Congressional undistributed reductions of $6.2M which had to be absorbed by BA 1; and 4) the reduction to fund the Procurement Technical Assistance Program (PTAP) of $1.1M which also

had to be absorbed by BA 1. The CJCS exercise program constitutes over 80% of BA 1 funding and had to absorb the majority of the reductions. This reduction was acceptable only because early indications are that the latest crises in the Gulf will drive some level of cancellations or reductions in the FY98 CJCS exercise program.

Communications costs for Standard Tactical Entry Point (STEP) - the STEP program, *which transfers to DISA in FY99*, establishes a standard set of C4I services at selected DSCS gateways and STEP sites to support a CJTF and its component forces worldwide. STEP essentially extends the DISN to the tactical forces. FY98 was the first year that the STEP services, called prepositioned tail circuits, were provided to key sites around the globe, ensuring connectivity between the strategic and tactical C4I environments and to the warfighter. Prepositioned tail circuits services include items like DSN, DRSN, SIPRNET, NIPRNET and JWICS connectivity from the STEP sites to the Defense Information Infrastructure (DII.) FY98 funding provided the prepositioned tail circuits connectivity services to the first eight sites. The FY99 increase is for the delivery of prepositioned tail circuits services to 10 additional STEP sites. 2,211

Program Decreases: -655

Other - Several programs remain at fixed levels per year throughout the FYDP. Reduction reflects the fact that these programs are not inflated each year -655

FY 1999 Budget Request: **410,065**

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IV. Performance Criteria and Evaluation Summary:

A. Exercise Airlift Data (flying hours):

	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
CINCUSACOM					
Carib Series**	315	-315	0	0	0
Ellipse Alpha	0	0	0	0	0
Eloquent Nugget	2	14	16	-8	8
Fairwinds	217	-217	0	0	0
JTFEX Series	686	761	1,447	-771	676
Linked Seas	511	-511	0	0	0
Northern Light	0	0	0	310	310
Northern Viking	851	-851	0	405	405
Quick Force	0	152	152	-152	0
Partnership for Peace	1,892	-1,454	438	112	550
Roving Sands	2,023	-1,173	850	291	1,141
Sorbet Royale	383	-383	0	89	89
Strong Resolve	0	2,112	2,112	-2,112	0
Unified Endeavor	86	55	141	51	192
Total C-141 equivalent hours	6,966	-1,810	5,156	-1,785	3,371
Total Dollars (000's)	29,111	-1,531	27,579	-9,386	18,193

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
USCINCSOUTH					
Blue Advance	290	72	362	20	382
Carib Series**	0	266	266	-26	240
Ellipse Echo	259	-116	143	-2	141
Fuerzas Aliadas Series	344	429	773	67	840
Fuerzas de Defensas	380	-31	349	90	439
Fuerzas de Evacuacion	18	184	202	49	251
New Horizons Series	1,862	-615	1,247	-413	834
New Horizons Engineering Skills Series	0	453	453	-35	418
New Horizons-Haiti	168	-118	50	0	50
Tradewinds	0	273	273	-77	196
Unitas	76	178	254	63	317
Total C-141 equivalent hours	3,397	975	4,372	-264	4,108
Total Dollars (000's)	14,196	9,190	23,386	-1,215	22,171

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
USCINCCENT					
Accurate Test	679	-679	0	290	290
Bright Star	2,270	3,062	5,332	-4,487	845
Eager Initiative	291	-110	181	-181	0
Eager Light	398	-398	0	893	893
Early Victor	874	-372	502	-502	0
Earnest Leader	0	48	48	-48	0
Eastern Castle	1,148	-586	562	359	921
Eastern Eagle	261	-261	0	174	174
Eastern Meteor	98	-98	0	0	0
Eastern Valor	234	-234	0	0	0
Eastern Viper	0	291	291	-291	0
Ellipse Foxtrot	440	-440	0	1,017	1,017
Indigo Desert	0	0	0	720	720
Inferno Creek	0	275	275	-275	0
Inherent Fury	264	151	415	-119	296
Initial Link	188	90	278	-2	276
Inspired Gambit	270	-270	0	0	0
Inspired Venture	0	316	316	-316	0
Internal Look	0	313	313	-313	0
Intrinsic Action	1,976	3	1,979	455	2,434

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
USCINCCENT (Cont.)					
Iris Gold	435	-43	392	-31	361
Iron Cobra	751	-751	0	564	564
Iron Falcon	0	388	388	-388	0
Native Fury	751	403	1,154	93	1,247
Natural Fire	0	405	405	-405	0
Nectar Bend	197	-79	118	-118	0
Noble Piper	1,196	-1,196	0	0	0
Rugged Series	87	282	369	-3	366
Ultimate Resolve	0	65	65	3	68
Total C-141 equivalent hours	12,808	575	13,383	-2,911	10,472
Total Dollars (000's)	53,525	18,061	71,586	-15,068	56,517
USCINCEUR					
Adventure Series	519	-519	0	0	0
African Eagle	653	-653	0	118	118
African Lion	0	0	0	60	60
Agile Lion	164	-106	58	-51	7
Ardent Ground	62	-26	36	52	88
Atlas Series	144	0	144	119	263
Baltops	28	-18	10	6	16

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
USCINCEUR (Cont.)					
Battle Griffin	0	0	0	3,154	3,154
Blue Harrier	75	-11	64	20	84
Central Enterprise	746	122	868	-22	846
Destined Glory	0	444	444	38	482
Distant Thunder	121	132	253	-167	86
Dynamic Series	525	3,017	3,542	-747	2,795
Ellipse Bravo	96	497	593	-491	102
Eugenie	0	35	35	39	74
Flintlock	1,267	-383	884	98	982
Island Thunder	114	-114	0	0	0
Juniper Series	558	-185	373	828	1,201
Matador	24	473	497	-452	45
Medflag	173	26	199	50	249
Medshark	0	0	0	14	14
Noble Rose	5	-5	0	0	0
Partnership for Peace	2,704	-168	2,536	-328	2,208
Sacred Company	0	265	265	-71	194
Shared Endeavor	136	-136	0	653	653
Silver Eagle	985	-207	778	-88	690
Tactical Fighter Weaponry	407	176	583	-109	474
Tiger Hill	15	-15	0	0	0
Trail Blazer	59	-13	46	46	92

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
USCINCEUR (Cont.)					
Trojan Footprint	113	169	282	-74	208
Union Flash	39	-10	29	0	29
West Africa Training Cruise	0	39	39	0	39
Total C-141 equivalent hours	9,732	2,826	12,558	2,695	15,253
Total Dollars (000's)	40,670	26,503	67,173	15,148	82,320
USCINCPAC					
Balikatan	0	328	328	-14	314
Cobra Gold	4,130	-1,605	2,525	-646	1,879
Commando Sling	60	53	113	-14	99
Cope Series	78	337	415	-304	111
Ellipse Charlie	218	342	560	-115	445
Foal Eagle	2,204	-111	2,093	-115	1,978
Freedom Banner	0	1,755	1,755	-378	1,377
Frequent Storm	833	-311	522	-40	482
Hong Kong Sarex	2	73	75	-12	63
Keen Edge/Sword	461	-89	372	590	962
Kingfisher	0	0	0	81	81
Northern Edge	434	-249	185	34	219

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
USCINCPAC (Cont.)					
Pitchblack	0	0	0	0	0
RSO&I	1,135	-235	900	175	1,075
Tandem Thrust	3,542	-3,542	0	1,780	1,780
Team Spirit	0	38	38	-1	37
Tempest Express	87	89	176	-15	161
Tempo Brave	0	193	193	115	308
Ulchi Focus Lens	2,194	156	2,350	-544	1,806
Total C-141 equivalent hours	15,378	-2,778	12,600	577	13,177
Total Dollars (000's)	64,265	3,133	67,397	3,719	71,116
CINCNORAD					
Amalgam Warrior	155	455	610	0	610
Amalgam Fabric Brave	38	12	50	0	50
Amalgam Falcon Brave	0	40	40	0	40
Amalgam Fencing Brave	12	0	12	0	12
Total C-141 equivalent hours	205	507	712	0	712
Total Dollars (000's)	857	2,952	3,808	34	3,843

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
USCINCSPACE					
Apollo Series	0	22	22	22	44
Total C-141 equivalent hours	0	22	22	22	44
Total Dollars (000's)	0	118	118	120	237
USCINCSTRAT					
Global Guardian	125	171	296	50	346
Global Archer	0	20	20	-10	10
Total C-141 equivalent hours	125	191	316	40	356
Total Dollars (000's)	522	1,168	1,690	231	1,921

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
Other (includes CJCS-sponsored)					
Eligible Receiver	221	279	500	0	500
Bronze Arrow	0	0	0	1,000	1,000
Total C-141 equivalent hours	221	279	500	1,000	1,500
Total Dollars (000's)	924	1,751	2,675	5,421	8,096
Grand Total C-141 equivalent hours	48,832	787	49,619	-626	48,993
Grand Total Airlift Costs (000's)	204,069	61,343	265,412	-997	264,415
C-141 Equivalent Hour Rates (000's) \1	4.179		5.349		5.397

NOTE: The CJCS Exercise Program uses a mix of military and commercial airlift platforms. Flying hours are depicted as C-141 equivalents to provide a common performance criteria for comparison of level of effort.

\1 The FY97 flying hour rate has been adjusted to account for the $18.1 million credit received from USTRANSCOM (this credit effectively gave the Joint Staff $18.1 million of free flying hours.) The credit was given to correctly align the FY97 congressional reduction for USTRANSCOM efficiencies against USTRANSCOM's program. (FY98 President's Budget flying hour rate for FY97 was 4,553.)

*/**Due to UCP change exercises transferred to USCINCSOUTH in FY97/98.

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B. Exercise Sealift Data (Steaming Days):

	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
CINCUSACOM					
Carib**	29	-29	0	0	0
Fairwinds	23	-23	0	0	0
JTFEX Series	13	-7	6	-6	0
Linked Seas	5	-5	0	0	0
Northern Light	0	0	0	16	16
Strong Resolve	0	47	47	-47	0
Total Steaming Days	70	-17	53	-37	16
Total Dollars (000's)	3,026	-684	2,343	-1,659	684
USCINCSOUTH					
Carib Series**	0	22	22	-22	0
New Horizons Series	120	10	130	-5	125
Tradewinds**	0	20	20	-9	11
Unitas*	4	-4	0	0	0
Total Steaming Days	124	48	172	-36	136
Total Dollars (000's)	5,361	2,242	7,602	-1,790	5,813

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
USCINCCENT					
Bright Star	79	-15	64	-29	35
Eager Light	12	-12	0	36	36
Earnest Leader	1	-1	0	0	0
Eastern Castle	51	28	79	-24	55
Total Steaming Days	143	0	143	-17	126
Total Dollars (000's)	6,182	139	6,321	-935	5,385

*/**Due to UCP change exercises transferred to USCINCSOUTH in FY97/98.

USCINCEUR					
Adventure Series	16	-16	0	0	0
African Eagle	0	0	0	18	18
Ardent Ground	8	-8	0	0	0
Battle Griffin	0	0	0	54	54
Central Enterprise	6	18	24	3	27
Dynamic Series	42	5	47	-20	27
Matador	0	35	35	-35	0
Partnership for Peace	11	28	39	87	126
Tactical Fighter Weaponry	0	16	16	2	18
Total Steaming Days	83	78	161	109	270
Total Dollars (000's)	3,588	3,528	7,116	4,424	11,540

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
USCINCPAC					
Balikatan	16	-15	1	0	1
Cobra Gold	73	-13	60	20	80
Foal Eagle	71	-30	41	2	43
Freedom Banner	0	57	57	9	66
Keen Edge/Sword	2	-2	0	58	58
Northern Edge	7	-3	4	-1	3
Tandem Thrust	132	-132	0	47	47
Ulchi Focus Lens	14	-11	3	1	4
Total Steaming Days	315	-149	166	136	302
Total Dollars (000's)	13,618	-6,281	7,337	5,571	12,908
USCINCSTRAT					
Global Guardian	0	0	0	5	5
Total Steaming Days	0	0	0	5	5
Total Dollars (000's)	0	0	0	214	214
TOTAL (LESS USCINCTRANS)					
Total Steaming Days	735	-40	695	160	855
Total Dollars (000's)	31,775	-1,056	30,719	5,825	36,544

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	FY 1997	Change 1997/1998	FY 1998	Change 1998/1999	FY 1999
USCINCTRANS					
JLOTS	218	10	228	-20	208
Turbo Activation	156	-103	53	46	99
Turbo Cads	126	6	132	2	134
Turbo Intermodal Surge	196	-196	0	95	95
Total Steaming Days	696	-283	413	123	536
Total Dollars (000's)	30,089	-11,834	18,255	4,655	22,909
Grand Total Steaming Days	1,431	-323	1,108	283	1,391
Grand Total Sealift Dollars (000's)	61,864	-12,890	48,974	10,479	59,453
Roll-on/Roll-off Equivalent Rates (000s)	43.231		44.200		42.741

Note: Like airframes, the CJCS Exercise Program uses a mix of sealift platforms -- RO/RO, Fast Sealift, breakbulk, container, tug and barge. Steaming days are depicted as RO/RO equivalents to provide a common performance criteria for comparison of level of effort. Each exercise requirement is resourced by MSC from available commercial and DOD assets, consequently RO/RO rates depicted are anticipated average commercial rates.

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C. Exercise Port Handling (PH) and Inland Transportation (IT):

	FY 1997			Change 1997/1998	FY 1998			Change 1998/1999	FY 1999		
	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's
CINCUSACOM											
Carib**	517	416	933	152	0	1,085	1,085	546	0	1,631	1,631
Fairwinds	237	122	359	-359	0	0	0	0	0	0	0
JTFEX	30	1,091	1,121	-1,121	0	0	0	0	0	0	0
Linked Seas	30	29	59	-59	0	0	0	0	0	0	0
Northern Light	0	0	0	0	0	0	0	285	147	138	285
Northern Viking	0	86	86	-86	0	0	0	0	0	0	0
Partnership For Peace	0	300	300	-300	0	0	0	0	0	0	0
Roving Sands	0	9,477	9,477	-3,791	0	5,686	5,686	223	0	5,909	5,909
Strong Resolve	0	0	0	2,256	772	1,484	2,256	-2,256	0	0	0
Unified Endeavor	0	10	10	26	0	36	36	8	0	44	44
Total PH/IT Cost	814	11,531	12,345	-3,282	772	8,291	9,063	-1,194	147	7,722	7,869
USCINCSOUTH											
Carib Series**	0	0	0	798	364	434	798	-61	416	321	737
Ellipse Echo	0	0	0	56	0	56	56	-56	0	0	0
Fuerzas Aliadas Series	0	10	10	53	0	63	63	-17	0	46	46
Fuerzas de Defensas	0	151	151	241	0	392	392	-119	0	273	273

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	FY 1997			Change 1997/1998	FY 1998			Change 1998/1999	FY 1999		
	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's
USCINCSOUTH (cont.)											
Fuerzas de Evacuacion	0	0	0	0	0	0	0	0	0	0	0
New Horizons Series	1,429	1,684	3,113	-178	1,654	1,281	2,935	1,819	3,006	1,748	4,754
New Horizons Skills Exchange Series	0	0	0	78	0	78	78	-34	33	11	44
New Horizons Haiti	650	500	1,150	-911	186	53	239	40	217	62	279
Tradewinds**	0	0	0	118	59	59	118	8	63	63	126
Unitas*	8	95	103	-30	0	73	73	81	22	132	154
Total PH/IT Cost	2,087	2,440	4,527	225	2,263	2,489	4,752	1,661	3,757	2,656	6,413

*Due to UCP change exercise will transfer to USCINCSOUTH in FY97.
**Due to UCP change exercises will transfer to USCINCSOUTH in FY98.

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	FY 1997			Change 1997/1998	FY 1998			Change 1998/1999	FY 1999		
	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's
USCINCCENT											
Bright Star	4,689	2,331	7,020	-2,302	2,546	2,172	4,718	523	2,696	2,545	5,241
Eager Light	100	655	755	-547	0	208	208	166	187	187	374
Early Victor	7	0	7	-7	0	0	0	0	0	0	0
Earnest Leader	0	0	0	296	0	296	296	-172	0	124	124
Eastern Castle	454	1,040	1,494	-522	300	672	972	166	327	811	1,138
Indigo Desert	0	0	0	0	0	0	0	23	0	23	23
Inferno Creek	0	0	0	190	0	190	190	-190	0	0	0
Inspired Gambit	0	90	90	-90	0	0	0	7	0	7	7
Internal Look	0	0	0	140	0	140	140	-140	0	0	0
Native Fury	57	211	268	-54	86	128	214	-9	62	143	205
Noble Piper	0	50	50	-50	0	0	0	0	0	0	0
Ultimate Resolve	0	0	0	24	0	24	24	-24	0	0	0
Total PH/IT Cost	5,307	4,377	9,684	-2,922	2,932	3,830	6,762	350	3,272	3,840	7,112

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	FY 1997			Change 1997/1998	FY 1998			Change 1998/1999	FY 1999		
	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's
USCINCPAC											
Balikatan	0	0	0	306	188	118	306	64	229	141	370
Cobra Gold	849	635	1,484	2,316	3,170	630	3,800	-2,275	963	562	1,525
Foal Eagle	2,141	639	2,780	401	1,648	1,533	3,181	514	2,033	1,662	3,695
Freedom Banner	1,353	1,166	2,519	-1,597	682	240	922	123	792	253	1,045
Keen Edge/Sword	220	594	814	-350	0	464	464	326	283	507	790
Kingfisher	0	0	0	0	0	0	0	274	0	274	274
Northern Edge	0	0	0	103	0	103	103	200	124	179	303
RSO&I	0	163	163	120	0	283	283	103	0	386	386
Tandem Thrust	2,110	734	2,844	-2,844	0	0	0	2,180	1,498	682	2,180
Team Spirit	0	0	0	132	0	132	132	-49	0	83	83
Tempest Express	0	0	0	0	0	0	0	1	0	1	1
Tempo Brave	0	0	0	2	0	2	2	-2	0	0	0
Ulchi Focus Lens	252	304	556	368	149	775	924	158	185	897	1,082
Total PH/IT Cost	6,925	4,235	11,160	-1,043	5,837	4,280	10,117	1,617	6,107	5,627	11,734

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	FY 1997			Change 1997/1998	FY 1998			Change 1998/1999	FY 1999		
	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's
USCINCEUR											
Adventure Series	820	50	870	-640	0	230	230	-26	0	204	204
African Eagle	0	283	283	-283	0	0	0	0	0	0	0
African Lion	0	0	0	0	0	0	0	443	436	7	443
Agile Lion	0	97	97	140	0	237	237	18	0	255	255
Ardent Ground	303	225	528	-472	0	56	56	65	0	121	121
Atlantic Resolve	0	0	0	50	0	50	50	-50	0	0	0
Atlas Series	0	55	55	-42	0	13	13	5	0	18	18
Baltops	0	28	28	-28	0	0	0	0	0	0	0
Battle Griffin	0	0	0	0	0	0	0	792	0	792	792
Blue Harrier	0	14	14	-9	0	5	5	17	0	22	22
Central Enterprise	20	0	20	250	168	102	270	47	196	121	317
Destined Glory	0	0	0	21	0	21	21	12	0	33	33
Distant Thunder	0	18	18	60	0	78	78	13	0	91	91
Dynamic Series	860	183	1,043	1,334	990	1,387	2,377	118	997	1,498	2,495
Ellipse Bravo	0	0	0	6	0	6	6	-6	0	0	0
Island Thunder	1,530	827	2,357	-2,357	0	0	0	0	0	0	0
Matador	0	4	4	394	156	242	398	-143	0	255	255
Medflag	0	0	0	2	0	2	2	4	0	6	6
Noble Rose	0	0	0	0	0	0	0	88	0	88	88
Partnership for Peace	40	202	242	272	118	396	514	323	135	702	837
Shared Endeavor	0	9	9	-9	0	0	0	3	0	3	3
Silver Eagle	20	20	40	-40	0	0	0	22	0	22	22
Tactical Fighter Weaponry	0	0	0	90	78	12	90	130	88	132	220

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	FY 1997			Change 1997/1998	FY 1998			Change 1998/1999	FY 1999		
	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's	TOTAL 000's	PH 000's	IT 000's	TOTAL 000's
USCINCEUR (cont.)											
Trail Blazer	0	0	0	59	0	59	59	-59	0	0	0
West Africa Training Cruise	0	10	10	6	0	16	16	-5	0	11	11
Total PH/IT Cost	3,593	2,025	5,618	-1,196	1,510	2,912	4,422	1,811	1,852	4,381	6,233
USCINCSTRAT											
Global Guardian	0	1,200	1,200	-1,200	0	0	0	0	0	0	0
Total PH/IT Cost	0	1,200	1,200	-1,200	0	0	0	0	0	0	0
USCINCTRANS											
JLOTS	35	205	240	395	187	448	635	-62	259	314	573
Turbo Cads	0	6,308	6,308	-1,998	3,135	1,175	4,310	-75	2,860	1,375	4,235
Turbo Intermodal Surge	0	0	0	0	0	0	0	0	0	0	0
Total PH/IT Cost	35	6,513	6,548	-1,603	3,322	1,623	4,945	-137	3,119	1,689	4,808
Grand Total PH/IT Cost	18,761	32,321	51,082	-11,021	16,636	23,425	40,061	4,108	18,254	25,915	44,169

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I. Narrative Description:

The Chairman serves as a member of and presides over the Joint Chiefs of Staff (JCS). He is the principal military advisor to the President, the National Security Council and the Secretary of Defense. Additionally, he is responsible for the management and direction of the Joint Staff. The Joint Staff is comprised of Directorates for providing support and analysis in the fields of manpower and personnel (J-1); operations (J-3), which includes the new Combating Terrorism Directorate established in FY97; logistics (J-4); strategic plans and policy (J-5); command, control, communications and computers (J-6); operational plans and interoperability (J-7); and force structure, resource and assessment (J-8). There are three Deputy Directorates for Operations responsible for current operations, the national military command system, and combating terrorism. Logistics has two Deputy Directorates: one for Logistics, Readiness and Requirements, and another for Medical Readiness. Five Deputy Directorates for Strategic Plans and Policy, three responsible for politico-military affairs from the European, Asian and Global perspectives, one for international negotiations and one for strategy and policy. The Command, Control, Communications and Computer Systems (C4) Directorate is divided into Defense-wide C4 and Unified and Specified Command C4 support divisions. The Operational Plans and Interoperability director is the implementing agent for Joint Vision 2010 and is also responsible for Joint Doctrine, Joint Military Education, execution and evaluation of the Chairman's Exercise Program, and evaluation of operational plans. The Director, Force Structure, Resources, and Assessment is supported by three Deputies: the Deputy Director for Force Structure and Resources; Assessment; and Technical Operations. J-8 is also responsible for the Joint Requirements Oversight Council. Other activities include the Joint Secretariat; the Director of Management; the JCS representatives for various international negotiations; and the US Delegation, United Nations Military Staff Committee.

II. Description of Operations Financed:

This budget activity provides the necessary funds to run the Joint Staff. The Joint Staff directly supports the Chairman and other members of the Joint Chiefs. Joint Staff programs include:

Joint Modeling & Simulation includes:

- The Joint Analytical Model Improvement Program (JAMIP) addresses the significant limitations of existing theater-level simulations to provide analytic support to senior officials. Existing systems are grounded in Cold War theory about the use and deployment of forces and the nature of combat operations. They have limited capability to address the emerging concepts of joint operation warfighting. JAMIP is the development, modernization, and maintenance of the specialized analytic software tools and models required to examine joint operations in fulfillment of M&S support for the Chairman of the Joint Chiefs of Staff. JAMIP has two major components: Development of

the Joint Warfare System (JWARS) as the next-generation theater-level campaign analysis tool is the centerpiece of JAMIP; and the Joint Data System (JDS) is the central authoritative source of verified, validated, and certified (VV&C) data and information for use in the JAMIP suite of models and simulations.

- The development and maintenance of current analysis models, and joint modeling and simulation (M&S) field support to the CINCs. Joint analysis models are the joint analytical software tools and simulations supporting the CJCS assessment requirements. These tools assist in conducting studies and evaluating military forces, programs, and strategies. This element includes funds for the transition to the JWARS system.

ISLAND SUN is a Secretary of Defense directed special access program.

Management Support provides the day-to-day resources required to fulfill the Chairman's responsibilities. Resources are used to:

- Provide the Chairman, National Command Authorities (NCA), and CINCs a real time picture of current operations and provide a single point of contact for current plans across the spectrum of operations to include conventional, special technical, reconnaissance, counternarcotics, counterterrorism, counterproliferation, and other special operations.

- Develop and maintain joint doctrine for the employment of the Armed Forces. Previously, the Services fought under their individually developed doctrine, which led to confusion and inefficiency when joint operations were required. Joint doctrine is now the foundation of all military operations - training, educating, organizing, equipping, structuring, and fighting - it focuses the Service efforts into a synergistic joint campaign. Since joint doctrine is the distilled wisdom of our collective warfighting experience, it becomes a formula for success in both war and other operations. Joint doctrine, by definition, is authoritative, thereby ensuring its primacy over Service doctrine.

- Develop and maintain the Joint Training System (JTS). JTS, which builds upon joint doctrine, is four-phased systemic process designed to implement a high quality joint training program that maximizes the readiness of the Armed Forces (i.e., the ability to place personnel and units into joint operations with a high probability of mission success). Phase I, Requirements, is expressed as a joint mission essential task list (JMETL), which produces mission-based CINC-specific strategic, theater, operational, or tactical tasks derived from the Universal Joint Task List. JMETL tasks are directly related to the National Military Strategy and the Joint Strategic Capabilities Plan's (JSCP) missions assigned to the combatant commands. Phase II, Plans, results in the creation of joint training plans by taking the requirement-based tasks, identified in the first phase, and linking them to the appropriate training audience and support tools. Phase III, Execution, implements joint training plans, normally through a CINC-sponsored exercise program, conducted and evaluated by joint force

commanders. Finally, Phase IV, Assessments, is initiated by the commander to determine the plan's training effectiveness and resulting levels of joint readiness. Assessments impact doctrine, organization, training, material, and education.

- Provide assistance to the CINCs for developing and evaluating war plans. Prepare strategy, planning guidance, and policy for operations, logistics, organizational issues, politico-military affairs, and international negotiations--in coordination with the combatant commands, the Services, OSD, the interagency, and international organizations. Provide independent assessments, plans and evaluations of projects of high interest to the Chairman of the Joint Chiefs of Staff, and the Director of the Joint Staff, and other Services.

- The Joint Warfighting Capabilities Assessments (JWCA) processes assist the Joint Requirements Oversight Council (JROC) in providing recommendations to the Chairman to provide military advice to the SECDEF on the military requirements priorities. The JWCA teams also support the Chairman in assessing the extent that the program recommendations and budget proposals of Military Departments and other DOD components conform with the priorities established in strategic plans and the priorities of the CINCs.

- Coordinate DOD efforts to ensure adequate C4 support to the CINCs and the National Command Authority (NCA) for joint and combined military operations. Develop policies, plans, and programs for C4 systems, conceptualize future C4 systems design, and provide direction to improve command and control (C2) systems.

- Operate and provide on-going upgrades to the Joint Staff Automation of the Nineties (JSAN) program. JSAN is the network infrastructure that provides crucial decision-making information affecting military operations to the Chairman of the Joint Chiefs of Staff and the Joint Staff. JSAN improves the action processing system for faster coordination of critical classified and unclassified issues with CINCs, Services and agencies. In addition, JSAN satisfies office automation requirements such as collaborative planning tools, action package preparation and tracking, automated message handling, local area networking, word processing, and electronic mail with attachments.

- Management support also provides for the normal operating costs of the Joint Staff (e.g., civilian pay, travel, training, utilities, the Pentagon Reservation Maintenance Revolving Fund, etc.)

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

A. The Joint Staff	FY 97 Actuals	FY 98 Budget Request	FY 98 Approp	FY 98 Current Estimate	FY 99 Estimate
1. Pentagon Renovation Maintenance Revolving Fund	21,816	22,725	22,725	22,725	34,073
2. Combating Terrorism Directorate	1,784	2,481	1,784	2,084	2,802
3. Joint Modeling & Simulation /1	16,271	21,948	18,168	18,168	19,513
4. ISLAND SUN	23,221	26,468	25,768	25,768	26,268
5. Management Support	53,232	54,939	49,116	49,327	56,960
TOTAL	116,324	128,561	117,561	118,072	139,616

/1 Includes the Joint Analytical Model Improvement Program (JAMIP) and the Joint Staff legacy modeling & simulation systems.

B. Reconciliation Summary:

	Change FY98/ 98	Change FY98/99
Baseline Funding	128,561	118,072
Congressional Adjustments		
Distributed	-11,000	0
Undistributed	-2,213	0
Functional Transfer	0	0
Price Change	0	13,048
Program Change	2,724	8,496
Current Estimate	118,072	139,616

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C. Summary of Price & Program Changes:

			Change FY97/98			Change FY98/99		
		FY 1997 Estimate	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
	CIVILIAN PERSONNEL COMP							
101	Ex., Gen & Spec Sched	14,176	425	140	14,741	413	79	15,233
103	Wage Board	33	1	0	34	1	0	35
199	Total Civ Pers Comp.	14,209	426	140	14,775	414	79	15,268
	TRAVEL							
308	Travel of Persons	4,525	68	234	4,827	77	21	4,925
399	Total Travel	4,525	68	234	4,827	77	21	4,925
	INDUSTRIAL FUND PURCHASES							
672	Pentagon Reservation Maintenance Revolving Fund	21,816	262	647	22,725	11,348	0	34,073
699	Total Industrial Fund Purchases	21,816	262	647	22,725	11,348	0	34,073
	OTHER PURCHASES							
912	Rental Payments to GSA	302	5	-61	246	4	83	333
914	Purchased Commun. (non-WCF)	2,395	36	-529	1,902	30	-61	1,871
915	Rents (non-GSA)	319	5	-127	197	3	-5	195
917	Postal Services (U.S.P.S.)	100	0	-3	97	0	0	97
920	Supplies & Materials (non-WCF)	3,249	49	-969	2,329	37	1,146	3,512
921	Printing and Reproduction	777	12	-418	371	6	-278	99
922	Equipment Maint by Contract	774	12	373	1,159	19	7	1,185
925	Equipment Purchases (non-WCF)	2,360	35	-880	1,515	24	-386	1,153
932	Mgt & Professional Spt Svs	1,117	17	131	1,265	20	1,187	2,472
933	Studies, Analysis & Evaluations	2,115	32	-6	2,141	34	2,288	4,463
934	Engineering and Technical Services	7,258	109	-87	7,280	116	1,028	8424
989	Other Contracts	55,008	825	1,410	57,243	916	3,387	61,546
999	Total Other Purchases	75,774	1,137	-1,166	75,745	1,209	8,396	85,350
9999	TOTAL	116,324	1,893	-145	118,072	13,048	8,496	139,616

The Joint Staff
Operation and Maintenance, Defense-Wide
FY 1999 Amended Budget Estimates
Budget Activity 4, Administrative & Servicewide Activities

D. Reconciliation of Increases and Decreases:		Dollars in Thousands
FY 1998 President's Budget		**128,561**
Congressional Adjustment (Distributed)		-11,000
Travel and Administrative Cost	-11,000	
FY98 Appropriated		**117,561**
Congressional Adjustment (Undistributed)		-2,213
Revised Economic Assumptions	-645	
Section 8041, Contracted Advisory & Assistance Services	-1,112	
Section 8035, Federally Funded Research & Development Centers	-456	
Program Increases		2,724
Development/Coordination/Presentation of Executive Level Combating Terrorism Seminars	300	
International Cooperative Administrative Support Service (ICASS)	106	
Other Increases (includes minor increases to numerous programs)	2,318	
FY 1998 Current Estimate		**118,072**
Price Changes:		13,048

Program Increases:		8,496
Combating Terrorism Directorate - Department of Defense's rapidly expanding Anti Terrorism and Force Protection initiatives have generated a significant number of operational planning requirements that require the Combating Terrorism Directorate's direct participation. Given current and projected requirements and the existing manpower expertise within the directorate, the increase in funding for full-time contractor support is essential. The increase in funding will be utilized for the continuation and additional contractual studies and analysis support to identify, advise, analyze and recommend employment of Anti Terrorist/Force Protection programs.	685	
Joint Modeling & Simulation - Increases address the significant limitations of existing theater-level simulations to provide analytic support to senior officials. Existing systems are grounded in Cold War theory about the use and deployment of forces and the nature of combat operations; they have limited capability to address the emerging concepts of joint operation warfighting. FY98/99 funds the development of the new theater level joint model for analysis, Joint Warfare System (JWARS), and the new Joint Data system (JDS). Joint analysis models are used to perform course of action evaluation, force sufficiency analysis, force trade-off analysis, and analysis of system alternatives. These models support assessments by the JROC, CINCs, Services, and OSD. JWARS will significantly improve DOD's ability to conduct studies such as the Quadrennial Defense Review (QDR) and Deep Attack Weapons Mix Study. JDS provides high-quality, consistent, certified data to JWARS and to selected, existing theater-level simulations used by DOD. Increased funding also supports analytical model and simulation requirements to ensure compliance with DOD and Joint Staff Automated Information System (AIS) lifecycle management initiatives, particularly to assist the Joint analytical community in the transition from the current legacy models to JWARS. The funds will be required for the development of a JWARS support package, to include a fielding plan, configuration management plan, training plan and training materials and the actual distribution and direct	1,055	

support to the CINC staffs using JWARS. Another essential part of the transition to JWARS will be the startup of a team involved with the testing of the prototypes as they become available, and gain familiarity with the model to ensure a smooth transition upon assumptions of maintenance and management responsibilities when the model is delivered to the Joint Staff. Increase is also to ensure compliance with the DOD-mandated transition to the high level architecture (HLA) standard.

Joint Doctrine - The change is two fold based on CJCS-directed tasking to reorganize the joint doctrine system: 1)The objective of Joint Doctrine Electronic Information System (JDEIS) is to improve the quality of joint doctrine and streamline the development process. JDEIS will establish a doctrine database that is linked electronically to the Universal Joint Task List (UJTL), appropriate CJCS instructions and manuals, lessons learned, historical collections, future concepts, the DOD dictionary, and other related material. It will also include complementary research, audio, video, and other multimedia material. JDEIS will be available to the entire military community on CD-ROM, the world wide web, and other selected defense networks. With JDEIS, staffing and updating doctrine will be done electronically, saving money and time. The potential for this cutting-edge concept is unlimited as it will dramatically improve the operational usefulness of Joint Doctrine. 2) Joint Doctrine Master Plan increases joint doctrine awareness among all leadership levels. The increased funding supports the cost of producing high quality, readable, and professionally formatted publications necessary to increase awareness. Funding will also support the update and maintenance of the Joint Doctrine Awareness program products such as: the Joint Doctrine World Wide Web site; the Joint Force Employment Course of Instruction; Joint Force Employment Briefing Modules; Joint Force Employment Interactive Multimedia CD-ROM; Joint Force Employment Video; Joint Doctrine Reference Desk Set; Joint Doctrine Complete Library Set; the Joint Doctrine Capstone and Keystone Primer with Joint Force Employment Annex. 1,373

Joint Exercise Evaluation - Through the Joint Center for Lessons Learned, the increase provides hardware, software and support for the Joint Exercise Management Package Phase III, which is the automated support for the Joint Training System. This system allows the CINCs to leverage the ongoing training/evaluation information into DOD-wide learning. It provides export of lessons learned for the benefit of all of DOD (doctrine, organization, training, materiel, leadership, and personnel), the adjustment of future training plans, and highlights key issues for resolution by appropriate parties within DOD. Additionally, increased funding provides travel and per diem for personnel in support of real world and exercise observations to assess the unified commands' ability to carry out their assigned missions 824

Global Combat Support System (GCSS) - will ensure the joint warfighter an integrated, interoperable view of the battlespace and enables the fusion of information, logistics, and transportation technologies. By improving information and process integration between the forward-deployed elements and the sustaining bases, GCSS significantly improves combat support to the joint warfighter through increased readiness, reduced theater presence, and reduced forward stockpiles and inventories. GCSS also provides the joint warfighter with a real-time, focused-logistics environment in support of JV2010. The change is based on the new requirements to: 1) Develop joint strategy to provide information interoperability across/between combat support functions and command and control; and 2) Provide a joint strategy for Services to conduct business process reengineering improvements to support any box, any user, one net, and one picture concept, using the Defense Information Infrastructure Common Operating Environment (DII-COE) and shared data environment 1,000

Joint Training System (JTS)- Phase I currently provides an integrated, requirements-based methodology for aligning training programs with the CINC's assigned missions. Future military forces must be able to dominate in a wider range of threats than previously -- threats emerging unpredictably anywhere in the world, employing varying combinations of technology. The JTS, phase II, must meet this new training requirement. JTS must accommodate a revolution in 750

military affairs where information superiority is the "high ground" and force structure has been modified to swiftly leverage information through flexible, smaller, more lethal forces. Joint training in the year 2010 will rely heavily upon distance learning, more effective development of warfighting skills, and telecommuting to centers of learning where American technology will support the "mission space" at a lower cost. The CJCS initiative to take the military into the 21st century is JV 2010. JTS must migrate from Phase I to the CJCS vision by 2010, and must also support the entire military journey, experimenting with new concepts and technology while scientifically studying the current (Phase I) system. - The increase includes developing a 15-year strategic plan to unify stakeholders to study the gaps between present capabilities and future needs, develop new learning technologies, recommend organizational changes to accommodate the JV 2010 operational concepts, and implement these products into a coherent, executable implementation plan. The Joint Staff will refine the plan, gather data on the present system, and study training technologies and strategies that hold promise for the JTS of 2010

Supply Services/Contract Labor - Joint Staff efficiency and effectiveness has been significantly enhanced through new automated data processing technology. However, this same technological evolution has a corollary negative impact on the logistics support infrastructure, causing increased costs for replacement supplies including toner cartridges, color components, write once CD ROMs, and Zip Cartridges. Supply costs have also increased due to the recent requirement to maintain separate systems for the TOP SECRET, SECRET, and UNCLASSIFIED networks. While absolutely mission essential, these separate networks significantly increase supply support costs. Beyond ADP support, increased costs of high consumption supplies and contract labor have exceeded inflation. For example, paper prices have risen almost 20 percent and contract labor hourly rates rose 50 percent. These costs have been covered in the execution year through program slippage or cancellation. The increased requirement has been programmed for over the future years, however, the FY98 costs remain a shortfall that will be addressed in execution. 1,346

Other Purchases - includes minor adjustments to numerous programs. For example: CINC Counterterrorism/Counterproliferation Support has experienced an explosive growth of high profile national missions and tasks as a direct result of Presidential Decision Directives (PDD) 13 and 39, the SECDEF DOD Counterproliferation Initiative, CJCS CONPLAN 0300-97, and CJCS CONPLAN 0400-96. Also, lessons learned from recent deployments, including Operation JOINT ENDEAVOR, highlighted problems in the Joint Operation Planning and Execution System (JOPES) processes and software. DISA continues to address the software problems by providing a revised GCCS/JOPES, however, J-3 is responsible for the publication of JOPES documentation that promulgates policy, procedures, and guidance. The JOPES documentation is the vehicle that guides the joint deployment community in the performance of their mission. The lack of updated and accurate JOPES documentation and management support impedes joint operations and command and control of deploying US forces.	1,463
FY 1999 Budget Request:	**139,616**

IV. Performance Criteria and Evaluation Summary:

The Joint Staff is responsible for providing support to the Chairman, Joint Chiefs of Staff, in his role as the principal military advisor to the President, the national Security Council, and the Secretary of Defense. Subject to the authority and direction of the President and the Secretary of Defense, the Joint Staff shall:

(1) Prepare strategic plans and provide for the strategic direction of the Armed Forces;

(2) Prepare joint logistic plans and assign logistic responsibilities to the Armed Forces in accordance with those plans;

(3) Establish unified commands in strategic areas;

(4) Review the major and personnel requirements of the Armed Forces in accordance with strategic and logistic plans;

(5) Formulate policies for coordinating the military education of members of the Armed Forces;

(6) Formulate policies for the joint training of the Armed Forces;

(7) Provide for representation of the United States on the Military Staff Committee of the United Nations in accordance with the Charter of the United Nations; and

(8) Perform such other duties as the President or Secretary of Defense may prescribe.

