



G A O

Accountability * Integrity * Reliability

United States General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-285392

June 14, 2000

The Honorable John R. Kasich
Chairman, Committee on the Budget
House of Representatives

Dear Mr. Chairman:

The Department of Defense's (DOD) Future Years Defense Program (FYDP) is the official document that summarizes the force levels and funding associated with specific programs that the Secretary of Defense would like to see approved by Congress. The FYDP presents estimated appropriation needs for the budget year for which funds are being requested from Congress and at least the 4 years following it. The fiscal year 2000 FYDP requested \$1,434 billion total funding for fiscal years 2001-2005, whereas the fiscal year 2001 FYDP requests \$1,450 billion total funding for the same 5-year period.¹ As requested, we compared the planned funding levels for the common years of the fiscal year 2000 and fiscal year 2001 FYDP requests.

The FYDP reflects decisions made in the DOD Planning, Programming, and Budgeting System, which is intended to produce the best possible mixture of forces, equipment, and support to accomplish DOD's mission. The 2000 FYDP supported the President's 2000 budget and included budget estimates for 2000-2005. The 2001 FYDP supports the President's 2001 budget and includes budget estimates for 2001-2005.

Results in Brief

In constant dollars, there are only minor increases in the projected year-to-year funding totals over the common 5-year period, 2001-2005, from the 2000 FYDP to the 2001 FYDP. DOD plans to increase total funding over the 5-year period by \$15.8 billion, or 1.1 percent, over the total funding projected in the 2000 FYDP. Table 1 compares the two plans, by primary appropriation category.

¹ Unless otherwise stated, the years and dollars shown in this report are on a fiscal year basis and in constant fiscal year 2001 dollars.

Table 1: DOD's 2000 and 2001 FYDPs, by Primary Appropriation Category (total obligational authority in billions of fiscal year 2001 dollars)

| Appropriation category | | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|---|---------------|----------------|----------------|----------------|----------------|----------------|------------------|-----------------------------|
| Military personnel | 2000 | \$76.5 | \$76.1 | \$75.9 | \$75.9 | \$75.9 | \$380.3 | |
| | 2001 | 75.8 | 76.0 | 75.7 | 76.0 | 76.0 | 379.5 | |
| | Change | -0.7 | -0.1 | -0.2 | 0.1 | 0.1 | -0.8 | -0.2 |
| Operation and maintenance | 2000 | 105.1 | 103.6 | 103.7 | 104.2 | 104.4 | 521.0 | |
| | 2001 | 109.0 | 105.3 | 104.7 | 105.2 | 105.1 | 529.4 | |
| | Change | 4.0 | 1.7 | 1.0 | 1.0 | 0.7 | 8.5 | 1.6 |
| Procurement | 2000 | 61.4 | 60.8 | 63.7 | 64.9 | 68.9 | 319.6 | |
| | 2001 | 60.3 | 62.0 | 64.4 | 64.0 | 65.8 | 316.4 | |
| | Change | -1.1 | 1.2 | 0.7 | -0.8 | -3.1 | -3.2 | -1.0 |
| Research, development, test, and evaluation | 2000 | 34.1 | 33.8 | 33.0 | 32.7 | 31.3 | 165.0 | |
| | 2001 | 37.9 | 37.7 | 36.3 | 35.4 | 33.7 | 180.9 | |
| | Change | 3.8 | 3.9 | 3.2 | 2.7 | 2.4 | 15.9 | 9.6 |
| Military construction | 2000 | 7.1 | 4.1 | 4.1 | 4.2 | 4.4 | 23.9 | |
| | 2001 | 4.6 | 4.2 | 3.7 | 4.3 | 5.0 | 21.7 | |
| | Change | -2.5 | 0.1 | -0.5 | 0.2 | 0.5 | -2.2 | -9.1 |
| Family housing | 2000 | 3.8 | 3.5 | 3.6 | 3.6 | 3.6 | 18.2 | |
| | 2001 | 3.5 | 3.7 | 3.7 | 3.8 | 3.8 | 18.4 | |
| | Change | -0.4 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 1.3 |
| Other ^a | 2000 | 0.8 | 1.3 | 2.1 | 1.2 | 0.9 | 6.3 | |
| | 2001 | 1.3 | 0.8 | 0.7 | 0.4 | 0.4 | 3.6 | |
| | Change | 0.5 | -0.6 | -1.4 | -0.8 | -0.5 | -2.7 | -42.5 |
| Total | 2000 | \$288.7 | \$283.3 | \$286.1 | \$286.7 | \$289.4 | \$1,434.2 | |
| | 2001 | \$292.3 | \$289.6 | \$289.2 | \$289.1 | \$289.7 | \$1,450.0 | |
| | Change | \$3.7 | \$6.3 | \$3.1 | \$2.4 | \$0.4 | \$15.8 | 1.1 |

^aIncludes revolving and management funds and defensewide contingencies.