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

Narrative Description:

United States Special Operations Command (USSOCOM) is a unified command with world-wide responsibilities to train, maintain and provide Special Operations Forces (SOF) in support of the contingency plans developed by the five regionally oriented unified commands; United States European Command (USEUCOM), United States Central Command (USCENTCOM), United States Pacific Command (USPACOM), United States Atlantic Command (USACOM) and United States Southern Command (USSOUTHCOM). When directed by the President, the Commander-In-Chief, Special Operations Command (CINCSOC) will assume command of a special operation anywhere in the world. USSOCOM'S Army forces include Special Forces, Rangers, short to medium range filtration/exfiltration aircraft, Civil Affairs (CA) and Psychological Operations (PSYOPS) specialists. Navy forces consist of Sea, Air, Land Teams (SEALs) and Special Boat Units (SBUs). The Air Force special operations units provide medium to long range air infiltration/exfiltration aircraft, specially equipped gunships, and aerial refuel capability. USSOCOM also funds SOF mission and mission support costs specifically identified and measurable to Special Operations Commands located at USEUCOM, USCENTCOM, USPACOM, USACOM, USSOUTHCOM and Korea. USSOCOM is the only operational command within the Department of Defense directly responsible for determining its own force structure and related materiel requirements, procuring SOF unique equipment, and training and deploying its own units.

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

I. DESCRIPTION OF OPERATIONS FINANCED:

A. BUDGET ACTIVITY 1 - BA1 OPERATING FORCES

Includes necessary resources for Special Operations Forces (SOF) tactical units and organizations. Includes costs directly associated with unit training, deployments, and participation in contingency operations. Resources support manpower authorizations, SOF peculiar and support equipment, fielding of SOF equipment, routine operating expenses and necessary facilities. BA1 is divided into two activity groups, Special Operations (SO) Operational Forces and SO Operational Support:

1. SO Operational Forces

Includes Active, Reserve and Guard Army and Air Force manpower authorizations, Active and Reserve Navy manpower authorizations, SOF peculiar and support equipment, flying hours, aircraft, necessary facilities and the associated costs specifically identified and measurable to initial qualification and recurring training of aircrews to SOF aviation operations and tactics. Includes personnel and operation and maintenance costs that are directly associated with an individual unit's operations, training and spare parts. Four subactivity groups comprise SO Operational Forces.

a. Flight Operations

Supports two active Special Operations Wing (16 SOW, Hurlburt Field, FL and 58 SOW, Kirtland AFB, NM) and two special operations groups (352 SOG, RAF Mildenhall UK and 353 SOG, Kadena AB JA) and their associated squadrons. Includes the 919th Special Operations Reserve Wing located at Duke Field, FL, and the 193rd Special Operations Air Guard Wing, Harrisburg IAP, PA. Includes the 160th Special Operations Aviation Regiment at Ft Campbell, Ky. Funding supports SOF Army and Air Force manpower authorizations, flying hours, SOF peculiar and support equipment, necessary facilities, initial qualification and recurring training of aircrews in SOF aircraft operations and tactics. Costs specifically identified and measurable to SOF Active Tactical Aviation Operational units, organizations and Special Operation Wings and squadrons are also included in this subactivity.

I. DESCRIPTION OF OPERATIONS FINANCED:

b. Ship/Boat Operations

Supports Naval Special Warfare Groups, Special Boat Squadrons, and SEAL Teams. Includes Active and Reserve Navy manpower authorizations, Special Operational Forces (SOF) peculiar and support equipment, necessary facilities, and associated costs specifically identified and measurable to ships and boats assigned to Naval Special Warfare Command.

c. Combat Development Activities

Includes all Joint and Component manpower authorizations, SOF peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to the development of combat doctrine, organizational concepts, material requirements, and other development activities related to SOF. Also includes activities to support experimentation, tests, projects, evaluations necessary to develop and/or validate new doctrine, material and organizations for special operations.

d. Other Operations

Includes manpower authorizations, SOF peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to SOF Active Army Ranger; Active and National Guard Army Special Forces activities; Active and Reserve Army Psychological Operations, Active and Reserve Army Civil Affairs Units; Counter Drug Activities and Operations TEMPO; Naval Special Warfare units and detachments; support of SEAL Teams, SEAL Delivery Vehicle Teams; and Active Air Force 770th Special Tactics Group, Special Tactics Squadrons, Combat Control Squadrons, detachments and SOF Para Rescue Forces.

I. DESCRIPTION OF OPERATIONS FINANCED:

2. SO Operational Support

a. Force Related Training

Provides for the conduct of, or participation in, strategic mobility, major Commander-In-Chief directed, and Joint Chiefs of Staff exercises. Force related training includes Joint Combined Exchange Training exercises sponsored by Commander-In-Chief Special Operations Command in support of regional Theater CINCs and the Services. Includes all Headquarters USSOCOM and/or component manpower authorizations, SOF peculiar and support equipment, necessary facilities, and the associated costs specifically identified and measurable to the conduct of force related training in schools performing SOF related training.

b. Operational Support

Includes manpower authorizations, Special Operations Forces (SOF) peculiar and support equipment, necessary facilities and associated costs specifically identified and measurable to SOF Active Army Special Operations Support Command, Active and Reserve Army Tactical Communication, and other SOF operational support units and organizations.

c. Intelligence and Communication

Includes all Headquarters United States Special Operations Command (USSOCOM) and/or component manpower authorizations, SOF peculiar and support equipment, necessary facilities and associated resources directly associated with ADP support costs for the Global Command and Control System, non-tactical telecommunications networks, services, leases, facility controls and associated equipment. This includes Command Center operations, deployable command, control and communications assets, and automation support required to maintain SOF command and control.

I. DESCRIPTION OF OPERATIONS FINANCED:

d. Management/Operational HQ

Includes manpower authorizations, SOF peculiar and support equipment, necessary facilities and associated costs specifically identified and measurable to the U.S. Army, Air Force and Naval USSOCOM Component Command Headquarters of SOF, as well as the USSOCOM Headquarters and it's management support activities. Also includes costs associated with the expenditure of funds in support of officially sanctioned activities used to maintain the standing and prestige of the United States by extending official courtesies to guests which promotes the goals of CINC Special Operations Command and Department of Defense. Additionally, includes support for the Theater Special Operations Commands (SOC) of SOC Atlantic, SOC Central, SOC Europe, SOC Pacific, SOC Southern and SOC Korea.

e. Depot Maintenance

Supports maintenance (to include installation of modification/conversion kits) of weapons/support systems and commodity groups associated with SOF activities. Includes Headquarters USSOCOM and/or components funds for reimbursement of the industrial funds of each Service for depot maintenance of SOF-unique or SOF-peculiar aircraft and equipment. Includes reimbursement for ship maintenance activities at industrially-funded Naval shipyards and costs associated with non-industrial funded ship maintenance activities at Navy ship repair facilities.

f. Base Support

Includes associated costs specifically identified and measurable as Base Support costs incurred by USSOCOM and its components. Provides for all construction costing less than the statutory maximum amount for a Minor Military Construction project as established by Section 205 of Title 10 U.S.C.. Also includes costs associated with maintenance and repair of real property, other facilities, pavements, (roads, parking areas, etc.), land and grounds. Includes, but not limited to, such things as repair of electrical circuitry, heating and air conditioning, water piping and routine maintenance work such as caulking and painting.

I. DESCRIPTION OF OPERATIONS FINANCED:

B. BUDGET ACTIVITY 3 - BA3 TRAINING AND RECRUITING

Includes resources for Operation and Maintenance costs directly attributable to supporting the component Special Operations Schools. United States Special Operations Command (USSOCOM) operates the John F. Kennedy Special Warfare Center (JKFSWC) and School at Fort Bragg, North Carolina; the Naval Special Warfare Center (NSWCEN) at Coronado, California, and the Air Force Special Operations School at Hurlburt Field, FL. Also included are training, development and support activities. The schools and centers provide mobile training teams to support the operational forces as required. Special Operations Forces (SOF) Aircrew training and training at the Joint Readiness Training Center are directly related to SOF Operations. The SOF Medical Training Facility at Fort Bragg, NC provides modularized qualification, advanced enhancement and limited sustainment medical training for joint SOF.

1. Skill and Advanced Training

a. Specialized Skill Training

Provides for the JKFSWC and NSWCEN, which educates American and Allied personnel in geopolitical, psychological and military considerations of joint special operations. Included is the administrative and logistical support of students attending training, operating costs of aircraft used in training, and field and organizational maintenance. Also provides for SOF Language Training, which is related to SOF but closely parallels the language training performed by the Defense Language Institute. This includes proficiency language or refresher language training unless it is included in the Defense Language Institute curriculum.

b. Professional Development Education

Includes the USAF Special Operations School (USAFSOS) at Hurlburt Field, FL. The USAFSOS primary mission is to provide specialized special operations education for United States Special Operations Command (USSOCOM) air component personnel and other USSOCOM members. Since FY 1994, the school has provided the Commando EDGE Professional Development program which is a progressive education program qualifying AFSOF personnel to serve in Joint Special Operations Task Forces and joint staffs. In addition to formal courses offered at the Hurlburt Field facility, USAFSOS conducts off-station tutorials to meet the needs of forces stationed worldwide.

I. **DESCRIPTION OF OPERATIONS FINANCED:**

c. Base Support

Provides for base support costs specifically identifiable to the Naval Special Warfare Center. Includes, but not limited to utilities, repair of electrical circuitry, heating and air conditioning, water piping, and routine maintenance work such as caulking and painting. Also, costs associated with maintenance and repair of real property, other facilities, pavements, (roads, parking areas, etc.), land and grounds.

C. BUDGET ACITIVITY 4 - BA4 ADMINISTRATIVE

1. Logistics Operations

a. Acquisition/Program Management

Provides resources for Operations and Maintenance costs supporting SOF peculiar acquisition programs being developed or procured. Funding is executed by the Special Operations Acquisition Center (SOAC). Funds acquisition program management, engineering and logistical support for SOF tactical acquisition programs. Support includes funding for travel, operational testing and evaluation support, related supplies and equipment. Also supports various acquisition efforts and civilian acquisition program managers of Intelligence Systems programs. Funds civilian program management and general contractor support for the Special Operations Acquisition Center to include support equipment, necessary facilities, SOAC civilians and costs associated with the management of SOAC.

II. Force Structure Summary:

United States Special Operations Command (USSOCOM), a unified command, plans and programs Active, Reserve and Guard manpower to include Army, Navy, Air Force and Marine Corps. Component headquarters subordinate to USSOCOM include United States Army Special Operations Command (USASOC), Naval Special Warfare Command (COMNAVSPECWARCOM), Air Force Special Operations Command (AFSOC), the sub-unified operational command of Joint Special Operations/Joint Communications Unit, and the Special Operations Acquisition Center (SOAC) which administers acquisition/procurement.

Training is provided through the United States Army John F. Kennedy Special Warfare Center and School (JFKSWCS), Naval Special Warfare Center (NSWCEN), United States Air Force Special Operations School (AFSOS) and the Joint Readiness Training Center (JRTC). The Joint Special Operations Forces Institute (JSOFI), as a FY 1995 initiative, used existing resources to amplify the development of doctrine and training/education requirements unique to the SOF community in its "joint" arena. The Special Operations Command Joint Intelligence Center (SOCJIC) was established in 1994 pursuant to an organizational intelligence restructuring initiative directed by Secretary of Defense Memorandum of 1991. USSOCOM plans and programs resources for SOF unique requirements identified in five theater Special Operations Commands (SOCs) plus the Special Operations Command, Korea.

	FY 1997 CURRENT	FY 1998 ESTIMATE	FY 1999 ESTIMATE
Army Active			
Ranger Regiment	1	1	1
Ranger Battalions	3	3	3
SOF Aviation Regiment	1	1	1
Aviation Battalions	3	3	3
Special Forces Groups	5	5	5
Special Forces Battalions	15	15	15
SOF Support Command	1	1	1
SOF Support Battalion	1	1	1
Signal Battalion	1	1	1
PSYOP Group	1	1	1
PSYOP Battalions	5	5	5
Civil Affairs Battalion	1	1	1

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

II. Force Structure Summary:

	FY 1997 CURRENT	FY 1998 ESTIMATE	FY 1999 ESTIMATE
Army Reserve			
PSYOP Groups	2	2	2
PSYOP Battalions	8	8	8
Civil Affairs Commands	3	3	3
Civil Affairs Brigades	9	9	9
Civil Affairs Battalions	24	24	24
Army National Guard			
Special Forces Groups	2	2	2
Special Forces Battalions	6	6	6
Air Force Active			
Special Operations Wing	2	2	2
Special Operations Groups	2	2	2
Special Operations Squadrons (9 fixed/ 4 rotary)	13	13	13
Special Tactics Group	1	1	1
Special Tactics Squadrons	4	4	4
Foreign Internal Defense Squadron	1	1	1

(Augment training provided by the 58th Special Operations Wing, 18th Flight Test Squadron and the 19th SOS are not reflected.)

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

II. Force Structure Summary:

	FY 1997 CURRENT	FY 1998 ESTIMATE	FY 1999 ESTIMATE
Air Force Reserve			
Special Operations Wing	1	1	1
Special Operations Squadrons (Fixed)	2	2	2
Air Force Guard			
Special Operations Group	0	0	0
Special Operations Wing	1	1	1
Special Operations Squadron (Fixed)	1	1	1
Navy Active			
Naval Special Warfare Groups	2	2	2
Development Group	1	1	1
Naval Special Warfare Units	6	6	6
SEAL Teams	6	6	6
SEAL Delivery Vehicle Teams	2	2	2
Special Boat Units	3	3	3
Patrol Coastal	13	13	13
Special Boat Squadrons	2	2	2

II. Force Structure Summary:

	FY 1997 CURRENT	FY 1998 ESTIMATE	FY 1999 ESTIMATE
Navy Reserve			
Commands (NR)	3	3	3
Special Boat Units (NRF)	2	1	1
Special Boat Units (NR)	2	2	2
Special Warfare Units (NR)	3	3	3
Detachment (NR)	5	5	5
SDVT (NR) East/West (Augmentation Dets)	1	1	1

(NRF designation reflects a complete, stand alone unit with specific mission. NR reflects manpower augmentation to command/unit. Reserves drill as individual units to augment SEAL Teams.)

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

A. Operations Financed:	FY 97 ACTUAL	FY 1998 BUDGET REQUEST	FY 1998 APPROP	FY 1998 CURRENT ESTIMATE	FY 1999 ESTIMATE
BA-1 OPERATING FORCES	1,001,677	1,085,927	1,119,327	1,100,095	1,149,328
SO Operational Forces	755,624	768,262	810,907	803,824	823,985
Flight Operations	344,981	398,392	428,267	424,779	433,887
Ship/Boat Operations	40,264	47,590	47,590	46,977	55,797
Combat Development Activities	234,646	204,121	216,891	216,728	216,103
Other Operations	135,733	118,159	118,159	115,340	118,198
SO Operational Support	246,053	317,665	308,420	296,271	325,343
Force Related Training	34,955	45,792	39,747	38,563	44,600
Operational Support	14,091	20,269	20,269	19,012	16,613
Intelligence & Communication	39,285	56,867	56,867	52,787	70,454
Management/Operational Hqtrs	85,724	72,618	69,418	68,992	68,458
Depot Maintenance	61,177	107,080	107,080	104,685	114,196
Base Support	10,821	15,039	15,039	12,232	11,022
BA-3 TRAINING	30,828	37,930	37,930	40,345	42,408
Skill and Advanced Training	30,828	37,930	37,930	40,345	42,408
Specialized Skill Training	28,056	33,965	33,965	37,395	39,471
Professional Development Educat	1,290	1,502	1,502	1,501	1,507
Base Support	1,482	2,463	2,463	1,449	1,430

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

		FY 1998			
	FY 97 ACTUAL	BUDGET REQUEST	APPROP	CURRENT ESTIMATE	FY 1999 ESTIMATE
A. Operations Financed:					
BA-4 ADMINISTRATIVE	51,627	45,532	45,532	42,022	47,117
Logistics Operations	51,627	45,532	45,532	42,022	47,117
Acquisition/Program Management	51,627	45,532	45,532	42,022	47,117
TOTAL	1,084,132	1,169,389	1,202,789	1,182,462	1,238,853

B. Reconciliation Summary:	CHANGE FY 1998 PB TO FY 1998 CURRENT ESTIMATE	CHANGE FY 1998 CURRENT TO FY 1999 ESTIMATE
Baseline Funding	1,169,389	1,182,462
Price Change	0	9,041
Functional Transfers/Reprogramming	13,073	(1,638)
Program Changes	0	48,988
Current Estimate	1,182,462	1,238,853

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

	FY 97 ACTUAL	FY 1998 BUDGET REQUEST	FY 1998 APPROP	FY 1998 CURRENT ESTIMATE	FY 1999 ESTIMATE
A. Operations Financed:					
BA-1 OPERATING FORCES	1,001,677	1,085,927	1,119,327	1,100,095	1,149,328
SO Operational Forces	755,624	768,262	810,907	803,824	823,985
Flight Operations	344,981	398,392	428,267	424,779	433,887
Ship/Boat Operations	40,264	47,590	47,590	46,977	55,797
Combat Development Operations	234,646	204,121	216,891	216,728	216,103
Other Operations	135,733	118,159	118,159	115,340	118,198
SO Operational Support	246,053	317,665	308,420	296,271	325,343
Force Related Training	34,955	45,792	39,747	38,563	44,600
Operational Support	14,091	20,269	20,269	19,012	16,613
Intelligence & Communication	39,285	56,867	56,867	52,787	70,454
Management/Operational Hqtrs	85,724	72,618	69,418	68,992	68,458
Depot Maintenance	61,177	107,080	107,080	104,685	114,196
Base Support	10,821	15,039	15,039	12,232	11,022
TOTAL	1,001,677	1,085,927	1,119,327	1,100,095	1,149,328

B. Reconciliation Summary:	CHANGE FY98 PB TO FY 98 CURRENT ESTIMATE	CHANGE FY98 PB TO FY 99 CURRENT ESTIMATE
Baseline Funding	1,085,927	1,100,095
Price Change	0	7,436
Functional Transfers/Reprogramming	14,168	-1,638
Program Changes	0	43,433
Current Estimate	1,100,095	1,149,328

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

	FY 97 ACTUAL	FY 1998 BUDGET REQUEST	FY 1998 APPROP	FY 1998 CURRENT ESTIMATE	FY 1999 ESTIMATE
A. Operations Financed:					
BA-3 TRAINING	36,630	37,930	37,930	40,345	42,992
Skill and Advanced Training	30,828	37,930	37,930	40,345	42,408
Specialized Skill Training	28,056	33,965	33,965	37,395	39,471
Professional Development Education	1,290	1,502	1,502	1,501	1,507
Base Support	1,482	2,463	2,463	1,449	1,430
TOTAL	30,828	37,930	37,930	40,345	42,408

B. Reconciliation Summary:	CHANGE FY 1998 PB TO FY 1998 PB CURRENT ESTIMATE	CHANGE FY 1998 CURRENT TO FY 1999 ESTIMATE
Baseline Funding	37,930	40,345
Price Change	-	728
Functional Transfers/Reprogramming	-	-
Program Changes	2,415	1,335
Current Estimate	40,345	42,408

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

		FY 1998			
	FY 97 ACTUAL	BUDGET REQUEST	APPROP	CURRENT ESTIMATE	FY 1999 ESTIMATE
A. Operations Financed:					
BA-4 ADMINISTRATION	51,627	45,532	45,532	42,022	47,117
Logistics Operations	51,627	45,532	45,532	42,022	47,117
Acquisition/Program Mgmt	51,627	45,532	45,532	42,022	47,117
TOTAL	51,627	45,532	45,532	42,022	47,117

Reconciliation Summary:	CHANGE FY 1998 PB TO FY 1998 CURRENT ESTIMATE	CHANGE FY 1998 CURRENT TO FY 1999 ESTIMATE
Baseline Funding	45,532	42,022
Price Change	-	875
Functional Transfers/ Reprogramming	(3,510)	-
Program Changes	-	4,220
Current Estimate	42,022	47,117

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

D. Reconciliation of Increases and Decreases

1. FY 1998 President's Budget Request		1,169,389
2. Congressional Adjustments (Distributed)		
a. Readiness OPTEMPO	28,530	
b. Counter Proliferation/Weapons of Mass Destruction	11,270	
c. Gortex/Nomex Flight Suits	3,300	
d. Joint Chief of Staff Exercises	-6,500	
e. Contingency Operations Transfer	-3,200	
f. Classified and Intel	1,000	
Total Congressional Adjustments		34,400
3. FY 1998 Appropriated amount		1,203,789
4. Congressional Adjustments (Undistributed)		
(a) Congressional Earmarks	-1,845	
(b) Section 8041 CAAS	-4,562	
(c) Civilian Personnel Under Execution	-2,000	
(d) Quadrennial Defense Review Savings	-4,418	
(e) Defense Automated Print Service	-906	
(f) High Risk Automation system	-400	
(g) Revised Economic Assumptions	-4,034	
Total Congressional Adjustments (Undistributed)		-18,165

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

5. Program Decreases			
a. Reallocation of PTAP Funding Transfer		-1,913	
b. Operation & Maintenance Defense Wide Financing		-1,249	
Total Program Decreases			-3,162
6. FY 1998 Current Estimate			1,182,462
7. Price Growth			9,041
8. Program Increases			
a. Budget Activity 1 - Operating Forces			
(1) Special Operations Operational Forces			
(a) Flight Operations	9,255		
(b) Ship/Boat Operations	9,567		
(c) Other Operations	1,302		
(2) Special Operations Operational Support			
(a) Force Related Training	5,572		
(b) Intelligence and Communications	16,753		
(c) Depot Maintenance	8,108		
Total Increases Budget Activity 1		50,557	
b. Budget Activity 3 - Training			
(1) Skill and Advanced Training			
(a) Specialized Skill Training	1,296		
(b) Base Support	57		

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

Total Increases Budget Activity 3		1,353	
c. Budget Activity 4 - Administration			
(1) Logistics Operations			
(a) Acquisition/Program Management	4,220		
Total Increases Budget Activity 4		4,220	
Total Program Increases			56,130
9. Program Decreases			
a. Budget Activity 1 - Operating Forces			
(1) Special Operations Operational Forces			
(a) Combat Development Activities	-2,692		
(2) Special Operations Operational Support			
(a) Operational Support	-2,930		
(b) Management/Operational Headquarters	-2,134		
(c) Base Support	-1,006		
Total Decreases Budget Activity 1		-8,762	
b. Budget Activity 3 - Training			
(1) Skill and Advanced Training			
(a) Professional Development Education	-18		
Total Decreases Budget Activity 3		-18	
Total Program Decreases			-8,780
10. FY 1999 Current Estimate			1,238,853

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

	FY 97 ACTUAL	FY 1998 BUDGET REQUEST	FY 1998 APPROP	FY 1998 CURRENT ESTIMATE	FY 1999 ESTIMATE
A. Operations Financed:					
BA-1 OPERATING FORCES	1,001,677	1,085,927	1,119,327	1,100,095	1,149,328
SO Operational Forces	755,624	768,262	810,907	803,824	823,985
Flight Operations	344,981	398,392	428,267	424,779	433,887
Ship/Boat Operations	40,264	47,590	47,590	46,977	55,797
Combat Development Operations	234,646	204,121	216,891	216,728	216,103
Other Operations	135,733	118,159	118,159	115,340	118,198
SO Operational Support	246,053	317,665	308,420	296,271	325,343
Force Related Training	34,955	45,792	39,747	38,563	44,600
Operational Support	14,091	20,269	20,269	19,012	16,613
Intelligence & Communication	39,285	56,867	56,867	52,787	70,454
Management/Operational Hqtrs	85,724	72,618	69,418	68,992	68,458
Depot Maintenance	61,177	107,080	107,080	104,685	114,196
Base Support	10,821	15,039	15,039	12,232	11,022
TOTAL	1,001,677	1,085,927	1,119,327	1,100,095	1,149,328

B. Reconciliation Summary:	CHANGE FY98 PB TO FY 98 CURRENT ESTIMATE	CHANGE FY 1998 CURRENT ESTIMATE TO FY 1999 ESTIMATE
Baseline Funding	1,085,927	1,100,095
Price Change	0	7,436
Functional Transfers/Reprogramming	14,168	-1,638
Program Changes	0	43,433
Current Estimate	1,100,095	1,149,328

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

	FY 97 ACTUAL	FY 1998 BUDGET REQUEST	FY 1998 APPROP	FY 1998 CURRENT ESTIMATE	FY 1999 ESTIMATE
A. Operations Financed:					
BA-3 TRAINING	36,630	37,930	37,930	40,345	42,992
Skill and Advanced Training	30,828	37,930	37,930	40,345	42,408
Specialized Skill Training	28,056	33,965	33,965	37,395	39,471
Professional Development Education	1,290	1,502	1,502	1,501	1,507
Base Support	1,482	2,463	2,463	1,449	1,430
TOTAL	30,828	37,930	37,930	40,345	42,408

B. Reconciliation Summary:	CHANGE FY 1998 PB TO FY 1998 PB CURRENT ESTIMATE	CHANGE FY 1998 CURRENT ESTIMATE TO FY 1999 ESTIMATE
Baseline Funding	37,930	40,345
Price Change	-	728
Functional Transfers/Reprogramming	-	-
Program Changes	2,415	1,335
Current Estimate	40,345	42,408

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

		FY 1998			
	FY 97 ACTUAL	BUDGET REQUEST	APPROP	CURRENT ESTIMATE	FY 1999 ESTIMATE
A. Operations Financed:					
BA-4 ADMINISTRATION	51,627	45,532	45,532	42,022	47,117
Logistics Operations	51,627	45,532	45,532	42,022	47,117
Acquisition/Program Mgmt	51,627	45,532	45,532	42,022	47,117
TOTAL	51,627	45,532	45,532	42,022	47,117

B. Reconciliation Summary	CHANGE FY 1998 PB TO FY 1998 CURRENT ESTIMATE	CHANGE FY 1998 CURRENT ESTIMATE TO FY 1999 ESTIMATE
Baseline Funding	45,532	42,022
Price Change	-	875
Functional Transfers/ Reprogramming	(3,510)	-
Program Changes	-	4,220
Current Estimate	42,022	47,117

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

D. Reconciliation of Increases and Decreases

1. FY 1998 President's Budget Request			1,085,927
2. Congressional Adjustments			0
a. Readiness OPTEMPO		28,530	
b. Counter Proliferation/Weapons of Mass Destruction		11,270	
c. Gortex/Nomex Flight Suits		3,300	
d. Joint Chief of Staff Exercises		-6,500	
e. Contingency Operations Transfer		-3,200	
Total Congressional Adjustments			33,400
3. FY 1998 Appropriated amount			1,119,327
4. Transfers/Reprogramming			
a. Increases			
(1) Classified and Intel	1,000		
b. Decreases			
(1) Congressional Earmarks	-1,845		
(2) Section 8041 CAAS	-1,733		
(3) Civilian Personnel Under Execution	-2,000		
(4) Funding Transfer	-1,913		

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

D. Reconciliation of Increases and Decreases

(5)	Defense Automated Print Service	-906
(6)	High Risk Automation System	-400
(7)	Revised Economic Assumptions	-3,780
(8)	Operations & Maintenance Defense Wide Financing	-5,474
(9)	Realignment to BA4 for Joint Threat Warning System (JTWS)	-1,100
	Total Transfer/Reprogramming	-18,151

5. Program Increases and Decreases

a. Budget Activity 1 - Operating Forces

(1) Special Operations Operational Forces

(a) Flight Operations Increases

(1)	Budget Activity realignment of inflation cuts from BA3 ($2K) and from within BA1 ($204K).	206
(2)	The civilian pay recosting resulted in a net increase to Flight Operations for the United States Air Force Special Operations Command. Impact was offset from within total resources by a reduction in BA1, Depot Maintenance Subactivity ($74K) and from BA3 Professional Development ($1K).	75
	Total Flight Operations Increases	281

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

D. Reconciliation of Increases and Decreases

(b) Flight Operations Decreases		
(1) Subactivity realignment to Force Related Training in support of School operations and sustainment.	-522	
(2) Budget Activity realignment to BA3 Specialized Skill in support of school sustainment and pool repairs.	-320	
(3) Subactivity realignment to Combat Development Activities.	-417	
(4) Subactivity realignment to Other Operations for Ranger Indoctrination Program.	-200	
(5) Subactivity realignment to Operations Support for Direct Support maintenance costs.	-276	
(6) Subactivity realignment to Management Headquarters for United States Operations Army Special Command Medical Proficiency Training, Paramedic Qualification Training, 18D Sustainment Training and additional contract for emerging mission.	-380	
(7) Subactivity realignment to Management Headquarters for support of Joint Special Operations Forces Institute (JSOFI).	-154	
(8) Subactivity realignment to Base Support to redistribute program reductions to fund higher priority programs applied during the FY 1998/FY 1999 President's Budget.	-490	
Total Flight Operations Decreases		-2,759
Total Flight Operations Program		-2,478

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

D. Reconciliation of Increases and Decreases

(c) Ship/Boat Operations Increases			
(1) Subactivity realignment of funds from BA1 Base Support.	194		
(2) Subactivity realignment from Other Operations. One billet was realigned to the Special Boat Squadron 2 to staff a purchasing function. This manning requirement was essential to support increased workload due to Patrol Coastal and Mark V Craft complement. This position was shifted from the budgeted level within Group II by eliminating an engineering technical position.	51		
Total Ship/Boat Operations Increases		245	
(d) Ship/Boat Operations Decreases			
(1) Subactivity realignment to Force Related Training.	-216		
(2) Subactivity realignment to Combat Development Activities ($110K) and Other Operations ($115K) for fuel inflation adjustments.	-225		
Total Ship/Boat Operations Decreases		-441	
Total Ship/Boat Operations Program			-196
(e) Combat Development Activities Increases			
(1) Subactivity realignment from Intelligence and Communications. See Combat Development Activity submission.	437		

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

D. Reconciliation of Increases and Decreases

(2) Subactivity realignment from BA1 Base Support. Redistribution of program reductions to fund higher priority programs which adjusted Navy Stock Fund prices for inflation. This realignment allows for a more equitable distribution among the programs.	1,048	
(3) Subactivity realignment from Ship/Boat Operations.	110	
(4) Subactivity realignment from Flight Operations. See Combat Development Activity submission.	417	
(5) Civilian pay was recosted to reflect the impact of FY 1997 projected actuals. Net increase was required for the total workyear complement of 15. Impact is offset in Depot Maintenance.	10	
Total Combat Development Activities Increases		2,022
(f) Combat Development Activities Decreases		
(1) Subactivity realignment to Base Support.	-10	
(2) Subactivity realignment of inflation cuts within BA1.	-118	
(3) Subactivity realignment to Operational Support of three authorizations/workyears. These positions supported the United States Army Special Operations Command (USASOC) and the Field Operating Element of USASOC for fact of life manning requirements.	-157	

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

D. Reconciliation of Increases and Decreases

(4) Subactivity realignment to Operational Support.	-2		
Total Combat Development Activities Decreases		-287	
Total Combat Development Activities Program			1,735
(g) Other Operations Increases			
(1) Budget Activity realignment from BA3.	12		
(2) Subactivity realignment from Flight Operations to support the Ranger Indoctrination Program (RIP).	200		
(3) Civilian pay was recosted to reflect the impact of FY 1997 projected actuals. Impact was offset from within total resources in Depot Maintenance.	13		
(4) Subactivity realignment from Base Support. Redistribution of funds to support higher priority programs.	1,415		
(5) Subactivity realignment from Ship/Boat Operations.	216		
(6) Subactivity realignment from Force Related Training.	165		
(7) Subactivity realignment from Ship/Boat Operations.	115		

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

D. Reconciliation of Increases and Decreases

(8) Subactivity realignment from Intel and Comm Funds were identified as Intel and Comm in the FY 1998/ FY 1999 President's Budget submission for the Family of Loudspeakers, Deployable Print Production System, and the Special Operations Media System B. Realignment allocates funds in proper subactivity for execution.	1,982	
Total Other Operations Increases		4,118
(h) Other Operations Decreases		
(1) Subactivity realignment to Operational Support. Realignment to Operational Support Subactivity. One military technician billet was reduced from the Civil Affairs arena (360 BDE) and utilized to support a priority requirement within the subordinate headquarters of United States Army Civil Affairs and Psychological Operations Command (USACAPOC). On 7 October 1996, the United States Army Special Operations Command Board of Directors established a Headquarters, Headquarters Command (HHC) in USACAPOC and mandated the Troop Program Unit management would be performed by this HHC.	-46	
(2) Budget Activity realignment to BA3 Specialized Skill Training for school operations and sustainment.	-2,323	
(3) Subactivity realignment to Operational Support to support centrally managed Deployment for Training program.	-571	
(4) Subactivity realignment to Base Support.	-165	

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

D. Reconciliation of Increases and Decreases

(5) Subactivity realignment to Ship/Boat Operations. Reflects the transfer of one billet from Group II to Special Boat Squadron 2 to meet priority staffing within existing funded resources.	-51			
Total Other Operations Decreases		-3,156		
Total Other Operations Program			962	
Total Special Operation Operational Forces				23
(2) Special Operations Operational Support				
(a) Force Related Training Increases				
(1) Subactivity realignment from Flight Operations in support of training. Funds life cycle replacement of T-10C and reserve parachutes utilized in training operations. Parachutes (based on type) are assigned 2 life cycles, shelf and service life. Once either of the two life cycles has been met, the parachutes can no longer be utilized in training events. With the addition of the Medical Battalion, the Support Battalion recently submitted a request for an additional 500 parachutes.	522			
(2) Subactivity realignment from Management Headquarters. Funds provided in Program Budget Decision for Contingency Operations were identified as Other Operations during the FY 1998/FY 1999 President's Budget. Realignment allocates funds in proper subactivity for execution.	3,200			
Total Force Related Training Increases		3,722		

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

D. Reconciliation of Increases and Decreases

(b) Force Related Training Decreases			
(1) Realignment of inflation cuts from within BA1.	-75		
(2) Budget Activity realignment to BA3, Specialized Skill.	-141		
(3) Subactivity realignment to Operational Support for Command Inspection Program.	-8		
(4) Subactivity realignment to Other Operations to equitably distribute funding received for transportation in the Pacific Command area of operations.	-165		
(5) Budget Activity realignment to BA3, Specialized Skill Training.	-17		
Total Force Related Training Decreases		-406	
Total Force Related Training Program			3,316
(c) Operational Support Increases			
(1) Subactivity realignment from Flight Operations.	276		
(2) Subactivity realignment from Other Operations ($571K), to support the centrally managed Deployment for Training Program. Funds are centrally managed to send soldiers to planning type conferences in support of the Battle Command Training Plan/Joint Readiness Training Center program. This gives the operations at the Major Support Command (MSC) level the ability to decide who, and how many personnel are considered mission essential in	581		

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

D. Reconciliation of Increases and Decreases

order to attend the planning element of conferences. Realignment from Force Related Training ($8K) to support the Command Inspection Program. In accordance with Army Regulation 101-201, the MSC's send representatives to each unit on a quarterly basis in order to assist with any problems the units are experiencing and to assess their readiness. Realignment from Combat Development ($2K).

(3) Subactivity realignment from Other Operations in support of the United States Army Civil Affairs and Psychological Operations Command of one authorization/workyear to perform Troop Program Unit management. 46

(4) Subactivity realignment from Combat Development to the Field Operational Element for three authorizations/ workyears; two authorizations to support the Field Operational Element and one for the United States Army Special Forces Command. 157

(5) Subactivity realigned from Management/Operational Headquarters to support Anti-Terrorism and Force Protection requirements. 1,750

Total Operational Support Increases 2,810

(d) Operational Support Decreases

(1) Budget Activity realignment to BA3, Specialized Skills and Training for School operations and sustainment. -41

(2) Budget Activity realignment to BA3, Specialized Skills and Training. The Field Operational Element realigned three billets to John F. Kennedy Special Warfare Center to support language training and Battle Lab. -143

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

D. Reconciliation of Increases and Decreases

(3) Subactivity realignment to Depot Maintenance. Funds were misidentified in FY 1998 President's Budget.	-3,750		
Total Operational Support Decreases		-3,934	
Total Operational Support Program			-1,124
(e) Intel and Communication Increases			
(1) Subactivity realignment from BA4 for technical support and travel. SCAMPI is a telecommunications system created to allow dissemination of Command, Control, Communications and Intelligence information between the United States Special Operations Command (USSOCOM) and its components and their major subordinate units, and selected government agencies and activities. SCAMPI is a closed community system of communications nodes and is the principle C3I medium for USSOCOM. SCAMPI provides gateway service for Special Operations Forces (SOF) to external Department of Defense classified voice, data, and Video Teleconferencing (VTC) systems. USSOCOM has developed SOF headquarters with simultaneous multimedia capability.	1,363		
(2) Budget Activity realignment from BA4 for Special Operations Forces Signal Intelligence Manpack System.	50		
(3) Subactivity realignment from Depot Maintenance to support the Aircraft Wireless Intercom System and the 113 Air to Ground systems.	65		
(4) Budget Activity realignment of inflation cuts from BA3.	10		
Total Intel and Communication Increases		1,488	

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

D. Reconciliation of Increases and Decreases

(f) Intel and Communication Decreases		
(1) Subactivity realignment to Combat Development Activity. See Combat Development Activity.	-437	
(2) Budget Activity realignment to BA4, SOCRATES for integration costs associated with the migration of National Intelligence Systems into SOCRATES architecture.	-175	
(3) Budget Activity realignment to BA4, Integrated Survey Program, to reflect actual execution of systems engineering and technical assistance.	-93	
(4) Budget Activity realignment to BA4, Multi-mission Advanced Tactical Terminal to reflect actual execution of program management engineering support.	-347	
(5) Subactivity realignment to Other Operations. During the FY 1998/FY 1999 President's Budget these dollars were identified as Intelligence and Communications. Realignment will reflect proper subactivity for execution.	-1,982	
(6) Subactivity realignment to Management/Headquarters. During the FY 1998/FY 1999 President's Budget these dollars were identified as Intelligence and Communications. Realignment will reflect proper subactivity for execution.	-1,828	
Total Intel and Communication Decreases		-4,862
Total Intel and Communication Program		-3,374

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

D. Reconciliation of Increases and Decreases

(g) Management/Operational Headquarters

Increases

(1) Subactivity realignment from Flight Operations. 380

(2) Realignment from BA4, Acquisition/ Program Management Subactivity. An internal realignment was accomplished to provide a more accurate accounting of command and control. The nine positions, to include two SES billets, have always been carried as part of the Management Headquarters ceiling. They were previously reported under the Acquisition Subactivity since they were physically located within the Special Operations Acquisition Center. This action ensures continuity with all Management/ Operational Headquarters positions captured under the same subactivity. In addition, four critical billets that support the Emergency Action Center within United States Special Operation Command (USSOCOM) were previously provided as part of a host-tenant agreement. These Air Force civilian billets were deleted by Air Material Command but the requirement within USSOCOM must be continued. An internal scrub of all funded authorizations was conducted and three positions within the headquarters were functionally recoded. The final position was transferred from Special Operations Acquisition Center to support this requirement within the Command Support Element. 696

(3) Civilian pay was recosted to reflect the impact of FY 1997 projected actuals. Net increase was required for the total workyear complement of 62. Impact was offset in BA1, Depot Maintenance. 173

(4) Subactivity realignment from Flight Operations for support of Joint Special Operations Forces Institute. 154

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

D. Reconciliation of Increases and Decreases

(5) Subactivity realignment from Intelligence and Cómmunication. Funds were identified in FY 1998/FY 1999 President's Budget in the Intelligence and Communication subactivity. Funds are realigned to reflect proper subactivity for execution.	1,828	
(6) Budget Activity realignment from BA3. Funds have been realigned to reflect proper subactivity for execution.	113	
(7) Budget Activity realignment from BA4 to support one-time costs for civilians Living Quarters Allowances and other expenses involved in Permanent Change of Station moves for 5 civilians. Housing leases for civilians in Korea must be paid for two years in advance.	400	
(8) Offset as a result of civilian pay recosting identified in BA4.	448	
(9) Budget Activity realignment from BA4 to reflect proper subactivity for execution.	44	
Total Management/Operational Headquarters Increases		4,236
(h) Management/Operational Headquarters Decreases		
(1) Subactivity realignment to Operational Support for Anti-Terrorism and Force Protection.	-1,750	
(2) Subactivity realignment to Force Related training for Emergent Operations.	-3,200	

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

D. Reconciliation of Increases and Decreases

(3) Budget Activity realignment to BA3, Specialized Skills and Training for administrative support for the Historian and Museum.	-32		
(4) Realignment of inflation cuts from within BA1.	-11		
(5) Budget Activity realignment to BA4. During the FY 1998/FY 1999 President's Budget, funds were erroneously decremented in BA4 to offset civilian pay increases in BA1.	-461		
(6) Civilian Pay offset for Special Operations Acquisition Center.	-591		
Total Management/Operational Headquarters Decreases		-6,045	
Total Management/Operational Headquarters Program			-1,809
(i) Depot Maintenance Increases			
(1) Subactivity realignment from Operational Support. Funds were identified in FY 1998/FY 1999 President's Budget as Operational Support. Realignment reflects proper subactivity for execution.	3,750		
(2) Subactivity realignment from Base Support. Funds were identified in FY 1998/FY 1999 President's Budget as Base Support. Realignment provides equitable distribution of program reductions to fund higher priority programs.	1,243		
Total Depot Maintenance Increases		4,993	

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

D. Reconciliation of Increases and Decreases

(j) Depot Maintenance Decreases			
(1) Civilian pay offset to cover the following civilian pay increases; Flight Operations ($74K), Combat Development Activity ($10K), Other Operations ($13K) and Management Operational Headquarters ($173K).	-270		
(2) Subactivity realignment to Intelligence and Communications to support the Aircraft Wireless Intercom System ($63K) and 113 Air-To-Ground ($2K) to align with other Air Force Special Operations Command communications programs	-65		
Total Depot Maintenance Decreases		-335	
Total Depot Maintenance Program			4,658
(k) Base Support Increases			
(1) Subactivity realignment from Flight Operations to reestablish base-line decremented by program reductions to fund higher programs during the FY 1998/FY 1999 President's Budget. This was an inflationary adjustment of fuel costs which was assessed against Base Support.	490		
(2) Subactivity realignment from Combat Development Activity.	10		
(3) Budget Activity realignment from BA3 Base Support to redistribute funding.	484		
(4) Subactivity realignment from Other Operations.	165		
Total Base Support Increases		1,149	

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

D. Reconciliation of Increases and Decreases

(1) Base Support Decreases				
(1) Budget Activity realignment to BA3, Specialized Skills and Training in support of School Operations and sustainment.	-20			
(2) Subactivity realignment to Depot Maintenance. Funds are realigned to reflect proper subactivity for execution.	-1,243			
(3) Subactivity realignment to Ship/Boat Operations.	-194			
(4) Subactivity realignment to Combat Development Activity.	-1,048			
(5) Subactivity realignment to Other Operations for redistribution of funds due to program reductions to funds higher priority programs to meet operational requirements, i.e., parachutes, outboard motors, zodiacs and equipment.	-1,415			
Total Base Support Decreases		-3,920		
Total Base Support Program			-2,771	
Total Special Operations Operational Support				-513
6. FY 1998 Current Estimate				1,100,095
7. Price Growth				7,438
8. Program Increases and Decreases				

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

D. Reconciliation of Increases and Decreases

a. Budget Activity 1 - Operating Forces

(1) Special Operations Operational Forces

(a) Flight Operations Increases

(1) Restoration of 212 hours and associated fixed Contractor Logistical Support and depot support costs for one MH-47E. The reduction of the 212 hours was based on the loss of the aircraft during the March 1996 mishap. A reduction of 1/24th of depot support, MH-47E over spares, Life Cycle Contractor Support EK and Life Cycle Contractor Support (LCCS) sensors was proposed during our Program Review initial process. The assessment directors validated the restoration of 212 hours and the associated costs directly related to all platforms within 160th SOAR's Flying Hour Program (FHP). LCCS MH-47E and LCCS sensors are fixed costs; a decrease would compromise the efficiency of these contracts. OPTEMPO remains the same regardless of the density of aircraft. In order to provide the same level of support to the Regiment's customers, it is imperative to continue the same allocation of hours. The MH-47E is the customer's platform of choice due to All Weather Capabilities, long range (air fueling) for deep penetrations and large carrying capability. 1,089

(2) Increase of two workyears is provided in advance of the CV-22 arrival to ensure maintenance instruction is on line. 100

(3) In FY 1999, the 6SOS gains 17 military personnel to increase their ability to provide allied foreign troops valuable training in tactics development and aircraft maintenance. This funding supports the manpower as well as ever-increasing requests for training by the Theater Special Operations Commands. 307

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

D. Reconciliation of Increases and Decreases

(4) Travel requirements supporting the CV-22 acquisition. Air Force Special Operations Forces (AFSOC), as the "user" must participate in program management reviews, etc., to protect AFSOC's interests as the aircraft is developed and procured. 94

(5) This plus-up represents an increase in AFSOC's Budgeted flying hour program from 53,072 to 57,425 hours. This 4,353 hour increase still leaves AFSOC's 581 hours short of required hours as reflected in the FY 1999 OP-20E Exhibit. Weapons Systems showing an increase between FY 1998 and FY 1999 are as follows: 14,370

MDS	FY98 BUDGETED HOURS	FY99 BUDGETED HOURS	INCREASED HOURS	($000) INCREASED FUNDING
AC-130H	3,139	3,413	274	1,510
AC-130U	4,954	5,389	434	3,299
EC-130E	2,406	2,616	210	222
MC-130P	11,549	12,559	1,010	1,983
MC-130E	6,119	6,654	535	1,559
MC-130H	9,232	10,040	808	2,283
MH-53J	11,712	12,736	1,024	3,409
MH-60G	2,254	2,163	-91	-122
TH-53A	1,338	1,455	117	217
UH-IN	369	401	32	10
TOTAL:	53,072	57,425	4,353	14,370

Total Flight Operations Increases 15,960

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

D. Reconciliation of Increases and Decreases

(b) Flight Operations Decreases			
(1) Decrease due to one-time FY 1998 Anti-terrorism and Force Protection initiative consists of fences/ gates and external surveillance/intrusion equipment; locks and video monitoring on internal storage facilities. Funding for this project was deferred from FY 1997 to FY 1998. Total estimated costs of project is $1,167.	-1,057		
(2) Program decrease in the C2 aircraft maintenance.	-199		
(3) Decrease in contracts for flight simulator maintenance at Kirtland AFB, NM and at Hurlburt Field, Fl.	-320		
(4) Reduction for FY 1998 one-time startup costs in the 919 SOW MC-130E schoolhouse.	-110		
(5) Prescribed rate indices for Army Managed Supplies and Equipment increased the cost of goods purchased and reduced purchasing power by 5.3 percent. This sharp rate of increase forces a corresponding reduction in the scope of Air Operations.	-2,537		
(6) Decrease is due to a mandated one-time increase in fuel for FY 1998 and a decrease in FY 1999.	-2,482		
Total Flight Operations Decreases		-6,705	
Total Flight Operations Program			9,255

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

D. Reconciliation of Increases and Decreases

(c) Ship/Boats Operations Increases

(1) Subactivity realignment from BA1 Base Support Funding will be applied toward Operating Target (OPTAR) support of Special Boat Units. OPTAR increase will provide additional supplies and material consumed at the component level. Increase will also support a revised engineering estimate which will be adjusted as the buildings require modification to meet ongoing operational requirements. 91

(2) Subactivity realignment from Other Operations for collateral equipment funding to align dollars to coincide with completion of MILCON Q419. 423

(3) Program increase is due to the Phase In of the new NSW Rigid Inflatable Boat (RIB). Planned delivery of 18 craft to Special Boat Units during FY 1999 requires supply, repair parts, fuel, training and maintenance support. Replaces a variety of aging 24 foot RIBs and 30 foot I-RIBs which are phased out as new craft are delivered. 2,115

(4) Program increase due to the full inventory of 20 MK V craft become fully operational and deployable in FY 1999 versus only 16 in FY 1998. Fuel, repair parts, organizational maintenance, OPTAR, Temporary Additional Duty Target and airlift/ sealift costs support the maintenance, training and deployment of 10 detachments of 2 craft. 5,461

(5) Patrol Coastal deployment requirements for Special Boat Squadron (SBR) TWO is planned to increase from 38 deployed months to 40 deployed months between FY 1998 and FY 1999. This increase in steaming costs results in the associated demand on organizational and intermediate maintenance. Increased employment in theater operations includes fuel, airlift and 1,824

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TADTAR for Maintenance Support Teams, port services and usage of consumable material. Extended transits of SBR ONE ships is placing an increased demand on organizational maintenance, which will result in a $500K+ increase for routine maintenance items, such as spare parts, tools and consumables.

Total Ship/Boats Operations Increases	9,914	
(d) Ship/Boats Operations Decreases		
(1) Subactivity realignment to Other Operations to correct component Joint Chief of Staff/Joint Combined Exercise Training resource distribution. Funding was erroneously cross-walked when the Planning, Programming, Budget Execution, Management Information System was established.	-174	
(2) Budget Activity realignment to BA3 and Subactivity realignment. Funds increased for inflation adjustments to the fuel program. These funds were realigned by Naval Special Warfare Command Combat Development Activities ($97K), Other Operations ($62K) and BA3, Specialized Skill Training ($14K).	-173	
Total Ship/Boat Operations Decreases	-347	
Total Ship/Boats Operations Program		9,567
(e) Combat Development Activities Increases		
(1) Subactivity realignment from Base Support, BA1 to allow for a more equitable distribution of program reductions to fund higher priority programs.	304	

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

D. Reconciliation of Increases and Decreases

(2) Subactivity realignment from Ship/Boat Operations to provide "pay back" for fuel costs adjustments made as a result of program reductions to fund higher priority programs.	97		
(3) Subactivity realignment from Operational Support to support a priority manning requirement. Individual is an equipment specialist and focal point for all RDT&E special technologies and material solution for Joint Special Operations Command's emerging mission.	54		
(4) The classified program within USASOC requires restoration of the two workyears reduced in FY 1998. The full manning of 93 personnel will be on-board for FY 1998 and FY 1999.	115		
(5) Increase in Combat Development Activity. See Combat Development Activity submission.	1,114		
Total Combat Development Activities Increases		1,684	
(f) Combat Development Activities Decreases			
(1) Functional Transfer/Reprogramming to Procurement for Combat Development Activity.	-878		
(2) Functional Transfer/Reprogramming to RDT&E for Combat Development Activities.	-760		
(3) Decreases in Combat Development Activity. See Combat Development Activity.	-2,738		
Total Combat Development Activities Decreases		-4,376	
Total Combat Development Activities Program			-2,692

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D. Reconciliation of Increases and Decreases

(g) Other Operations Increases

(1) Subactivity realignment from Base Support. The total plus up was originally aligned to the Base Support Subactivity. This action properly realigns funding to Other Operations. Funds will support high priority phased equipment, supplies, and operational clothing requirements. 306

(2) Subactivity realignment from Ship/Boat Operations for equitable distribution of fuel inflation adjustments. 62

(3) Defense Financial Accounting Service transferred workload associated with obligation processing function to Naval Special Warfare Group 1. Funding was absorbed from within MFP-11 resources. 53

(4) Subactivity realignment from Ship/Boat Operations to correct component Joint Chief of Staff/Joint Combined Exercise Training resource distribution. 174

(5) Special Operations Media System B provides a deployable, C-130 drive-on/drive-off tactical radio/TV transmission, reception and electronic new gathering system. This system replaces 1950 to 1960 technology currently fielded. System reduces airlift requirements. This increase supports the life cycle sustainment of fielded systems. 1,146

(6) The Army Reserve program within United States Army Special Operations Command requires full restoration of workyears to support manning levels. Total end strength for FY 1998 and FY 1999 is 176 with 174 FTE to account for standard lapse rate. This restores the eight workyear previously reduced in FY 1998. 383

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D. Reconciliation of Increases and Decreases

(7) Increase is the O&M tail for MILCON Project 42315, SOF Battalion and Company Operation Facility. Funds will purchase Furnishings & IMA Support Systems. Furnishings must be purchased six months before construction completion (FY 1999) to ensure delivery before construction is complete.	2,235
(8) Increase in contracts for Counter Drug Program. Details covered under separate submission.	97
Total Other Operations Increases	4,456
(h) Other Operations Decreases	
(1) Subactivity realignment to Ship/Boat Operations to meet Navy Special War Group TWO's collateral equipment requirements to coincide with completion of Military Construction (MILCON) Q-419.	-423
(2) Decrease due to one-time FY 1998 buy of supply items not provided as part of the Family of Medium Tactical Vehicle fielding plan. Items required to be purchased include canvases, bows, tie down kits and machine gun mounts. This fielding started in FY 1997 and will be completed in FY 1998.	-180
(3) Decrease due to the completion of Tabletop Base Station (TTBS) upgrade/maintenance to 10/20 standards in FY 1998 prior to forwarding to the National Guard (NG). The Special Forces Command has a cascade plan which will provide the TTBS to the NG once the AC units start receiving the Joint Base Station Fielding which begins in FY 1998. Also a decrease due to one-time buy in FY 1998 of MC4 RAPP parachutes which had reached shelf life and replacement was required to meet safety standards.	-310

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

D. Reconciliation of Increases and Decreases

(4) Reduced level of phased equipment replacement, quantities of supplies and equipment to be procured by SEAL teams, Naval Special Warfare Groups and units. This decrease represents reductions taken to allow for other program changes and realignments. This is not a reduction in requirements but a reduction in resources available to support changing requirement levels.	-1,715			
(5) Cancellation of participation in RIM of the Pacific. This major Pacific Command Area of Operations exercise is a biennial event scheduled for even years.	-315			
(6) Decrease in travel ($77), Contracts, supplies and equipment for Air Force Special Operations Command.	-211			
Total Other Operations Decreases		-3,154		
Total Other Operations Program			1,302	
Total Special Operations Operational Forces				17,432
(2) Special Operations Operational Support				
(a) Force Related Training Increases				
(1) Realignment from Management/ Operational Headquarters Subactivity. In concert with the Joint Manpower Review, one position previously coded on the Management Headquarters documentation was functionally realigned to support the operational Deployment Cell. This is not a change in manpower totals, only a redistribution between subactivities in the United States Special Operations Command.	66			

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

D. Reconciliation of Increases and Decreases

(2) Increase in Force Related Training falls under the travel of persons and contracts categories. Increase is attributable to the disproportionate cut levied during FY 1998. The intent was to reduce funding for JCS exercises by 15 percent. However, the actual cut levied represented a 38 percent cut.	5,506		
Total Force Related Training Increases		5,572	
(b) Force Related Training Decreases	0		
Total Force Related Training Programs			5,572
(c) Operational Support Increases			
(1) Subactivity realignment from Management/Headquarters Operations. United States Army Special Operations Command evaluated the functions within the Military Personnel Division. Pursuant to the Management/Headquarters Operations streamlining initiative, 11 civilian workyears, to include personnel specialists and a secretary billet, were functionally transferred to the Field Operational Element as direct support to the Major Subordinate Command units. Since the FY 1996 reorganization, business processes, systems and workload distribution has been significantly adjusted. This action was delayed until FY 1999 to minimize turbulence in the work environment.	588		
Total Operational Support Increases		588	
(d) Operational Support Decreases			
(1) Subactivity realignment of four authorizations/workyears from the Field Operational Element at United States Army Special Operations Command to support other priority manning requirements; one authorization/workyear ($54) to the	-216		

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

D. Reconciliation of Increases and Decreases

Headquarters United States Special Operations Command; one authorization/workyear ($54K) to the Joint Special Operations Command and two authorizations/workyears ($108K) to the Navy Special Warfare Command.

(2) Decrease is due to one-time buy in FY 1998 of furniture, telephone and communication equipment necessary to support the construction of the new headquarters for the 528th SOSB and life cycle replacement of equipment currently not required during this FY. -2,479

(3) Decrease in contractual support required due to warranty of new building. -424

(4) Decrease in travel and per diem costs due to the increased usage of conference call technology/and Video Teleconferencing Communications for meetings and mission related conferences. -399

Total Operational Support Decreases -3,518

Total Operational Support Program -2,930

(e) Intelligence and Communication Increases

(1) Special Operations Forces Intelligence Vehicle - program increase is inclusion of Theater SOCs, additional hardware maintenance and transportation, and packaging and handling costs. 331

(2) Special Mission Radio System (SMRS) - Funds are required for life cycle sustainment of fielded systems. SMRS is a joint radio system that provides a lightweight, Low Probability of Intercept/Low Probability of Detection high frequency 685

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

D. Reconciliation of Increases and Decreases

radio. Deployed in hostile and clandestine environments, the system consists of manpack radios and transit base stations. The transit base stations provide SOF connectivity to the Defense Information System Network. An additional 101 systems will be fielded to components during FY 1999. Funding will be utilized to provide operational units with Depot Maintenance support. This includes repairs to damaged radios, technical assistance and on-site representatives in the support of communications programs. Also represents funding for Theater SOCs.

(3) Multi-band/Multi-mission Radio 819
(MBMMR) - MBMMR provides a lightweight, secure, manpackable transceiver operating in multiple frequency bands. MBMMR reduces the number of different radios to a single team radio. Funds are required for life cycle sustainment of fielded systems and will be utilized to provide operational units with Depot Maintenance support. This support provides technical assistance and on-site representative as well as repairs to damaged radios.

(4) Multi-band Inter/Intra Team Radio 287
(MBITR)- MBITR provides secure intra-team/Inter Team Radio communications. It eliminates the need for multiple radios currently required to support Special Tactics units performing missions and sustains fielded systems. Current fielding plan for this newly contracted radio is forecast to commence during FY 1999. Increase will provide sustainment support.

(5) Joint Base Station (JBS) - Funds 2,271
replenishment spares, replacement equipment, and system and hardware maintenance associated with fielding of additional variant systems of the JBS to Naval Special Warfare Command, Headquarters United States Special Operations Command, and United States Army Special Operations Command. The JBS is a Special Operations Forces unique system created by the merging of the AN/TSC-135 (NSW Task Unit Van) now known as the

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

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JBS CORE, the AN/TSC-132A (NSW Modular Communications/MODCOM now known as the JBS variant 4 and the AN/FSC-121A (NSW Fixed Base Station) now known as the JBS Variant 3. Variant 1 and 2 are Army and Air Force systems. Increased funding is due to the fielding and sustainment for two additional variants of the JBS system amounting to 5 JBS Variant 3 and 6 JBS Variant 4 systems.

(6) SILENT SHIELD - Program increase is required to logistically support the five Low Rate Initial Production systems scheduled for delivery in FY 1998. These systems were purchased with $3.2M of FY 1997 acquisition procurement funds. The program is part of an evolutionary Joint Threat Warning System migration being developed to support SOF-wide operations. System development emphasizes a rapid prototyping effort to develop, test, and field systems that provide direct threat warning and enhanced situational awareness data to Special Operations Forces (SOF) aircrews at the Collateral SECRET level. 77

(7) Program increases are associated with funding for depot level repair of Air-to-Ground Radios, Satellite Communication Radios, Aircraft Wireless Intercom System and the PRC-112 survival radio. 86

(8) Program increase to support SOF Tactical Assured Connectivity System (SOFTACS). Increase also provides for inclusion of Theater Special Operation Commands. This is state-of-the-art tactical automation system and digital tele-communications network to meet SOF Command, Control Communications, Computers Intelligence Automated Systems throughput capacity. New platform is a United States Special Operations Command (USSOCOM) requirement with a combined procurement for USSOCOM, Army, Joint Communication Services Element and Marines based on common needs. The system provides a multi-channel SHF satellite transmission and digitally-switched communications network that is inherently and 100

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

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seamlessly inter-operable with joint strategic and conventional theater/tactical communications networks.

(9) International Maritime Satellite 210

program was scheduled for replacement during FY 1998, therefore, program lines were eliminated during FY 1999. Due to problems experienced during production of the new system, program has slipped creating the requirement to fund International Maritime Satellite program for FY 1999.

(10) Headquarters United States Special 6,297

Operations Command (USSOCOM) Command, Control, Communications, Computers Intelligence increases for global commercial satellite circuit costs. The services provided via the USSOCOM Commercial Satellite Initiative will be used to supplement existing Defense Satellite Communications System (X Band) services, via the United States Special Operations Command (USSOCOM) SCAMPI System. SCAMPI is a closed community system of communications nodes and is the principal C3I medium for USSOCOM. SCAMPI provides gateway service for Special Operations Forces (SOF) to external Department of Defense classified voice. Data and Video Teleconferencing systems. USSOCOM has developed a Deployable SCAMPI capability. This capability will support new and emerging tactical SOF Systems such as Deployable SCAMPI, the CRASHOUT tri-band satellite terminal being fielded to the Theater SOCs, the Special Operations Forces Intelligence Vehicle and Special Operations Tactical Assured Connectivity Systems. The frequency spectrum is a precious resource. The use of commercial satellite bandwidth in support of these Command, Control, Communications, Computers Intelligence (C4I) systems will provide the SOF community greater operational flexibility than that offered by the sole use of the Defense Satellite Communications System. Exploiting the use of commercial satellites is a key objective of the USSOCOM C4I Strategy.

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D. Reconciliation of Increases and Decreases

(11) Year 2000 Software Processing 5,810
Problem. The Y2K Problem is caused by software processing errors associated with logical comparisons of date/time fields during 1999 and 2000. To facilitate Year 2000 (Y2K) Problem resolution, USSOCOM entered 85 C4I systems into the Defense Integrated Support Tools database as directed by the Assistant Secretary of Defense for C4I. These systems must undergo significant and difficult renovations followed by extensive testing. Funds will be spent on automated software analysis and repair tools, replacement software/hardware for systems which are not cost effective to repair, services (technical, general and management), supplies and other costs (travel) required to mitigate the United Special Operations Command Year 2000 problem.

(12) Video Teleconferencing (VTC) costs 1,184
will increase due to the installation of the Phase II requirements and the associated circuit costs. In addition to the increase of equipment and capability of the VTC system, there are additional equipment costs using the existing maintenance contract. During the FY, the scheduled installation of additional Defense Video Services Global (DVS-G) will be accomplished, resulting in additional circuit costs. These installations will give us access to all DVS-G sites in the Department of Defense.

Total Intel and Comm Increases 18,157

(f) Intel and Comm Decreases

(1) Special Operations Command Research, -483
Analysis, and Threat Evaluation System - program decrease is due to a reduced amount of replenishment spares, software replacements, and systems administration support associated with the Psychological Operational Automated System Civil Affairs database.

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

D. Reconciliation of Increases and Decreases

(2) Decrease in digitized audio visual equipment upgrades and conversions completed in FY 1998. Due to upgrade of conference rooms and warranty in effect for new equipment, maintenance contract costs have decreased.	-921		
Total Intel and Comm Decreases		-1,404	
Total Intel and Comm Program			16,753
(g) Management Headquarters Increases			
(1) Realignment from Operational Support Subactivity. The Field Operational Element within United States Army Special Operations Command (USASOC) transferred two civilian billets to Naval Special Warfare Command (NSWC) in exchange for two NSWC military billets realigned to support the Joint Special Operations Command build. The two civilian billets consist of a Quality Assurance Officer for Undersea Mobility Programs and an Awards Technical Advisor.	108		
(2) Subactivity realignment from Operational Support. USASOC transferred one billet to support a priority manning requirement in the J7 Directorate. This supports the centralization of Force Development.	54		
(3) During the Programming Objective Memorandum process, funds were realigned for the Joint Special Operations Forces Institute (JSOFI). This was not to establish a baseline. It is a specific initiative for multi-year contract support for distance learning and education assessment. The JSOFI develops and integrates joint doctrine, training and education as it applies to special operations across the spectrum of joint operations. Funds will support all areas of sustainment, travel, per diem, supplies, equipment, and contracts.	383		

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(4) The Headquarters, USASOC requires full restoration of three workyears previously reduced in FY 1998 to support FY 1999 manning levels. 175

(5) Increase funding provides for Contractor Support for the preventive maintenance and software updates to the Global Command and Control System (GCCS) which replaced the World Wide Military Command and Control System. GCCS consists of the basic functions required by a warfighter to plan, execute, and manage military operations. Some of the basic functions are; crisis planning, force generation, force employment, force status, air operations, unit location and narrative information. The GCCS system is used to report readiness information (Unit Status Reports) to Army and the Joint Staff, participate in the development and execution of deliberate OPLANS or contingency operations and deployment on overseas exercises. The United States Army Special Operations Command (USASOC) Global Command and Control System is also the back up site for United States Special Operations Command. The system requires regular preventive maintenance and software updates. USASOC Force Readiness Branch manages this system with support from contractors at the 36 other Initial Operating Capability sites. The associated costs for the contract is higher due to changes in audio visual technology hardware upgrades and higher levels of Sustainment and Maintenance. Funding is necessary for software to support new technology required for the Army's Force XXI digitization initiative. Funds will also support the USASOC Psychologist travel costs to sites during training and evaluation of soldiers. Previously, some of this travel was covered by the Military Training Open Allotment, however, beginning in FY 1998, this funding will not be available since it has been determined by Army Deputy Chief of Staff for Operations that this is not an Military Occupational Series producing course. 966

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(6) Funding increase will support the additional travel requirements for Naval Special Warfare Intelligence Course for off-site instruction, instructor training, and facilitation of instructional staff participation in Naval Special Warfare Command and Special Operations Forces conferences and meetings. The required funds support the instructional staff conducting Mobile Training Team (MTT) training at both CONUS and OCONUS sites. MTT is the most cost effective method of training personnel.	61	
(7) Contract support for Naval Special Warfare Test Publication which provides tactics, techniques, and procedures for SEAL Delivery Vehicle tactical combat operations will provide more professional documentation support services in FY 1998 and FY 1999. The re-negotiated contract was written to expand study capabilities, and as studies/users increase, program costs will rise.	352	
(8) The Headquarters, United States Special Operations Command requires full restoration of six workyears previously reduced in FY 1998 to execute the FY 1999 manning levels.	396	
(9) Increase in Special Operations Command Southern (SOC-S) is due to requirement to relocate in FY 1999 from Panama as a result of the Treaty Implementation Plan.	500	
(10) Net increase to HQ United States Air Force Special Operations Command (AFSOC) for travel and per diem costs as reevaluated by FY 1997 actuals and FY 1998 program schedules.	115	
Total Management/Operational Headquarters Increases		3,110

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D. Reconciliation of Increases and Decreases

(h) Management/Operational Headquarters

Decreases

(1) Subactivity realignment to -588
Operational Support. Functional realignment of 11 workyears to the Field Operational Element of United States Army Special Operations Command. This transfer reduces the Defense Management Headquarters Authorization level.

(2) Realignment to Force Related Training -66
Subactivity. Headquarters, United Special Operations Command realigned one billet to the Deployment Cell to support a priority manning requirement.

(3) In FY 1998, one-time cost for Local -400
Quarters Allowance and moving expenses for personnel in Special Operations Command Korea was experienced.

(4) One time cost for Voluntary -32
Separation Incentive Pay.

(5) Decrease in travel and per diem due -228
to the reduction in Special Operations Forces Emergency Medical Technician-Paramedic (SOF-EMTP) Qualification Training from the FY 1998 120 student load to 60 during FY 1999.

(6) Establishment of two Special -118
Operations Command, Central forward cells in the Area of Responsibility (AOR) resulted in decrease in travel from CONUS to the AOR for exercise site surveys and planning conferences. The transfer of the Caribbean AOR from Special Operations Command, Atlantic (SOCACOM) to Special Operations Command, South caused a reduction in travel at SOCACOM due to less participation in AOR site surveys and planning conferences. Completion of the workspace expansion of

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Special Operations Command, Korea (SOCKOR) headquarters building decreased requirements for supplies, furniture and equipment, in addition to work orders being closed.

(7) Headquarters, United States Special Operations Command was required to provide the offset for Civilian Pay recosting for Special Operations Command Acquisition Center. -144

(8) Decreases were applied to USSOCOM headquarters funding level with primary impact to Cost and Economics Analysis Studies (COEAS), Studies and Analysis (S&A programs) and reductions to travel, supplies and equipment. -3,668

Total Management Headquarters Decreases -5,244

Total Management/Operational Headquarters Program -2,134

(i) Depot Maintenance

(1) Increase attributed to projected depot repair costs for AN/TSQ-171, Psychological Operations (PSYOP) Television Broadcast System and Aircraft Wireless Intercom System (AWIS). AN/TSQ-171 system is a transportable television station capable of providing pre-recorded, or live color PSYOP broadcasts. This is a one of a kind system consisting of commercial off-the-shelf items that are expensive to repair and/or replace. AN/TSQ-171 was scheduled to be replaced by Special Operations Media System-A (SOMSA). However, due to delays in SOMSA program, it is necessary to continue life cycle replacements and repairs. AWIS is a wireless intercom system consisting of commercial off-the-shelf items. Small repairs will be conducted by users while most repairs will be conducted by a depot or Original Equipment Manufacturer. The user is required to fund depot/contract repairs since the warranty will expire in the third quarter of FY 1999 101

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(2) The MH 53-J requires funding to support sustainability type efforts. The weapon system faces innumerable risk periods where severe flight restrictions or even groundings will occur because of unforeseeable problems. This funding will be used to support safety of flight issues, changes, user suggestions, parts coding and other general basic support initiatives required to keep the weapon system operational. Program includes a vital upgrade to AAQ18 which environmentally seals existing center window and side section assemblies. The program improves corrosion/ deterioration damage attributable to ingestion of contaminates. Modification will vastly improve MTBF for both the MH-53J and MC-130E. Program purchases 100 mod kits for MH-53J, MC-130E and spares. 744

(3) The MH-60G requires funding to support sustainability type efforts. Funding supports interim contractor support. Sustainment funds are required to prevent delays of low cost maintenance and improvements. 406

(4) MC-130H Combat Talon II - Increase provides for real time logistics and engineering activities required to sustain MC-130H systems to include investigation of field anomalies, deficiencies, and software trouble reports. The inability to resolve real time problems will reduce aircraft availability. Further, these funds provide for the incorporation of technical order updates from Air Force and other directed modifications. Without this capability, maintainers and aircrews will be unable to sustain and operate the aircraft properly and safely. The Combat Talon II is a production and sustainment program in which a specialized avionics suite has been integrated into a C-130H airframe. Its mission is to conduct night, adverse weather, low-level, long range operations in hostile, politically denied/sensitive defended areas to infiltrate, resupply, or exfiltrate Special Operations Forces (SOF) and equipment. 1,511

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(5) Special Operations Forces Training 356
Systems - AC-130 training systems have been brought on-line and are being used by Air Force Special Operations Command. The AC-130U training system expedites Navigator, Fire Control Officer, and Maintenance Technician Training. It also reduces reliance on ground aircraft for training and provides a safer way to train emergency procedures and critical maintenance actions. With this funding increase (SOF) will be able to continue to support programmed levels of aircrew and avionics maintenance technician training.

(6) Increased funding required to support 550
Micro Shipboard Non-Tactical Automated Data Processing (SNAP). Micro SNAP reprogramming is needed to conform program to Naval Special Warfare Command (NAVSPECWARCOM) and United States Special Operations Command (USSOCOM) financial reporting/cost collection requirements. Funds will provide additional training and trouble-shooting for component commands which use Micro SNAP and Micro Organizational Material Management systems. This will ensure forces ability to utilize a customized Special Operations Forces system.

(7) Increased funding to support aging 350
Auxiliary Seal Delivery Vehicles (ASDVs). ASDVs support training and localized SDV operations. Maintenance is essential to maintain the crafts life support capabilities. ASDVs provide the only surface support platform for SDV operations. Level of effort funding increase and emergent repair funding is needed to maintain these support platforms.

(8) Increased funding to support Hull 1,100
Integrity Procedure (HIP) inspections. The Dry Deck Shelter (DDS) cycle has increased the number of HIP inspections to be completed. Additionally, the cost of overhauls for DDS increased significantly due to labor rate increases. During FY 1999 six inspections will be conducted. Inspections are performed on an annual cycle. Inspections

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include the cost to pull the DDS from the watership/transport to inspection site, TDY, engineering support, crane support and return the shelter to the deployment site.

(9) Program increase required for Auxiliary Seal Delivery Shelter (ASDS) curriculum as approved by Chief of Naval Education and Training. First phase of the curriculum involves a hand-picked ASDS-Fleet Introduction Team (ASDS-FIT) to receive factory training. Once fully trained, the team will return to Hawaii with the first ASDS vehicle and become the core of the first operational platoon. The ASDS personnel will develop the curriculum they will eventually teach. Costs will include course materials, support equipment, and minimal contractor support. 700

(10) The aging Naval Special Warfare Command (NAVSPECWARCOM) boat inventory requires increased engineering levels to maintain the required number of older boats operational and still support the same variety of craft in the inventory. This inventory consists of MARK IV Patrol Boats, Mini Armored Troop carriers, 10 Meter Rigid Hull Inflatable Boat (RHIB), 24 FT RHIBs, and High Speed Boats. Engineering support consists of craft drawing maintenance, configuration management, inventory and spare parts management and oversight as well as all logistics assistance and supervision. NAVSPECWARCOM is required to maintain more of the total number of boats in an operational status while eliminating the boats and craft that are no longer operational assets. 159

(11) The MK V twenty boat inventory schedule is to be delivered by first quarter FY 1999. This has increased requirements in the area of craft alterations (engineering/ design/drawings). Craft alterations provide the means for low cost changes to ensure the boat performs to its performance envelope. This funding supports the engineering level of effort necessary to meet operational commitments. These funds are essential to provide full 384

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operational capabilities of these boats. Past changes have included alterations for stability improvement of the hard top, instrument configuration changes and seal and weapons mounting changes Funding also provides for configuration changes to the "MK V" base-line drawings as well as technical manual updates for each boat. This support is essential to ensure craft operators and maintenance personnel can operate and repair craft when needed. Additionally, reverse engineering will be required for some off-the-shelf equipment. Reverse engineering is the term used to define and describe the requirement to design parts no longer available from Commercial Off-The-Shelf (COTS) sources. Since most manufacturers own COTS drawings and manufacturing rights, the government must purchase the re-creation of repair parts necessary to safely operate and maintain the boats.

(12) MK V increased level of depot maintenance support is required to maintain the Phased Maintenance Availability (PMA) which is scheduled for each craft on a rotational twenty-four month cycle. A total of eight craft are scheduled for PMA during FY 1999. PMA also includes maintenance and repair of the transporter, prime mover and support vehicles assigned with the craft. Depot level maintenance includes engine and waterjet overhaul, hull repairs; such as cleaning and painting, and any deferred corrective maintenance and preventative maintenance. Engine work includes repairs to injectors, turbochargers and fuel pumps. Additionally, maintenance for communication/navigation equipment and weapon mounts is also funded at this level. 1,941

(13) SEAL Delivery Vehicle Team (SDVT) program increase required to provide In-Service Engineering Agent support for Pre-Planned-Product Improvement for Mod 1. FY 1999 finds the SDV in full operational capability after completion of an extensive Service Life Extension Program. These funds are needed to 190

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support engineering requirements to include craft drawing maintenance, configuration management, inventory and spare parts management and oversight as well as all logistics assistance and supervision.

(14) Naval Special Warfare Command (NAVSPECWARCOM) Rigid Hull Inflatable Boat (RHIB) - Increased funding required to support implementation of new NAVSPECWARCOM RHIB program. These craft will be entering their third year of operational use and as the craft age, increased engineering support will be required. Funding will support the life cycle cost and logistics management associated with the craft. Engineering support and inventory management will reach fully required levels as these craft begin to require additional maintenance. Engineering support includes all configuration changes, drawing maintenance and logistics assistance. 647

(15) NAVSPECWARCOM Night Vision Electro-Optics (NV/EO) - Increased funding is required to support In-Service Engineering Agent support level of effort and maintenance due to the introduction of the AN/PAS-19 Lightweight Thermal Imager. Engineering support consists of drawing maintenance, configuration management, inventory and spare parts management and oversight as well as all logistical assistance and supervision. Maintenance support includes transfer receipt, labor charges for evaluation of repairs, actual repair of equipment and packaging and return of this operational equipment to the field. Naval Surface Warfare Center, Crane, Indiana serves as primary source for NV/EO repairs and inventory management. Additionally funds support the procurement of spare parts which is essential in the repair and maintenance of the newly acquired imagers. 121

(16) Undersea Systems - Increased funding is required for In-Service Engineering Agent (ISEA) support for MK 16 Underwater Breathing Apparatus. ISEA is required to support the ongoing engineering requirements of the Naval Special Warfare Command (NAVSPECWARCOM) Undersea System Programs. These programs include all 229

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diving equipment, parachutes, life support and breathing apparatus items. NAVSPECWARCOM is required to ensure engineering support is provided for the evaluation, testing, certification and maintenance of all of the above items. Testing and evaluation is indirect support of any locally derived and approved change proposals. This work includes evaluating the performance of existing inventory equipment, certification of all life support equipment and management support and control of inventories.

(17) Patrol Coastal (PC) - Increased funding will provide for PC ship "Title D" alterations, to include improvements to the operational sustainment of the PCs, and will be done during maintenance periods. These alterations involve changes in hull, machinery, fittings and equipment, and the associated design material, locations and relationship of component parts. These funds will provide for the ships to meet the performance envelope of the original design of the ship. Changes may include, but are not limited to; engines, gages, communication and navigation equipment as well as operational auxiliary equipment onboard the ship. Items and changes may include fuel tank modification, relocation of equipment to enhance deployment capabilities, movement and relocation of racks and storage facilities as well as installation of new equipment. Further, associated with operation and sustainment of the ship, items may include change out of new mess gear and habitability features onboard the ships. These items and changes are essential to ensure crew safety and minimal quality of life for the ships crew. 2,023

(18) Air Force Special Operations Command requires a restoral of three workyears cut in FY 1998. Full manning of 235 positions will be in effect for FY 1998 and FY 1999. A minimum of 231 workyears provides support with standard lapse rate incorporated. 169

Total Depot Maintenance Increases 11,681

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D. Reconciliation of Increases and Decreases

(j) Depot Maintenance Decreases

(1) A specific manpower initiative required Naval Special Warfare Command (NAVSPECWARCOM) to provide two military billets to support a priority in the Joint Special Operations Command classified mission. To ensure the stability to NAVSPECWARCOM manning in their headquarters, two civilian workyears were realigned from United States Army Special Operations Command (USASOC). The realignment from USASOC totaled $108K. The civilian workyear rate at NAVSPECWARCOM requires a total of $135K. Therefore, to accommodate the $27K difference which is contained within the civilian pay price calculation, funds were reduced from the Depot Maintenance subactivity of NAVSPECWARCOM. -27

(2) Programmatic decreases which impacted the Sustaining Engineering and Contracted Logistic Support (CLS) programs. Sustaining Engineering requirements have been shifted to FY 2000 and CLS support will be rescoped. This decrease primarily affect MH-53J aircraft. -1,691

(3) SEAL Delivery Vehicles (SDV) - The number of SDVs is being reduced from 17 to 10. This reduction in inventory reduces the required maintenance support and life cycle management support. The SEAL Delivery Vehicles (SDV) inventory reduction is further offset by the reduction in depot maintenance support required as the new 10 boat inventory is delivered from the recently completed Service Life Extension (SLEP). These craft, although more sophisticated and operationally complex, will not require the same degree of maintenance since some of the parts and electronics are initially supported by the contractor. -1,013

(4) Patrol Coastal (PC) Ships - Funding decrease is the result of the extended overhaul cycle of the Phased Maintenance Availability (PMA)/Docking Phased Maintenance Availability -842

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(DPMA) schedule. Only three Patrol Coastal DPMAs are scheduled for FY 1999. The PCs are moving from a PMA/24 month cycle (with every other maintenance a DPMA) to a DPMA/36 month cycle. PMAs will no longer be conducted. This maintenance schedule change represents the success of the vehicles and the ships reliability. Since this is based upon the ships current performance, this is considered a one year decrease and not a permanent change. These ships, unique to Special Operations Forces, will require additional maintenance funding as the ship ages in its planned life cycle. Reliability will be further evaluated and maintenance schedules and costs adjusted as required.

Total Depot Maintenance Decreases	-3,573	
Total Depot Maintenance Program		8,108

(k) Base Support Increases

(1) Budget Activity realignment from BA3 Base Support to reflect funding received from Program Budget Decision 409. 141

(2) Increase to annual utilities, maintenance and custodial services for the Patrol Coastal Pre-Engineered Building (PEB). The PEB is in conjunction with MILCON P-211. 35

(3) Increase to annual utilities, maintenance and custodial for MILCON P-653 MARK V (MK V) facilities located at North Island Naval Air Station, San Diego, CA. Facility will be ready for use during first quarter FY 1999. This facility is needed to support the MARK V storage and detachment operations. 35

(4) Increase to Special Boat Squadron (SBR) TWO ($46K) to continue paying for Public Works Center surcharge 304

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expenses through FY 1999. Phasing out will be completed in FY 2000. SBR ONE ($246K) to cover increased surcharges by PWC through FY 1999. The program is being phased out in FY 2000. Naval Special Warfare Command Base Operating Support services ($12K)(utilities, janitorial services, etc.) for additional trailer for personnel working spaces.