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

Although total programmed funds for military personnel remain virtually the same in this year's FYDP as in last year's FYDP, programmed personnel funds for Army and Air Force active forces decline, whereas programmed funds for other forces increase. The largest funding increase in the operation and maintenance accounts is \$9.7 billion, which is programmed for overseas contingencies. While DOD's programmed procurement spending remains above the \$60-billion threshold recommended by the last

Quadrennial Defense Review in 1997,² the 2001 FYDP projects a \$3.2-billion decrease, or 1 percent, from last year's FYDP projections. Research, development, test, and evaluation is programmed to receive the largest appropriation increase (\$15.9 billion, or 9.6 percent) and, within this category, the defensewide account is programmed to receive the largest increase (\$8.3 billion). The total reduction in military construction funds would be greater than the \$2.2 billion shown in table 1 were it not for \$1.9 billion of new funds in the 2001 FYDP for a base realignment and closure round in 2003. DOD reviewed a draft of this report and stated that the funding data are accurate.

Programmed Personnel Funds for Army and Air Force Active Forces Decline Whereas Programmed Funds for Other Forces Increase

The military personnel appropriation includes funds for such items as active and reserve component pay and allowances, retirement contributions, and permanent change of station travel. As table 2 shows, total programmed funds for military personnel remain virtually the same in this year's FYDP as in last year's FYDP. However, programmed personnel funds for Army and Air Force active forces decline whereas programmed funds for other forces increase. Active Army and Air Force military personnel accounts show decreases of \$2.2 billion and \$0.5 billion, respectively. All other personnel accounts in the 2001 FYDP are projected to increase over the projections shown in the 2000 FYDP. Projected savings from planned reduction in reserve component personnel are shown in the Reserve component personnel, Army account.

² The Review, an examination of America's defense needs from 1997 to 2015, attempted to achieve a better balance in DOD's financial plans to meet its military forces' current requirements and address long-term modernization needs.

Table 2: Military Personnel Appropriation Accounts, 2000 and 2001 FYDPs (total obligational authority in millions of fiscal year 2001 dollars)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|--|--------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------------------|
| Military personnel, Army | 2000 | \$22,770 | \$22,715 | \$22,730 | \$22,765 | \$22,823 | \$113,804 | |
| | 2001 | 22,198 | 22,274 | 22,283 | 22,388 | 22,417 | 111,561 | |
| | Change | -571 | -441 | -447 | -377 | -406 | -2,243 | -2.0 |
| Military personnel, Navy | 2000 | 17,952 | 17,963 | 17,935 | 17,919 | 17,985 | 89,752 | |
| | 2001 | 17,743 | 18,014 | 18,063 | 18,095 | 18,149 | 90,063 | |
| | Change | -209 | 51 | 128 | 176 | 164 | 310 | 0.3 |
| Military personnel, Marine Corps | 2000 | 6,864 | 6,863 | 6,855 | 6,848 | 6,865 | 34,296 | |
| | 2001 | 6,822 | 6,865 | 6,879 | 6,882 | 6,881 | 34,331 | |
| | Change | -42 | 3 | 24 | 34 | 16 | 35 | 0.1 |
| Military personnel, Air Force | 2000 | 18,445 | 18,145 | 17,993 | 17,949 | 18,002 | 90,534 | |
| | 2001 | 18,283 | 18,176 | 17,759 | 17,885 | 17,928 | 90,031 | |
| | Change | -163 | 31 | -234 | -65 | -74 | -503 | -0.6 |
| Reserve personnel, Army | 2000 | 2,375 | 2,351 | 2,385 | 2,391 | 2,365 | 11,867 | |
| | 2001 | 2,434 | 2,438 | 2,429 | 2,451 | 2,416 | 12,168 | |
| | Change | 59 | 87 | 44 | 61 | 51 | 301 | 2.5 |
| Reserve component personnel, Army ^a | 2000 | -30 | -95 | -143 | -142 | -141 | -551 | |
| | 2001 | 0 | -124 | -166 | -168 | -169 | -627 | |
| | Change | 30 | -29 | -23 | -26 | -28 | -76 | |
| Reserve personnel, Navy | 2000 | 1,482 | 1,475 | 1,468 | 1,466 | 1,448 | 7,339 | |
| | 2001 | 1,528 | 1,533 | 1,550 | 1,566 | 1,580 | 7,757 | |
| | Change | 46 | 58 | 82 | 100 | 132 | 418 | 5.7 |
| Reserve personnel, Marine Corps | 2000 | 425 | 423 | 412 | 411 | 405 | 2,076 | |
| | 2001 | 436 | 433 | 425 | 426 | 429 | 2,149 | |
| | Change | 12 | 10 | 12 | 14 | 25 | 73 | 3.5 |
| Reserve personnel, Air Force | 2000 | 944 | 942 | 938 | 933 | 908 | 4,664 | |
| | 2001 | 982 | 998 | 996 | 991 | 968 | 4,935 | |
| | Change | 38 | 56 | 58 | 58 | 60 | 271 | 5.8 |
| National Guard personnel, Army | 2000 | 3,720 | 3,733 | 3,769 | 3,779 | 3,732 | 18,733 | |
| | 2001 | 3,748 | 3,756 | 3,855 | 3,832 | 3,816 | 19,008 | |
| | Change | 27 | 23 | 87 | 54 | 84 | 275 | 1.5 |
| National Guard personnel, Air Force | 2000 | 1,558 | 1,559 | 1,562 | 1,574 | 1,531 | 7,785 | |
| | 2001 | 1,627 | 1,637 | 1,625 | 1,641 | 1,600 | 8,131 | |
| | Change | 69 | 78 | 62 | 67 | 69 | 346 | 4.4 |
| Total | 2000 | \$76,505 | \$76,073 | \$75,906 | \$75,893 | \$75,922 | \$380,298 | |
| | 2001 | \$75,802 | \$76,000 | \$75,699 | \$75,990 | \$76,015 | \$379,505 | |
| | Change | -\$703 | -\$73 | -\$207 | \$97 | \$93 | -\$793 | -0.2 |