(5) Increase for phased maintenance for SBR ONE buildings. Command has been established for five years and facilities require phased maintenance, i.e., painting, carpet replacement, etc. 191

Total Base Support Increases 706

(1) Base Support Decreases

(1) Decrease due to one time requirements in FY 1998 for asbestos removal during renovations/upgrade of work area; assessment of physical protection and air circulation in building 501 and 501A involving health/environmental issues; Installation of electrical power to several work areas in Building 153 to accommodate high voltage equipment; Installation of electrical receptacles and circuit outlets for LAN and telecommunications equipment; Installation of emergency lamps; Functional test and inspection of fire/chemical system; and installation of lawn sprinkler system surrounding warehouse building. -354

(2) Subactivity realignment to Ship/Boat Operations for redistribution due to program reductions to fund higher priority programs to be applied toward Operating Target (OPTAR) requirements. -91

(3) Subactivity realignment to Combat Development Activities for redistribution due to program reductions to fund higher priority programs for requirements in classified program. -304

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(4) Subactivity realignment to Other Operations. Redistribution of funds to meet operational requirements; parachutes, outboard motors, zodiacs, equipment and clothing requisitions.	-306			
(5) NSWG TWO funding decrease resulting from one time facility project at Fort Pickett, Virginia to correct safety substandards and quality of life deficiencies.	-165			
(6) Decrease resulting from minor construction project to purchase and erect a Pre-Engineered Building (PEB) for the Patrol Coastal's (PCs) and Maintenance Support Teams (MST) in FY 1998. The PEB is in conjunction with MILCON P-211 which allocates construction of piers for the PCs at Naval Amphibious Base. The PCs and MSTs require administrative and training spaces and there are no available buildings which could be used for this purpose.	-492			
Total Base Support Decreases		-1,712		
Total Base Support Program			-1,006	
Total Special Operations Operational Support				24,363
Total Operating Forces				41,795
9. FY 1999 Current Estimate				1,149,328

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

D. Reconciliation of Increases and Decreases:

1. FY 1998 President's Budget Request	37,930
2. Program Increases and Decreases	
a. Specialized Skill Training	
(1) Budget Activity realignment from BA1 Operational Support. The John F. Kennedy Special Warfare Center (USAJFKSWC) was provided three billets to support priority staffing as follows. Two authorizations support the Special Warfare Center Language Office. The USAJFKSWC is the Executive Agent for the Special Operations Forces languages. Consolidation of all language functions enables JFKSWC to execute United States Special Operations Command (USSOCOM) 10-1 as the Terms of Reference responsibilities by providing one central point of contact. An additional authorization/workyear was transferred to support the Battle Lab as a result of an internal Deputy Chief of Staff, Requirements Integration reorganization. This reorganization establishes an element to develop concepts, long range plans and manage the United States Army Special Operations Command (USASOC) future technology program for the Commander, USAJFKSWC, in the performance of his duties as the architect of future Army Special Operations Forces.	143
(2) Budget Activity realignment from USASOC BA1, Flight Operations, in support of pool repair in Key West, Florida. The pool needs complete refurbishment and repair to the water training tank to preclude losing over 1,000 gallons a day due to leakage.	320
(3) Budget Activity realignment from USASOC BA1, Other Operations ($2,323), Operational Support ($41K), and Base Support ($20K) for school operations and sustainment. Cost of the Military Free Fall Training in the amount of $1,280K in the following areas; air contract price increased due to change from 20 to 40 jumps and non-availability of Joint Airborne/Air Transportability Training aircraft; parachute replacement due to environmental wear and tear (sand and cacti) and increased medical TDY costs due to location of Balboa Hospital in San Diego. (The available	2,384

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

D. Reconciliation of Increases and Decreases:

clinic at Yuma is only open two days a week.) The remaining $1.0M is required for the equipment maintenance contract and travel in support of the Simulation Center. Simulators are used for both schoolhouse training and unit OPTEMPO training. These simulators enhance unit operational training. Increase of $104K is to support school operations and sustainment due to extension of "Q" course by 14 days. Funds cover 64 total training days added to Phase 1 which results in additional costs for batteries, self-service supply center, field sanitation, medical supplies and cadre support/off post.

(4) Budget Activity realignment from United States Army Special Operations Command (USASOC) BA1, Force Related Training to support an increased student work load, recruitment expenses and additive missions, in support of Medical Training Center and Military Free Fall costs necessary to sustain Army SOF training and war-fighting skills. This realignment will support operating costs of the support battalion, e.g., GSA vehicles, physician assistant at Camp McCall and communications equipment. 141

(5) Budget Activity realignment USASOC BA1, Management Headquarters for administrative support for the Historian and Museum. 32

(6) Budget Activity realignment from Naval Special Warfare (NSW) BA1, Force Related Training for redistribution of fuel inflation funding. 17

(7) Subactivity realignment from NSW BA3, Base Support to correctly align resource support which is an integral part of mission support and not base operations. This transfer is the result of a definitional review of subactivities and associated requirements to determine if requirements are being recorded as an element of costs for the mission area which they directly support. Funding will support purchase of special clothing (boots, uniforms, wet suits, swim wear/trunks, dive hoods/booties, and fins) used in diving and submarine operations courses. Funds will also support computer upgrades for the Navy Special Warfare Center and maintain current connectivity and technology. Additionally, the 530

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

D. Reconciliation of Increases and Decreases:

current computer servers will be upgraded and supplemented with a dedicated server that will establish connectivity with Navy Special Warfare Center Detachment servers. These upgrades will establish LAN/WAN networks that are independent and efficient in the transfer of information and E-Mail. SEAL Delivery Vehicle (SDV) battery increase is required for the purchase of SDV MOD 1 batteries in FY 1998 versus FY 1997 due to start-up of the new SDV MOD 1 course. MK-16 certification of diving rigs is required every five years by the Naval Explosives Ordnance Center, in accordance with the magnetic test report MRC 60-M1. Increase in Inflatable Boats Small (IBS) purchases is due to increased use by larger Basic Underwater. Demolition/SEAL (BUD/S) classes starting in FY 1997. Due to delay in contract awarding, lead time for receipt of boats can be as long as six months which impacts IBS inventory and availability.

Total Specialized Skill Training Increases		3,567	
b. Specialized Skill Training Decreases			
(1) Budget Activity realignment to United States Army Special Operations Command (USASOC) BA1.	-24		
(2) Budget Activity realignment to USASOC BA1 Management Headquarters.	-113		
Total Specialized Skill Training Decreases		-137	
Total Specialized Skill Training Program			3,430
c. Professional Development Education Increases		0	
d. Professional Development Education Decreases			
(1) Civilian pay was recosted to reflect the impact of FY 1997 projected actuals. Net impact for this subactivity was a -$1K reduction for three workyears. This funding was offset in Air Force Special	-1		

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

D. Reconciliation of Increases and Decreases:

Operations Command BA1, Flight Operations to cover must pay civilian requirements.

Total Professional Development Education Decreases		-1	
Total Professional Development Education Program			-1
e. Base Support Increases		0	
f. Base Support Decreases			
(1) Budget Activity realignment to Naval Special Warfare Command (NAVSPECWARCOM) BA1, Base Support. This is a redistribution of Program Budget Decision 409 to correctly adjust funding by BA subactivity.	-484		
(2) Realignment to Specialized Skill Training to correctly realign resources that are an integral part of mission support and not tenant Base Operations Support. This transfer is the result of a definitional review of subactivities and associated requirements to determine the proper mission area for execution. Funding will support purchase of special clothing for diving submarine operations course taught by the NAVSPECWARCOM. These funds have been made available as a result of efficiencies found in utilization of self-help project personnel vice requiring contracting maintenance and support from either industrial activities or commercial at significantly higher costs. These funds will be used to support direct training efforts for computer LAN/WAN upgrades, SEAL Delivery Vehicle batteries used for training, MK-16 Full Face Mask Certification and Inflatable Boats Small (IBS) purchase.	-530		
Total Base Support Decreases		-1,014	
Total Base Support Program			-1,014
3. FY 1998 Current Estimate			40,345

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

D. Reconciliation of Increases and Decreases:

4. Price Growth 728

5. Program Increases and Decreases

a. Specialized Skill Training Increases

(1) Budget Activity realignment from Naval Special Warfare Command (NAVSPECWARCOM) BA1, Ship/Boat Operations for redistribution of fuel inflation funding. 14

(2) Subactivity realignment from BA3, Base Support for inflationary adjustments in stock fund purchases of supplies and equipment to support the primary course taught at the NAVSPECWARCEN, Basic Underwater Demolition/SEAL (BUD/S). Funding will supply boots, uniforms, wetsuits, dive hoods/booties and fins. 35

(3) As the United States Special Operations Command executive agency for all Special Operations Forces (SOF) language training, the United States Army Special Operations Forces Language Office manages the funds for the Army annual individual initial acquisition and sustainment language training program of approximately 850 active and reserve component SOF students in 17 core languages at Fort Bragg. Increase of $1,586 occurred as a result of Department of Labor rate increase for contract workers. An increase is required to support the recruitment programs "Q" course. The recruitment goals and associated costs have increased 75% from 1038 in FY 1995 to 1815 in FY 1997 and beyond. Special Forces Career Management Field 18 and Special Forces Branch 18 actual strength levels are 22% less than authorized due to increased attrition from Army downsizing initiatives. To offset the losses, 18 series recruitment goals and initiatives have been increased. 1,313

(4) Required technical services and maintenance to continue connectivity with Naval Special Warfare Center detachments. The replacement of commercial telephone lines with Integrated Service Digital Network (ISDN) lines will provide a faster and more efficient means for 126

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

D. Reconciliation of Increases and Decreases:

exchanging information between command detachments. The FY 1999 budget reflects a mix of maintenance for the current services and modernization in formation technology.

(5) Increase in maintenance and repair for Rigid Hull Inflatable Boat (RHIB) caused by an increase in the RHIB inventory. This increase is to maintain older boats by extending their useful life as well as the addition of newer boats added to the inventory. Additional boats were required to improve the student craft ratio during underway training evolutions. These boats are used primarily in the maritime operations courses (Long Range Maritime Operations and Special Warfare Craft Crewmember). 169

(6) Naval Special Warfare Operations Center increase is to purchase advance cardiac support equipment, essential in providing resuscitative procedures during any cardic episode. This equipment will replace older, obsolete equipment. In addition, these funds provide for upgrading of support equipment (to include computers) for the Preventive Medicine and Health Research Unit. 184

Total Specialized Skill Training Increases 1,841

b. Specialized Skill Training Decreases

(1) Naval Special Warfare Command (NAVSPECWARCOM) program decrease is result of reduction for one time purchases of Inflatable Boats Small (IBS) and MK-16 Certification of diving rigs. -32

(2) NAVSPECWARCOM one time purchase in FY 1998 of Automated Data Processor (ADP) servers to support Detachment requirements. -109

(3) NAVSPECWARCOM program decrease is result of schedule of SEAL Delivery Vehicle (SDV) battery purchases. Purchases made in FY 1998 will decrease requirements in FY 1999. -132

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D. Reconciliation of Increases and Decreases:

(4) Naval Special Warfare Command (NAVSPECWARCOM) decrease is based on inventory adjustments for supplies and materials (-$101K) and ADP equipment (-$171K). These adjustments were based on one time increases caused by changes in class schedules and ADP system upgrades.	-272		
Total Specialized Skill Training Decreases		-545	
Total Specialized Skill Training Program			1,296
c. Professional Development Education Increases		0	
d. Professional Development Education Decreases			
(1) Decrease in contracts, supplies and equipment and TDY for AFSOC.	-18		
Total Professional Development Education Decreases		-18	
Total Professional Development Education Program			-18
e. Base Support Increases			
(1) The NAVSPECWARCOM and it's detachments occupy facilities at four locations; Naval Amphibious Base, Coronado, CA, San Clemente Island Naval Amphibious Base, Norfolk, VA and Naval Air Facility, El Centro, CA. This program increase is required for maintenance and repair of aging facilities, facility improvements and expansion to modernize existing facilities, as required to meet habitability, safety, and security standards and quality of life for students expansion to accommodate increases in student load and courses offered at the above listed facilities.	233		
Total Base Support Increases		233	

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

D. Reconciliation of Increases and Decreases:

f. Base Support Decreases		
(1) Budget Activity realignment to BA1, Base Support ($141K) and, Subactivity realignment to BA3, Naval Special Warfare Command, Specialized Skill Training ($35K) to correct previous fund distribution based on stock fund inflation rate adjustment.	-176	
Total Base Support Decreases		-176
Total Base Support Program		57
8. FY 1999 Current Estimate		42,408

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

D. Reconciliation of Increases and Decreases

1. FY 1998 President's Budget Request		45,532
2. Congressional Adjustments		0
3. FY 1998 Appropriated amount		45,532
4. Transfers/Reprogramming		
a. Increases		
(1) Classified and Intel	1,100	
b. Decreases		
(1) Sections 8041 CAAS	-2,829	
(2) Revised Economic Assumptions	-254	
(3) Operations & Maintenance Defense Wide Financing	-193	
Total Transfers/Reprogramming		-2,176
5. Program Increases and Decreases		
a. Acquisition/Program Management Increases		
(1) Budget Activity Realignment. Integrated Survey Program (ISP) - Funds were realigned from BA1, Intelligence and Communications, ISP, to reflect actual execution of systems engineering and technical assistance.	93	
(2) Budget Activity Realignment. Multi-mission Advanced Tactical Terminal (MATT) - Funds were realigned from BA1, Intelligence and Communications, MATT, to	347	

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

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reflect actual execution of program management engineering support. This program enables combat forces to directly receive near real-time operational intelligence products and threat information to support mission planning, updates, and execution. The program integrates . Multi-mission Advanced Tactical Terminal (MATT) capabilities with command, control, communications, and intelligence systems. Procurement and fielding of MATT will address the primary requirement for situational awareness during infiltration and exit from operating areas.		
(3) Budget Activity realignment. Special Operations Command Research, Analysis, and Threat Evaluation System (SOCRATES). The SOCRATES program provides a wide range of mission required automated intelligence and imagery support to United States Special Operations Command, component commands, and operating forces. It is a Wide Area Network based multi-functional intelligence system. It provides SOF with unprecedented access to both national and specialty-focused intelligence products. Of the $512K, $175K was realigned from BA1, Intelligence and Communications, SOCRATES and $337K from BA1, Management/Operational Headquarters.	512	
(4) Budget Activity realignment. Realigned from BA1, Management/Operational Headquarters to reinstate funding for Navy Science Advisor program.	124	
(5) Civilian Pay recosting increase.	591	
Total Acquisition/Program management Increases.		1,667

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D. Reconciliation of Increases and Decreases

b. Acquisition/Program Management Decreases

(1) Realignment for BA4, Acquisition/ Program Management Subactivity. An internal realignment was accomplished to provide a more accurate accounting of command and control. The nine positions, to include two SES billets, have always been carried as part of the Management Headquarters ceiling. They were previously reported under the Acquisition Subactivity since they were physically located within the Special Operations Acquisition Center (SOAC). This action ensures continuity with all Management Headquarters positions captured under the same subactivity. In addition, four critical billets that support the Emergency Action Center within United States Special Operation Command (USSOCOM) were previously provided as part of a host-tenant agreement. These Air Force civilian billets were deleted by Air Material Command but the requirement with USSOCOM must be continued. An internal scrub of all funded authorizations was conducted and three positions within the headquarters were functionally recoded. The final position was transferred from SOAC to support this requirement within the Command Support Element. -696

(2) Budget Activity realignment to BA1, Intelligence and Communication. Funds provide for technical support and travel in association with the SCAMPI program. SCAMPI is a telecommunications system created to allow dissemination of Command, Control, Communications and Intelligence (C3I) information between USSOCOM, its components and their major subordinate units, and selected Government agencies and activities. SCAMPI is a closed community system of communications nodes and is the principal C3I medium for USSOCOM. SCAMPI provides gateway service for Special Operations Command to external Department of Defense classified voice, data and Video Teleconferencing systems. -1,363

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

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USSOCOM has developed a Deployable SCAMPI capability. It provides a deployed Special Operations Forces Headquarters with simultaneous multimedia capability.

(3) Technology Applications Program Office - Realigned to BA1, Management/Operational Headquarters for Special Operations Command-Korea. Funds originally budgeted to cover VSIP/VERA for BRAC move of the Army Aviation Troop Command from St Louis, MO to Ft Eustis, VA are not required. Additional funds are required to provide for Living Quarters Allowance for newly hired civilian positions. -400

(4) Budget Activity Realignment. SILENT SHIELD - Funds were realigned to BA1, Intelligence and Communications for logistical support. The program is part of an evolutionary Joint Threat Warning System migration being developed to support SOF-wide operations. System development emphasizes a rapid prototyping effort to develop, test and field systems that provide direct threat warning and enhance situational awareness data to SOF aircrews at the Collateral SECRET level. -17

(5) Budget Activity realignment. Special Operations Forces (SOF) SIGINT Manpack System (SSMS) - Funds were realigned to BA1, Intelligence and Communications for logistical support. The SSMS is designated evolutionary and assigned to nomenclature AN/PRD-13. It is part of an evolutionary SIGINT system migrations and acquisition program that provides a permanent full spectrum Communications Early Warning capability to ground, maritime and air components of the SOF. Program acquires manpackable, lightweight communications early warning and direction finding systems that weigh less than 38 pounds and fit within an Alice pack. Initial acquisition provided NDI capability that has now been substantially improved to reduce weight and power while -33

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

D. Reconciliation of Increases and Decreases

significantly improving capability through multiple receivers and reduce numbers of antenna. Premier system within SOF whose capability has been expanded to support the unique platform requirements of maritime and airborne platforms. Migrates into the Joint Threat Warning System.			
(6) Budget Activity realignment to BA1, Management/Operational Headquarters to reflect proper subactivity for execution.	-44		
(7) Decrease is the result of Civilian Pay recosting. Offset provided in BA1, Management/Operational Headquarters.	-448		
Total Acquisition/Program Management Decreases		-3,001	
Total Acquisition/Program Management Program			-1,334
6. FY 1998 Current Estimate			42,022
7. Price Growth			875
8. Program Increases			
a. Acquisition/Program Management Increases			
(1) The acquisition responsibility for two Naval Special Warfare communications programs transferred from Space and Naval Warfare Systems Command (Navy) to Special Operations Acquisition Center. One civilian billet was transferred for acquisition management of those programs.	67		
(2) Joint Base Station (JBS) - Funds are increased to provide additional systems engineering and technical assistance in support of the four additional Variant's of the JBS. JBS consolidates five former programs	81		

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and will provide SOF with continuous, reliable, long-range communications among SOF component commands while allowing for differences in missions.

(3) Special Operations Communication Assemblage Improvement - Funds provide program management support and milestone documentation for the Special Operations Communication Assemblage Improvement (SOCAI) Program initializing in FY 1999. SOCIA is a transit case deployable communications package that provides secure voice, teletype, video, and facsimile capabilities over 2-4 wire telephone communications, High Frequency radio, and Ultra High Frequency Satellite Communications. 334

(4) Family of LoudSpeakers (FOL) - Provides funds to field and sustain 338 manpack loudspeakers and 261 vehicle/watercraft loudspeakers. Funds are primarily for life cycle sustainment support. Fielding is to begin 4th QTR FY 1998 and complete FY 1999. 836

(5) Special Operations Media System (SOMS) A - Funds are required for program management support and travel. SOMS A is an operational/strategic mobile television/radio wide area broadcast system which is C-17/C-141 deployable. It will receive and transmit real-time PSYOP products to and from commercial and military sources by satellite and microwave. SOMS A will be interoperable with the fixed site media production center at Fort Bragg, North Carolina, Air National Guard Command SOLO aircraft, and the tactical SOMS B. 101

(6) M4A1 Carbine - Increase is due to fielding 468 accessory kits in FY 1998 and in particular the acquisition and fielding of a night vision device for the kit program. 233

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(7) Special Operations Forces (SOF) Demolition Kit - Increase is due to number of new components of the kit that will be fielded in FY 1999 requiring maintenance and repair. Funds will also be used to train SOF operators on use of new kit items. 48

(8) SOF Personal Equipment Advanced Requirements (SPEAR) - As new components of the SPEAR are fielded, maintenance and replenishment levels increase proportionally, until the items reach a steady state of replenishment and transition of sustainment. SPEAR integrates the development and procurement of everything SOF operators wear, carry and consume. 165

(9) Special Operations Acquisition Center (SOAC) System Engineering and Technical Analysis Support - Contractor services required to augment the SOAC staff to provide the necessary oversight of Service and SOF managed acquisition programs. Contract services includes updating, modifying, or reviewing acquisition program milestone documentation. The documentation includes but is not limited to life cycle cost estimates, program management plans, acquisition strategies, integrated acquisition schedules, functional implementation plans, configuration management plans, fielding plans, training plans, test & evaluation master plans, integrated logistics support plans, and system engineering management plans. This System Engineering and Technical Analysis support gives the SOAs the technical expertise (not available organically) to assure that acquisition programs are initiated and executed in compliance with established DOD directives. This increase is due to the requirement for SOAC program oversight of the Leaflet Delivery System and Special Operations Media System. 127

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

D. Reconciliation of Increases and Decreases

(10) PRIVATEER - Funds are increased to provide additional systems engineering support due to the installation of PRIVATEER on the MK-V Special Operations Craft (SOC) beginning in FY 1998. PRIVATEER is part of an evolutionary signals intelligence system migration and acquisition program that provides a permanent full spectrum radar and communications early warning capability aboard the Cyclone-Class Patrol Coastal and the MK-V Special Operations Craft, which will enhance craft survivability. A subset of the Joint Threat Warning System, PRIVATEER hosts a common software architecture that controls a variety of hardware modules designed to satisfy the unique platform requirements of each ship class. 299

(11) AC-130 Gunship - Increase is for weapon system support. Weapon system support is the overall heading for gunship sustaining engineering. There is insufficient Government manpower to perform sustaining engineering activities in the weapon system. FY 1998 is the first year of transition from procurement funds for core hardware engineering support. The AC-130U is a new production C-130H airframe converted to a side-firing gunship configuration with advanced sensors, weapons and a digital avionics suite that will provide enhanced operational capability and reliability over the current AC-130H. The AC-130U's primary mission is precision fire support, but has the flexibility to perform armed escort, surveillance, search and rescue and armed reconnaissance. 3,906

(12) Tactical Radio System (TRS) - This growth reflects an increase in program management support required to maintain 20 additional fielded systems. 206

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

D. Reconciliation of Increases and Decreases

(13) Special Operations Acquisition Center Navy Science Advisor - Beginning in FY 1999 the Navy Science Advisor Program will no longer co-fund the United States Special Operations Command Navy Science Advisor position. This increase in funding will fully fund the position. The Navy Science advisor position is essential to the command as it brings the Navy industrial base to bear on SOF-unique problems, establishes an on-site liaison for Navy-managed MFP-11 programs, and provides subject matter expertise on Navy oriented materiel developments. The Navy Science Advisor represents the Special Operations Acquisition Executive on numerous special projects that requires capabilities found only in senior Navy technical personnel. 84

(14) Low band Jammer - This program growth reflects an increase cost of miscellaneous contractual services in support of testing and installation activities. The Low band Jammer program incorporates added memory and reprogramming capabilities into ALQ-172 Radar Jammer. It is designed to give improved performance against older/modified surface-to-air missiles and anti-aircraft artillery systems, and will be installed on AC-130U and MC-130H aircraft. 289

(15) CV-22 SOF Osprey - Funding provides for technical support for program management and planning. The CV-22 program is acquiring 50 aircraft to meet the long range special operations forces requirement for infiltration/ exfiltration. It is a joint program, with the US Navy as the lead acquisition agency. 311

(16) Directional Infrared Countermeasures (DIRCM) - Funding provides for DIRCM aircraft support. The DIRCM systems will work with other on-board aircraft self-protection systems to enhance special operations forces C-130 aircraft survivability. Systems will be installed on AC-130U 129

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

D. Reconciliation of Increases and Decreases

and MC-130E/H aircraft.

(17) MC-130H Combat Talon II - is a production and sustainment program in which a specialized avionics suite has been integrated into a C-130H airframe. Its mission is to conduct night, adverse weather, low-level, long range operations in hostile, politically denied/ sensitive defended areas to infiltrate, resupply, or exfiltrate special operations forces and equipment. The programmed increase specifically fund technical engineering support for MC-130H Extendible Integrated Support Environment (EISE), which has a IOC of December 1998. EISE is a real-time software test station which uses modeling and simulating of MC-130H flight conditions to provide problem analysis, problem replication, integration and impact analysis of proposed software changes. Work includes development, test and integration of operational flight programs, system function processors, and test and maintenance programs resident in embedded computer systems. EISE replaces the fix-fly-fix cycle commonly used when dedicated maintenance platforms are available. Low-density, high-ops tempo of the MC-130H fleet make fix-fly-fix an unacceptable alternative. A $1.5M decrement to the MC-130H Depot Maintenance account, representing a 20% reduction in depot support, would cripple combat readiness efforts and reduce availability of heavily-tasked Combat Talon II fleet to theater CINCs world-wide. 146

(18) Radio Frequency Mobile Electronic Test Sets (RFMETS) - Funds will provide for test program set modifications on AC-130U, MC-130H tester maintenance, and to support line replaceable unit concurrency. RFMETS is a program to provide SOF with common mobile intermediate-level organic diagnostic test capability for critical avionics of AC-130U, AC-130H, and MC-130H aircraft. 348

(19) Rigid Inflatable Boat (RIB) - Funds will provide for engineering support. 36

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

D. Reconciliation of Increases and Decreases

Total Acquisition/Program Management Increases	7,746
b. Acquisition/Program Management Decreases	
(1) Remote Activated Munition System (RAMS) - Requirement is based on incremental fielding of various components of the RAMS. Decrease is due to reduced requirement for training on individual components. RAMS is a radio controlled remote initiator which provides a capability to remotely control detonation of demolition charges or remote operation of other items of equipment.	-26
(2) AC-130H Low Light Level TV (LLLTV) Replacement - Funds were required for FY 1998 only for transition. This program modifies critical high failure components in the current ASQ-145(V)2 LLLTV sensor on six AC-130H aircraft.	-101
(3) Lightweight Thermal Imager (LTI) - Decreases in FY 1999 occur as repair parts go into steady state replenishment, following preliminary stockage in FY 1998. LTI is a thermal weapons sight that is manportable, waterproof and can perform as a weapons sight or hand-held observation device.	-81
(4) MH-53 Interactive Defensive Avionics Subsystem (IDAS) - Reflects modification transition to production in FY 1999 and associated reduction in resources for MH-53 Contractor Logistics Support. This program modifies MH-53J aircraft to integrate the existing electronic warfare (EW) suite using a central EW processor and provide electronic order of battle information correlated to digital map data presented on a multifunction display.	-804

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

D. Reconciliation of Increases and Decreases

(5) Joint Threat Warning System (JTWS) - This decrease is due to an FY 1998 congressional plus-up for the JTWS trainer.	-1,170		
(6) Technology Applications Program Office (TAPO) - In FY 1998, a one-time plus-up occurred to fund costs associated with the movement of TAPO from St Louis, MO to Ft Eustis, VA as a result of a Base Closure and Realignment decision. These costs included "known/unknowns" such as replacement of office furniture modules to fit space at the new location, construction or removal of walls, adding secure locks, installation of STU III equipment, repair of items broken during the move and other unforeseen costs. TAPO provides acquisition and materiel development support for the United States Army SOF Aviation activities (160th Special Operations Aviation Regiment).	-256		
(7) MK V Special Operations Craft (SOC) - Reflects decrease SETA requirements.	-481		
(8) AC-130H ALQ-172 Upgrade - Support contract only needed one year for transition; Program will be completed in FY 1998.	-607		
Total Acquisition/Program Management Decreases		-3,526	
Total Acquisition/Program Management Program			4,220
9. FY 1999 Estimate			47,117

IV. Performance Criteria and Evaluation Summary

A. Aircraft, Number by Type (Average Primary Aircraft Authorized)

	FY 1997 CURRENT	FY 1998 ESTIMATE	FY 1999 ESTIMATE
1. Army Active			
a. MH-47D	11	11	11
b. MH-47E	25	25	25
c. MH-60K/A	23	23	23
d. MH-60L	28	28	28
e. AH-6J	15	15	15
f. MH-6J	15	15	15
g. TH-6C	2	0	0
h. TH-6J	10	10	10
Total Army Active	129	127	127
2. Air Force Active			
a. AC-130H	7	7	7
b. AC-130U	12	12	12
c. MC-130P	20	20	20
d. MC-130E	5	5	5
e. MC-130H	21	21	21
f. MH-53J	336	36	35
g. MH-60G	8	6	5
h. TH-53A	4	4	4
i. UH-1N	0	2	2
Total Air Force Active	113	113	111

IV. Performance Criteria and Evaluation Summary

A. Aircraft, Number by Type (Average Primary Aircraft Authorized) (Continued)

	FY 1997 CURRENT	FY 1998 ESTIMATE	FY 1999 ESTIMATE
3. Air Force Reserve			
a. MC-130P	4	4	4
b. MC-130E	7	8	8
Total Air Force Reserve	11	12	12
4. Air National Guard			
a. EC-130E	6	5	5
Total Air National Guard	6	5	5
Total Air Force	130	130	128
TOTAL AIRCRAFT (AVG PAA)	257	257	255

IV. Performance Criteria and Evaluation Summary

B. Aircraft Flying Hours

	FY 1997 CURRENT	FY 1998 ESTIMATE	FY 1999 ESTIMATE
1. Army Active			
a. MH-47D	1892	1892	1892
b. MH-47E	5754	5269	5481
c. MH-60K	6753	6381	6381
d. MH-60L	7080	7080	7080
e. AH-6J	4417	4417	4417
f. MH-6J	3828	3828	3828
g. TH-6J	3150	3150	3150
Total Army Active	32874	32017	32229
2. Air Force Active			
a. AC-130H	3724	3504	3504
b. AC-130U	5759	5759	5437
c. EC-137D	0	0	0
d. MC-130P	11014	11748	10964
e. MC-130E	2208	2897	3049
f. MC-130H	10167	10185	10131
g. MH-53J	12452	12615	12852
h. MH-60G	3313	2228	2183
i. TH-53A	1632	1634	1468
j. UH-1N	0	405	405
Total Air Force Active	50269	50975	49993

IV. Performance Criteria and Evaluation Summary

B. Aircraft Flying Hours

	FY 1997 CURRENT	FY 1998 ESTIMATE	FY 1999 ESTIMATE
3. Air Force Reserves			
a. MC-130P	1795	1769	1708
b. MC-130E	3919	3919	3665
Total Air Force Reserve	5714	5688	5373
4. Air National Guard			
a. EC-130E	3363	2645	2640
Total Air National Guard	3363	2645	2640
TOTAL FLYING HOURS	92220	90534	90235

IV. Performance Criteria and Evaluation Summary

C. Naval Special Warfare Command

	FY 1997 CURRENT	FY 1998 ESTIMATE	FY 1999 ESTIMATE
1. SOF Equipment and Craft Inventory			
a. Active Forces			
(1) SEAL Delivery Vehicles (SDV)	12	11	11
(2) Dry Deck Shelters (DDS)	13	13	12
(3) Patrol Boats Light (PBL)	12	12	12
(4) Rigid Hull Inflatable Boats (RIB)	86	94	90
(5) Mark III/IV	3	3	3
(6) Mark V Special Operations Craft (MK V SOC)	12	18	20
(7) Advanced SEAL Delivery System (ASDS)	1	2	3
Total Craft/Boats Supported	139	153	151
b. Reserve Forces			
(1) Patrol Boat Light (PBL)	10	10	10
(2) Patrol Boats Riverine Mini Armored Troop Carrier (PBR MATC)	10	10	10
Total Craft/Boats Supported	20	20	20
SOF Equipment and Craft Inventory	159	173	171
Navy Commissioned Ships (Type/Class)			
Patrol Coastal (PC)	13	13	14
Phased Maintenance Availability/Docking Phased Maintenance Availability ($000/#)	10,000/4	10,000/4	7,500/3

IV. Performance Criteria and Evaluation Summary

D. Combatant Craft Repair/Overhaul

	FY 1997 CURRENT	FY 1998 ESTIMATE	FY 1999 ESTIMATE
1. Active Forces			
a. Regular Overhauls (ROH) ($000/# of Overhauls)			
(1) Patrol Boats (2) SEAL Delivery Vehicles (3) Dry Deck Shelters	2,200/1	2,200/1	2,200/1
b. Restricted Availability/Technical Availability (RA/TA)	5300	4800	5520
2. Reserve Forces			
a. Regular Overhauls (ROH) ($000/# of Overhauls)			
(1) Patrol Boats Riverine Mini Armored Troop Carrier (PBR MATC)			
b. Restricted Availability/Technical Availability (RA/TA)	0	0	200/4
Total Craft Repair Funding Requirement	7,500/1	7,000/1	7,920/5

IV. Performance Criteria and Evaluation Summary

E. Special Operations Training

	FY 1997 ACTUAL	FY 1998 CURRENT	FY 1999 ESTIMATE
1. U. S. Army John F. Kennedy Special Warfare Center and School			
Number of Courses	66	67	64
Number of Classes	329	349	350
Number of Students	8,204	8,946	8,555
2. Naval Special Warfare Center			
Number of Courses	25	25	25
Number of Classes	191	204	204
Number of Students	4,775	5,854	5,854
3. Air Force Special Operations School			
Number of Courses	17	18	18
Number of Classes	140	146	152
Number of Students	7,287	7,590	7,875

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

VI. Financial Summary by Component:

	FY 1997 ACTUALS	FY 1998 ESTIMATE	FY 1999 ESTIMATE
United States Special Operations Command	69,822	73,993	88,189
Joint Special Operations Command	74,004	88,123	91,492
Theater Special Operations Commands	16,466	11,875	12,233
United States Army Special Operations Command	356,930	352,370	359,264
Naval Special Warfare Command	171,930	190,662	201,341
Air Force Special Operations Command	346,564	397,733	408,478
Special Operations Acquisition Center	48,416	67,706	77,856
TOTAL USSOCOM O&M PROGRAM	1,084,132	1,182,462	1,238,853

V. Personnel Summary:

MILITARY MANPOWER NARRATIVE

United States Special Operations Command (USSOCOM) conducts a Strategic Planning Process to ensure a force that is based on capabilities, prioritizing all operational missions across the spectrum of war and peace. The resultant force mix of Active and Selected Reserve provides the most efficient and affordable structure which continues to support the National Military Strategy. Narrative to delineate the changes between years, as defined within each functional subactivity, and the impact by Service is provided.

FY 1998 PRESIDENT'S BUDGET to FY 1998 CURRENT

Internal realignment between subactivities was accomplished with a net zero impact to the overall authorized strength levels. The integrity by Service, grade (officer/enlisted) and by appropriation (Active/Reserve/Guard) was maintained.

	FY 1998 BUDGET REQUEST	FY 1998 CURRENT	DELTA
BUDGET ACTIVITY - 01			
FLIGHT OPERATIONS	11,146	11,167	21
OTHER OPERATIONS	23,634	23,630	-4
OPERATIONAL SUPPORT	1,333	1,337	4
INTELLIGENCE/COMMUNICATIONS	220	219	-1
MANAGEMENT/OPERATIONAL HEADQUARTERS	1,452	1,455	3
			23
BUDGET ACTIVITY - 04			
ACQUISITION PROGRAM MANAGEMENT	61	38	-23
		NET IMPACT	0

FY 1998 PRESIDENT'S BUDGET to FY 1998 CURRENT ESTIMATE 43331

BUDGET ACTIVITY-01

FLIGHT OPERATIONS

Air Force Special Operations Command (AFSOC) identified the realignment of 21 maintenance instructors (6 Officers/15 Enlisted) from the Acquisition Program Management subactivity (Budget Activity-04) to Flight Operations (Budget Activity-01). Positions support basic aircrew training in preparation for the CV-22 program and as such, are not acquisition related. This is an administrative correction.

TOTAL FLIGHT OPERATIONS (11146 to 11167) 21

OTHER OPERATIONS

United States Army Special Operations Command (USASOC) reflects an internal conversion of Officers (-20) to Warrant Officers (+20) in conjunction with the Department of the Army consolidated table of organization and equipment update (CTU). Change included four officers in each of the Special Forces Groups (1 SFG/3 SFG/5 SFG/7 SFG/10 SFG) as applicable to the Intelligence and Personnel fields.

(Baseline 6911 to 6911) 0

Realignment of one Army enlisted was provided to support the retention mission at the 75th Ranger Regiment. Technical knowledge needed to maintain the reenlistment program required a subject matter expert. Position was realigned from the Field Operating Element of USASOC, Operational Support subactivity. This action is a net sum zero impact to Army force structure.

(Baseline 1873 to 1874) 1

FY 1998 PRESIDENT'S BUDGET to FY 1998 CURRENT (Cont'd)

BUDGET ACTIVITY-01 (Cont'd)

OTHER OPERATIONS (Cont'd)

Army Reserve forces reflect a net reduction of five billets to this subactivity as a result of realignments to the Operational Support subactivity. Full-time manning (AGRs) were reduced by eight (1 Officer/7 enlisted) and drill strength increased by three (1 Officer/2 Enlisted). This action also accommodates an increase of six authorizations for Civil Affairs Brigades with a total offset of eleven authorizations applied to selected Psychological Operations (PSYOP) units.

(Baseline 7556 to 7551) -5

TOTAL OTHER OPERATIONS (23634 to 23630) -4

MANAGEMENT/OPERATIONAL HEADQUARTERS

Within the United States Special Operations Command (USSOCOM) Headquarters at MacDill Air Force Base, two existing officer positions (Army/Air Force) were realigned from the Acquisition/Program Management subactivity (Budget Activity-04) to Management Headquarters subactivity (Budget Activity-01). Although physically located in the Special Operations Acquisition Center (SOAC), these positions as Executive and Deputy which provide management control and oversight are more accurately categorized within the Management subactivity. These billets are counted within the Defense Management Headquarters Authorization ceiling.

(Baseline 1452 to 1454) 2

As the result of a manpower validation study performed within the USSOCOM headquarters, an enlisted Army billet from Special Operations Command Joint Intelligence Center (SOCJIC) was realigned to support a priority for the Headquarters, Commandant function. This action reflects a reduction (-1) to Intelligence subactivity and an increase (+1) to Management subactivity with a total net sum zero impact.

(Baseline 1454 to 1455) 1

FY 1998 PRESIDENT'S BUDGET to FY 1998 CURRENT (Cont'd)

BUDGET ACTIVITY -01 (Cont'd)

MANAGEMENT/OPERATIONAL HEADQUARTERS (Cont'd)

A Navy enlisted billet was realigned from the USSOCOM headquarters to support a priority requirement for Special Operations Command Korea (SOC-K). This action is a net zero impact to the Service total and to the Management/Operational Headquarters subactivity.

(Baseline 1455 to 1455)	0

A Unified Command Plan change transferred Special Operations Command Atlantic Command (SOCACOM) Caribbean area of responsibility to Special Operations Command South (SOCSOUTH). A total of nine authorizations were redistributed to include three Navy enlisted, one Army Officer, two Army enlisted, one Air Force Officer and two Air Force enlisted. This action has a net sum zero impact to Service structure and remains within the same subactivity.

(Baseline 1455 to 1455)	0
TOTAL MANAGEMENT/OPERATIONAL HEADQUARTERS (1452 to 1455)	3

OPERATIONAL SUPPORT

One Army enlisted authorization transferred from United States Army Special Operations Command (USASOC) Field Operating Element to meet priority requirement for the 75th Ranger Regiment retention program.

(Baseline 58 to 57)	-1

Army Reserve realignments reflect an increase of eight full-time support manning (AGRs) and decrease of three drill strength. This net change totaling five authorizations was resourced internally from Other Operations subactivity and primarily corrects the shortfall within USASOC's resource management, military personnel and automation functions.

(Baseline 254 to 259)	5
TOTAL OPERATIONAL SUPPORT (1333 to 1337)	4

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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FY 1998 PRESIDENT'S BUDGET to FY 1998 CURRENT

BUDGET ACTIVITY-01

INTELLIGENCE/COMMUNICATIONS

This adjustment reflects the realignment of one Army enlisted billet from Special Operations Command Joint Intelligence Center (SOCJIC) to the United States Special Operations Command (USSOCOM) headquarters commandant function.

(Baseline 18 to 17)	-1	
TOTAL INTELLIGENCE/COMMUNICATIONS (220 to 219)	-1	
BUDGET ACTIVITY-01 (42002 to 42025)		23

BUDGET ACTIVITY-04

ACQUISITION/PROGRAM MANAGEMENT

The realignment of maintenance instructors for the CV22 program within Air Force Special Operations Command (AFSOC) to Flight Operations subactivity which more readily defines their operational vice acquisition function.

(Baseline 21 to 0)	-21	

Realignment of one Army and one Air Force officer from this subactivity to the Management/Operational Headquarters subactivity. These authorizations are carried under the Defense Management Headquarters Authorization (DMHA) ceiling. This was strictly an administrative correction.

(Baseline 2 to 0)	-2	
TOTAL ACQUISITION/PROGRAM MANAGEMENT (61 to 38)	-23	
BUDGET ACTIVITY-04 (61 to 38)		-23

FY 1998 CURRENT	43331

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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FY 1998 CURRENT to FY 1999 BUDGET ESTIMATE

BUDGET ACTIVITY-01

COMBAT DEVELOPMENT ACTIVITIES

An Army Officer authorization was redirected from United States Army Special Operations Command (USASOC) classified program to meet a priority within United States Special Operations Command (USSOCOM) Headquarters to support a centralized Force Development Division.

(Baseline 716 to 715) -1

The USASOC classified mission required an increase of three enlisted billets to ensure personnel availability on a 24 hour basis. Realignment of authorizations was accomplished from existing resources in the Operational Support subactivity : one was reduced from United States Army Special Forces Command; two were reduced from the USASOC Field Operating Element.

(Baseline 715 to 718) 3

Joint Special Operations Command (JSOC) was validated for a priority increase of five military positions to support its classified mission. Navy representation was increased by one Officer and one Enlisted through a realignment from Naval Special Warfare Command (NAVSPECWARCOM), Management Headquarters subactivity. Army positions of one Officer and one Enlisted were provided by the redistribution of resources from the Army Aviation Support Element (AASE), Flight Operations subactivity. One Air Force Officer reflects true growth above the baseline and was resourced in the FY 1999 Program Review cycle as coordinated with Air Force.

(Baseline 305 to 310) 5

FY 1998 Current to FY 1999 BUDGET ESTIMATE (Cont'd)

BUDGET ACTIVITY-01 (Cont'd)

COMBAT DEVELOPMENT ACTIVITIES (Cont'd)

Air Force Special Operations Command (AFSOC) invoked an Officer (-3) to Enlisted (+3) conversion within the classified program to reflect execution requirements. This action has a net sum zero impact. In the initial FY 1998/1999 Biennial Budget Estimate, the Air Force classified program was reduced by 84 spaces (32 Officers/52 Enlisted) for FY 1999. The FY 1999 Program Review reinstated these authorizations and stabilized the structure for FY 1998 - FY 1999. This action was resourced from within Major Force Program 11 and was coordinated with Air Force.

(Baseline 234 to 234)	0	
TOTAL COMBAT DEVELOPMENT (1739 to 1746)		7

SHIPS and BOATS

Phased manning for the Advanced Seal Delivery System (ASDS) to support Platoon Two totals 16 authorizations. Manning is defined by three functional groups: operators, maintainers and support personnel. Operators are further divided into platoons of five Officers and eleven Enlisted to include a pilot, copilot, backup pilot, backup copilot, engineer, platoon chief, medical diver, three mechanics and six electronic technicians. This augmentation platoon will support transportation and handling of assigned vehicles and perform all O-level maintenance.

(Baseline 57 to 73)	16

Advanced Seal Delivery Vehicle (ASDV) phased manning to support vehicle operations and maintenance performed by TEAM One.

(Baseline 249 to 251)	2

FY 1998 CURRENT to FY 1999 BUDGET ESTIMATE

BUDGET ACTIVITY-01 (Cont'd)

SHIPS and BOATS(Cont'd)

Increase of two Officers for Special Boat Unit Twenty Two (SBU22) headquarters manning corrects a staffing deficiency.

(Baseline 28 to 30)	2	
TOTAL SHIPS and BOATS (2428 to 2448)		20

FLIGHT OPERATIONS

The Army Aviation Support Element (AASE) was deactivated and authorizations were redistributed to meet shortfalls within operational units as prioritized by USSOCOM manpower validation study and coordinated with applicable parent Service.

(Baseline 25 to 0)	-25

Air Force Special Operations Command (AFSOC) realigned internally to meet manning priorities with a net sum zero impact (+3 Officers/-3 Enlisted):

The 6th Special Operations Squadron (6 SOS) was increased by ten Officers and seven Enlisted to provide one A Team and a partial B Team for Combat Aviation Advisory Support for Foreign Internal Defense.

(Baseline 70 to 87)	17

The MC-130P Logistics Composite Model (LCOM) validated increased requirements for maintenance manpower. The study used actual failure data and simulated wartime environments using War Mobilization Plan 5 sortie rates. The 9th SOS was increased by 26 enlisted positions.

(Baseline 403 to 429)	26

The 20th Special Operations Squadron was increased by four Officers and 13 Enlisted to accelerate the crew ratio and support maintenance workloads.

(Baseline 972 to 989)	17

FY 1998 CURRENT to FY 1999 BUDGET ESTIMATE

BUDGET ACTIVITY-01 (Cont'd)

FLIGHT OPERATIONS (Cont'd)

The 551st Special Operations Squadron was reduced by six Officers and 54 Enlisted in line with revised inventory level for the MH-53J. The staffing level for aircrew training was initially programmed for the conversion of two MH-53J primary aircraft assigned (PAA) to primary trainers (PAT). Approved Program Change Request (PCR) supports only one MH-53J as "training coded".

(Baseline 273 to 213) -60

An Officer to Enlisted conversion of five authorizations was accomplished within the 16th Special Operation Wing to release spaces required to meet priorities within the 6th SOS.

(Baseline 361 to 361) 0

(Baseline 7582 to 7582) 0

TOTAL FLIGHT OPERATIONS (11167 to 11142) -25

MANAGEMENT/OPERATIONAL HEADQUARTERS

To enhance the capabilities in the management of logistic and military personnel support functions provided at the Major Subordinate Command and unit levels, eight Officers and five Enlisted were realigned from the headquarters of the United States Army Special Operations Command (USASOC). In concert with a scrub of functional responsibilities, the workload was realigned to the USASOC Field Operating Element (FOE) within Operational Support subactivity.

(Baseline 209 to 196) -13

Naval Special Warfare Command (NAVSPECWARCOM) Headquarters provided two positions, one Officer and one Enlisted to meet priority requirements within Joint Special Operations Command (JSOC). Realignment is reflected within the Combat Development Activities subactivity.

(Baseline 126 to 124) -2

FY 1998 CURRENT to FY 1999 BUDGET ESTIMATE (Cont'd)

BUDGET ACTIVITY-01 (Cont'd)

MANAGEMENT/OPERATIONAL HEADQUARTERS

A realignment of one Army Officer from United States Army Special Operations Command (USASOC), Combat Development subactivity, is reflected as an increase to this subactivity. This authorization is used to support the centralized Force Development Division within the manpower directorate for USSOCOM. In concert with the Joint Manpower Study, eleven army enlisted billets (-8 HQS/-3 Command Support Element) were realigned to United States Army Special Operations Command (USASOC) for Air Operations.

(Baseline 416 to 406) -10

Special Operations Command Korea (SOC-K) receives an increase of ten military positions to reduce the turmoil of repeated augmentation and TDY support. Army billets (4 Officers/3 Enlisted) were redistributed from Army Aviation Support Element (AASE) deactivation margin in Flight Operations subactivity. Three Air Force billets (2 Officers/1 Enlisted) were additive growth above the baseline and were resourced during the FY 1999 Program Review as a priority.

(Baseline 25 to 35) 10

Special Operations Command SOUTH (SOCSOUTH) reflects the redistribution of eight Army Aviation Support Element authorizations (4 Warrants/4 Enlisted). The support is intended to cover additional requirements associated with the transition of SOCSOUTH to Miami. Further evaluation of SOCSOUTH manning requirements is in progress and will be addressed in the FY 2000 program in conjunction with Service coordination.

(Baseline 66 to 74) 8

Special Operations Command Central (SOCCENT) is authorized an adjustment in Service representation (-1 Army/+1 Navy). This accommodates a Service approved trade with United States Atlantic Command (USACOM). USACOM required increased Army presence on their staff and SOCCENT required additional Navy senior enlisted representation.

(Baseline 62 to 62) 0

FY 1998 CURRENT to FY 1999 BUDGET ESTIMATE

BUDGET ACTIVITY-01 (Cont'd)

An internal exchange between United States Special Operations Command and Special Operations Command Atlantic Command (SOCACOM) was effected with a net sum zero impact. SOCACOM traded a Navy Officer for an Army Officer; USSOCOM provided the offset with reduction of an Army Officer and increase of Navy Officer. 0

TOTAL MANAGEMENT/OPERATIONAL HEADQUARTERS (1455 to 1448) -7

INTELLIGENCE/COMMUNICATIONS

Within the Special Operations Command Joint Intelligence Center (SOCJIC), a net sum zero change was made to adjust Service ratio (+1 Air Force Enlisted/-1 Navy Enlisted).
(Baseline 17 to 17) 0

TOTAL INTELLIGENCE/COMMUNICATIONS (219 to 219) 0

OPERATIONAL SUPPORT

United States Army Special Operations Command (USASOC) realigned existing strength to meet changing priorities. The following details support a net increase of 17 authorizations in the Operational Support subactivity:

USASOC realigned three enlisted authorizations from operational support units to meet Combat Development priorities. In addition, thirteen positions were realigned from USASOC Management Headquarters subactivity to enhance Major Subordinate Command (MSC) and unit capabilities in logistic and military personnel support functions. This is the final phase of USASOC reorganization which reduced headquarters and provided the operational units the manning to support assigned responsibilities.

(Baseline 164 to 174) 10

FY 1998 CURRENT to FY 1999 BUDGET ESTIMATE

BUDGET ACTIVITY-01 (Cont'd)

OPERATIONAL SUPPORT (Cont'd)

One Officer was realigned from USASOC Field Operating Element to the John F. Kennedy Special Warfare Center and School (USAJFKSWCS) within the subactivity of Training and Education. JFKSWCS was chartered with the responsibility for all Army Special Operations Forces (ARSOF) analysis for the "Army After Next" project which studies future required capabilities. This position coordinates the task through submission.		
(Baseline 174 to 173)	-1	
Redistribution of Army Warrant Officer billets from Army Aviation Support Element (AASE) within Flight Operations subactivity to United States Army Special Operations Command within Operational Support subactivity improves the continuity of operational support activities. Warrant Officers possess technical and tactical expertise and regional awareness. USASOC previously served as a billpayer for five priority billets at Special Operations Command Korea (SOC-K). This adjustment restores the staffing level.		
(Baseline 173 to 178)	5	
United States Army Special Operations Command (USASOC) was required to support civilian shortfalls within the Special Operations Forces (SOF) structure. They provided three workyears to supplement an initiative supporting classified requirements. In exchange, three military billets were provided to maintain staffing complement within the logistics and military personnel functions of the Field Operating Element. Positions include one Warrant Officer and two Enlisted from the redistribution of Army Aviation Support Element authorizations.		
(Baseline 178 to 181)	3	
TOTAL OPERATIONAL SUPPORT (1337 to 1354)	17	17
TOTAL BUDGET ACTIVITY -01 (42025 to 42037)		12

FY 1998 CURRENT to FY 1999 BUDGET ESTIMATE

BUDGET ACTIVITY-03

SPECIALIZED SKILL TRAINING

This subactivity reflects the increase of one Army Officer transferred within United States Army Special Operations Command (USASOC) from Operational Support to the John F. Kennedy Special Warfare Center and School. Within the doctrine and curriculum development function of the Center, this positions will coordinate the analysis required for the "Army After Next" project which translates future concepts into operational capabilities for Army Special Operations Forces (ARSOF).
(Baseline 140 to 141) 1

United States Army Special Operations Command reflects the realignment of eleven Army enlisted positions for Air Operations training. These billets were redirected to USASOC manning documentation as a result of the Joint Manpower Study. (Baseline 5 to 16) 11

TOTAL SPECIALIZED SKILL TRAINING (1225 to 1237) 12

TOTAL BUDGET ACTIVITY-03 (1268 to 1280) 12

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

BUDGET ACTIVITY-04

ACQUISITION PROGRAM MANAGEMENT

A functional crosswalk was coordinated with the Navy to provide one Officer to United States Special Operations Command (USSOCOM) as additive to the Major Force Program 11 Navy strength baseline. This billet was associated with the transfer to Special Operations Acquisition Center (SOAC) for responsibility as program executive for Command, Control, Communications, Computer and Intelligence (C4I) for two programs. Space and Naval Warfare Systems Command (SPAWAR) concurred with the transfer of Naval Special Warfare Communications Program Management and associated billets which also include one civilian. Programs managed by SPAWAR were at or nearing full production, therefore this was the best timeframe to accomplish the transfer. Endorsement by the Service and Office of the Under Secretary of Defense was obtained.

(Baseline 8 to 9)	1	
TOTAL ACQUISITION PROGRAM MANAGEMENT (38 to 39)		1
TOTAL BUDGET ACTIVITY-04 (38 to 39)		1
FY 1999 BUDGET ESTIMATE		43356

V. Personnel Summary

MILITARY MANPOWER NARRATIVE

SERVICE SUMMARY IMPACT

FY 1998 PRESIDENT'S BUDGET to FY 1998 CURRENT

Internal realignments between units and subactivities were accomplished to meet manning priorities within the total authorized Major Force Program 11. A net sum zero impact was maintained to ensure the integrity of Service control totals. One Army Officer and One Air Force Officer were realigned from Budget Activity-04 to Budget Activity-01 to more accurately reflect their function within Management Headquarters. An administrative correction was applied to realign the advance instructor cadre for the CV-22 program within Air Force Special Operations Command (AFSOC). These billets were realigned to Budget Activity-01, Flight Operations from Budget Activity-04, Acquisition Program Management.

FUTURE YEAR DEFENSE PLAN ADJUSTMENTS

United States Special Operations Command coordinates manpower program changes with the Services. The following actions represent a change from the Future Year Defense Plan baseline position:

ARMY ACTIVE: Officer to Warrant Officer adjustment (-20/+20) in FY 1999; (-19/+19) outyears.

(-1) Reduction of one Army Enlisted billet as a result of a trade between Special Operations Command Central (SOCCENT) and United States Atlantic Command (USACOM). This position still remains within Army Service totals but is not counted in the Program 11 controls for Special Operations Forces.

NAVY ACTIVE: Increase of one Navy Enlisted as a result of the trade with USACOM.

(+2) Increase of one Navy Officer as a result of functional transfer from Space and Naval Warfare Systems Command (SPAWAR) to Special Operations Acquisition Center (SOAC) for program acquisition (C4I).

V. Personnel Summary

MILITARY MANPOWER NARRATIVE

SERVICE SUMMARY IMPACT

FUTURE YEAR DEFENSE PLAN ADJUSTMENTS

AIR FORCE ACTIVE:

(+88) Reinstatement of 84 positions (32 Officers/52 Enlisted) to the classified program as coordinated in the FY 1999 Program Review (PR99). Additive strength was programmed and resourced in the PR99 to include two Officers and one Enlisted for Special Operations Command Korea (SOC-K) and one Officer for Joint Special Operations Command.

FY 1998 CURRENT to FY 1999 BUDGET ESTIMATE (Between Years)

ARMY ACTIVE:

(-1) Reduction of one Army Enlisted billet as a result of a trade between Special Operations Central Command (SOCCENT) and United States Atlantic Command (USACOM). This position still remains within Army Service totals but is not counted in the Program 11 controls for Special Operations Forces.

Net sum zero impact with redistribution of Army Aviation Support Element authorizations to meet internal Special Operations Forces (SOF) priorities in Joint Special Operations Command and the Special Operations Command (SOCs).

NAVY ACTIVE:

(+21) Growth between years as previously programmed for Advanced Seal Delivery System, Seal Delivery Vehicle and Special Boat Unit 22 totaling 20 authorizations.

Growth of one Navy enlisted for Special Operations Command Central (SOCCENT).
Reduction of one Navy enlisted for Special Operations Command Joint Intelligence Center.
Crosswalk increase of one Officer for the Special Operations Acquisition Center (SOAC).

AIR FORCE ACTIVE:

(+ 5) Additive buy of four positions: (+1) Joint Special Operations Command
(+3) SOC Korea

Special Operation Command Joint Intelligence Center (SOCJIC) increase of 1 enlisted for service representation trade.

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

V. Personnel Summary:

MANPOWER NARRATIVE

Manpower (Civilian and Military) contained in this submission depicts a dedicated workforce capability supporting the Special Operations Forces (SOF) worldwide. United States Special Operations Command (USSOCOM) manpower retains Service identity and therefore the end strengths and full-time equivalent workyears will equally be contained in the respective Service budgets.

A. CIVILIAN SUMMARY

	FTE DISPLAY BY SERVICE				CHANGES	
	FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	FY98BR FY98 C	FY 1998 FY 1999
ARMY ACTIVE	1024	1055	1052	1054	-3	2
(Reimbursable)	(0)	(3)	(2)	(2)	(-1)	(0)
ARMY RESERVE	161	174	166	174	-8	8
TOTAL ARMY	1185	1229	1218	1228	-11	10
NAVY ACTIVE	228	244	245	247	1	2
(Reimbursable)	(1)	(1)	(2)	(1)	(1)	(-1)
AIR FORCE ACTIVE	732	762	760	772	-2	12
(Reimbursable)	(14)	(15)	(22)	(21)	(7)	(-1)
AIR RESERVE	277	284	284	284	0	0
AIR NATL GUARD	214	208	208	208	0	0
TOTAL AIR FORCE	1223	1254	1252	1264	-2	12
TOTAL PERSONNEL	2636	2727	2715	2739	-12	24
(Reimbursable)	(15)	(19)	(26)	(24)	(7)	(-2)
DIRECT FUNDED FTE	2621	2708	2689	2715	-19	26
DIRECT FUNDED ES	2680	2747	2750	2754	3	4
UTILIZATION RATE	97.8%	98.6%	97.8%	98.6%		

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

V. Personnel Summary:

C. MILITARY END STRENGTH — SERVICE DISPLAY

FY	ACTIVE DUTY		ARMY	NAVY	AIR FORCE	MARINES	GRAND TOTAL	
97	Actual	Officer	2751	746	1511	16	5024	
		Enlisted	12507	4173	7162	23	23865	28889
98	Budget	Officer	2898	789	1660	24	5371	
	Request	Enlisted	12334	4267	7511	25	24137	29508
98	Current	Officer	2898	789	1660	24	5371	
		Enlisted	12334	4267	7511	25	24137	29508
99	Estimate	Officer	2898	797	1664	24	5383	
		Enlisted	12333	4280	7512	25	24150	29533

CHANGES:

FY98BR-FY98 C	Officer	0	0	0	0	0
	Enlisted	0	0	0	0	0
	Total	0	0	0	0	0
FY98-FY99	Officer	0	8	4	0	12
	Enlisted	-1	13	1	0	13
	Total	-1	21	5	0	25

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

V. Personnel Summary:

C. MILITARY END STRENGTH (Cont'd) SERVICE DISPLAY

FY	RESERVE/GUARD	ARMY RESERVE	NAVY RESERVE	AIR FORCE RESERVE	ARMY NATL GUARD	AIR NATL GUARD	TOTALS
97	ACTUAL						
	Full-Time AGRs						
	Officer	113	42	0	19	5	179
	Enlisted	197	16	0	85	51	349
	Drill Strength						
	Officer	2137	252	159	307	112	2967
	Enlisted	5661	1027	809	1755	588	9840
	(Training memo)	(0)	(0)	(0)	(77)	(12)	(89)
	(Military Techs)	(148)	(0)	(249)	(0)	(223)	(620)
	TOTAL	8108	1337	968	2166	756	13335
98	BUDGET REQUEST						
	Full-Time AGRs						
	Officer	113	38	0	29	6	186
	Enlisted	197	13	0	156	50	416
	Drill Strength						
	Officer	2136	241	186	555	115	3233
	Enlisted	5364	921	919	2130	654	9988
	(Training memo)	(0)	(0)	(0)	(60)	(12)	(72)
	(Military Techs)	(169)	(0)	(257)	(0)	(212)	(638)
	TOTAL	7810	1213	1105	2870	825	13823

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

V. Personnel Summary:

C. MILITARY END STRENGTH (Cont'd) SERVICE DISPLAY

FY	RESERVE/GUARD	ARMY RESERVE	NAVY RESERVE	AIR FORCE RESERVE	ARMY NATL GUARD	AIR NATL GUARD	TOTALS
98	CURRENT						
	Full-Time AGRs						
	Officer	113	38	0	29	6	186
	Enlisted	197	13	0	156	50	416
	Drill Strength						
	Officer	2136	241	186	555	115	3233
	Enlisted	5364	921	919	2130	654	9988
	(Training memo)	(0)	(0)	(0)	(60)	(12)	(72)
	(Military Techs)	(169)	(0)	(257)	(0)	(212)	(638)
	TOTAL	7810	1213	1105	2870	825	13823
99	ESTIMATE						
	Full-Time AGRs						
	Officer	113	38	0	29	6	186
	Enlisted	197	13	0	156	50	416
	Drill Strength						
	Officer	2136	241	186	555	115	3233
	Enlisted	5364	921	919	2130	654	9988
	(Training memo)	(0)	(0)	(0)	(60)	(12)	(72)
	(Military Techs)	(169)	(0)	(257)	(0)	(212)	(638)
	TOTAL	7810	1213	1105	2870	825	13823

CHANGES: No Changes

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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V. Personnel Summary:

C. MILITARY END STRENGTH — SERVICE DISPLAY

FY	ACTIVE DUTY		ARMY	NAVY	AIR FORCE	MARINES	GRAND TOTAL	
97	Actual	Officer	2751	746	1511	16	5024	
		Enlisted	12507	4173	7162	23	23865	28889
98	Budget	Officer	2898	789	1660	24	5371	
	Request	Enlisted	12334	4267	7511	25	24137	29508
98	Current	Officer	2898	789	1660	24	5371	
		Enlisted	12334	4267	7511	25	24137	29508
99	Estimate	Officer	2898	797	1664	24	5383	
		Enlisted	12333	4280	7512	25	24150	29533
CHANGES:								
FY98BR-FY98 C		Officer	0	0	0	0	0	
		Enlisted	0	0	0	0	0	
		Total	0	0	0	0	0	
FY98-FY99		Officer	0	8	4	0	12	
		Enlisted	-1	13	1	0	13	
		Total	-1	21	5	0	25	

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

V. Personnel Summary:

C. MILITARY END STRENGTH (Cont'd) SERVICE DISPLAY

FY	RESERVE/GUARD	ARMY RESERVE	NAVY RESERVE	AIR FORCE RESERVE	ARMY NATL GUARD	AIR NATL GUARD	TOTALS
97	ACTUAL						
	Full-Time AGRs						
	Officer	113	42	0	19	5	179
	Enlisted	197	16	0	85	51	349
	Drill Strength						
	Officer	2137	252	159	307	112	2967
	Enlisted	5661	1027	809	1755	588	9840
	(Training memo)	(0)	(0)	(0)	(77)	(12)	(89)
	(Military Techs)	(148)	(0)	(249)	(0)	(223)	(620)
	TOTAL	8108	1337	968	2166	756	13335
98	BUDGET REQUEST						
	Full-Time AGRs						
	Officer	113	38	0	29	6	186
	Enlisted	197	13	0	156	50	416
	Drill Strength						
	Officer	2136	241	186	555	115	3233
	Enlisted	5364	921	919	2130	654	9988
	(Training memo)	(0)	(0)	(0)	(60)	(12)	(72)
	(Military Techs)	(169)	(0)	(257)	(0)	(212)	(638)
	TOTAL	7810	1213	1105	2870	825	13823

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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V. Personnel Summary:

C. MILITARY END STRENGTH (Cont'd) SERVICE DISPLAY

FY	RESERVE/GUARD	ARMY RESERVE	NAVY RESERVE	AIR FORCE RESERVE	ARMY NATL GUARD	AIR NATL GUARD	TOTALS
98	CURRENT						
	Full-Time AGRs						
	Officer	113	38	0	29	6	186
	Enlisted	197	13	0	156	50	416
	Drill Strength						
	Officer	2136	241	186	555	115	3233
	Enlisted	5364	921	919	2130	654	9988
	(Training memo)	(0)	(0)	(0)	(60)	(12)	(72)
	(Military Techs)	(169)	(0)	(257)	(0)	(212)	(638)
	TOTAL	7810	1213	1105	2870	825	13823
99	ESTIMATE						
	Full-Time AGRs						
	Officer	113	38	0	29	6	186
	Enlisted	197	13	0	156	50	416
	Drill Strength						
	Officer	2136	241	186	555	115	3233
	Enlisted	5364	921	919	2130	654	9988
	(Training memo)	(0)	(0)	(0)	(60)	(12)	(72)
	(Military Techs)	(169)	(0)	(257)	(0)	(212)	(638)
	TOTAL	7810	1213	1105	2870	825	13823

CHANGES: No Changes

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

V. Personnel Summary:

D. MILITARY END STRENGTH

BUDGET ACTIVITY DISPLAY

BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SO OPERATIONAL FORCES							
FLIGHT OPERATIONS	Active	8672	9216	9237	9212	21	-25
	Res/Guard	1724	1930	1930	1930	0	0
	Subtotal	10396	11146	11167	11142	21	-25
SHIPS AND BOATS	Active	1949	2019	2019	2039	0	20
	Reserve	533	409	409	409	0	0
	Subtotal	2482	2428	2428	2448	0	20
COMBAT DEVELOPMENT	Active	1655	1739	1739	1746	0	7
	Subtotal	1655	1739	1739	1746	0	7
OTHER OPERATIONS	Active	12532	12482	12483	12483	1	0
	Res/Guard	10746	11152	11147	11147	-5	0
	Subtotal	23278	23634	23630	23630	-4	0
SO OPERATIONAL FORCES	Active	24808	25456	25478	25480	22	2
	Res/Guard	13003	13491	13486	13486	-5	0
	Subtotal	37811	38947	38964	38966	17	2

UNITED STATES SPECIAL OPERATIONS COMMAND
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V. Personnel Summary:

D. MILITARY END STRENGTH

BUDGET ACTIVITY DISPLAY

BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SO OPERATIONAL SUPPORT							
OPERATIONAL SUPPORT	Active	886	1079	1078	1095	-1	17
	Reserve	254	254	259	259	5	0
	Subtotal	1140	1333	1337	1354	4	17
INTELLIGENCE AND COMM	Active	203	206	205	205	-1	0
	Reserve	14	14	14	14	0	0
	Subtotal	217	220	219	219	-1	0
MANAGEMENT/OPERATIONAL HQS	Active	1382	1388	1391	1384	3	-7
	Reserve	64	64	64	64	0	0
	Subtotal	1446	1452	1455	1448	3	-7
FORCE RELATED TRNG	Active	44	44	44	44	0	0
	Subtotal	44	44	44	44	0	0

UNITED STATES SPECIAL OPERATIONS COMMAND
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V. Personnel Summary:

D. MILITARY END STRENGTH

BUDGET ACTIVITY DISPLAY

BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SO OPERATIONAL SUPPORT							
DEPOT MAINTENANCE	Active	6	6	6	6	0	0
	Subtotal	6	6	6	6	0	0
SO OPERATIONAL SUPPORT	Active	2521	2723	2724	2734	1	10
	Res/Guard	332	332	337	337	5	0
	Subtotal	2853	3055	3061	3071	6	10
TOTAL	Active	27329	28179	28202	28214	23	12
	Res/Guard	13335	13823	13823	13823	0	0
	Total	40664	42002	42025	42037	23	12

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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V. Personnel Summary:

D. MILITARY END STRENGTH

BUDGET ACTIVITY DISPLAY

BA-03 TRAINING AND RECRUITING		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SKILL AND ADVANCED TRNG							
SPECIALIZED SKILL TRNG	Active	1477	1225	1225	1237	0	12
	Subtotal	1477	1225	1225	1237	0	12
PROFESSIONAL DEVELOPMENT	Active	43	43	43	43	0	0
	Subtotal	43	43	43	43	0	0
TOTAL	Active	1520	1268	1268	1280	0	12
	Total	1520	1268	1268	1280	0	12

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

V. Personnel Summary:

D. MILITARY END STRENGTH

BUDGET ACTIVITY DISPLAY

BA-04 ADMINISTRATIVE AND SERVICEWIDE		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
LOGISTICS OPERATIONS							
ACQUISITION/PROGRAM MGMT	Active	40	61	38	39	-23	1
	Subtotal	40	61	38	39	-23	1
TOTAL	Active	40	61	38	39	-23	1
	Total	40	61	38	39	-23	1
GRAND TOTAL:	Active	28889	29508	29508	29533	0	25
	Reserve/Guard	13335	13823	13823	13823	0	0
	Total	42224	43331	43331	43356	0	25

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
FY 1999 AMENDED BUDGET ESTIMATES

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

E. Personnel Summary

		BUDGET ACTIVITY DISPLAY END STRENGTH				CHANGES	
BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	FY98BR FY98 C	FY 1998 FY 1999
SO OPERATIONAL FORCES							
FLIGHT OPERATIONS	Active	8672	9216	9237	9212	21	-25
	Res/Guard	1724	1930	1930	1930	0	0
	Civilian	660	666	666	668	0	2
	Subtotal	11056	11812	11833	11810	21	-23
SHIPS AND BOATS	Active	1949	2019	2019	2039	0	20
	Reserve	533	409	409	409	0	0
	Civilian	29	27	28	28	1	0
	Subtotal	2511	2455	2456	2476	1	20
COMBAT DEVELOPMENT	Active	1655	1739	1739	1746	0	7
	Civilian	309	305	302	303	-3	1
	Subtotal	1964	2044	2041	2049	-3	8
OTHER OPERATIONS	Active	12532	12482	12483	12483	1	0
	Res/Guard	10746	11152	11147	11147	-5	0
	Civilian	289	319	326	326	7	0
	Subtotal	23567	23953	23956	23956	3	0
SO OPERATIONAL FORCES	Active	24808	25456	25478	25480	22	2
	Res/Guard	13003	13491	13486	13486	-5	0
	Civilian	1287	1317	1322	1325	5	3
	Subtotal	39098	40264	40286	40291	22	5

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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III. Financial Summary (O&M: $ In Thousands)

E. Personnel Summary

BUDGET ACTIVITY DISPLAY END STRENGTH

BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SO OPERATIONAL SUPPORT							
OPERATIONAL SUPPORT	Active	886	1079	1078	1095	-1	17
	Reserve	254	254	259	259	5	0
	Civilian	126	139	140	147	1	7
	Subtotal	1266	1472	1477	1501	5	24
INTELLIGENCE AND COMM	Active	203	206	205	205	-1	0
	Reserve	14	14	14	14	0	0
	Civilian	32	35	35	35	0	0
	Subtotal	249	255	254	254	-1	0
MANAGEMENT/OPERATIONAL HQS	Active	1382	1388	1391	1384	3	-7
	Reserve	64	64	64	64	0	0
	Civilian	606	609	619	610	10	-9
	Subtotal	2052	2061	2074	2058	13	-16
FORCE RELATED TRNG	Active	44	44	44	44	0	0
	Civilian	0	0	0	1	0	1
	Subtotal	44	44	44	45	0	1

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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III. Financial Summary (O&M: $ In Thousands)

E. Personnel Summary

BUDGET ACTIVITY DISPLAY END STRENGTH

BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SO OPERATIONAL SUPPORT							
DEPOT MAINTENANCE	Active	6	6	6	6	0	0
	Civilian	229	235	235	235	0	0
	Subtotal	235	241	241	241	0	0
SO OPERATIONAL SUPPORT	Active	2521	2723	2724	2734	1	10
	Res/Guard	332	332	337	337	5	0
	Civilian	993	1018	1029	1028	11	-1
	Subtotal	3846	4073	4090	4099	17	9
TOTAL	Active	27329	28179	28202	28214	23	12
	Res/Guard	13335	13823	13823	13823	0	0
	Civilian	2280	2335	2351	2353	16	2
		42944	44337	44376	44390	39	14

UNITED STATES SPECIAL OPERATIONS COMMAND
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FY 1999 AMENDED BUDGET ESTIMATES

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

E. Personnel Summary

BUDGET ACTIVITY DISPLAY END STRENGTH

BA-03 TRAINING AND RECRUITING		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SKILL AND ADVANCED TRNG							
SPECIALIZED SKILL TRNG	Active	1477	1225	1225	1237	0	12
	Civilian	306	303	306	306	3	0
	Subtotal	1783	1528	1531	1543	3	12
PROFESSIONAL DEVELOPMENT	Active	43	43	43	43	0	0
	Civilian	3	3	3	3	0	0
	Subtotal	46	46	46	46	0	0
TOTAL	Active	1520	1268	1268	1280	0	12
	Civilian	309	306	309	309	3	0
		1829	1574	1577	1589	3	12

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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III. Financial Summary (O&M: $ In Thousands)

E. Personnel Summary

BUDGET ACTIVITY DISPLAY END STRENGTH

BA-04 ADMINISTRATIVE AND SERVICEWIDE		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
LOGISTICS OPERATIONS							
ACQUISITION/PROGRAM MGMT	Active	40	61	38	39	-23	1
	Civilian	110	125	116	116	-9	0
	Subtotal	150	186	154	155	-32	1
TOTAL	Active	40	61	38	39	-23	1
	Civilian	110	125	116	116	-9	0
		150	186	154	155	-32	1

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E. Personnel Summary

BUDGET ACTIVITY DISPLAY END STRENGTH

						CHANGES	
		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	FY98BR FY98 C	FY 1998 FY 1999
GRAND TOTAL:	Active	28889	29508	29508	29533	0	25
	Res/Guard	13335	13823	13823	13823	0	0
	Civilian	2699	2766	2776	2778	10	2
		44923	46097	46107	46134	10	27

UNITED STATES SPECIAL OPERATIONS COMMAND
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III. Financial Summary (O&M: $ In Thousands)

E. Personnel Summary

BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SO OPERATIONAL FORCES							
FLIGHT OPERATIONS	Active	8955	9254	9269	9223	15	-46
	Res/Guard	1770	1930	1930	1930	0	0
	Civilian	647	657	657	659	0	2
	Subtotal	11372	11841	11856	11812	15	-44
SHIPS AND BOATS	Active	1967	2016	2016	2030	0	14
	Reserve	469	472	472	409	0	-63
	Civilian	27	27	28	28	1	0
	Subtotal	2463	2515	2516	2467	1	-49
COMBAT DEVELOPMENT	Active	1703	1749	1749	1744	0	-5
	Civilian	297	302	297	300	-5	3
	Subtotal	2000	2051	2046	2044	-5	-2
OTHER OPERATIONS	Active	12489	12463	12464	12483	1	19
	Res/Guard	10998	11152	11147	11147	-5	0
	Civilian	299	314	313	321	-1	8
	Subtotal	23786	23929	23924	23951	-5	27
SO OPERATIONAL FORCES	Active	25114	25482	25498	25480	16	-18
	Res/Guard	13237	13554	13549	13486	-5	-63
	Civilian	1270	1300	1295	1308	-5	13
	Subtotal	39621	40336	40342	40274	6	-68

UNITED STATES SPECIAL OPERATIONS COMMAND
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III. Financial Summary (O&M: $ In Thousands)

E. Personnel Summary

BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

						CHANGES	
BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	FY98BR FY98 C	FY 1998 FY 1999
SO OPERATIONAL SUPPORT							
OPERATIONAL SUPPORT	Active	1022	1117	1116	1086	-1	-30
	Reserve	257	254	259	259	5	0
	Civilian	125	138	139	146	1	7
	Subtotal	1404	1509	1514	1491	5	-23
INTELLIGENCE AND COMM	Active	205	206	205	205	-1	0
	Reserve	14	14	14	14	0	0
	Civilian	33	33	33	33	0	0
	Subtotal	252	253	252	252	-1	0
MANAGEMENT/OPERATIONAL HQS	Active	1386	1388	1391	1384	3	-7
	Reserve	59	64	64	64	0	0
	Civilian	591	602	603	603	1	0
	Subtotal	2036	2054	2058	2051	4	-7
FORCE RELATED TRNG	Active	44	44	44	44	0	0
	Civilian	0	0	0	1	0	1
	Subtotal	44	44	44	45	0	1

UNITED STATES SPECIAL OPERATIONS COMMAND
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III. Financial Summary (O&M: $ In Thousands)

E. Personnel Summary

BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

						CHANGES	
		FY 1997	FY 1998	FY 1998	FY 1999	FY98BR	FY 1998
BA-01 OPERATING FORCES		ACTUAL	REQUEST	CURRENT	ESTIMATE	FY98 C	FY 1999
SO OPERATIONAL SUPPORT							
DEPOT MAINTENANCE	Active	6	6	6	6	0	0
	Civilian	224	231	228	231	-3	3
	Subtotal	230	237	234	237	-3	3
SO OPERATIONAL SUPPORT	Active	2663	2761	2762	2725	1	-37
	Res/Guard	330	332	337	337	5	0
	Civilian	973	1004	1003	1014	-1	11
	Subtotal	3966	4097	4102	4076	5	-26
TOTAL	Active	27777	28243	28260	28205	17	-55
	Res/Guard	13567	13886	13886	13823	0	-63
	Civilian	2243	2304	2298	2322	-6	24
		43587	44433	44444	44350	11	-94

UNITED STATES SPECIAL OPERATIONS COMMAND
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III. Financial Summary (O&M: $ In Thousands)

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BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

BA-03 TRAINING AND RECRUITING		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SKILL AND ADVANCED TRNG							
SPECIALIZED SKILL TRNG	Active	1440	1326	1326	1237	0	-89
	Civilian	287	296	299	299	3	0
	Subtotal	1727	1622	1625	1536	3	-89
PROFESSIONAL DEVELOPMENT	Active	43	43	43	43	0	0
	Civilian	3	3	3	3	0	0
	Subtotal	46	46	46	46	0	0
TOTAL	Active	1483	1369	1369	1280	0	-89
	Civilian	290	299	302	302	3	0
		1773	1668	1671	1582	3	-89

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

E. Personnel Summary

BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

BA-04 ADMINISTRATIVE AND SERVICEWIDE		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
LOGISTICS OPERATIONS							
ACQUISITION/PROGRAM MGMT	Active	42	52	35	39	-17	4
	Civilian	103	124	115	115	-9	0
	Subtotal	145	176	150	154	-26	4
TOTAL	Active	42	52	35	39	-17	4
	Civilian	103	124	115	115	-9	0
		145	176	150	154	-26	4

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BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
GRAND TOTAL:	Active	29302	29664	29664	29524	0	-140
	Res/Guard	13567	13886	13886	13823	0	-63
	Civilian	2636	2727	2715	2739	-12	24
		45505	46277	46265	46086	-12	-179

NOTES:

1. Ba-3 workyears drop 100 for active between 1998 and 1999 due to reduction in endstrength between 1997 and 1998 Because of averageing, only half of the workyears dropped in 1998 and the remainder drop in 1999.