^aAdjusts the Army Reserve and National Guard accounts pending completion of Quadrennial Defense Review actions.

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

Overseas Contingency Operations Transfer Fund Projected to Receive Largest Operation and Maintenance Increase

The operation and maintenance (O&M) appropriation includes funds for such items as civilian personnel management and pay and benefits; transportation; health and child care; troop training; and maintenance of tanks, airplanes, ships, and related equipment. As table 3 shows, O&M funds programmed in the 2001 FYDP show a total increase of about \$8.5 billion, or 1.6 percent, from the funds programmed in the 2000 FYDP. The largest increase, \$9.7 billion, is planned for the Overseas Contingency Operations Transfer Fund.³ Other large increases are planned for the Navy (\$2.6 billion), the Defense Health Program (\$615 million), the Air National Guard (\$534 million), and the Army National Guard (\$490 million). The biggest decreases are planned for the Army and the Air Force, \$3.8 and \$2.4 billion, respectively.

³ In the DOD Appropriations Act of 1997 (P.L. 104-208), Congress established the Overseas Contingency Operations Transfer Fund to pay for ongoing contingency operations. Congress appropriates money to the Fund. As an operation unfolds during the year, DOD can transfer money directly from the Fund to the military services' O&M accounts.

Table 3: Operation and Maintenance Appropriation Accounts, 2000 and 2001 FYDPs (total obligational authority in millions of fiscal year 2001 dollars)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|---|--------|----------|----------|----------|----------|----------|----------|-----------------------------|
| O&M, Army | 2000 | \$19,487 | \$19,851 | \$19,816 | \$19,927 | \$19,873 | \$98,954 | |
| | 2001 | 19,124 | 19,197 | 18,984 | 18,942 | 18,882 | 95,129 | |
| | Change | -363 | -654 | -832 | -985 | -991 | -3,825 | -3.9 |
| O&M, Navy | 2000 | 22,728 | 22,420 | 22,423 | 22,188 | 22,063 | 111,823 | |
| | 2001 | 23,300 | 23,057 | 23,027 | 22,654 | 22,373 | 114,411 | |
| | Change | 572 | 636 | 604 | 466 | 310 | 2,588 | 2.3 |
| O&M, Marine Corps | 2000 | 2,735 | 2,685 | 2,647 | 2,641 | 2,651 | 13,360 | |
| | 2001 | 2,706 | 2,732 | 2,689 | 2,692 | 2,684 | 13,503 | |
| | Change | -29 | 47 | 42 | 51 | 33 | 143 | 1.1 |
| O&M, Air Force | 2000 | 22,246 | 22,155 | 22,519 | 23,236 | 23,472 | 113,629 | |
| | 2001 | 22,347 | 21,935 | 21,846 | 22,520 | 22,600 | 111,248 | |
| | Change | 101 | -220 | -673 | -716 | -872 | -2,381 | -2.1 |
| O&M, defensewide | 2000 | 11,592 | 11,544 | 11,494 | 11,563 | 11,657 | 57,851 | |
| | 2001 | 11,920 | 11,568 | 11,515 | 11,484 | 11,502 | 57,989 | |
| | Change | 328 | 23 | 21 | -80 | -155 | 138 | 0.2 |
| O&M, Army Reserve | 2000 | 1,504 | 1,555 | 1,560 | 1,545 | 1,544 | 7,708 | |
| | 2001 | 1,521 | 1,551 | 1,559 | 1,566 | 1,574 | 7,771 | |
| | Change | 18 | -3 | -2 | 21 | 30 | 64 | 0.8 |
| O&M, Army Reserve Component | 2000 | -18 | -51 | -69 | -69 | -69 | -276 | |
| | 2001 | 0 | -27 | -55 | -56 | -57 | -196 | |
| | Change | 18 | 24 | 14 | 13 | 12 | 80 | |
| O&M, Navy Reserve | 2000 | 902 | 931 | 1,013 | 907 | 930 | 4,683 | |