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

E. Personnel Summary

		BUDGET ACTIVITY DISPLAY END STRENGTH				CHANGES	
BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	FY98BR FY98 C	FY 1998 FY 1999
SO OPERATIONAL FORCES							
FLIGHT OPERATIONS	Active	8672	9216	9237	9212	21	-25
	Res/Guard	1724	1930	1930	1930	0	0
	Civilian	660	666	666	668	0	2
	Subtotal	11056	11812	11833	11810	21	-23
SHIPS AND BOATS	Active	1949	2019	2019	2039	0	20
	Reserve	533	409	409	409	0	0
	Civilian	29	27	28	28	1	0
	Subtotal	2511	2455	2456	2476	1	20
COMBAT DEVELOPMENT	Active	1655	1739	1739	1746	0	7
	Civilian	309	305	302	303	-3	1
	Subtotal	1964	2044	2041	2049	-3	8
OTHER OPERATIONS	Active	12532	12482	12483	12483	1	0
	Res/Guard	10746	11152	11147	11147	-5	0
	Civilian	289	319	326	326	7	0
	Subtotal	23567	23953	23956	23956	3	0
SO OPERATIONAL FORCES	Active	24808	25456	25478	25480	22	2
	Res/Guard	13003	13491	13486	13486	-5	0
	Civilian	1287	1317	1322	1325	5	3
	Subtotal	39098	40264	40286	40291	22	5

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E. Personnel Summary

BUDGET ACTIVITY DISPLAY END STRENGTH

BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SO OPERATIONAL SUPPORT							
OPERATIONAL SUPPORT	Active	886	1079	1078	1095	-1	17
	Reserve	254	254	259	259	5	0
	Civilian	126	139	140	147	1	7
	Subtotal	1266	1472	1477	1501	5	24
INTELLIGENCE AND COMM	Active	203	206	205	205	-1	0
	Reserve	14	14	14	14	0	0
	Civilian	32	35	35	35	0	0
	Subtotal	249	255	254	254	-1	0
MANAGEMENT/OPERATIONAL HQS	Active	1382	1388	1391	1384	3	-7
	Reserve	64	64	64	64	0	0
	Civilian	606	609	619	610	10	-9
	Subtotal	2052	2061	2074	2058	13	-16
FORCE RELATED TRNG	Active	44	44	44	44	0	0
	Civilian	0	0	0	1	0	1
	Subtotal	44	44	44	45	0	1

UNITED STATES SPECIAL OPERATIONS COMMAND
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E. Personnel Summary

BUDGET ACTIVITY DISPLAY END STRENGTH

BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SO OPERATIONAL SUPPORT							
DEPOT MAINTENANCE	Active	6	6	6	6	0	0
	Civilian	229	235	235	235	0	0
	Subtotal	235	241	241	241	0	0
SO OPERATIONAL SUPPORT	Active	2521	2723	2724	2734	1	10
	Res/Guard	332	332	337	337	5	0
	Civilian	993	1018	1029	1028	11	-1
	Subtotal	3846	4073	4090	4099	17	9
TOTAL	Active	27329	28179	28202	28214	23	12
	Res/Guard	13335	13823	13823	13823	0	0
	Civilian	2280	2335	2351	2353	16	2
		42944	44337	44376	44390	39	14

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BUDGET ACTIVITY DISPLAY END STRENGTH

BA-03 TRAINING AND RECRUITING		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SKILL AND ADVANCED TRNG							
SPECIALIZED SKILL TRNG	Active	1477	1225	1225	1237	0	12
	Civilian	306	303	306	306	3	0
	Subtotal	1783	1528	1531	1543	3	12
PROFESSIONAL DEVELOPMENT	Active	43	43	43	43	0	0
	Civilian	3	3	3	3	0	0
	Subtotal	46	46	46	46	0	0
TOTAL	Active	1520	1268	1268	1280	0	12
	Civilian	309	306	309	309	3	0
		1829	1574	1577	1589	3	12

UNITED STATES SPECIAL OPERATIONS COMMAND
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E. Personnel Summary

BUDGET ACTIVITY DISPLAY END STRENGTH

BA-04 ADMINISTRATIVE AND SERVICEWIDE		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
LOGISTICS OPERATIONS							
ACQUISITION/PROGRAM MGMT	Active	40	61	38	39	-23	1
	Civilian	110	125	116	116	-9	0
	Subtotal	150	186	154	155	-32	1
TOTAL	Active	40	61	38	39	-23	1
	Civilian	110	125	116	116	-9	0
		150	186	154	155	-32	1

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

E. Personnel Summary

BUDGET ACTIVITY DISPLAY END STRENGTH

						CHANGES	
		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	FY98BR FY98 C	FY 1998 FY 1999
GRAND TOTAL:	Active	28889	29508	29508	29533	0	25
	Res/Guard	13335	13823	13823	13823	0	0
	Civilian	2699	2766	2776	2778	10	2
		44923	46097	46107	46134	10	27

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BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SO OPERATIONAL FORCES							
FLIGHT OPERATIONS	Active	8955	9254	9269	9223	15	-46
	Res/Guard	1770	1930	1930	1930	0	0
	Civilian	647	657	657	659	0	2
	Subtotal	11372	11841	11856	11812	15	-44
SHIPS AND BOATS	Active	1967	2016	2016	2030	0	14
	Reserve	469	472	472	409	0	-63
	Civilian	27	27	28	28	1	0
	Subtotal	2463	2515	2516	2467	1	-49
COMBAT DEVELOPMENT	Active	1703	1749	1749	1744	0	-5
	Civilian	297	302	297	300	-5	3
	Subtotal	2000	2051	2046	2044	-5	-2
OTHER OPERATIONS	Active	12489	12463	12464	12483	1	19
	Res/Guard	10998	11152	11147	11147	-5	0
	Civilian	299	314	313	321	-1	8
	Subtotal	23786	23929	23924	23951	-5	27
SO OPERATIONAL FORCES	Active	25114	25482	25498	25480	16	-18
	Res/Guard	13237	13554	13549	13486	-5	-63
	Civilian	1270	1300	1295	1308	-5	13
	Subtotal	39621	40336	40342	40274	6	-68

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

E. Personnel Summary

BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SO OPERATIONAL SUPPORT							
OPERATIONAL SUPPORT	Active	1022	1117	1116	1086	-1	-30
	Reserve	257	254	259	259	5	0
	Civilian	125	138	139	146	1	7
	Subtotal	1404	1509	1514	1491	5	-23
INTELLIGENCE AND COMM	Active	205	206	205	205	-1	0
	Reserve	14	14	14	14	0	0
	Civilian	33	33	33	33	0	0
	Subtotal	252	253	252	252	-1	0
MANAGEMENT/OPERATIONAL HQS	Active	1386	1388	1391	1384	3	-7
	Reserve	59	64	64	64	0	0
	Civilian	591	602	603	603	1	0
	Subtotal	2036	2054	2058	2051	4	-7
FORCE RELATED TRNG	Active	44	44	44	44	0	0
	Civilian	0	0	0	1	0	1
	Subtotal	44	44	44	45	0	1

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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III. Financial Summary (O&M: $ In Thousands)

E. Personnel Summary

BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

						CHANGES	
BA-01 OPERATING FORCES		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	FY98BR FY98 C	FY 1998 FY 1999
SO OPERATIONAL SUPPORT							
DEPOT MAINTENANCE	Active	6	6	6	6	0	0
	Civilian	224	231	228	231	-3	3
	Subtotal	230	237	234	237	-3	3
SO OPERATIONAL SUPPORT	Active	2663	2761	2762	2725	1	-37
	Res/Guard	330	332	337	337	5	0
	Civilian	973	1004	1003	1014	-1	11
	Subtotal	3966	4097	4102	4076	5	-26
TOTAL	Active	27777	28243	28260	28205	17	-55
	Res/Guard	13567	13886	13886	13823	0	-63
	Civilian	2243	2304	2298	2322	-6	24
		43587	44433	44444	44350	11	-94

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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III. Financial Summary (O&M: $ In Thousands)

E. Personnel Summary

BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

BA-03 TRAINING AND RECRUITING		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
SKILL AND ADVANCED TRNG							
SPECIALIZED SKILL TRNG	Active	1440	1326	1326	1237	0	-89
	Civilian	287	296	299	299	3	0
	Subtotal	1727	1622	1625	1536	3	-89
PROFESSIONAL DEVELOPMENT	Active	43	43	43	43	0	0
	Civilian	3	3	3	3	0	0
	Subtotal	46	46	46	46	0	0
TOTAL	Active	1483	1369	1369	1280	0	-89
	Civilian	290	299	302	302	3	0
		1773	1668	1671	1582	3	-89

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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III. Financial Summary (O&M: $ In Thousands)

E. Personnel Summary

BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

BA-04 ADMINISTRATIVE AND SERVICEWIDE		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
LOGISTICS OPERATIONS							
ACQUISITION/PROGRAM MGMT	Active	42	52	35	39	-17	4
	Civilian	103	124	115	115	-9	0
	Subtotal	145	176	150	154	-26	4
TOTAL	Active	42	52	35	39	-17	4
	Civilian	103	124	115	115	-9	0
		145	176	150	154	-26	4

UNITED STATES SPECIAL OPERATIONS COMMAND
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III. Financial Summary (O&M: $ In Thousands)

E. Personnel Summary

BUDGET ACTIVITY DISPLAY FTE/AVERAGE STRENGTH

		FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
GRAND TOTAL:	Active	29302	29664	29664	29524	0	-140
	Res/Guard	13567	13886	13886	13823	0	-63
	Civilian	2636	2727	2715	2739	-12	24
		45505	46277	46265	46086	-12	-179

NOTES:

1. Ba-3 workyears drop 100 for active between 1998 and 1999 due to reduction in endstrength between 1997 and 1998 Because of averageing, only half of the workyears dropped in 1998 and the remainder drop in 1999.

UNITED STATES SPECIAL OPERATIONS COMMAND
OPERATION AND MAINTENANCE, DEFENSEWIDE
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V. Personnel Summary:

	FY 1997 ACTUAL	FY 1998 REQUEST	FY 1998 CURRENT	FY 1999 ESTIMATE	CHANGES FY98BR FY98 C	CHANGES FY 1998 FY 1999
Military Average Strength (Total)						
Active Military						
Officer	5208	5395	5395	5380	0	-15
Enlisted	24094	24269	24269	24144	0	-125
Total	29302	29664	29664	29524	0	-140
Reserve Guard						
Officer	3278	3427	3427	3419	0	-8
Enlisted	10289	10459	10459	10404	0	-55
Total	13567	13886	13886	13823	0	-63
Grand Total Military	42869	43550	43550	43347	0	-203
Civilian FTE's (Total)						
U.S. Direct Hire	2636	2727	2715	2739	-12	24
Foreign National Direct Hire	0	0	0	0	0	0
Total Direct Hire	2636	2727	2715	2739	-12	24
Foreign National Indirect Hire	0	0	0	0	0	0
(Military Tech Memo-entry)	(615)	(629)	(621)	(629)	(-8)	(8)
(Reimbursable Civilians Memo-entry)	(15)	(19)	(26)	(24)	(7)	(-2)
Grand Total Civilians	2636	2727	2715	2739	-12	24

WASHINGTON HEADQUARTERS SERVICES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMENDED BUDGET ESTIMATES

I. Narrative Description:

The Washington Headquarters Services (WHS) was established under Title 10, United States Code, on October 1, 1977 as a Department of Defense (DoD) Field Activity to provide operational support to specified DoD activities in the National Capital Region (NCR). In general, the Core Operational Support Activities of the organization represents a consolidation of functions which provides a variety of administrative and operational support and services to designated DoD activities which are not authorized their own support capability. WHS enables support functions to be centralized for maximum efficiency and control, by assuming the responsibility of planning, managing and administering the following functions:

- Administrative support of the Office of the Secretary of Defense (OSD), DoD Field Activities, and other specified Defense activities, including budgeting and accounting, civilian and military personnel management, office services, personnel and information security, correspondence and cables management, directives and records management, travel, and other such administrative services.

- Information technology support for the OSD and other assigned DoD activities, including developing information management strategies and programs; assisting organizational components in developing program proposals, plans, and budgets for automated information systems. This includes Information and data systems in support of the OSD decision and policy-making process, including management information collection and reports preparation.

- DoD-occupied, General Services Administration (GSA)-controlled administrative space in the NCR and DoD common support facilities, including office space, law enforcement, maintenance, repair and alteration of assigned buildings, custodial services, physical security, building administration, graphics, contracting, property management, concessions, and other support services.

- Staff activities in support of the responsibilities of the OSD for the Federal Voting Assistance Program.

- The Freedom of Information and Security Review Office, transferred from the Office if the Secretary of Defense by a Defense Reform Initiative decision, directs and administers the Freedom of Information Act Program through timely compliance with its policies and procedures, consistent with the Department's responsibility to ensure national security.

I. Narrative Description (Con't):

- The Defense Privacy Office, transferred from the Office of the Secretary of Defense by a Defense Reform Initiative decision, implements the Defense Privacy Program, providing management/guidance to avoid conflicts of policy or procedures.

WHS also programs and funds Defense Programs, including:

- The Department of Defense Travel Reengineering Program, as the Project Management Office (PMO) for the Defense Travel System (DTS) was established in December 1995 to provide procurement management and system fielding support for DTS. DTS provides full travel support from arranging for travel, approving travel authorizations, to processing of reimbursement vouchers following travel and maintaining appropriate government records. DTS is a fully electronic process that leverages technology to speed the coordination of travel, incorporates digital signature capability, and embraces standard industry Electronic Commerce procedures.

- WHS also programs and funds the Electronic Commerce (EC) initiative, a Defense program. Electronic Commerce is defined as the conduct of administration, finance, logistics, procurement, and transportation between the Government and private industry using an integrated automated information environment to interchange business transactions. Electronic Data Interchange (EDI) is defined as the computer-to-computer electronic transfer of business transaction information in a public standard format between trading partners. The overall approach to implementing EC within the Department is to integrate such Department of Defense initiatives as functional process improvement, business process improvement, technical integration through the emergence of a Department of Defense standard Architecture, functional integration and utilization of American National Standards Institute (ANSI) X12. The Department of Defense has begun with the implementation of approved EDI projects which translate, project and route data to and from end users electronically. The DoD's efforts to fully implement EC/EDI are supported by a 1988 Deputy Secretary of Defense policy memorandum directing DoD Components to make "...maximum use of EDI for the paperless processing of all business related transactions..."; the Vice President's National Performance Review; and the Presidential Memorandum, October 1994, Streamlining Procurement Through Electronic Commerce; and the Federal Acquisition Streamlining Act (FASA), October 1995.

- Other Defense support includes the the DoD Commissions and Panels Program and the Federal Executive Boards Program.

I. Narrative Description (Con't):

The Defense Reform Initiatives (DRI) has significantly realigned numerous components of the Office of the Secretary of Defense (OSD), which effectively increased the overall recurring support requirements of Washington Headquarters Services (WHS) beginning in FY 1998, with further changes to be accomplished in FY 1999. In addition, the DRI directed several functional transfers which affected WHS. These include the transfer of numerous Commissions and Panels, the Defense Freedom of Information and Security Review Office, The Defense Privacy Office from the OSD in FY 1998. In FY 1999, the DRI has also directed a WHS transfer of the Electronic Commerce effort in two parts to the Defense Information Systems Agency and Defense Logistics Agency.

II. Description of Operations Financed:

The WHS Core Operational Support Activities finances the following functions/missions:

- Budget and finance: Formulate, present, and execute the Program Objective Memoranda, President's Budgets, and Future Years Defense Programs for the Office of the Secretary of Defense (OSD), Washington Headquarters Services (WHS), and certain DoD Field Activities; administer the Official Representation Program for the OSD including the development of policies for use of these funds throughout the Department; provide complete transportation services for DoD officials, military and civilian employees, consultants and experts, and others authorized to travel on official business at Government expense under the auspices of OSD; provide information system technology and management; provide installation level accounting support for appropriations allocated or allotted to OSD and WHS; develop establish and administer control procedures for apportionments and allocations at the intermediate level for OSD; develop, implement, and assist the accounting and reporting systems for the DoD Trust Funds and appropriation level reporting for OSD; manage the Treasury Index 97 (Defense-Wide) debt collection and cash management programs and the OSD Government Travel Card Program.

- Correspondence and directives: Provide administrative support to the immediate offices of the Secretary and Deputy Secretary of Defense and their principal assistants by ensuring an orderly flow of correspondence, cable traffic, and

II. Description of Operations Financed (Con't):

intelligence items for consideration; manage the DoD Directives System; implement for all OSD functional elements the records management, Privacy Act, systematic declassification, and historical research programs.

- Personnel and security: To provide personnel, security, training and equal employment opportunity (EEO) services for military and civilian personnel assigned to the Office of the Secretary of Defense and a variety of DoD Field Activities, Defense Agencies, Military Departments, the White House, the National Security Council and the Congress. This includes a recently opened National Capital Region Human Resource Service Center which provides consolidated personnel services for participating DoD agencies to include administration for various automation initiatives, and various services to on-site personnel offices.

- Real estate and facilities: To provide administrative and operational support to specified DoD activities in the National Capital Region (NCR), including space management, law enforcement, maintenance, repair and alteration of assigned buildings, custodial, physical security, building administration, graphics services, acquisition, property management, safety, environmental management, and other support services. Also directs, coordinates and administers the Pentagon Renovation Program for the development of strategic and facility plans to meet the long-range administrative space needs for the Department of Defense in the NCR and a capital improvement program for the Pentagon Reservation. Management of DoD-occupied, General Services Administration (GSA)-controlled administrative space in the NCR and DoD common support facilities includes office space, concessions, layout design and other related building administrative functions.

- Information operations and reports: To apply information management and information technology strategies to meet selected reporting and management goals in support of the decision and policy making processes, including management information collection and reports preparation in areas including procurement, logistics, manpower and economics, as requirements of the Office of the Secretary of Defense, Military Departments, Defense Agencies, DoD Field Activities, DoD Inspector General, other Executive Branch organizations, and the Legislative Branch.

II. Description of Operations Financed:

- Federal voting assistance program: Administers the Uniformed and Overseas Citizens Absentee Voting Act, 42 USC 1973. The Act covers the voting rights of all members of the Uniformed Services, merchant marine, their family members, and all other U.S. citizens outside the United States. Management of the program requires coordination with executive branch departments and agencies, the Congress, state and local governments and political parties, U.S. corporations, and national and international organizations. Conducts national and international Get Out the Vote campaigns and manages the voting assistance program of the Department of Defense, including Guard and Reserve Components. Administers those provisions of the National Voter Registration Act designating armed forces recruiting offices to be state voter registration agencies for all purposes of the Act.

- Freedom of Information and Security Review Office: Directs and administers the Freedom of Information Act (FOIA) Program to ensure compliance with policies and procedures that govern the administration of the program. It also serves as the proponent for the Department's regulation and other discretionary instructions and guidance to ensure timely and reasonably uniform implementation of the FOIA. It internally administers the FOIA Program for the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and the Combatant Commands. In so doing, it promotes public trust by making the maximum amount of information available to the public, consistent with the Department's responsibility to ensure national security.

- Defense Privacy Office: Serves as the focal point for the coordination of Privacy Act matters with the Defense Privacy Board; the Defense Privacy Board Legal Committee; the Office of Management and Budget; the General Accounting Office; the Office of the Federal Register, in conjunction with the Office of the Secretary of Defense Federal Register Liaison Officer; and other federal agencies as required. Supervises the implementation of the Right to Financial Privacy Act and any other legislation that impacts directly on individual privacy. Coordinates on all personnel policies that may affect the Department's Privacy Program, and ensures that training programs are established for those whose duties involve design, development, operation, and maintenance of any system of records.

- Miscellaneous activities: Providing such services as mess stewards,

II. Description of Operations Financed:

receptionists and the executive motor pool in support of the Secretary and Deputy Secretary of Defense and their senior staff.

The Defense Programs included in the WHS account consist of the resources assigned to the following recurring and non-recurring functions/missions:

- The Department of Defense Travel Reengineering Program used initial funding in FY 1997 to prepare and issue a Request for Proposal (RFP). Contract award and implementation of the system is scheduled for FY 1998, with the completion of the program scheduled for December 1998. FY 1999 resources will provide the final adjustments and support for the implementation phase, and the closeout costs for the program.

- The Pentagon Renovation Project Program provides a proportional payment to the Pentagon Reservation Maintenance Revolving Fund (PRMRF) to fund the multi-year phased project, based on the total OSD and WHS occupancy percentage of the Pentagon facility. FY 1997 and FY 1998 costs were substantially higher, however, due to the Congressional realignment of the military services share into the WHS account.

- The Office of the Deputy Under Secretary of Defense (Acquisition Reform/Electronic Commerce) is responsible for the Department of Defense Electronic Commerce in Contracting Implementation Plan, and the expansion of this capability to all other Federal Agencies as directed in the Presidential Memorandum, October 1994. It is also responsible for all Federal Information via the DoD EC Information Center, Centralized Contractor Registration, government and industry EC educational requirements. It is also charged with the sponsoring of Electronic Commerce/Electronic Data Interchange cross functional prototypes/demonstrations and validations of Electronic Commerce initiatives. (As detailed above, this effort has been directed by the DRI to be transferred in two parts to the Defense Information Systems Agency and the Defense Logistics Agency in FY 1999.

- Other Defense Programs provides non-recurring funding to the various DoD activities assigned by the OSD as Executive Agents for the management of key Defense, Government-wide and International programs; the recurring resources to support the short-term duration of individual DoD Commissions and Panels; and the Department's reimbursement for administrative and personnel costs of the regional Federal Executive Boards.

WASHINGTON HEADQUARTERS SERVICES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMEMDED BUDGET ESTIMATES CONTINUED

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

A. Activity Groups:

		FY 1998			
	FY 1997	Budget		Current	FY 1999
1. Core Operational Support Activities	Actuals	Request	Appropriated	Estimate	Estimate
a. Compensation and Benefits	36,236	38,604	38,604	38,928	42,276
b. Central Support Services	55,514	36,979	36,979	27,517	43,714
c. Information Technology	13,507	35,912	35,912	35,049	45,270
d. Pentagon Rent/Renovation Project	32,279	32,100	22,600	23,010	49,770
e. Pentagon Revolving Fund Purchases	24,110	4,600	4,600	14,418	14,721
f. GSA Rent	10,761	13,826	13,826	13,826	15,000
g. US Mission to NATO	3,046	2,303	2,303	2,734	2,796
h. OSD/WHS Training Program	2,823	2,426	2,426	2,286	2,642
i. DFAS Reimbursements	3,200	1,500	1,500	0	0
J. Other Operational Support	1,672	6,672	6,672	1,161	1,293
Sub-total	183,148	174,922	165,422	158,929	217,482
2. Defense Programs					
a. Electronic Commerce	12,656	16,847	16,847	16,038	0
b. DoD Travel Reengineering Program	6,935	21,378	21,378	39,240	55,914
c. Pentagon Renovation Project	70,000	0	137,652	137,652	0
d. Commissions and Panels	0	0	0	6,213	7,300
e. Other Defense Support	1,206	0	0	1,284	980
Sub-total	90,797	38,225	175,877	200,427	64,194
TOTAL	273,945	213,147	341,299	359,356	281,676

B. Reconciliation Summary:

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	213,147	359,356
Congressional Adjustments	127,993	N/A
Functional Transfers	-4,100	-199,556
Price Change	N/A	91,565
Program Changes	22,316	30,311
Current Estimate	359,356	281,676

III. Financial Summary (O&M: $ in Thousands) (Con't):

C. Summary of Price and Program Changes:

		Change FY 1997/FY 1998			Change FY 1998/FY 1999		
	FY 1997 Actuals	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
Exec. and Gen. Schedule	35,022	982	2,277	38,281	1,189	2,619	42,089
Wage Board	565	16	-40	541	17	0	558
Voluntary Separation Incentives	550	0	-125	425	0	0	425
Disability Compensation	99	3	2	104	3	3	110
Travel of Persons	1,253	19	-111	1,161	19	113	1,293
Pentagon Reservation Maint. Revolving Fund	126,389	1,578	47,113	175,080	88,211	-198,800	64,491
Other Transportation	76	1	0	77	1	0	78
Rent GSA (SLUC)	10,761	0	2,857	13,618	0	1,382	15,000
Purchased Utilities	561	9	0	570	9	0	579
Purchased Communication	8,398	130	0	8,528	140	0	8,668
Postal Services (USPO)	2,739	0	-1,785	954	0	0	954
Supplies & Materials (Non-DBOF)	14,553	215	0	14,768	243	0	15,011
Printing & Reproduction	3,050	45	0	3,095	51	0	3,146
Equipment Maintenance	1,005	15	0	1,020	16	0	1,036
Facility Maintenance	2,372	36	0	2,408	39	0	2,447
Equipment Purchase (Non-DBOF)	7,284	108	0	7,392	121	0	7,513
Management & Professional Support Services	19,173	297	0	19,470	321	0	19,791
Other Contracts	5,023	77	0	5,100	84	0	5,184
Other Costs	35,072	543	31,149	66,764	1,101	25,438	93,303
Total	273,945	4,074	81,337	359,356	91,565	-169,245	281,676

WASHINGTON HEADQUARTERS SERVICES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMEMDED BUDGET ESTIMATES CONTINUED

III. Financial Summary (O&M: $ in Thousands) (Con't):

D. Reconciliation of Increases & Decreases:

1.	FY 1998 Amended President's Budget		213,147
2.	Congressional Adjustments (Distributed)		
	a. Pentagon Renovation Swing Space	-9,500	
	b. Transfer of Military Services Pentagon Renovation Project costs	137,652	
	c. TDY and Administrative Mark	-3,000	
	d. New Program: 21st Century National Security Study Group	3,000	
3.	Total Congressional Adjustments (Distributed)		128,152
4.	FY 1998 Appropriated Amount		341,299
5.	Congressional Adjustments (Undistributed)		
	a. Revised Economic Assumptions	-870	
	b. High Risk Automation Systems	-250	
	c. Defense Automated Printing Service	-165	
	d. Quadrennial Defense Review (QDR) savings	-828	
	e. Congressional Earmarks	1,475	
6.	Total Congressional Adjustments (Undistributed)		-638
7.	Functional Program Transfers:		
	a) Transfer In		
	None		
	b) Transfer Out		
	1) Resources returned to Defense Information Systems Agency due to postponement of Civilian Personnel Regionalization effort	-2,300	
	2) Postage costs for Joint Recruiting and Advertising Program to the Defense Logistics Agency	-1,800	

III. Financial Summary (O&M: $ in Thousands) (Con't):

D. Reconciliation of Increases & Decreases (Con't):

8.	Total Functional Transfers		-4,100
9.	Price Changes: N/A		
10.	Program Increases		
	a. Travel Reengineering Program increased	19,100	
	b. Department of State reimbursements (ICASS) increased	254	
	c. White House Defense Fellows Program expanded	1,011	
	d. Commissions and Panels increased	1,213	
	e. Development, testing and installation of the Comptroller Information System increased	1,800	
11.	Total Program Increases		23,763
12.	Program Decreases		
	Program Reduction for Higher Priority Programs	-583	
13.	Total Program Decreases		-583
14.	FY 1998 Current Estimate		359,356
15.	Price Growth		91,565
16.	Functional Program Transfers		
	a) Transfer In		
	1) DRI transfer of Defense Privacy Office from OSD	336	
	2) DRI transfer of Freedom of Information and Security Review Office from OSD	1,434	
	3) DRI transfer of the Department's Commissions and Panels from OSD	7,300	

III. Financial Summary (O&M: $ in Thousands) (Con't):

D. Reconciliation of Increases & Decreases (Con't):

4) DRI transfer of Administrative Support and Assistance Office from the Office of the Secretary of Defense	309
5) Funding is transferred for the operational support requirements of the personnel transferred from the following Defense Support Activities, which were realigned as functions of the Defense Reform Initiatives (DRI):	
- Plans and Program Analysis Support Center	1,512
- Defense Information Systems Agency (CISA)	5,600
- Defense Intelligence Agency (CISA)	357
6) DRI transfer of Military Details Management from OSD	102
7) DRI transfer of White House Defense Fellows from OSD	389
b) Transfer Out	
1) Pentagon Renovation Costs to the Army	-96,800
2) Pentagon Renovation Costs to the Navy	-41,600
3) Pentagon Renovation Costs to the Air Force	-42,700
4) Pentagon Renovation Costs to the Marine Corps	-17,700
5) Resources for operational support costs of personnel (FTE) transferred from OSD to the following Defense components per the DRI:	
- National Defense University	-816
- Defense Security Assistance Agency	-627
- Defense Treaty Compliance/Threat Reduction Agency	-670
- Defense Human Resource Activity	-44
- Defense Prisoner of Was/Missing Personnel Office	-69
- Defense Finance and Accounting Service	-11
- Air Force (STRATCOM)	-324
6) Transfer of the Electronic Commerce Office to:	
- Defense Logistics Agency	-2,144
- Defense Information Systems Agency	-12,700

III. Financial Summary (O&M: $ in Thousands) (Con't):

D. Reconciliation of Increases & Decreases (Con't):

	7) Return of 2 FTE and operational funds to the Defense Information Systems Agency due to the postponement of Civilian Personnel Regionalization Program effort	-690	
17.	Total Transfers:		-199,556
18.	Program Increases:		
	a. Rental payments to GSA increased due to programmed space assignment changes, including the Acquisition and Technology Defense Support Activity realignment into OSD, and to meet the temporary relocation requirements during the multi-year Pentagon Renovation Project	1,174	
	b. Civilian Personnel Compensation and Benefits is increased 11 FTE for six new positions in the NCR Human Resource Services Center and five military conversions	585	
	c. Information Technology Program is increased to provide:		
	- Growth for the Defense Civilian Personnel Data System as part of the modernization effort for the NCR Regional Human Resources Services Center	198	
	- Expanded support for help desks, facilities management, equipment installations, hardware and software maintenance, and other support for the classified and unclassified networks and the Emergency Support Center for the Office of the Under Secretary of Defense for Policy	3,200	
	- Increased support for the continued development, testing and installation of the Comptroller Information System for the Office of the secretary of Defense	571	
	- Operational support for Acquisition and Technology Defense Support Activity realigned within the OSD	1,400	

III. Financial Summary (O&M: $ in Thousands) (Con't):

D. Reconciliation of Increases & Decreases (Con't):

	- Increased help desks, facilities management, equipment installations, hardware and software maintenance, and other Information Technology support Requirements of the Secretary of Defense components	2,126	
d.	Increased reimbursements to the Department of State (ICASS)	165	
e.	The Defense Travel System is increased to accelerate system development and implementation with a new target of full operational capability within three years	16,046	
f.	Disability Compensation is increased for programmed Payment to the Department of Labor	3	
g.	Training is increased to support the Acquisition and Technology Defense Support Activity realignment within OSD	100	
h.	Central Services is increased for the following:		
	- Operational support for the Acquisition and Technology Defense Support Activity realigned within the OSD	827	
	- Contract support for an Executive Order Declassification Project	2,300	
	- Fact of Life adjustment to meet essential support programs for the OSD components	3,153	
	- Customer funding increased to offset previously under-priced fee-for-service DoD transportation	600	
	- Funding for Defense Security Service test requiring new fee-for-service payments relating to the Defense Security Investigations Program, and the National Industrial Security Program	8,100	
19.	Total Program Increases		40,548

III. Financial Summary (O&M: $ in Thousands) (Con't):

D. Reconciliation of Increases & Decreases (Con't):

20.	Program Decreases:		
	a. Civilian Personnel Compensation and Benefits is reduced as part of the Department's civilian manpower reduction program to reflect a decrease of 16 FTE	-1,255	
	b. The number of new Electronic Commerce initiatives will be reduced to align with available funding. This will restrict projects to the existing backlog, and may eliminate the solicitation of new prototype initiatives	-1,451	
	c. Information Technology support for the Pentagon Reservation Maintenance Revolving Fund is discontinued, as these costs are more appropriately aligned within the overhead expenses for program management and administration of the revolving fund	-835	
	d. Non-recurring Defense Commission and Panels	-6,312	
	e. Support of DoD Ministerial Meetings/Special Events is eliminated - none scheduled	-384	
21.	Total Program Decreases		-10,237
22.	FY 1999 Amended Budget Request		281,676

IV. Performance Criteria Summary:

Washington Headquarters Services is charged with providing administrative and operational support services to the Office of the Secretary of Defense and certain Defense Agencies and joint activities which do not have their own administrative support capability. Washington Headquarters Services objectives are to provide accurate and responsive support in correspondence control, mail service, records management, directives management, office

IV. Performance Criteria Summary (Cin't):

services support, personnel services, security, financial management support, and other miscellaneous activities.

In addition to these traditional services, Washington Headquarters Services administers data systems in support of the Office of the Secretary of Defense decision and policy making processes, provides automated data processing services, manages Department of Defense occupied General Services Administration controlled space in common support facilities and manages the Federal Voting Assistance Program.

The following identifies some of the more significant indicators of Washington Headquarters Services workload:

Core Operational Support Activities:

Federal Voting Assistance is provided by Washington Headquarters Services under the National Voter Registration Act, through 520 Military Recruiter Offices and 14,000 recruiters, who have contact with an estimated 2 million persons annually. In addition, voting assistance is provided at all military posts (within CONUS and overseas), and at 264 State Department sites worldwide. As a result, the assistance is currently available to over three million military personnel/family members, and over three million United States civilian citizens abroad.

Information Technology (IT) supports 16 organizational components that comprise the Office of the Secretary of Defense (OSD). Each component has a unique combination of requirements and great variation in equipment. There are currently 6,132 users with an inventory of 6,040 desktop and portable personal computers supported within the OSD IT budget.

Personnel and Security

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
Ratio of Supported Personnel to Staff	1:70	1:75	1:80

IV. Performance Criteria Summary (Con't):

Budget and Finance			
Program/Budget Coverage:			
Appropriation/Funds	17	17	17
Installation Accounting:			
Allotments	18	18	18
Transactions	350,000	350,000	350,000
Direct Program ($000)	900,000	900,000	900,000
Reimbursable Program ($000)	319,000	329,000	339,000
Agency Accounting Reports:	11,000	11,000	11,000
Real Estate and Facilities			
Number of Buildings Managed/Supported	45	45	45
Total Square Feet of Space	1,244,861	1,244,861	1,244,861

V. Personnel Summary:

	FY 1997	FY 1998	FY 1999	Change FY1997/FY1998	Change FY1998/FY1999
Active Military End Strength (Total)					
Officer	45	62	58	17	-4
Enlisted	102	118	107	16	-11
Total	147	180	165	33	-15
Civilian End Strength (Total)					
US Direct Hire	531	662	621	131	-41

WASHINGTON HEADQUARTERS SERVICES
OPERATION AND MAINTENANCE, DEFENSE-WIDE
FY 1999 AMEMDED BUDGET ESTIMATES CONTINUED

V. Personnel Summary (Con't):

Military Average Strength (Total)					
Officer	45	62	58	17	-4
Enlisted	102	118	107	16	-11
Total	147	180	165	33	-15
Civilian FTEs (Total)					
US Direct Hire	537	668	628	131	-40

U.S. COURT OF APPEALS FOR THE ARMED FORCES, DEFENSE
UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES
FY 1999 AMENDED BUDGET ESTIMATES

I. Narrative Description:

The United States Court of Appeals for the Armed Forces is an Article I Court established by the Uniform Code of Military Justice (10 USC 941). The Court serves as the Court of last resort for the vast majority of criminal appeals in the military justice system of the United States and is subject only to certiorari review by the Supreme Court of the United States in a limited number of cases. The Court's jurisdiction extends to the review of questions of law that have been approved by reviewing authorities and affirmed or set aside by a Court of Criminal Appeals. The Court also exercises its extraordinary relief authority pursuant to the All Writs Act.

II. Description of Operations Financed:

This appropriation provides for the salaries of five civilian judges and a staff of 54 other civilian positions. All customary expenses required to operate a government activity are financed, such as salaries, benefits, travel costs, rent, communications services, supplies and materials, purchase of equipment, maintenance, contractual services, and the expense of printing opinions and decisions of the Court.

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

		FY 1998			
A. Activity Group:	FY 1997 Actual	Budget Request	Appropriated	Current Estimate	FY 1999 Estimate
U.S. Court of Appeals for the Armed Forces	6,489	6,952	6,952	6,952	7,324

B. Reconciliation Summary:	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	6,952	6,952
Congressional Adjustments	0	0
Functional Transfers	0	0
Price Change	-17	169
Program Changes	17	203
Current Estimate	6,952	7,324

III. Financial Summary (O&M: $ in Thousands) Con't:

C. Summary of Price & Program Changes:

	FY 1997 Actual	Change FY1997/FY1998 Price Growth	Change FY1997/FY1998 Program Growth	FY 1998 Estimate	Change FY1998/FY1999 Price Growth	Change FY1998/FY1999 Program Growth	FY 1999 Estimate
Exec, General & Special Schedules	4,373	176	199	4,748	145	202	5,095
Travel of Persons	99	1	0	100	2	0	102
Rent GSA (SLUC)	670	0	0	670	0	0	670
Purchased Utilities	38	0	0	38	1	0	39
Purchased Communications	86	1	0	87	1	0	88
Postal Services (USPO)	0	0	1	1	0	0	1
Supplies & Materials (Non-DBOF)	596	9	-133	472	7	0	479
Printing & Reproduction	14	0	1	15	0	0	15
Equipment Maintenance	121	2	-30	93	1	32	126
Equipment Purchases (Non-DBOF)	4	0	306	310	5	-187	128
Other Contracts	439	7	-78	368	6	156	530
Other Costs	49	1	0	50	1	0	51
Total	6,489	197	266	6,952	186	203	7,324

D. Reconciliation of Increases & Decreases:

1. FY 1998 President's Budget	6,952
2. Congressional Adjustments	0
3. FY 1998 Appropriated Amount	6,952
4. Price Changes	-17

III. Financial Summary (O&M: $ in Thousands) Con't:

D. Reconciliation of Increases & Decreases Con't:

5.	Program Increases Retained Inflation Savings: Purchased Supplies and Materials		17
6.	FY 1998 Current Estimate		6,952
7.	Price Growth:		169
8.	Program Increases: a. Program Growth: Three Civilian Direct Hire Full-Time Equivalents (FTE) restored to support growing workload.	202	
	b. Equipment Maintenance increased to base level after prior year savings due to short-term new equipment warranties.	32	
	c. Other Contracts restored to meet requirements of growing workload and increased staff.	156	
9.	Total Program Increases:		390
10.	Program Decreases: Equipment purchases are reduced to standard baseline requirement level, after high cost non-recurring life-cycle replacements in the prior year.		-187
11.	FY 1999 Budget Request		7324

IV. Performance Criteria and Evaluation Summary:

The Court reviews cases from all of the Armed Forces which, for the most part, are derived from the various Courts of Criminal Appeals. These cases involve the most serious court-martial felony convictions and sentences which present legal issues of serious constitutional

IV. Performance Criteria and Evaluation Summary (Con't):

magnitude, such as death penalty cases, search and seizure issues, the interpretation of international treaty and status of forces agreements, and more recently, the sensitive issues of law relating to the prosecution of individuals for drug abuse on the basis of urinalysis test results, and the prosecution of child sex abuse cases. Since 1984, the cases reviewed by the Court on good cause shown by the accused have been subject to direct appellate review by the Supreme Court of the United States. Because of the complexity of the average case, it is difficult to make significant comparisons as to the Court's cost effectiveness. However, according to the caseload per judge statistics available from the National Center for State Courts, the Court's effectiveness continues to compare quite favorably with other courts of last resort such as State Supreme Courts or State Courts of Appeals across the country. The amount of work involved in the average case has been constantly escalating due to the serious constitutional issues that have been encountered by the Court in its most recent cases. It is anticipated that the complexity of the average case will continue to increase, thereby adding additional workload to the Court during FY 1998 and FY 1999.

There were a total of 1,653 cases filed with the Court in FY 1997, and, while case-by-case complexity has increased workloads, it is unlikely that there will be substantial variances in the near future. Actual estimates are not projected, however, as this is totally subject to the military services judicial process.

V. Personnel Summary:

	FY 1997	FY 1998	FY 1999	Change FY1997/1998	Change FY1998/1999
Civilian End Strength(Total)					
US Direct Hire	56	58	61	2	3
Civilian FTEs(Total)					
US Direct Hire	53	56	59	3	3

Office of the Inspector General
FY 1999 Amended Budget Estimates

I. Narrative Description:

Section 1117 of the FY 1983 Department of Defense Authorization Act (Public Law 97-252) established an Inspector General for the Department of Defense by amending Public Law 95-454, the Inspector General Act of 1978.

The Inspectors General for the Federal Government are independent offices within their agencies which: (1) audit and investigate their agency's programs and operations; (2) recommend policies for and coordinate activities to promote economy, efficiency, and effectiveness in their programs and operations by preventing and detecting fraud and abuse; and (3) keep the heads of the establishment and the Congress fully informed about the problems and deficiencies in their programs and operations and the necessity for and progress of corrective action.

In addition to the duties and responsibilities shared with other Federal Inspectors General, the Inspector General, Department of Defense: (1) is the principal advisor to the Secretary of Defense for preventing and detecting fraud, waste, abuse, and mismanagement in the programs and operations of the Department which includes the Military Departments, Defense Agencies, and other Department of Defense components; (2) initiates, conducts, and supervises audits, evaluations, and investigations in the Department of Defense which the Inspector General, Department of Defense considers appropriate; (3) provides policy direction for audits and investigations on fraud, waste, abuse, mismanagement, and program effectiveness; (4) investigates fraud, waste, abuse, and mismanagement; (5) develops policy, monitors and evaluates program performance, and provides guidance to all Department activities on criminal investigation programs; (6) monitors and evaluates the adherence of Department auditors to internal audit, contract audit, and internal review principles, policies, and procedures; (7) develops policy, evaluates program performance, and monitors actions taken by Department of Defense components in response to contract audits, internal audits, and internal review reports, and General Accounting Office reviews and reports; (8) oversees Department of Defense audit followup programs and provides liaison services with the General Accounting Office; and (9) coordinates with the internal audit, inspection, and investigative units of the Military Departments to avoid duplication of efforts and to ensure effective coverage.

II. Description of Operations Financed:

The Office of the Inspector General has again reorganized in 1998 to meet the challenge of continuing to effectively accomplish its primary missions with sharply reduced resources. The OIG currently consists of the Immediate Office of the Inspector General and three Assistant Inspectors General (Auditing; Investigations; and Administration and Information Management). Any critical mission and functions of the former office of the Assistant Inspector General for Policy and Oversight remain in the new organizational structure.

A. Immediate Office of the Inspector General

The Inspector General and Deputy Inspector General provide general management and supervision of the activities of the Inspector General organization. They participate in all major policy, planning and operational decisions. The Deputy Inspector General assumes the duties of the Inspector General in the absence of the latter.

The Office of Congressional Liaison is a staff element of the immediate Office of the Inspector General. It reviews and analyzes pending and proposed legislation affecting the Department and the Inspector General; provides support for Inspector General witnesses who testify at congressional hearings; processes responses to congressional correspondence and coordinates meetings with congressional staff.

The Office of Departmental Inquiries reports to the Deputy Inspector General. This office conducts non-criminal investigations into allegations of waste, mismanagement, whistleblower reprisal, and senior official misconduct and performing oversight on similar types of investigations conducted by the DoD components.

The Office of Intelligence Review reports to the Deputy Inspector General. This office assesses DoD intelligence, counterintelligence and security activities and operations with emphasis on process improvement and preventing fraud, waste, abuse and mismanagement. The work results in reports with recommendations to enhance intelligence mission accomplishment.

B. Assistant Inspector General for Auditing

The Office of the Assistant Inspector General for Auditing conducts audits and evaluations on all facets of DoD operations. The work results in recommendations for reducing costs, improving performance, strengthening internal controls and achieving compliance with laws and regulations. Audit and evaluation topics are determined by law, requests from the Secretary of Defense and other managers, Hotline allegations, congressional requests, and analyses of risk in DoD programs. There is particular emphasis on acquisition, logistics and financial management. The IG auditors and evaluators also assist in investigations and litigation, lead DoD-wide audits, and participate at DoD management request in numerous internal task forces, process actions teams and studies that may not result in reports per se. In addition, the office provides the oversight and policy for activities of the Service Audit organizations and the Defense Contract Audit Agency. It is also the focal point for General Accounting Office activity in the DoD and performs follow up tracking on General Accounting Office and Office of Inspector General reports.

C. Assistant Inspector General for Investigations

The Office of the Assistant Inspector General for Investigations consists of its headquarters office, and operating field locations. The operating field elements, as the criminal investigation arm of the IG, initiate and conduct investigations of suspected criminal violations, primarily contract and procurement fraud, antitrust violations, cost-mischarging violations, bribery, corruption, large-scale thefts of Government property from the Defense Reutilization Management Office, and health care provider fraud; develop information related to criminal investigations, detect fraud where it currently exists, and promote awareness in all elements of the DoD regarding the impact of fraud on resources and programs. The headquarters provides administrative support, oversight, and operational guidance to the operating field elements. Pursuant to Section 1185 of the DoD Authorization Act of FY 1994 the headquarters activity reviews certain death investigations of members of the Armed Forces that may have resulted from self-inflicted causes. The DoD Hotline receives reports from DoD personnel and the public of allegations of fraud, waste and mismanagement. The DoD Hotline conducts inquiries as well as tracks cases referred to other DoD investigative, audit, and operational organizations resulting

from DoD Hotline contacts. The DoD Hotline provides oversight with respect to hotlines operated by inspectors general of other DoD components. The Office of Criminal Investigation Policy and Oversight provides oversight and the criminal investigative policy for the DoD investigative community, manages the DoD voluntary disclosure program and the IG subpoena program.

E. Assistant Inspector General for Administration and Information Management

The Assistant Inspector General for Administration and Information Management is the principal assistant and advisor to the Inspector General on administrative support matters. The Assistant Inspector General for Administration and Information Management oversees five directorates: the Financial Management Directorate; the Personnel and Security Directorate; the Information Systems Directorate; the Administration and Resources Acquisition Directorate; and, the Equal Employment Opportunity Office. Each supervise and carry out administrative and logistical functions in support of the day-to-day operations of the Office of Inspector General.

Office of the Inspector General
FY 1999 Amended Budget Estimates

III. Financial Summary ($ in Thousands):

A. Activity Group:

	FY 1997 ACTUAL	FY 1998 BUDGET REQUEST	FY 1998 APPROPRIATION	FY 1998 CURRENT ESTIMATE	FY 1999 ESTIMATE	CHANGE FY 1998/FY 1999
AUDIT	61,955	61,888	61,888	64,215	61,649	-2,566
Civ Pay	47,670	47,868	47,868	50,383	48,809	-1,574
Travel	3,390	3,765	3,765	3,480	3,230	-250
Other	10,895	10,255	10,255	10,352	9,610	-742
INVESTIGATIONS	50,175	50,290	50,290	53,345	50,980	-2,365
Civ Pay	39,344	39,128	39,128	42,795	41,195	-1,600
Travel	2,576	2,445	2,445	2,710	2,510	-200
Other	8,255	8,717	8,717	7,840	7,275	-565
OTHER OIG	24,358	24,402	24,402	19,020	18,135	-415
Civ Pay	20,013	20,360	20,360	14,990	14,405	-585
Travel	534	632	632	410	370	-40
Other	3,811	3,410	3,410	3,620	3,360	210
OPERATIONS TOTAL	136,488	136,580	136,580	136,580	130,764	-5,816
PROCUREMENT	1,998	1,800	1,800	1,800	1,300	-500
TOTAL	138,486	138,380	138,380	138,380	132,064	-6,316

*In FY 1998/1999 policy and oversight functions are transferred under Audit and Criminal Investigations.

III. Financial Summary ($ in Thousands)(Cont.):

B. Reconciliation Summary:

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	138,380	138,380
Congressional Adjustments (Distributed) Congressional Increase	0	0
Appropriated Amount		
Congressional Adjustments (Undistributed)	0	0
Supplemental Request	0	0
Price Change	0	3,605
Functional Transfer	0	0
Program Changes	0	-9,921
Current Estimate	138,380	132,064

III. Financial Summary ($ in Thousands)(Cont.):

C. Price and Program Changes:

	FY 1997 ACTUAL	CHANGE FY 1997- FY 1998 PRICE GROWTH	CHANGE FY 1997- FY 1998 PROGRAM GROWTH	FY 1998 ESTIMATE	CHANGE FY 1998-FY 1999 PRICE GROWTH	CHANGE FY 1998-FY 1999 PROGRAM GROWTH	FY 1999 ESTIMATE
Executive, General and Special	105,984	4,000	-3,183	106,801	3,000	-6,219	103,582
Wage Board	36	0	0	36	1	0	37
Benefits to Former Personnel	65	0	-65	0	0	0	0
Voluntary Separation Inc Pay	505	0	520	1,025	0	-575	450
Disability Compensation	437	0	-131	306	0	34	340
TOTAL CIVILIAN PERSONNEL COMP	107,027	4,000	-2,859	108,168	3,001	-6,760	104,409
Travel	6,500	98	2	6,600	106	-596	6,110
TOTAL TRAVEL	6,500	98	2	6,600	106	-596	6,110
Supplies-DBOF GSA Managed Supplies	400	6	-6	400	6	-6	400
Equipment-DBOF Army Managed Equipment	10	0	-5	5	0	0	5
Equipment-GSA Managed Equipment	44	1	-25	20	0	0	20
Other Fund							
DISA Info Services	185	-8	8	185	-20	20	185
Communications Svcs (DISA)	32	-4	5	33	0	1	34
Defense Finance & Accounting	673	-85	112	700	26	-142	584
TOTAL OTHER FUND	890	-97	125	918	6	-121	803
Transport - Commercial Land	346	5	6	357	5	-65	297
Other Purchases							
Foreign National Indirect Hire	79	-4	0	75	2	0	77
Rent Payments to GSA	9,450	0	-50	9,400	282	-432	9,250
Purchased Communications (non-Fund)	2,067	31	81	2,179	35	86	2,300
Rents (non-GSA)	417	6	-141	282	4	-9	277
Postal Services (U.S.P.S)	109	0	0	109	0	0	109
Supplies & Materials (non-Fund)	1,218	18	-136	1,100	18	-83	1,035
Printing & Reproduction	76	1	0	77	1	1	79
Equipment/Facility Maintenance	1,172	17	-204	985	16	-23	978
Equipment Purchases (non-Fund)	4,042	61	-728	3,375	54	-979	2,450
Advisory/Assistance Svcs	0	0	7	7	0	0	7
Other Contracts	4,639	70	-386	4,323	69	-934	3,458
TOTAL OTHER PURCHASES	23,269	200	-1,557	21,912	481	-2,373	20,020
TOTAL	138,486	4,213	-4,319	138,380	3,605	-9,921	132,064

III. Financial Summary ($ in Thousands) (Cont.)

D. Reconciliation of Increases and Decreases:

1.	FY 1998 President's Budget		138,380
2.	Congressional Adjustments		0
3.	FY 1998 Appropriated Amount		138,380
4.	FY 1998 Current Estimate		138,380
5.	Price Growth		+3,605
6.	Program Increases		
	a. Increase in workers' compensation bill	+34	
	b. Increase in criminal investigative operations requiring emergency and extraordinary expense funding	+100	
	Total Program Increases		+134
7.	Program Decreases		
	a. Civilian workforce reduction: 73 workyears and related support costs	-7,530	
	b. Reduction in information systems (remote access/software changes/contracted support funding)	-1,350	
	c. Reduction in investigative radio purchases	-600	
	d. Reduction in voluntary separation payments	-575	
	Total Program Decreases		-10,055
8.	FY 1999 Budget Request		132,064

IV. Performance Criteria and Evaluation:

Audit performance should be assessed in terms of impact on DoD programs. In FY 1997, the Office of the Assistant Inspector General for Auditing produced 227 reports, which identified potential monetary benefits of $3.2 billion. In addition, several hundred recommendations were made and over 95 percent were implemented to improve the Department's operational effectiveness and protect assets from misuse. The Congress and senior DoD officials requested and used IG audit and evaluation reports on such significant matters as readiness status reports, contract pricing, maintenance, supply management, special acquisition programs, outsourcing decisions, communications, quality assurance, financial management, health care, environmental compliance, base closures, special operations, quality of life, and construction.

The Department of Defense is confronting a period of higher than normal risks throughout its operations. Those risks are elevated by the disruptions caused by continued downsizing and restructuring; ever-increasing reliance on automated information systems and a history of developmental problems, security vulnerabilities and now Year 2000 computing problems with such systems; and the introduction of numerous new processes, many of which are untried in DoD settings and not well understood by the workforce. Given those risks, the bulk of the audit effort is focused on the high risk areas like contract management, the Year 2000 computing problem, and inventory management. This is becoming increasingly difficult. The Chief Financial Officer Act of 1990, as amended by the Federal Financial Management Act of 1994, necessitates the largest recurring commitment of auditors ever to a single purpose. In addition, the IG has been called on increasingly to participate in joint efforts like a task force on computer security, acquisition reform studies, and process action teams to revamp DoD travel, transportation and bill paying processes. The auditors are currently supporting over 40 such efforts. The combination of those commitments and overall staffing reductions, especially the latter, significantly reduces the number of operational audits and evaluations.

The OIG also conducts reviews to ensure the quality of the performance of other DoD audit agencies and outside public accounting firms. In FY 1997, the OIG issued 32 reports that contained recommendations for overall improvements and efficiencies of the audit process.

IV. Performance Criteria and Evaluation (Cont.):

The basic criteria for evaluating the investigative operations of the Office of the Inspector General are indictments, convictions, fines, the amount of recoveries and restitutions; Hotline activities; policy and oversight reports issued; voluntary disclosures processed; subpoenas processed; and number of reviews of death investigations of members of the Armed Forces that may have resulted from self-inflicted death causes. In FY 1997, fines, penalties, restitutions, and recoveries totalled $900 million; indictments or charges against individuals or firms totalled 342 and convictions of persons or firms totalled 308. In FY 1997, the DoD Hotline handled approximately 1,300 calls and letters per month. As of September 30, 1997, the Office of the Assistant Inspector General for Investigations, with 12 percent of the total DoD criminal investigative resources, was involved in over 90 percent of the total recoveries, fines, penalties and restitutions involving procurement fraud and major health care area investigations reported by all DoD investigative components. There were 7 policy and oversight reports issued; 12 voluntary disclosures concerning contract fraud opened and 39 closed, with $19.5 million in monetary benefits identified as a result of disclosures; and 205 subpoenas processed

It is difficult to quantify the results of criminal investigative operations. For example, in bribery and kickback cases, the dollar impact on the cost of a major contract is not readily identifiable, yet it is recognized that bribes and kickbacks undermine the integrity and efficiency of departmental programs and operations. The OIG also identifies areas of criminal vulnerability regarding Department of Defense activities and ensures that corrective actions are taken when deficiencies are detected. Another valuable by-product of criminal investigative activities is the deterrent effect which results from an awareness that violations of the law are being vigorously pursued. The Office of the Inspector General, Department of Defense, attempts to ensure that appropriate administrative action is taken by the Department regardless of whether or not prosecutions are obtained. The IG seeks to have disreputable contractors suspended or debarred and to recover totally whatever monies are due the Department.

IV. Performance Criteria and Evaluation (Cont.):

The basic criteria for evaluating the operations of the Office of Departmental Inquiries are the number of investigations conducted or oversighted. In FY 1997, the office completed 332 investigations and performed oversight on 499 investigations by DoD components. Whistleblower protection for DoD service members remains a major focus of the organization, as well as the investigation of allegations against senior officials within the Department. To further the oversight role, the office hosted training workshops on the conduct of military whistleblower reprisal investigations for representatives of the Military Services, the Joint Chiefs of Staff, the Office of the Under Secretary of Defense for Personnel and Readiness, and six defense agencies. It also revised and published the "Guide to Investigating Reprisal and Improper Referrals for Mental Health Evaluations." Recent examples in the area of senior official inquiries include substantiated allegations of travel improprieties by a senior Army official, misuse of government resources by the head of a Defense agency, and conflict of interest by a senior Marine Corps attorney. The office recommended corrective action in each case, including reimbursement to the government where warranted.

The Office of Intelligence Review now reports directly to the Deputy Inspector General ensuring enhanced visibility of intelligence review activities of the OIG. The oversight and review functions are focused on assessing the efficient, effective and appropriate use of intelligence personnel and resources with emphasis on support to the warfighter. Reports are provided to DoD management and Congress on such critical issues as the shootdown of Brothers to the Rescue aircraft by Cuban MIGs in February 1996, the Zona Rosa massacre in El Salvador, and intelligence-related training provided to Latin American military personnel. In FY 1997, 16 audit and evaluation reports were issued which identified potential monetary benefits of $56 million.

IV. Performance Criteria and Evaluation (Cont.):

	FY 1997 Actual	FY 1998 Estimate	FY 1999 Estimate
AUDIT			
Reports issued	227	220	208
Potential monetary benefits ($ Millions)	3,200	*	*
GAO surveys and reviews processed	262	240	260
GAO draft and final reports processed	392	400	390
Audit oversight reports	32	27	22
CRIMINAL INVESTIGATIONS			
Indictments and convictions	650	660	670
Fines/penalties/restitutions, etc. ($ Millions)	$900	$420	$441
Self-inflicted death cases	17	15	0
Hotline calls/letters received	15,200	15,700	15,800
Substantive cases generated	2,500	2,600	2,700
Policy and Oversight Reports Issued	7	9	9
Voluntary disclosures opened	12	12	12
Voluntary disclosures closed	39	20	20
Annual monetary benefits from disclosures ($ Millions)	$19.5	$15	$15
Subpoenas processed	205	150	150
DEPARTMENTAL INQUIRIES			
Special inquiries opened	332	375	400
Special inquiries closed	276	295	310
Special inquiries oversight	168	175	190
Program integrity opened	49	70	70
Program integrity closed	56	60	60
Program integrity oversight	331	382	401
INTELLIGENCE REVIEW			
Reports issued	16	19	13
Potential monetary benefits ($ Millions)	$56.2	*	*

*In some cases, the outputs cannot be estimated because the inputs are entirely unpredictable.

V. Personnel Summary:

	FY 1997	FY 1998	FY 1999	Change FY 1998/FY 1999
Military End Strength (Total)	40	31	29	-2
Officer	40	31	29	-2
Civilian End Strength (Total)	1,339	1,296	1,215	-81
U.S Direct Hire	1,338	1,295	1,214	-81
FN Indirect Hire	1	1	1	0
Military Workyears (Total)	33	34	31	-3
Officer	33	34	31	-3
Civilian FTEs (Total)	1,370	1,316	1,243	-73
U.S. Direct Hire	1,369	1,315	1,242	-73
FN Indirect Hire	1	1	1	0

OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID

I. Narrative Description:

The Overseas Humanitarian, Disaster and Civic Aid (OHDACA) program for FY 1998 and FY 1999 includes two segments: the general Humanitarian Assistance Program, and the Humanitarian Demining Program.

In broad terms, OHDACA programs support US military forces in meeting two key requirements specified in the Administration's National Security Strategy. 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 US forces to respond effectively when called upon to assist the victims of storms, earthquakes and other natural or manmade disasters.

OHDACA programs meet these needs by providing regional Unified Commanders-in-Chief's (CINC's) with an unobtrusive, low cost, but highly efficacious means to carry out their peacetime engagement missions, and by augmenting the CINC's capabilities to respond rapidly and effectively to humanitarian crises. In providing relief to areas of need, the US military obtains substantial training and access benefits through OHDACA activities. Across a number of operational areas -- including C3I, civil affairs and logistical support – OHDACA programs enhance readiness.

The programs conducted under OHDACA are coordinated with the Department of State, and approved by the Office of the Secretary of Defense, to ensure US 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.

The Humanitarian Assistance Program: Established in 1986, this program is designed to shape the military environment and enable crisis response. It seeks to avert political and humanitarian crises, promote democratic development and regional stability, and enable countries to recover from conflict. The program, by providing early assistance, minimizes the potential for crises to develop or grow further. In this way, regional stability is fostered, minimizing the risk of large scale deployments of US military forces.

Humanitarian assistance program relief accomplishes these objectives in several ways. It supports the donation of excess non-lethal Department of defense (DoD) property (including the refurbishment, storage, inspection, packaging, transportation and spare parts support for such property) by various commands to countries in need. In addition, the program provides transportation assistance for relief supplies donated by private voluntary and non-governmental agencies and international organizations; it funds procurement

I. Narrative Description (Continued)

of specialty items in support of DoD's humanitarian mission, such as humanitarian daily rations (HDR), a low-cost alternative to Meals Ready to Eat (MRE); and it sponsors various on-the-ground activities carried out by US military personnel, which are aimed at relieving suffering and improving CINC presence in countries. Such activities include assessment, training, installation and modest construction, as well as medical, technical and logistical assistance.

In non-crisis peacetime settings, DoD humanitarian assistance supports the CINCs' regional engagement strategy by providing access to selected countries, and fostering goodwill for the US military in these countries. Correspondingly, the disaster relief element of the program supports CINCs readiness by enabling rapid responses to sudden emergencies without having to fund the incremental costs of such activities from constrained CINC Operations and Maintenance (O&M) accounts. The same rationale also supports ongoing procurement of the HDR, which is specifically designed as an alternative to drawing down more expensive DOD MRE stocks.

The CINCs have a unique capability to respond to major disasters. On short notice, they can make available transportation to deliver urgent relief. The amounts expended for any particular disaster are often too small to merit the major institutional effort of requesting a supplemental appropriation. Yet, for the individual CINC, the expense could mean that, without reimbursement from the OHDACA appropriation, readiness of his command would be affected.

In times of severe natural disaster, the US military has long been, and will continue to be, called upon to provide aid and assistance. OHDACA funding allows the CINCs to provide life-saving immediate assistance to countries in their regions. These funds have helped the Services and the CINCs defray the costs of operations, including responses to natural disasters in Japan, Colombia, and India, as well as costs of transportation in support of US government response to humanitarian crises in Rwanda and Bosnia. OHDACA funding is available to support the DoD response to small scale contingencies, and to provide seed money aimed at leveraging larger assistance packages from national and international donors responding to complex emergencies.

In coordination with the Department of State or the Agency for International Development, DoD plays a key role in humanitarian crises when it can offer unique assets for effective response and when the magnitude of the emergency exceeds what civilian agencies can handle initially. The US military offers exceptional operational reach and can be immediately deployed as a top-

I. Narrative Description (Continued)

gap measure. DoD's unique rapid response capabilities assist in the containment of crises and limit threats to regional stability I. by transporting and providing relief aid within hours or a few days of a disaster. The US military has unmatched capabilities in regard to rapid response time, logistics, transportation, command, control, and communications, and in the scale of cargo transportable by available air assets. These capabilities would be extremely expensive to develop and maintain in other government

The Humanitarian Demining Program is also a major component of the USG and DoD's peacetime engagement efforts. On May 16, 1996, the President directed several unilateral actions in announcing his new anti-personnel landmine (APL) policy:

- "we must ....strengthen efforts to clear existing minefields."

- "the Department of Defense will expand its efforts to develop better mine-detection and mine clearing technology for use in the many countries that are still plagued by mines."

- "We will also strengthen our program for training and assisting other nations as they strive to rid their territory of these devices."

The FY 1996 and FY 1997 programs proved to be highly effective in meeting these initial goals set out by the President. The FY 1998 program was significantly expanded by the President on September 17, 1997 when he announced that the United States "...will significantly increase demining programs.....increase assistance to landmine victims..... and expand our training programs". On October 31, 1997, the Secretaries of Defense and State announced the *Demining 2010 Initiative* which seeks to focus the efforts of the United States in cooperation with the international community in eliminating the world-wide landmine problem. Prior to this initiative, the global approach to the problem was piece-meal and not coordinated. Continuing the former approach would have required decades before life in many areas of the undeveloped world could return to any meaningful semblance of normality. At the same time, a huge cost would have been incurred with continued loss of human lives and productivity that is unacceptable. For this reason the international community needs to increase coordination of efforts to remove this scourge. Doing so will require focus and leadership, and the United State's objective is to continue to provide the leadership in humanitarian demining we have provided since 1993.

I. Narrative Description (Continued)

This FY 1999 budget request fully supports the President's guidance supporting his *Demining 2010 Initiative*. The Humanitarian Demining Program assists countries that are experiencing the adverse affects of uncleared landmines. The program also aids in the development of leadership and organizational skills of local personnel to sustain the programs after US military trainers have I. redeployed. US military personnel do not enter active minefields or remove emplaced landmines. Significant benefits accrue to the DoD - the program provides access to geographical areas otherwise not easily available to US forces. It also contributes to unit and individual readiness by providing unique in-country training opportunities that cannot be duplicated in the United States. For example, US military forces hone critical wartime, civil-military, language, cultural, and foreign internal defense skills. As with other OHDACA activities, this program also provides benefits to DoD by expanding training opportunities and contact with defense programs of other countries (i.e., it provides a "wedge" that allows the CINCs to conduct other cooperative military exercises).

This CINC executed program helps governments educate civilian populations on the dangers of landmines and how to identify and report them; trains local demining cadre to find and destroy landmines and return mined areas to productive use; and provides supplies, services, and equipment, to a limited degree, to clear mined areas that impede the repatriation of refugees and obstruct the means to lead productive lives. The Humanitarian Demining Program improves USG and CINC's relations with host nations, enhances the deployment and warfighting skills of our military forces, and is instrumental in promoting regional stability.

The Humanitarian Demining Program, executed by the Geographic CINCs, permits DoD to contribute to alleviating a highly visible, worldwide problem, while at the same time accruing significant training and readiness-enhancing benefits to US forces. The Department of State estimates that over 100 million landmines are scattered across the globe today, the residue of civil wars and internal conflicts in virtually every continent. Increasingly in these conflicts, landmines have been targeted against civilians to deny them their livelihoods, uproot them from their lands, and promote political instability. Today, anti-personnel landmines kill or maim at least 1200 people every month--most of them innocent civilians. This important DoD program is helping to alleviate the world-wide scourge of landmines.

II. Description of Operations Financed:

The FY 1999 President's Budget requests $63.3 million in the OHDACA account to finance humanitarian assistance and humanitarian demining programs.

1. Humanitarian Assistance:

Of the amount, $29.1 million is proposed for FY 1999 to finance general humanitarian assistance worldwide activities. Program segments include: CINC humanitarian assistance programs, emergency responses carried out mostly by the CINCs (including Humanitarian Daily Rations), and routine transportation provided for privately donated relief supplies. Program descriptions and proposed funding levels follow.

a. CINC Humanitarian Assistance Programs:

The budget includes $19.1 million in FY 1999 for CINC humanitarian assistance activities.

Programs include transportation, excess property, and other targeted assistance for Sub-Saharan Africa; the Pacific Rim and Asia, Europe, North Africa, Latin America, the Caribbean, and the Middle East. Current plans call for the CINCs to conduct humanitarian assistance activities as part of their peacetime engagement portfolio in their regions, and to enhance readiness for crisis response to humanitarian emergencies in their regions.

DoD, in coordination with the Department of State, transports excess defense non-lethal property in support of US national security and foreign policy objectives. Funding also provides for distribution of relief; acquisition and shipment of transportation assets to assist in distribution; acquisition and provision of relief supplies; refurbishment and restoration of excess DoD equipment; storage of excess articles; and inspection, packaging and intermediary warehouse storage until excess items can be delivered. The costs of providing DoD assistance include other smaller scale CINC activities conducted by US military personnel targeted at relieving suffering and improving CINC presence in countries, including assessment, training and installation, and modest construction, and medical, technical, engineering and logistical assistance. Among the functions of such activities is survey and assessment to ensure that DoD excess property is appropriate, and to install equipment and train personnel in its operation.

II. Description of Operations Financed (Continued)

CINC humanitarian assistance activities reflect the priorities of the Secretary of Defense and the Chairman, Joint Chiefs of Staff and also provide support programs that ensure proper administration of CINC program activities and allow DoD to anticipate future requirements and understand key issues related to the program. Programs include technical and administrative assistance, and studies, including programs to support CINC initiatives to improve civilian-military cooperation and coordination in humanitarian programs and operations. This item allows response in the course of the fiscal year to the priorities defined by principals as important to the bilateral military relations of the United States, and to requests from other agencies of the USG in furtherance of the national security and foreign policy objectives of the United States.

b. CINC Emergency Responses:

The budget proposes $9 million in FY 1999 to improve the capacity of the Department, through the CINCs and otherwise, to respond to 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.

Of this amount, $1.5 million is for the procurement of 300,000 Humanitarian Daily Rations (HDRs) and for prepositioning and storage of the HDRs in various locations.

Late in FY 1995, the Department procured 5 million HDRs. That, in addition to small annual purchases with FY 1996, 1997, and FY 1998 OHDACA funds, will provide sufficient numbers so that existing stocks will be nearly depleted late in FY 1999. The FY 1999 purchases are based on our current assessment of a minimum level of 300,000 per year of recurring requirements in response to crises.

Prior to 1993, DoD was required to draw down Meals Ready to Eat (MREs) out of US military stocks to meet emergency requirements in Northern Iraq and Bosnia. DoD development and purchase of HDRs allows the USG to more effectively meet foreign disaster relief requirements at one third the cost of MREs. The HDR program has also strengthened the industrial base for production of the MRE.

II. Description of Operations Financed (Continued)

An additional $7.5 million is included to cover the costs of other DoD crisis response and preparedness activities. Such programs include unanticipated requirements that are tasked by the National Command Authority. Examples include certain activities in support of humanitarian evacuation. (For example, in FY 1996 and FY 1997, the Department covered a small portion of the costs associated with the evacuation of Kurdish employees and associates of DoD and the USG from northern Iraq.) This item also provides support for systematic collection and analysis of information relating to disasters and other humanitarian crises, establishment of collaborative relations and programs with partners in the private voluntary sector in the U.S., and with those in foreign countries, and training in issues relevant to response to humanitarian crisis.

Emergency responses include transportation, logistical support, medical evacuation, and refugee assistance, in the form of both supplies and services. Projects also include those that build Non Governmental Organizations (NGO) and recipient country emergency response capacity, so as to reduce the potential need for US military involvement in crisis response.

c. Transportation of Donated Relief.

There is $1 million included for the transportation of privately donated goods. This will allow a minimum level of support for this activity. Providing such support to NGOs provides two principal benefits to DoD. It supplements the total assistance available for humanitarian response with private resources, thus reducing DoD's potential exposure, and also cultivates goodwill between DoD and NGOs with which US forces are increasingly called upon to collaborate in the complex contemporary battlefield. DoD transport for other organizations' relief supplies is the lowest cost transportation (usually by sea or in-theater air assets) whenever requirements allow.

2. Humanitarian Demining Program:

The President on September 17, 1997 directed a significant expansion in humanitarian demining clearance and mine awareness training activities. To support the President's new anti-personnel landmine policy, the DOD OHDACA budget includes $34.2 million to fund the Geographical Commanders-in-Chief's (CINC) humanitarian demining activities and supporting programs. These funds will provide for assessments of newly designated countries, ongoing worldwide training operations, incremental funding of high-priority, emerging operations such as Bosnia, and evaluations of current programs to determine if projected 'end states' have been met. Travel and transportation requirements for deploying forces are a major expense of the program. Deployments utilize highly skilled

OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID

II. Description of Operations Financed (Continued)

Special Operations Forces (SOF), Explosive Ordnance Disposal personnel, and US Army Engineers to establish indigenous demining programs and train and advise host nation cadre in managing sustainment operations. Countries which will receive humanitarian demining assistance or are under consideration for such assistance include Angola, Bosnia, Cambodia, Chad, Costa Rica, Eritrea, Ethiopia, Egypt, Guatemala, Guinea-Bissau, Honduras, Jordan, Mozambique, Laos, Lebanon, Namibia, Nicaragua, Rwanda, Thailand, Yemen, and Zimbabwe.

III. Financial Summary (O&M: Budget Authority, $ in Thousands):

		FY 1998				
1. Activity Group:	FY 1997 Actuals	Budget Request	Appropriation	Reprogrammings/ Transfers	Current Estimate	FY 1999 Estimate
OHDACA	74.754*	80,130	47,130	+9,000**	56,130	63,311

Reconcilation Summary:	FY 1998/1998	FY 1998/1999
Baseline Funding	80,130	56,130
Congressional action	-33,000	
Reprogrammings/ Transfers**	9,000	
Price Change		-137
Program Change		7,318
Current Estimate	56,130	63,311

* Includes $25.8 million provided by the FY 1997 Emergency Supplemental Appropriations Act, Public Law 105-18, for a grant to the American Red Cross for emergency support of the armed forces.

** Supports the President's / SECDEF's initiative to significantly expand the humanitarian demining program in FY 1998.

III. Financial Summary Cont'd (O&M: $ in Thousands):

OP-32 Line Items:	FY 1997 Actuals	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
308 Travel and transportation of persons	5,031	75	664	5,770	92	646	6,508
411 Army supplies and materials	22	1	3	26	2	1	29
415 DLA managed supplies and materials	1,553	25	202	1,780	-18	246	2,008
416 Supplies and materials	3,884	58	511	4,453	71	499	5,023
603 DLA Destribution Depot	1,629	166	73	1,868	34	205	2,107
624 Military Sealift Command	1,867	334	-60	2,141	-216	489	2,414
702 MAC SAAM	3,100	552	-98	3,554	32	423	4,009
711 MSC Cargo	2,828	263	151	3,242	-642	1,057	3,657
725 MTMC (Other)	1,350	-107	305	1,548	0	198	1,746
771 Commericial cargo	2,057	31	271	2,359	38	264	2,661
915 Rents (Non-GSA)	545	8	71	624	10	70	704
920 Supplies and materials	723	11	95	829	13	93	935
922 Equipment maintence by contract	1,584	24	209	1,817	29	203	2,049
925 Equipment purchases	2,459	37	324	2,820	45	316	3,181
932 Management and professional services	564	8	74	646	10	73	729
988 Grants	25,800	387	-26,187		0	0	
989 Other contracts	19,680	295	2,589	22,564	361	2,526	25,451
998 Other Costs	78	1	10	89	1	10	100
Total Costs	74,754	2,170	-20,794	56,130	-137	7,318	63,311

OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID

III. Financial Summary Cont'd (O&M: $ in Thousands):

D. Reconciliation of Increases & Decreases :

1. FY 1998 Budget Request		80,130
2. Congressional Adjustments		-33,000
3. Reprogramming/ Transfer		+9,000
3. FY 1998 Current Estimate		56,130
4. Price Changes		-137
5. Program Increases:		+7,318
a. Humanitarian Demining Operations (FY 1998 base: $34.1 million) Increased length and types of deployments for training and reduction of one-time (start-up) expenses for program management activities.	+101	
b CINC Humanitarian Assistance (FY 1998 base: $14.9 million) Increased support of peacetime engagement activities of the Unified Commander's in Chief.	+4,272	
c. CINC Emergency Responses (FY 1998 base: $6.5 million) Conduct more foreign disaster or humanitarian assistance missions and procure more Humanitarian Daily Rations.	+2,543	
d. Transportation of Donated Relief (FY 1998 base: $1.0 million) Transport additional donated non-lethal humanitarian assistance	+402	
6. FY 1999 Budget Request		63,311

V. Performance Criteria and Evaluation Summary:

B. As is the case with humanitarian/disaster crises, additional requirements for relief emerge during the execution year. Accordingly, performance criteria are difficult to summarize. Useful measures are: the amount of actual obligations reported to Congress under existing notification requirements (Section 2551, 10 US Code) and other information provided as part of the budget justification process.

	FY 1997	FY 1998	FY 1999
Humanitarian Demining:			
Number of Countries Served	15	21	21
Funding Level (Dollars in Millions)	20.0	34.1	34.2
Humanitarian Assistance and Foreign Disaster Relief:			
Number of Transportation Missions	100	125	200
Funding Level (Dollars in Millions)	29.0	22.0	29.1
Number of Humanitarian Daily Rations Procured (Dollars in Millions)	.3	.3	.3
Emergency Services to the Armed Forces:			
Military Installations Served	213		
Funding Level (Dollars in Millions)	25.8		

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

($ in Millions)

FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
2,552.8*	38.3	-707.1	1,884.0**	30.1	-1,167.2	746.9

*Memo Entry: O&M costs incurred in Service/Agency appropriations.
**All entries exclude funds appropriated to Service Military Personnel appropriations

I. Narrative Description:

The Overseas Contingency Operations Transfer Fund was established by the FY 1997 DoD Appropriations Act to meet operational requirements in support of contingency operations without disrupting approved program execution or force readiness. The fund provides additional flexibility to meet operational requirements by allowing the transfer of assets to the Military Components based on actual execution experience as events unfold during the year of execution. The fund supports the operation and maintenance requirements of the respective Services and Agencies for operations in Southwest Asia and Bosnia.

II. Financial Summary:

Program Funding ($ in millions)	FY 1997 Actual	FY 1998 Request	FY 1998 Appropriated	FY 1998 Current	FY 1999 Request
Bosnia	1,846.4	1,253.9	1,282.5	1,282.5	-
Southwest Asia	706.4	-	601.5	601.5	746.9
Total	2,552.8*	1,253.9**	1,884.0**	1,884.0**	746.9

* Memo Entry: Cost incurred in Service/Agency appropriations.
** Excludes those funds appropriated to Service Military Personnel appropriations

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

Program Increases/Decreases ($ in thousands)	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	1,253,900	1,884,000
Congressional Adjustments (Trfrs)	+630,100	-
Price Change	-	30,144
Functional Transfers	-	+1,300
Program Change	-	-1,168,544
Current Estimate	1,884,000	746,900

III. Description of Program Requirements:

BOSNIA: The FY 1998 President's budget was based on the assumption of a Deterrent Force (DFOR) of approximately 5,000 U.S. troops in Bosnia effective October 1, 1997 (transitioning from the Stabilization Force mission due to anticipated improved conditions in Bosnia) and exiting from Bosnia in June 1998. The NATO agreed to review the mission at periodic intervals, with the intent of reducing force levels to a deterrence-sized force at an unspecified date, commensurate with the security situation in the country, to facilitate NATO's departure from Bosnia in June 1998. Therefore, no funds were requested or appropriated for Bosnia operations beyond June 1998. Since the President has determined that U.S. participation in NATO operations in Bosnia beyond June 30, 1998, is critical to ensuring that the Dayton Accords are successfully implemented additional funding in FY 1998 and FY 1999 will be required to finance this continuation. However, because NATO has not yet approved the plan for the follow-on force, the DoD is unable to estimate the cost of the U.S. contribution to the force. As a result, the Administration decided to not request funding for Bosnia continuation in the FY 1999 budget, but to instead submit a non-offset emergency supplemental; tentatively scheduled for early Spring, covering both FY 1998 and FY 1999 requirements. The impact on other Defense programs of including additional Bosnia costs in the Defense budget when they were not considered in the bipartisan budget agreement also contributed to the decision to seek an emergency supplemental. Budgeting for the costs of extended Bosnia operations would detract from the Department's ability to adequately budget for force readiness and meet needed acquisition levels.

SOUTHWEST ASIA: The FY 1998 appropriation supports continued levels of activity for forces deployed to the area of responsibility (AOR) to counter potential aggression by Iraq, continue enforcement of the no-fly zones in Iraq, and support the maritime intercept force. Although DoD included these costs in the Components' O&M accounts, the Congress approved the funds as part of the Contingency Operations Transfer Fund and directed that DoD continue to treat the financing of Southwest Asia costs as a contingency operation. Unanticipated security requirements and enhanced force deployments in reaction to Iraqi intransigence have resulted in a projected funding shortfall in FY 1998. This added requirement will be included in a proposed non-offset emergency supplemental. The FY 1999 President's budget, consistent with the congressional intent, proposes to finance Southwest Asia costs in FY 1999 in the Contingency Operations

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

Transfer Fund. At the time the budget was developed, the amounts included for FY 1999 fully financed the planned activities during FY 1999. However, recent developments may require the FY 1999 estimate to be reassessed. Any resultant additional requirements will be addressed in the proposed FY 1999 non-offset supplemental.

($ in millions)	FY 1997	FY 1998	FY 1999
Army	1,504.4	930.7	86.9
Bosnia	1,381.8	850.4	-
Southwest Asia	122.6	80.3	86.9
Navy	155.0	157.3	100.2
Bosnia	62.4	72.4	-
Southwest Asia	92.6	84.9	100.2
Navy Reserve	-	.5	.5
Southwest Asia	-	.5	.5
Marine Corps	2.3	1.2	-
Bosnia	2.3	1.2	-
Air Force	711.3	692.4	550.5
Bosnia	227.7	266.1	-
Southwest Asia	483.6	426.3	550.5
USSOCOM	33.3	31.7	3.2
Bosnia	29.0	28.5	-
Southwest Asia	4.3	3.2	3.2
DIA	7.5	8.3	.8
Bosnia	6.8	5.6	-
Southwest Asia	.7	2.7	.8
NSA	8.0	6.0	-
Bosnia	8.0	6.0	-

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

($ in millions)	FY 1997	FY 1998	FY 1999
DISA	34.1	31.3	-
Bosnia	34.1	31.3	-
DLA	78.3	1.3	-
Bosnia	78.3	1.3	-
NIMA	1.5	3.4	-
Bosnia	1.5	3.4	-
OSIA	1.1	3.6	3.5
Southwest Asia	1.1	3.6	3.5
DHP	16.0	16.3	1.3
Bosnia	14.5	16.3	-
Southwest Asia	1.5	-	1.3
TOTALS	**2,552.8**	**1,884.0**	**746.9**
BOSNIA	**1,846.4**	**1,282.5**	**-**
SOUTHWEST ASIA	**706.4**	**601.5**	**746.9**

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

JUSTIFICATION OF REQUIREMENTS

Reconciliation of Increases & Decreases

1.	FY 1998 Budget Request	1,253,900
	Bosnia	1,253,900
	Southwest Asia	-
2.	Congressional Adjustments	+630,100
	Bosnia	-
	Southwest Asia	+630,100
	Congress transferred the O&M funds budgeted in the various Service and Agencies appropriations for Southwest Asia requirements to the transfer fund.	
3.	FY 1998 Appropriated Amount	1,884,000
	Bosnia	1,282,500
	Southwest Asia	601,500
4.	FY 1998 Current Estimate	1,884,000
	Bosnia	1,282,500
	Southwest Asia	601,500
5.	Price Change	30,144
	Bosnia	20,520
	Southwest Asia	9,624
6.	Functional Transfers	+1,300
	Bosnia	0
	Southwest Asia	+1,300
	Reflects the functional transfer of funds appropriated to the Defense Health Program in FY 1998 for Southwest Asia operations that are reflected in the Overseas Contingency account in FY 1999.	

7.	Program Change	-1,168,544
	Bosnia	-1,303,020
	Southwest Asia	+134,476

Bosnia - This decrease reflects the original FY 1998 budgeted assumption that a Deterrent Force (DFOR) of approximately 5,000 U.S. troops in Bosnia would exit from Bosnia in June 1998.

Southwest Asia – The program increase reflects the impact of unanticipated security requirements and enhanced force deployments in reaction to Iraqi intransigence that occurred in FY 1998 and are expected to continue into FY 1999. These requirements have resulted in a projected funding shortfall in FY 1998 that will be addressed in a proposed non-offset emergency supplemental. At the time the budget was developed, the amounts included for FY 1999 fully financed the planned activities during FY 1999. However, recent developments may require the FY 1999 estimate to be reassessed. Any resultant additional requirements will be addressed in the proposed FY 1999 non-offset supplemental.

8.	FY 1999 Budget Request	746,900
	Bosnia	0
	Southwest Asia	746,900

Former Soviet Union Threat Reduction
FY 1999 Amended Budget Estimates

I. Narrative Description:

The FY 1999 Cooperative Threat Reduction (CTR) Program continues the activities established in FY 1992 to promote denuclearization and to reduce the threat of weapons proliferation in the recipient countries of the former Soviet Union (FSU). The CTR Program remains a key component of U.S. national security strategy. Weapons of mass destruction (WMD) located in Russia, the presence of significant quantities of nuclear warheads and of fissile materials, and the threat of proliferation of WMD, are among the most serious challenges for U.S. national security planning in the post-Cold War period. These challenges are particularly relevant to U.S. national security because:

- Thousands of strategic and theater-level nuclear weapons continue to be deployed or stored in Russia;
- Fissile materials from dismantled nuclear weapons require secure storage to prevent proliferation and/or theft; and,
- Political and social instabilities continue to heighten the risk that nuclear and other WMD and associated materials could be involved in an accident or used in an unauthorized manner.

High priority is placed on CTR projects that can have an immediate impact on upgrading safety and security of nuclear warheads in transport or in storage pending their dismantlement. Dismantlement of the delivery systems in Russia and Ukraine is key to long-term and irreversible threat reduction. Materially reducing nuclear proliferation dangers that pose a direct threat to the U.S. and its allies ensures reduced regional threats for the future. The CTR Program also continues to promote security and transparency with respect to nuclear warheads to build confidence so that they, along with fissile materials, are safely and securely stored and controlled.

CTR assistance has had a major impact on Ukraine, Kazakhstan, and Belarus becoming non-nuclear weapons states. Initial assistance has successfully helped complete the transport of nuclear warheads safely and securely from Ukraine, Kazakhstan, and Belarus to Russia. After arrival in Russia, the warheads are safely and securely stored and controlled awaiting dismantlement.