| | 2001 | 961 | 934 | 922 | 938 | 959 | 4,714 | |
| | Change | 59 | 2 | -91 | 31 | 29 | 31 | 0.7 |
| O&M, Marine Corps Reserve | 2000 | 132 | 130 | 129 | 129 | 130 | 650 | |
| | 2001 | 134 | 136 | 135 | 136 | 138 | 679 | |
| | Change | 2 | 7 | 6 | 7 | 8 | 30 | 4.6 |
| O&M, Air Force Reserve | 2000 | 1,811 | 1,831 | 1,844 | 1,816 | 1,807 | 9,109 | |
| | 2001 | 1,886 | 1,843 | 1,843 | 1,847 | 1,829 | 9,247 | |
| | Change | 75 | 12 | -1 | 31 | 22 | 139 | 1.5 |
| O&M, Army National Guard | 2000 | 3,088 | 3,133 | 3,150 | 3,143 | 3,152 | 15,667 | |
| | 2001 | 3,182 | 3,182 | 3,232 | 3,260 | 3,300 | 16,157 | |
| | Change | 94 | 48 | 82 | 117 | 148 | 490 | 3.1 |
| O&M, Air National Guard | 2000 | 3,300 | 3,302 | 3,287 | 3,304 | 3,305 | 16,498 | |
| | 2001 | 3,446 | 3,398 | 3,369 | 3,419 | 3,400 | 17,032 | |
| | Change | 146 | 96 | 82 | 114 | 95 | 534 | 3.2 |
| Environmental restoration fund, Army | 2000 | 389 | 347 | 347 | 345 | 321 | 1,749 | |
| | 2001 | 390 | 381 | 381 | 381 | 381 | 1,915 | |
| | Change | 1 | 34 | 35 | 36 | 60 | 167 | 9.5 |

(Continued From Previous Page)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|---|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------------------|
| Environmental restoration fund, Navy | 2000 | 300 | 280 | 254 | 238 | 232 | 1,304 | |
| | 2001 | 294 | 276 | 252 | 236 | 231 | 1,289 | |
| | Change | -6 | -4 | -2 | -2 | -1 | -15 | -1.2 |
| Environmental restoration fund, Air Force | 2000 | 385 | 383 | 379 | 379 | 376 | 1,902 | |
| | 2001 | 376 | 377 | 375 | 377 | 377 | 1,883 | |
| | Change | -9 | -6 | -4 | -1 | 1 | -19 | -1.0 |
| Environmental restoration fund, defensewide | 2000 | 24 | 23 | 23 | 23 | 23 | 115 | |
| | 2001 | 23 | 23 | 23 | 23 | 23 | 115 | |
| | Change | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Environmental restoration fund, formerly used sites | 2000 | 190 | 189 | 187 | 187 | 187 | 941 | |
| | 2001 | 186 | 186 | 185 | 186 | 187 | 932 | |
| | Change | -4 | -3 | -2 | -1 | 1 | -9 | -0.9 |
| Drug interdiction and counterdrug activities, Defense | 2000 | 781 | 769 | 757 | 755 | 753 | 3,815 | |
| | 2001 | 836 | 764 | 759 | 761 | 763 | 3,882 | |
| | Change | 55 | -5 | 1 | 6 | 10 | 68 | 1.8 |
| Defense Health Program | 2000 | 11,440 | 11,170 | 10,972 | 10,971 | 10,999 | 55,552 | |
| | 2001 | 11,600 | 11,167 | 11,055 | 11,121 | 11,223 | 56,167 | |
| | Change | 160 | -3 | 84 | 150 | 223 | 615 | 1.1 |
| Former Soviet Union threat reduction | 2000 | 509 | 447 | 485 | 475 | 366 | 2,282 | |
| | 2001 | 458 | 402 | 421 | 540 | 449 | 2,270 | |
| | Change | -50 | -45 | -65 | 65 | 83 | -12 | -0.5 |
| Overseas contingency operations transfer fund | 2000 | 1,314 | 292 | 285 | 277 | 361 | 2,530 | |
| | 2001 | 4,101 | 2,029 | 2,014 | 1,988 | 2,055 | 12,186 | |
| | Change | 2,786 | 1,737 | 1,729 | 1,710 | 1,694 | 9,656 | 381.6 |
| Other O&M | 2000 | 224 | 223 | 222 | 221 | 221 | 1,111 | |
| | 2001 | 251 | 219 | 216 | 213 | 213 | 1,112 | |
| | Change | 27 | -4 | -6 | -8 | -8 | 2 | 0.1 |
| Total | 2000 | \$105,064 | \$103,611 | \$103,726 | \$104,199 | \$104,355 | \$520,955 | |
| | 2001 | \$109,044 | \$105,330 | \$104,748 | \$105,227 | \$105,087 | \$529,436 | |
| | Change | \$3,981 | \$1,719 | \$1,021 | \$1,028 | \$732 | \$8,481 | 1.6 |

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

Programmed Procurement Funds in 2001 FYDP Are Less Than Last Year's Projection

The procurement appropriation includes funds to acquire items such as weapons and their components, communications and support equipment, munitions, and spare parts. While DOD's programmed procurement spending remains above the \$60-billion annual threshold recommended by the last Quadrennial Defense Review in 1997, the 2001 FYDP projects a \$3.2-billion, or 1-percent, decrease from last year's FYDP. As table 4 shows, all of the services project decreases in their procurement spending in the

2001 FYDP from the levels projected in the 2000 FYDP with the exception of the Air Force, which shows a \$1-billion increase over last year's level. Appendix I shows more detailed breakouts of the appropriation categories.

Table 4: Procurement Appropriation Category by Component, 2000 and 2001 FYDPs (total obligational authority in millions of fiscal year 2001 dollars)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|-------------------------------|--------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------------------|
| Army procurement | 2000 | \$9,468 | \$10,397 | \$11,893 | \$11,923 | \$13,354 | \$57,037 | |
| | 2001 | 9,421 | 10,995 | 11,957 | 11,839 | 12,234 | 56,446 | |
| | Change | -47 | 597 | 64 | -84 | -1,120 | -591 | -1.0 |
| Navy/Marine Corps procurement | 2000 | 26,864 | 23,733 | 25,458 | 26,581 | 28,246 | 130,883 | |
| | 2001 | 26,631 | 23,753 | 24,992 | 25,847 | 26,444 | 127,668 | |
| | Change | -233 | 20 | -466 | -734 | -1,801 | -3,215 | -2.5 |
| Air Force procurement | 2000 | 21,165 | 22,358 | 22,323 | 21,970 | 22,675 | 110,491 | |
| | 2001 | 20,939 | 22,593 | 23,384 | 21,855 | 22,760 | 111,532 | |
| | Change | -226 | 235 | 1,060 | -114 | 85 | 1,041 | 0.9 |
| Defensewide procurement | 2000 | 3,871 | 4,295 | 3,996 | 4,376 | 4,638 | 21,176 | |
| | 2001 | 3,279 | 4,620 | 4,046 | 4,462 | 4,351 | 20,757 | |
| | Change | -593 | 325 | 49 | 86 | -287 | -419 | -2.0 |
| Total | 2000 | \$61,369 | \$60,783 | \$63,671 | \$64,851 | \$68,912 | \$319,586 | |
| | 2001 | \$60,270 | \$61,961 | \$64,378 | \$64,004 | \$65,790 | \$316,403 | |
| | Change | \$-1,099 | \$1,178 | \$708 | \$-847 | \$-3,123 | \$-3,183 | -1.0 |

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

Research, Development, Test, and Evaluation Projected to Receive Largest Appropriation Increase

The research, development, test, and evaluation (RDT&E) appropriation includes funds for the development and testing of weapons and equipment, development of prototypes, support of basic research, and exploratory development of technologies with potential military applications. As table 5 shows, RDT&E total planned funds in the 2001 FYDP are \$15.9 billion, or 9.6 percent, greater than the projected funds in the 2000 FYDP. The largest increase, \$8.3 billion, is programmed for the defensewide account. In addition, all of the military services project increases in their accounts in excess of \$2 billion.