II. Description of Operations Financed:

Based on the CTR legislation, U.S. national security policy, and an assessment of opportunities for cooperative engagement with Russia, Ukraine, Kazakhstan, and, Belarus, DoD developed the following CTR objectives:

- Assist Ukraine, Kazakhstan, and Belarus to become non-nuclear weapons states, and to eliminate START-limited systems and weapons of mass destruction infrastructure;
- Assist Russia in accelerating strategic arms reductions to START levels;
- Enhance safety, security, control, accounting, and centralization of nuclear weapons and fissile materials in the former Soviet Union recipient states to prevent their proliferation and encourage their reduction;

II. Description of Operations Financed (Cont.):

- Assist the former Soviet Union recipient states to eliminate and prevent proliferation of chemical weapons and biological weapons capabilities; and,
- Encourage military reductions and reforms and reduce proliferation threats in the former Soviet Union recipient states.

To meet these objectives, equipment and services are provided to the recipient countries pursuant to umbrella agreements and implementing agreements which establish a legal framework for CTR assistance activities. The requested funds for FY 1999 will continue to fund activities in support of these objectives. As of July 31, 1997, the U.S. has signed seven umbrella agreements and DoD is executing 34 implementing agreements and seven memoranda of understanding with counterpart ministries in Russia, Ukraine, Kazakhstan, Belarus, Moldova, Uzbekistan, and Georgia. From FY 1992 to FY 1998, DoD was authorized $2.633 billion for the CTR Program. Of this $2.633 billion, $0.376 billion was rescinded or expired before it could be obligated. In addition, in FY 1997 DoD received a $15 million transfer of funds from the State Department for the CTR Program. As a result of these rescissions, transfers, and expirations of funds, current authority for the CTR Program, including the FY 1998 appropriation, is $2.272 billion. A total of $1.610 billion of this authority had been obligated by January 12, 1998.

Former Soviet Union Threat Reduction
FY 1999 Amended Budget Estimates

III. Financial Summary ($ in Thousands):

A. Activity Group:

	FY 1997 Actuals	FY 1998 Current Estimate	FY 1999 Budget Estimate
Strategic Offensive Arms Elimination – Russia	59,800	77,900	142,400
Strategic Nuclear Arms Elimination – Ukraine	47,000	76,700	47,500
Fissile Material Storage Facility – Russia	66,000	57,700	60,900
Fissile Material Storage Containers – Russia	23,500	7,000	
Warhead Dismantlement Processing – Russia			9,400
Weapons Transportation Security – Russia			10,300
Weapons Storage Security – Russia	15,000	36,000	41,700
Reactor Core Conversion – Russia	10,000	41,000	29,800
Chemical Weapons Destruction – Russia	70,700	35,400	88,400
BW/CW Facility Dismantlement – FSU	9,000	20,000	
BW Proliferation Prevention			2,000
Special Project	25,000		
Defense Enterprise Fund	15,000		
Defense and Military Contacts	12,000	9,337	2,000
Other Assessments/Administrative Support	10,592	20,500	8,000
Total	363,592	381,537	442,400

B. Reconciliation Summary:

	Change FY 1998/1998	Change FY 1998/1999
Baseline Funding	382,200	381,537
Price Changes		6,105
Program Changes	-663	54,758
Current Estimate	381,537	442,400

Former Soviet Union Threat Reduction
FY 1999 Amended Budget Estimates

III. Financial Summary ($ in Thousands):

C. Price and Program Changes:

		FY 1997 Actuals	Change FY 1997/FY 1998 Price Growth	Change FY 1997/FY 1998 Program Growth	FY 1998 Estimate	Change FY 1998/FY 1999 Price Growth	Change FY 1998/FY 1999 Program Growth	FY 1999 Estimate
308	Travel of Persons	967	15	77	1,059	17	151	1,227
771	Commercial Transportation	500	7	40	547	9	79	635
925	Equipment Purchases (Non-centrally managed)	27,220	408	2,164	29,793	477	4,275	34,545
988	Grants	15,000	225	-15,225				
989	Other Contracts	319,905	4,799	25,434	350,138	5,602	50,253	405,993
	Total	363,592	5,454	12,491	381,537	6,105	54,758	442,400

D. Reconciliation of Increases and Decreases:

1. FY 1998 Amended President's Budget	$382,200
2. Congressional Adjustments	
Section 8041 CAAS	-663
3. FY 1998 Current Estimate	$381,537
4. Price Growth	$+6,105

Former Soviet Union Threat Reduction
FY 1999 Amended Budget Estimates

III. Financial Summary ($ in Thousands) (Cont.):

5. Program Increases Increased estimate to support higher requirements in SOAE - Russia ($63.3M), CW Destruction - Russia ($52.4M), Fissile Material Storage Facility - Russia ($2.3M), Warhead Dismantlement Processing - Russia ($9.4M), Weapons Storage Security - Russia ($5.1M), Nuclear Weapons Transportation Security ($10.3M), and BW Proliferation Prevention ($2.0M).	$+144,788
6. Program Decreases Decreased estimate to support lower requirements in SNAE - Ukraine ($30.4M), Fissile Material Storage Containers ($7.1M), Reactor Core Conversion - Russia ($11.9M), BW/CW Facility Dismantlement ($20.3M), Defense and Military Contacts ($7.5M), and Other Assessments/Administration Costs ($12.8M).	$-90,030
7. FY 1999 Budget Request	$442,400

IV. Performance Criteria and Evaluation Summary:

CTR Program activities have contributed significantly to the reduction of the WMD threat over the past five years. Initial U.S. offers of assistance under the Program were instrumental in convincing Russia, Ukraine, Kazakhstan, and Belarus they could shoulder the economic, political, and technical burdens of weapons dismantlement and demilitarization. Since the dissolution of the Soviet Union, the CTR Program has assisted the four states possessing portions of the Soviet nuclear arsenal with the elimination (or, in the case of Russia, reduction) of WMD; proliferation prevention efforts; and the dismantlement and transformation of WMD-associated infrastructure.

There are three ways in which the CTR affects positive change in the recipient countries, leading to the elimination of WMD and improved safeguards and controls on fissile materials:

- CTR directly dismantles or eliminates a weapons system or stockpile or prevents proliferation of WMD;

IV. Performance Criteria and Evaluation Summary (Cont.):

- CTR provides goods and/or services to assist or enable the recipient government to implement or accelerate a dismantlement or nonproliferation project; and,
- CTR provides goods and/or services to initiate a process intended to promote the development of democratic, non-militaristic societies.

CTR assistance was instrumental in encouraging Ukraine to begin the early deactivation and shipment to Russia of SS-19, SS-24, and air-launched cruise missile (ALCM) warheads and to accede to the Nuclear Nonproliferation Treaty (NPT) as a non-nuclear weapons state, thereby allowing START I entry into force. In an effort to speed the removal of warheads from missiles, the U.S. offered to accelerate delivery of materials necessary for early deactivation. The fruits of this effort were dramatically visible when the Secretary of Defense joined the Russian and Ukrainian defense ministers in January 1996 in Pervomaysk, Ukraine, where they jointly finished the destruction of a silo dismantled under a CTR contract. In July 1996, these three defense ministers met once again in Pervomaysk to mark the departure of the last nuclear warhead from Ukraine resulting in that country becoming a non-nuclear weapons state, instead of remaining the third-largest nuclear power in the world. In addition, the "Joint Statement on Parameters on Future Reductions in Nuclear Forces," signed by Presidents Clinton and Yeltsin in March 1997, specifically refers to the CTR Program as the instrument for assisting Russia to achieve START II, and potentially START III, force reduction levels.

Through the provision of equipment and technical expertise, the CTR Program also facilitated Kazakhstan becoming a non-nuclear weapons state in the spring of 1995 and Belarus becoming a non-nuclear weapons state in November 1996. Since the inception of the CTR Program, the following positive developments have occurred:

- Withdrawal of approximately 3,300 strategic warheads to Russia from Ukraine, Kazakhstan, and Belarus. Most of these warheads are expected to be dismantled in Russia.
- In Ukraine, early deactivation of all SS-24 ICBMs and elimination of 54 SS-19 ICBMs and 94 SS-19 silos (including one training silo) and 9 launch control centers by the end of FY 1997.
- As of the end of FY 19997, removal of 104 SS-18 missiles, elimination of 54 silos and launch control centers, closure of 103 tunnels used for nuclear weapons testing, and initiation of a project to eliminate a biological weapons production facility in Kazakhstan.

IV. Performance Criteria and Evaluation Summary (Cont.):

- Safe and secure withdrawal of SS-25 mobile ICBMs, launchers, and support structures from Belarus to Russia.
- START Treaty communication links are in place.
- Acceleration in Russia of eliminations mandated by START by two years. Specific projects include SLBM launcher elimination, ICBM silo launcher elimination, heavy bomber elimination, liquid propellant disposition and solid rocket motor elimination.
- Developmental and design efforts leading to establishment of a CW nerve agent destruction facility at Shchuch'ye, Russia. The results of these efforts can be used by Russia to design and build other facilities to destroy the 32,500 metric tons (MT) of nerve agent in filled munitions that constitute the bulk of the Russian Federations declared total stockpile of 40,000 MT of chemical weapons.
- Conversion of over 17,000 former Soviet WMD scientists to pursuing peaceful civilian research projects through grants provided by the U.S. and other nations to the International Science and Technology Center (ISTC) in Moscow and the Science and Technology Center in Kiev.
- Upgrade of 115 Russian nuclear weapons transport railcars and delivery of 149 supercontainers to enhance the safe and secure transportation of nuclear weapons. Procurement of 50 km of specially-designed fencing, sensors, access portals, etc. to enhance the physical security at MOD nuclear weapons storage sites. These efforts enhance the safety, security, and control of fissile materials and nuclear weapons in Russia.
- Development of export control regimes in Ukraine, Kazakhstan, and Belarus in order to prevent proliferation of nuclear weapons materials. CTR Program assistance has included the provision of six patrol boats to enable Kazakhstan to patrol the Caspian Sea, as well as portal monitors, x-ray enforcement equipment, local area networks and radiation detection equipment in Ukraine, Kazakhstan, and Belarus.
- Development of material control and accounting systems in Russia, Ukraine, Kazakhstan, and Belarus capable of detecting possible theft, diversion, or other unauthorized use of nuclear material. A key component of these systems is to deter such activities by imposing a significant risk of detection. Assistance has included training and equipment such as local-area networks, tamper indicating devices and computer hardware and software.

IV. Performance Criteria and Evaluation Summary (Cont.):

- Expansion of defense and military contacts between the United States and the FSU. The Program builds on efforts to establish and expand a network of professional exchanges which give FSU defense and military establishments a stake in continued good relations with the U.S. Activities funded include Bilateral Working Group meetings, Joint Staff Talks between senior defense officials, a wide range of delegation exchanges on defense and military topics, sister base/unit exchanges, and combined exercises.
- Prevention of proliferation by improving the security and safety of nuclear weapons and fissile materials associated with dismantlement activities. Ongoing CTR projects had delivered nearly 17,000 fissile material containers as of the end of FY 1997. In addition, the Program has provided construction equipment, design assistance and other support to assist in the construction of a safe, secure fissile material storage facility at Mayak, Russia. When complete, the facility will be capable of safely and securely storing the components of approximately 12,500 dismantled nuclear weapons in 50,000 CTR-supplied fissile material containers.
- Response to urgent proliferation threats in the former Soviet Union outside of Russia, Ukraine, Kazakhstan, and Belarus. DoD pre-empted a potential effort by a rogue state to acquire nuclear-capable MiG-29s from Moldova by using CTR funds to purchase 21 of the Moldovan MiGs as well as 500 air-to-air missiles, spare parts, and diagnostic equipment. The MiGs and the supporting equipment have been transported to the United States and are in the custody of the U.S. Air Force.
- Lessening the threat of WMD at the source and decreasing the potential for WMD proliferation. Through CTR seed capital investments in joint defense conversion business ventures, the U.S. is helping to eliminate a portion of the existing WMD production infrastructure in the recipient countries, as well as demonstrating to weapons producers that there are viable alternatives to continued weapons production. The creation of new privatized business entities also support market reform within the recipient nation while providing U.S. industry a unique opportunity to access these new markets. Twenty-one joint business initiatives have been started between U.S. companies and defense enterprises in the recipient countries formerly associated with the production of WMD.

Former Soviet Union Threat Reduction
FY 1999 Amended Budget Estimates

Detailed Project Discussions

I. Narrative Description:

Assist Ukraine, Kazakhstan, and Belarus to become non-nuclear weapons states and eliminate START-limited systems and WMD infrastructure: Ukraine officially became a non-nuclear weapons state in June 1996. However, the dismantlement of the SS-24 ICBM system is a top U.S. Government priority which addresses a variety of arms control and nonproliferation objectives. State Department and DoD correspondence to the Government of Ukraine reinforcing U.S. willingness to eliminate the remaining 55 SS-24 missiles, 46 silos, 5 launch control centers, and some supporting infrastructure has resulted in the Government of Ukraine decision to eliminate the SS-24 weapon system. U.S. assistance will take the form of providing integrating contractors to manage the elimination effort; helping the Ukrainians build temporary storage for the missiles awaiting elimination; eliminating SS-24 silo launchers and missiles in accordance with START I Treaty protocols; which requires building, operating and maintaining a unique SS-24 solid propellant extraction system. The U.S. has also recently agreed to assist Ukraine with the elimination of strategic bombers and ALCMs in accordance with START I procedures. Finally, activities still continue which eliminate the SS-19 weapons systems and associated infrastructure; as of 30 September 1997, 94 of 132 SS-19 silos (including one of two training silos), 9 of 13 launch control centers, and 54 of 130 missiles were eliminated.

Kazakhstan became a non-nuclear weapons state in April 1995. However, several projects using prior year funds remain active to complete the elimination of the weapons launchers and three projects to eliminate infrastructure associated with weapons of mass destruction. No additional funds are requested for activities in Kazakhstan.

Although Belarus became a non-nuclear weapons state in November 1996, several projects using prior year funds to eliminate the weapons launch platforms and infrastructure associated with the removed nuclear weapons are awaiting recertification. No additional funds are requested for activities in Belarus.

Assist Russia in accelerating strategic arms reductions to START levels: Russia will continue to be a nuclear weapons power possessing the infrastructure, materials, and technology to build and deploy nuclear weapons. Assistance includes destruction and/or dismantlement of strategic missile systems including missiles, silo launchers, liquid/solid rocket propellant, and solid rocket fuel motors; the destruction of submarine ballistic missiles and launchers and associated submarines; and, heavy bombers. This activity provides the equipment, training, and industry support to facilitate and accelerate compliance with START. By the end of

2002 the CTR Program will have politically supported and materially assisted in the removal from deployment of 8,000 strategic warheads in support of the START-mandated reductions.

On October 17, 1996, Defense Secretary William Perry addressed the Russian Duma on the subject of START II ratification, pledging additional U.S. assistance within the CTR framework to enable Russia to achieve its START II-mandated weapons reductions. In March 1997, Presidents Clinton and Yeltsin signed a Joint Statement on Parameters on Future Reductions in Nuclear Forces. This statement calls for establishment of lower aggregate levels under a START III Treaty of 2,000-2,500 strategic nuclear warheads. This statement also calls for CTR assistance with early deactivation of missile systems to be eliminated under START II. To fulfill these pledges, CTR initiatives will assist in the operation of the equipment (provided by the CTR Program) and facilities (built by Russia) to eliminate SLBM launchers at the dismantlement sites at Murmansk, Bolshoi Kamen, and Severodvinsk; operate and maintain facilities (built by Russia) to dismantle SSBNs and to dispose of SSBN reactors and spent reactor fuel; neutralize and eliminate SS-18 ICBMs at the facility in Surovatikha; initiate operation of a CTR-furnished solid rocket motor elimination facility; eliminate liquid propellant oxidizer to help with SS-18, SS-19, and SLBM dismantlement; and, other activities to prepare the delivery systems for elimination. Once START II is ratified by Russia, additional adjustments in CTR budgets may be required.

Enhance the safety, security, control, accounting, and centralization of nuclear weapons and fissile materials in the former Soviet Union recipient states to prevent their proliferation and encourage their reduction: DoD provides equipment, training, and services related to the design and construction of a safe, secure, and ecologically sound fissile material storage at Mayak, Russia. The facility will store 50,000 containers with fissile materials from dismantled nuclear weapons. Construction of this facility enhances the material control and accounting, transparency, and safeguarding of fissile materials removed from dismantled nuclear weapons. The project also accelerates the rate of weapons dismantlement by eliminating potential storage bottlenecks. The facility will eventually contain the fissile material components from an estimated 12,500 dismantled nuclear weapons. DoD also provides the fissile material containers for transporting and storing safely and securely the fissile materials from dismantled nuclear weapons. DoD is considering a new project that will assist the Russians in processing the fissile components of dismantled nuclear weapons for proper long-term storage.

One of the activities under this objective is to enhance the Russian MOD's capability to protect, control, and account for nuclear weapons scheduled for dismantlement. Assistance is provided to automate the existing Russian system that currently depends upon manual accountability. Assistance is also underway through the provision of technical expertise, equipment, training, and

services to develop and implement security enhancements at up to 50 nuclear weapons storage sites throughout Russia. Nuclear weapon transport safety and security is improved by modifications to rail cars and the provision of supercontainers and ballistic blankets. Equipment and training are also provided to detect smuggling of weapons materials. In addition to improving the security at nuclear weapons storage sites, U.S. assistance has been requested in site vulnerability analysis modeling techniques, development of techniques to monitor personnel reliability, establishment of a technical training base and test bed at Sergiev Posad to replicate an actual nuclear weapons storage site, the establishment of a nuclear weapons incident information system, and potentially, provision of equipment and training for guard forces. A new effort under this objective is to facilitate the deactivation of deployed strategic missiles in Russia. To achieve this goal, DoD is considering a new project to assist the Russians in downloading warheads from deployed missiles and transporting them to secure storage sites.

An additional project funded under this objective is the Russian Reactor Core Conversion project. This project assists Russia in stopping weapons grade plutonium production by converting the cores of the three remaining plutonium production reactors located at Seversk and Zheleznogorsk to a modified fuel source. The current reactors produce an estimated 1.5 MT of plutonium per year and provide heat and electricity to the regions. The U.S. objective is to eliminate weapons-grade plutonium production while permitting the reactors to provide steam for heat and electricity production.

Assist states of the former Soviet Union to eliminate and prevent proliferation of chemical weapons and biological weapons capabilities: One of the activities under this objective is to assist the states of the former Soviet Union to eliminate or convert biological weapons capabilities. One project supporting this goal uses prior year funds to dismantle a former biological weapons production facility in Kazakhstan. A new project will establish a biological weapons threat reduction program with Russian biological weapons scientists through direct lab-to-lab contacts. In 1996, DoD provided CTR funding to support pilot research projects at Russian institutes for collaborative research activities carried out at facilities involved in former Soviet BW programs. In 1997, the Defense Science Board endorsed this approach and recommended the establishment of a BW threat reduction program with Russian BW scientists through direct lab-to-lab contacts. This new project will advance U.S. national security interests through a strategic engagement plan to meet threat, detection, and other research and development objectives. The plan will include proliferation goals, transfer of biological threat data, evaluation of Russian biological agent detector technology, and cooperation on military biological defense programs of mutual interest. Collateral benefits in science and public health are anticipated through the collaborative process.

The second major activity under this objective is to assist Russia in the destruction of its chemical weapons stockpile. Russia has declared a chemical weapons stockpile of 40,000 MT located at seven sites, including 32,500 MT of nerve agent located at five sites. All nerve agents are contained in bombs, spray tanks, missile warheads, artillery projectiles, and rocket warheads. Destruction of this stockpile is required within 10 years after the Chemical Weapons Convention (CWC) enters into force. The CTR Program assists in the development of the required destruction processes, the design of a chemical weapons destruction facility, and then in the actual construction of a facility that will begin elimination of this threat. CTR may also assist with the physical dismantlement of former chemical weapons production facilities.

Encourage military reductions and reforms and reduce proliferation threats in the former Soviet Union recipient states: Beginning in FY 1997, DoD began to expand the CTR program to meet pressing proliferation threats in former Soviet republics other than Russia, Ukraine, Kazakhstan, and Belarus. DoD plans to use prior year CTR funds to assist Uzbekistan in the dismantlement of a chemical weapons research facility. Prior year CTR funds will also be used to purchase patrol boats for the Georgian Border Guards in order to assist them in establishing an effective border control mechanism. In addition, in November 1997, DoD announced that CTR funds had been used to purchase 21 nuclear-capable MiG-29 fighter aircraft from the government of Moldova.

One of the major ongoing projects under this objective is the FSU Defense and Military Contacts project. The purpose of the FSU Defense and Military Contacts project is to:

- encourage denuclearization and nonproliferation;
- enhance stability by regular exchanges on defense strategy, and greater transparency in budgets and programs;
- encourage and assist the restructuring and downsizing of FSU defense establishments;
- address, as far as possible, the concerns of the militaries and encourage their support for democratic reforms;
- defuse "enemy" images of the West;
- promote bilateral military contacts and help FSU militaries to better understand democratic societies, especially civil-military relations;
- develop long-term institutional relationships for substantive professional dialogue on demilitarization and other defense and military topics;
- encourage participation in the NATO Partnership for Peace Program;

- increase U.S. understanding of defense establishments in the FSU; and,
- enhance cooperation on issues related to countering threats of WMD proliferation.

To achieve these goals, the project builds on efforts to establish and expand a network of professional exchanges that gives FSU defense and military establishments a stake in continued good relations with the U.S. The types of activities that would be conducted include: Bilateral Working Group meetings and Joint Staff Talks between senior defense officials, a wide range of delegation exchanges on defense and military topics, sister base/unit exchanges, and combined exercises. In FY 1997, at Congressional direction, this project was expanded to include FSU republics other than Russia, Ukraine, Kazakhstan, and Belarus. DoD has signed Memoranda of Understanding (MOUs) on defense and military contacts with the Ministries of Defense (MODs) of Moldova and Uzbekistan and plans to conclude similar arrangements with Kyrgyzstan, Turkmenistan, and Georgia.

Other Program Support/Miscellaneous: These funds are used to accomplish the audits and examinations provisions included in all CTR implementing agreements. Audits and examinations (A&Es) ensure that equipment, services, and training provided are being used for their intended purpose, and are intact, secure, and satisfying the Congressional mandated goals of the CTR Program. Additionally, these funds include the developmental, administrative, and support costs of the overall CTR Program and of each project in its initial stages until specific requirements are identified, agreements signed, and proposed obligations are reported to Congress. These funds also are used for such activities as: CTR delegation and technical team travel expenses, translator/interpreter support, and other activities necessary during the project development phase of any new project. Forecast to Industry Conference costs, and contracted technical and analytical overall program support are also funded through Other Program Support.

II. Description of Operations Financed:

Assist Ukraine, Kazakhstan, and Belarus to become non-nuclear weapons states and eliminate START-limited systems and WMD infrastructure: SNAE in Ukraine provides material, services, and contractor support to provide the technology, training services, management, operational support, and logistics for SS-19 and SS-24 ICBM system elimination (silo launchers and missiles) and for strategic bomber and ALCM elimination. The cost estimate for SNAE (Ukraine) is $47.5 million in FY 1999. No additional funding will be requested for SOAE (Kazakhstan) activities or SOAE (Belarus) activities in FY 1999.

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Assist Russia in accelerating strategic arms reductions to START levels: SOAE assists Russia in accelerating dismantlement of strategic nuclear delivery systems to levels at or below those specified by START I and START II Treaty terms. According to START I, by December 2001, Russia must reduce its accountable strategic warhead total to 6,000 and its deployed strategic nuclear delivery vehicles (launchers and bombers) to 1,600, with no more than 154 SS-18 ICBM launchers. START II, awaiting ratification by the Russian Duma, allows for an arsenal in 2003 of only 3,000-3,500 deployed strategic warheads, of which only 1,700-1,750 may be on SLBMs. START II also calls for the elimination of all SS-18 ICBMs and launchers, and SS-24 rail-mobile launchers. CTR assistance facilitates: the elimination of SLBM launchers, associated submarines, and volume reduction of low level radioactive waste; liquid missile propellant, and ICBM missiles including solid rocket motors; SS-18 missiles; SS-24 mobile launchers; heavy bombers; and ICBM silo launchers. The Helsinki Initiative, signed by Presidents Yeltsin and Clinton in March 1997, calls for concrete steps to eliminate strategic offensive arms to START II force reduction levels. Assistance is in the form of equipment, training, services, and support from major western contractors to provide the technology, training services, management, operational support, and logistics. The FY 1999 SOAE budget will provide additional U.S. assistance necessary for the Russian Federation to achieve START II force reduction levels. The cost estimate for SOAE (Russia) assistance is $142.4 million in FY 1999.

Enhance the security, control, accounting, and centralization of nuclear weapons and fissile materials in the former Soviet Union recipient states to prevent their proliferation and encourage their reduction: Fissile Material Storage Facility Design and Construction Assistance (Russia) facilitates the safe, secure and ecologically sound storage of fissile materials derived from the dismantlement of nuclear weapons. Providing support to the Russian-led design and construction of a fissile material storage facility is required to assist in removing what the Russians have indicated repeatedly to be the major bottleneck in the dismantlement process, a lack of storage capacity. The budget request for additional construction assistance is $60.9 million for FY 1999.

This objective also supports Russian warhead dismantlement processing. To increase the rate of warhead dismantlement, the CTR Program is considering a new project to assist the Russian MINATOM in the processing of classified warhead components. The budget request for warhead dismantlement processing is $9.4 million for FY 1999.

Another new initiative may assist in another critical aspect of the strategic weapons dismantlement process: assisting Russian efforts to deactivate deployed ICBMs and SLBMs by removing warheads from missiles and transporting warheads to secure storage environments. Approximately 4,000 warheads will be downloaded and transported under this project. The budget request for weapons transportation security is $10.3 million for FY 1999.

In addition, this objective assists Russia in improving chain of custody activities for nuclear weapons, which enhances the safety and security of nuclear weapons during transport and interim storage while awaiting dismantlement and destruction and its inventory control and accounting system, and contributes to nonproliferation objectives. CTR efforts will complement transparency measures undertaken by the initiatives of Presidents Clinton and Yeltsin and reduce the possibility of seizure, theft, unauthorized sale, or use of nuclear weapons or nuclear components. Also included in this project is a nuclear weapons inventory management control capability; a nuclear weapons incident information analysis system; tagging systems and portal perimeter monitoring; and, assistance with personnel reliability. Technologies, equipment, and training enhancements to the physical security afforded weapons and material within the MOD's custody include: improved intrusion detection and prevention systems; entry/access control systems; guard force improvements; and interim storage site upgrades. The cost estimate for this project is $41.7 million in FY 1999.

Finally, Phase 1 of the Russian Reactor Core Conversion project was managed by the Department of Energy and included an initial feasibility study to determine that a reactor core replacement was technically feasible. Managed by DoD, Phase 2 of this project consists of identification of necessary reactor plant safety enhancements; safety analysis; a probabilistic risk assessment; obtaining Russian regulator (GosAtomNadzor) approval, design and testing; and identifying all factors relevant to a decision to proceed with actual core modification. Phase 3 will involve actual conversion of each of the three individual reactors. The budget request for the Reactor Core Conversion project is $29.8 million in FY 1999.

Assist the former Soviet Union recipient states to eliminate and prevent proliferation of chemical weapons and biological weapons capabilities: The Biological Weapons Proliferation Prevention program will establish a BW threat reduction program with Russian scientists through direct lab-to-lab contacts. The budget request for this project is $2.0M in FY 1999.

The Chemical Weapons Destruction Support Program in Russia project assists Russia in the safe, secure, ecologically sound, and expeditious destruction of chemical weapons. Russia declared a total of 40,000 MT of chemical weapons located at seven sites. Of this amount 32,500 metric tons consists of nerve agent concentrated at five sites. All these weapons will be destroyed in accordance with Russia's treaty obligations. The primary objective of this project is to provide assistance to Russia in the establishment of a chemical weapons destruction facility, including the preparation of site-related studies. The facility will be located in the Shchuch'ye area, Kurgan Oblast, and will be used for the destruction of nerve-agent filled artillery munitions stored at the Shchuch'ye Chemical Weapons Storage Area. The cost estimate is $88.4 million for FY 1999.

Encourage military reductions and reforms and reduce proliferation threats in the former Soviet Union recipient states: Defense and Military Contacts supports a wide range of defense and military contacts to include Bilateral Working Groups and Joint Staff Talks, exchanges of delegations on a wide range of defense and military issues, unit exchanges and ship visits, and combined exercises in such areas as search and rescue, and disaster relief. FY 1999 funds are proposed to again support a wide range of defense and military contacts in addition to training related to demilitarization and protection of weapons; weapons components; and weapons technology and expertise. Funding in FY 1999 for this project supports approximately 36 defense and military contact events. The budget request for defense and military contacts is $2.0 million for FY 1999.

Other Program Support/Miscellaneous: Other Program Support includes assessments and administrative support which provides funding for a number of tasks that are not unique to established projects. This includes continuing project assessment for new projects, technical evaluations, audits and examinations, and developmental, administrative and other support costs of CTR projects. The budget request for other assessments and administrative support for FY 1999 is $8.0 million.

III. Financial Summary ($ in millions):

	FY 1997	FY 1998	FY 1999
Strategic Offensive Arms Elimination – Russia	59,800	77,900	142,400
Strategic Nuclear Arms Elimination – Ukraine	47,000	76,700	47,500
Fissile Material Storage Facility – Russia	66,000	57,700	60,900
Fissile Material Storage Containers – Russia	23,500	7,000	
Warhead Dismantlement Processing – Russia			9,400
Weapons Transportation Security – Russia			10,300
Weapons Storage Security – Russia	15,000	36,000	41,700
Reactor Core Conversion – Russia	10,000	41,000	29,800
Chemical Weapons Destruction – Russia	70,700	35,400	88,400
BW/CW Facility Dismantlement – FSU	9,000	20,000	
BW Proliferation Prevention			2,000
Special Project	25,000		
Defense Enterprise Fund	15,000		
Defense and Military Contacts	12,000	9,337	2,000
Other Assessments/Administrative Support	10,592	20,500	8,000
Total	363,592	381,537	442,400

IV. Performance Criteria and Evaluation Summary:

The CTR Program has accomplished much in the six years since the Soviet Nuclear Threat Reduction Act was enacted by Congress in November 1991. CTR has effectively responded to the original legislation and has played a substantive role in achieving U.S. national security objectives and promoting global stability. Many of the programs achievements were unthinkable less than a decade ago, yet tangible results can be demonstrated for each program objective. The availability of assistance is also an important political factor which was instrumental in convincing Ukraine, Kazakhstan, and Belarus to become non-nuclear weapons states.

Through the end of FY 1997 the CTR Program had assisted Russia to accelerate strategic offensive arms elimination to START levels, by :

- Providing equipment and services to help eliminate 80 SLBM launchers;
- Helping to dismantle 50 ICBM silos;
- Providing equipment and services to dismantle 30 heavy bombers;
- Assisting in the disposal of 100,000 MT of liquid propellant from ballistic missiles; and,
- Providing equipment to dismantle 93 SS-18 missiles.

In FY 1998, CTR assistance will enable Russia to:

- Prepare SSBNs for elimination by downloading spent fuel from associated nuclear reactors;
- Eliminate 36 SLBM launchers and associated SSBNs;
- Construct facilities to aid in the elimination of 143,000 MT of liquid propellant nitric oxidizer fuel;
- Modify and equip a facility to disassemble 16 SS-24 and 63 SS-25 ICBMs per year; and,
- Begin procurement of equipment and services to eliminate low-level radioactive waste at SLBM and SSBN dismantlement sites to facilitate elimination activities.
- Expand the elimination capacity at the the SS-18 missile elimination facility at Surovatikha.

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In FY 1999, CTR assistance will enable Russia to:

- Eliminate 108 SLBM launchers and associated SSBNs;
- Eliminate 10 SS-18 silo launchers;
- Eliminate 100 solid rocket motors from SS-24, SS-25 and SS-N-20 missiles;
- Eliminate 134 liquid fueled ICBMs/SLBMs.

The CTR Program has also significantly aided nonproliferation efforts and enhanced the security, safety, control, accounting and storage of nuclear weapons and fissile materials in Russia through the end of FY 1997 by:

- Providing design, equipment, training, materials and construction services to construct a 50,000 container fissile material storage facility at Mayak;
- Delivering 4,000 kevlar ballistic blankets to enhance the protective capability of nuclear weapons containers and vehicles during transport;
- Delivering approximately 17,000 fissile material containers to Mayak, with an average of 840 containers being produced monthly through FY 1999;
- Producing 150 supercontainers for physical protection of weapons during transportation and interim storage pending dismantlement;
- Providing computers and training to enhance MOD's capability to account for and track nuclear warheads scheduled for dismantlement;
- Delivering 115 railcar modification kits to enhance the physical security of warheads and nuclear weapons in transit; and,
- Delivering emergency response and support equipment and an information analysis system to enhance the Russian capability to respond to potential accidents involving nuclear weapons and fissile material.

In FY 1998, CTR assistance will continue these efforts by:

- Producing over 10,000 additional fissile material containers;
- Upgrading physical and personnel security at nuclear weapons storage sites;
- Continuing to support the construction of a fissile material storage facility at Mayak; and,

- Providing programmatic support for the Reactor Core Conversion project in Russia.

In FY 1999, CTR assistance will:

- Provide comprehensive physical security enhancements to Russia's nuclear weapons storage sites;
- Complete an operational automated nuclear warhead inventory; and,
- Complete construction of Phase I of the Fissile Material Storage Facility (storage of 25,000 fissile material containers).
- Complete conversion of one of three nuclear reactors to cease production of weapons-grade plutonium.

The goal of the Russian CW Destruction Support Program is not to shift the burden of eliminating existing, declared Russian chemical agents and weapons to the U.S., but to help Russia "jump start" the destruction process. CTR has helped to initiate and accelerate the destruction of chemical weapons in Russia by:

- Designing, renovating and equipping an existing building in GosNIIOKhT to become a Chemical Weapons Central Analytical Laboratory;
- Delivering three mobile chemical analytical laboratories;
- Completing a joint evaluation of the Russian two-step (neutralization/bituminization) chemical agent destruction process;
- Developing a Justification of Investment required by Russian regulations for selection of the chemical weapons destruction facility (CWDF) site at Shchuch'ye;
- Awarding an Engineering Management Support (EMS) integration contract for the management and oversight of the activities leading to the establishment of the CWDF, to include process and facility designs, equipment development and acquisition, construction, systemization and start-up.

In FY 1998, the CTR Program will continue to achieve this goal by:

- Assisting in the preparation of technical documentation required by the Russian regulatory process to obtain approval for construction of the Shchuch'ye CWDF;

- Conducting laboratory studies to optimize the two-step chemical agent destruction process and obtain engineering data to support the agent destruction process design effort;
- Initiate the development, fabrication and testing of munitions destruction process line components;
- Initiate the development, fabrication and testing of a scaled-up reactor system to obtain engineering data to support the design of the agent destruction process lines; and
- Initiate preparation of the preliminary design package for the Shchuch'ye CWDF.

In FY 1999, the CTR Program will continue this effort by:

- Completing the optimization of the two-step chemical agent destruction process;

- Completing the testing of the scaled-up reactor system for chemical agent destruction;
- Continuing the testing of the munitions destruction process lines;
- Completing the preliminary design package for the Shchuch'ye CWDF;
- Initiating the preparation of the complete detailed design package for the CWDF; and
- Initiating the preparation of the selected site for the CWDF to facilitate future construction of the industrial area and supporting infrastructure.

The CTR Program has helped change the strategic landscape of the FSU. CTR assisted Kazakhstan to become a non-nuclear weapons state in April 1995, Ukraine to become a non-nuclear weapons state in June 1996 and, Belarus to become a non-nuclear weapons state in November 1996.

In Kazakhstan, the CTR Program worked to achieve this objective through the end of FY 1997 by:

- Eliminating 54 of the 147 SS-18 silo launchers, launch control centers, and test silos located at Zhangiz-Tobe, Derzhavinsk, Semipalatinsk, and Leninsk;
- Initiating a project to eliminate the infrastructure designed for the production of biohazardous materials at the former Soviet mobilization facility in Stepnogorsk; and,

- Closing and sealing the first 103 of 181 nuclear weapons test tunnels and three vertical test tunnels at the Degelen Mountain Test Tunnel Complex.

For Kazakhstan in FY 1998, the CTR Program will continue this effort by helping to:

- Eliminate 53 SS-18 ICBM silos;
- Begin actual dismantlement of the infrastructure designed for the production of biohazardous materials at the former Soviet mobilization facility in Stepnogorsk;
- Eliminate seven strategic bombers; and,
- Close and seal 64 nuclear weapons test tunnels at the Degelen Mountain Test Tunnel Complex.

For Kazakhstan in FY 1999, the CTR Program will continue this effort by helping to:

- Eliminate 24 SS-18 ICBM silos;
- Close and seal ten nuclear weapons test tunnels at the Degelen Mountain Test Tunnel Complex.

In Ukraine, the CTR Program worked to achieve this objective through the end of FY 1997 by:

- Providing equipment which enabled the early deactivation of the 460 warheads from 46 SS-24 ICBMs;
- Providing equipment and services to defuel 110 SS-19 ICBMs, providing 58 intermodal tank containers for storing liquid propellants and providing a facility capable of storing 3,810 MT of liquid propellant ICBM fuel;
- Providing the SS-19 Neutralization and Dismantlement facility;
- Providing equipment and an integrating contractor for SS-19 launch and control site dismantlement tasks;
- Constructing 261 houses at the Pervomaysk ICBM base for demobilized Strategic Rocket Forces (SRF) Officers;
- Constructing 605 apartments at the Khmelnitskiy ICBM base for demobilized Strategic Rocket Forces Officers.

For FY 1998, the CTR Program will continue this effort by helping Ukraine to:

- Initiate a project to eliminate 46 SS-24 ICBM launch and 5 launch control silos at the Pervomaysk ICBM base and 55 SS-24 missiles at Pavlograd;
- Eliminate 61 SS-19 ICBMs;
- Eliminate 20 SS-19 ICBM silos; and,
- Unload 10 SS-24 silos.

For FY 1999, the CTR Program will continue this effort by helping Ukraine to:

- Begin eliminating SS-24 ICBMs at Pavlograd
- Begin eliminating strategic bombers and ALCMs; and,
- Eliminate 10 SS-24 ICBM silos.

In Belarus, the CTR Program worked to achieve this objective by:

- Awarding a contract for the elimination of the 81 fixed structure foundations for SS-25 mobile missile launchers; and,
- Establishing an analytical chemistry laboratory and equipping an AN-26 aircraft with remote sensing capabilities to help restore the environment at former Strategic Rocket Forces facilities and sites.

Activities to support further eliminations in Belarus are currently suspended due to Belarus' failure to receive certification to receive U.S. assistance.

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The CTR Program will encourage military reductions and reform and reduce proliferation threats in the former Soviet Union recipient states. In FY 1998, the CTR Program will work to achieve this objective by:

- Purchasing 21 nuclear-capable MiG-29 fighter aircraft from the Government of Moldova to prevent their proliferation to a rogue state;
- Providing assistance to eliminate the chemical weapons production capability at a chemical weapons research institute in Uzbekistan in accordance with the requirements of the Chemical Weapons Convention.
- Aiding Georgia in the development of an effective export control system by providing two patrol boats to the Georgian Border Guards to allow them to police the Black Sea coast.

To encourage the recipient countries of the FSU to make military reductions and reforms, the CTR Program will provide sufficient funding to hold up to 300 defense and military exchanges in FY 1998 and up to 60 in FY 1999.

Several important activities fall under Other Program Support. One important activity is the on-going A&E process. To ensure assistance provided under CTR is used as intended, CTR agreements include provisions for the U.S. to conduct A&Es of the assistance furnished. A total of 43 A&Es were conducted through the end of December 1997. The CTR Program will conduct approximately 17 A&Es per year during FY 1998 and FY 1999.

SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE

(Dollars in Millions)

FY 1997 Actual	Price Growth	Program Growth	FY 1998 Estimate	Price Growth	Program Growth	FY 1999 Estimate
14.4	+.2	-14.6	0	0	0	0

The Support for International Sporting Competitions, Defense is a no-year appropriation that provides for continuing DoD support to future international sporting events.

These funds are available to fund security support for several future sporting events without the need for additional appropriations. Efforts in FY 1998 and FY 1999 include specialized event security planning. For DoD to provide this support, the National Defense Authorization Act of 1997 (P.L. 104-201) requires the Attorney General to determine that the support is essential. Near-term events that may be supported include the 1998 Nike World Master Games and the Goodwill Games; the 1999 Alpine Skiing Championship, World Cup Soccer, and Special Olympics; and the 2002 Winter Olympics.

DoD provides this support 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 to ensure that competitors and visitors are secure.