Table 5: Research, Development, Test, and Evaluation Appropriation Accounts, 2000 and 2001 FYDPs (total obligational authority in millions of fiscal year 2001 dollars)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|--|--------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------------------|
| RDT&E Army | 2000 | \$4,723 | \$4,806 | \$4,482 | \$4,600 | \$4,259 | \$22,869 | 9.4 |
| | 2001 | 5,260 | 5,468 | 4,932 | 4,875 | 4,494 | 25,030 | |
| | Change | 538 | 663 | 450 | 276 | 235 | 2,161 | |
| RDT&E, Navy | 2000 | 7,928 | 8,108 | 7,856 | 7,713 | 7,428 | 39,033 | 7.6 |
| | 2001 | 8,477 | 8,851 | 8,753 | 8,160 | 7,769 | 42,010 | |
| | Change | 549 | 743 | 897 | 447 | 340 | 2,977 | |
| RDT&E, Air Force | 2000 | 12,681 | 12,453 | 12,625 | 12,734 | 12,225 | 62,718 | 4.6 |
| | 2001 | 13,686 | 13,667 | 13,033 | 12,987 | 12,229 | 65,601 | |
| | Change | 1,005 | 1,214 | 408 | 253 | 4 | 2,883 | |
| RDT&E, defensewide | 2000 | 8,479 | 8,215 | 7,779 | 7,424 | 7,094 | 38,991 | 21.2 |
| | 2001 | 10,238 | 9,544 | 9,335 | 9,177 | 8,959 | 47,253 | |
| | Change | 1,759 | 1,330 | 1,556 | 1,753 | 1,865 | 8,262 | |
| Director, Operational Test and Evaluation, Defense ^a | 2000 | 276 | 267 | 275 | 274 | 274 | 1,366 | -26.7 |
| | 2001 | 202 | 194 | 202 | 202 | 202 | 1,001 | |
| | Change | -74 | -73 | -73 | -73 | -72 | -365 | |
| Total | 2000 | \$34,087 | \$33,848 | \$33,017 | \$32,746 | \$31,280 | \$164,977 | 9.6 |
| | 2001 | \$37,862 | \$37,725 | \$36,254 | \$35,401 | \$33,652 | \$180,895 | |
| | Change | \$3,776 | \$3,877 | \$3,237 | \$2,656 | \$2,372 | \$15,917 | |

^aIncludes the funding for Director, Test and Evaluation, Defense in the 2000 FYDP.

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

Decrease in Projected Military Construction Funds Would Be Greater Without New Funds for Base Closures

The military construction appropriation includes funds to acquire, construct, and furnish installations and facilities and perform major repairs of facilities. As table 6 shows, DOD's total projected military construction funds in the 2001 FYDP are \$2.2 billion lower than that projected in the 2000 FYDP. All of the military construction accounts, except for two base realignment and closure accounts, show a decrease in funds. The total reduction in military construction funds would be greater than the \$2.2 billion were it not for \$1.9 billion of new funds in the 2001 FYDP for a base realignment and closure round in 2003. The largest decreases occur in the military construction, defensewide account (\$1.6 billion); the active Air Force account (\$947 million); the base realignment and closure accounts, environmental restoration (\$944 million); and the active Navy account (\$593 million). DOD is requesting congressional approval for two additional base realignment and closure rounds in 2003 and 2005. The 2001

FYDP includes approximately \$653 million in 2004 and \$1.3 billion in 2005 to begin implementation of a 2003 base closure round.

Table 6: Military Construction Appropriation Accounts, 2000 and 2001 FYDPs (total obligational authority in millions of fiscal year 2001 dollars)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|--|--------|---------|---------|-------|-------|-------|---------|-----------------------------|
| Military construction, Army | 2000 | \$1,600 | \$1,044 | \$883 | \$804 | \$785 | \$5,115 | |
| | 2001 | 898 | 1,097 | 1,052 | 1,023 | 931 | 5,001 | |
| | Change | -702 | 53 | 169 | 219 | 147 | -114 | -2.2 |
| Military construction, Navy | 2000 | 1,254 | 856 | 965 | 929 | 942 | 4,946 | |
| | 2001 | 753 | 797 | 920 | 954 | 929 | 4,353 | |
| | Change | -501 | -59 | -45 | 25 | -13 | -593 | -12.0 |
| Military construction, Air Force | 2000 | 908 | 597 | 587 | 735 | 717 | 3,544 | |
| | 2001 | 531 | 685 | 325 | 462 | 594 | 2,597 | |
| | Change | -377 | 88 | -262 | -272 | -123 | -947 | -26.7 |
| Military construction, defensewide | 2000 | 1,120 | 792 | 937 | 943 | 1,093 | 4,885 | |
| | 2001 | 785 | 734 | 674 | 577 | 564 | 3,334 | |
| | Change | -335 | -58 | -263 | -366 | -529 | -1,551 | -31.7 |
| Military construction, Army Reserve | 2000 | 142 | 69 | 57 | 68 | 69 | 405 | |
| | 2001 | 82 | 60 | 52 | 58 | 61 | 313 | |
| | Change | -60 | -9 | -5 | -10 | -7 | -92 | -22.8 |
| Military construction, Navy Reserve | 2000 | 30 | 23 | 21 | 25 | 18 | 117 | |
| | 2001 | 16 | 23 | 21 | 28 | 21 | 109 | |
| | Change | -14 | 0 | 0 | 3 | 2 | -8 | -6.9 |
| Military construction, Army National Guard | 2000 | 89 | 51 | 47 | 46 | 66 | 299 | |
| | 2001 | 59 | 65 | 47 | 46 | 67 | 284 | |
| | Change | -30 | 14 | 0 | 0 | 0 | -15 | -5.0 |
| Military construction, Air National Guard | 2000 | 108 | 49 | 55 | 55 | 54 | 321 | |
| | 2001 | 50 | 60 | 29 | 43 | 52 | 235 | |
| | Change | -58 | 12 | -26 | -12 | -2 | -86 | -26.7 |
| Military construction, Air Force Reserve | 2000 | 35 | 23 | 30 | 33 | 33 | 154 | |
| | 2001 | 15 | 22 | 10 | 16 | 18 | 81 | |
| | Change | -20 | -2 | -19 | -17 | -15 | -73 | -47.5 |
| North Atlantic Treaty Organization Security Investment Program | 2000 | 208 | 258 | 252 | 311 | 445 | 1,473 | |
| | 2001 | 201 | 196 | 206 | 237 | 241 | 1,080 | |
| | Change | -7 | -62 | -46 | -74 | -204 | -393 | -26.7 |
| Base realignment and closure accounts, II, III, and IV | 2000 | 1,558 | 59 | 25 | 30 | 34 | 1,706 | |
| | 2001 | 1,178 | 469 | 333 | 221 | 207 | 2,407 | |
| | Change | -380 | 410 | 307 | 192 | 173 | 701 | 41.1 |
| Base realignment and closure accounts, 2003 | 2000 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | 2001 | 0 | 0 | 0 | 653 | 1,280 | 1,933 | |
| | Change | 0 | 0 | 0 | 653 | 1,280 | 1,933 | |

(Continued From Previous Page)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|--|--------|----------|---------|---------|---------|---------|----------|-----------------------------|
| Base realignment and closure accounts, environmental restoration | 2000 | 0 | 323 | 286 | 175 | 159 | 944 | |
| | 2001 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Change | 0 | -323 | -286 | -175 | -159 | -944 | -100.0 |
| Total | 2000 | \$7,051 | \$4,144 | \$4,145 | \$4,154 | \$4,415 | \$23,909 | |
| | 2001 | \$4,568 | \$4,208 | \$3,668 | \$4,320 | \$4,964 | \$21,728 | |
| | Change | \$-2,483 | \$65 | \$-476 | \$166 | \$549 | \$-2,180 | -9.1 |

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

Projected Family Housing Funds in 2001 FYDP Are Slightly Greater Than Last Year's Projection

The family housing appropriation includes funds for the construction, improvement, operations, maintenance, and leasing of military family housing. As shown in table 7, total funds for family housing in the 2001 FYDP show only a slight increase of \$242 million, or 1.3 percent, from the 2000 FYDP request. The Army's and the Navy's programs project increases of over \$500 million each, while the Air Force projects a \$296-million decrease.

Table 7: Family Housing Appropriation Accounts, 2000 and 2001 FYDPs (total obligational authority in millions of fiscal year 2001 dollars)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|---|-------------------|---------|-------|---------|---------|---------|---------|-----------------------------|
| Family housing, Army | 2000 ^a | \$1,058 | \$988 | \$1,031 | \$1,040 | \$1,047 | \$5,164 | |
| | 2001 ^a | 1,140 | 1,125 | 1,148 | 1,149 | 1,160 | 5,722 | |
| | Change | 82 | 136 | 116 | 109 | 114 | 557 | 10.8 |
| Family housing, Navy and Marine Corps | 2000 ^a | 1,238 | 1,118 | 1,083 | 1,047 | 1,038 | 5,524 | |
| | 2001 ^a | 1,245 | 1,183 | 1,209 | 1,217 | 1,255 | 6,110 | |
| | Change | 7 | 65 | 126 | 170 | 217 | 586 | 10.6 |
| Family housing, Air Force | 2000 ^a | 1,273 | 1,318 | 1,355 | 1,387 | 1,357 | 6,690 | |
| | 2001 ^a | 1,050 | 1,299 | 1,337 | 1,368 | 1,339 | 6,394 | |
| | Change | -223 | -18 | -18 | -19 | -17 | -296 | -4.4 |
| Family housing, defensewide | 2000 ^a | 43 | 43 | 43 | 43 | 43 | 215 | |
| | 2001 ^a | 45 | 45 | 45 | 44 | 44 | 223 | |
| | Change | 2 | 2 | 2 | 1 | 1 | 8 | 3.7 |
| Homeowner's assistance fund, defense | 2000 | 51 | 0 | 0 | 0 | 0 | 51 | |
| | 2001 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Change | -51 | 0 | 0 | 0 | 0 | -51 | -100.0 |

(Continued From Previous Page)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|--|--------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------------------|
| DOD family housing improvement fund ^b | 2000 | 175 | 71 | 86 | 106 | 124 | 562 | |
| | 2001 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Change | -175 | -71 | -86 | -106 | -124 | -562 | -100.0 |
| Total | 2000 | \$3,838 | \$3,539 | \$3,598 | \$3,624 | \$3,608 | \$18,207 | |
| | 2001 | \$3,480 | \$3,652 | \$3,739 | \$3,779 | \$3,799 | \$18,449 | |
| | Change | -\$357 | \$113 | \$140 | \$155 | \$191 | \$242 | 1.3 |

^aIncludes both family housing, construction and family housing, operations appropriations.

^bIn the 2001 FYDP, this funding is included in the services' and defensewide family housing, construction accounts.

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

Agency Comments

In oral comments on a draft of this report, the Director, Programming and Fiscal Economics, Program Analysis and Evaluation, Office of the Secretary of Defense, said that the funding data presented in the report are accurate.

Scope and Methodology

To compare the two FYDPs, we analyzed funding data from the 2000 and 2001 FYDPs for fiscal years 2001-2005. We adjusted the current dollars to constant 2001 dollars using appropriate DOD Comptroller inflation indexes. We did not test DOD's management controls of the FYDP data or verify the data contained in either the 2000 or the 2001 FYDP. However, we compared DOD's automated FYDP data with published documents DOD provided. Specifically, we compared total budget estimates, appropriation totals, military and civilian personnel levels, force structure levels, and some specific program information. Based on our comparison, we were satisfied that the automated FYDP data and published data were in agreement. We did not analyze the reasons for the changes in planned funding because we plan to discuss those reasons, together with the risks that may prevent the 2001 FYDP from being implemented as planned, in a report to be issued later this year.

Our review was conducted from March through May 2000 in accordance with generally accepted government auditing standards.

We are sending copies of this report to other appropriate congressional committees; the Honorable William Cohen, Secretary of Defense; the Honorable F. Whitten Peters, Secretary of the Air Force; the Honorable Louis Caldera, Secretary of the Army; and the Honorable Richard Danzig, Secretary of the Navy. We will also provide copies to others upon request.

If you have any questions concerning this report, please call Robert Pelletier on (202) 512-4032. Key contributors to this report were George O. Morse, Suzanne Wren, Mary Jo LaCasse, and Patricia Lentini.

Sincerely yours,

A handwritten signature in black ink that reads "Norman Rabkin". The signature is written in a cursive, flowing style.

Norman J. Rabkin
Director, National Security
Preparedness

Procurement Accounts in the Department of Defense's 2000 and 2001 Future Years Defense Programs

The following tables show the differences between procurement accounts in the 2000 and 2001 Future Years Defense Programs (FYDP) over the years common to the two programs, 2001-2005.

Table 8: Army Procurement Appropriation Accounts, 2000 and 2001 FYDPs (total obligational authority in millions of fiscal year 2001 dollars)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|--|---------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------------|
| Aircraft procurement, Army | 2000 | \$1,303 | \$1,877 | \$2,165 | \$2,329 | \$2,833 | \$10,507 | |
| | 2001 | 1,323 | 1,845 | 2,138 | 2,270 | 2,745 | 10,321 | |
| | Change | 20 | -32 | -27 | -59 | -88 | -186 | -1.8 |
| Missile procurement, Army | 2000 | 1,404 | 1,317 | 1,518 | 1,090 | 1,364 | 6,693 | |
| | 2001 | 1,296 | 1,345 | 1,403 | 1,205 | 1,230 | 6,479 | |
| | Change | -108 | 28 | -116 | 115 | -134 | -214 | -3.2 |
| Procurement of weapons and tracked combat vehicles, Army | 2000 | 1,490 | 1,660 | 1,663 | 2,332 | 2,647 | 9,792 | 19.3 |
| | 2001 | 1,875 | 2,540 | 2,175 | 2,535 | 2,561 | 11,686 | |
| | Change | 385 | 881 | 511 | 204 | -86 | 1,895 | |
| Procurement of ammunition, Army | 2000 | 1,249 | 1,379 | 1,463 | 1,473 | 1,451 | 7,014 | |
| | 2001 | 1,131 | 1,252 | 1,323 | 1,323 | 1,286 | 6,315 | |
| | Change | -117 | -127 | -140 | -150 | -165 | -699 | -10.0 |
| Other procurement, Army | 2000 | 4,023 | 4,165 | 5,084 | 4,700 | 5,058 | 23,030 | |
| | 2001 | 3,796 | 4,012 | 4,918 | 4,506 | 4,412 | 21,644 | |
| | Change | -227 | -153 | -166 | -194 | -647 | -1,386 | -6.0 |
| Total | 2000 | \$9,468 | \$10,397 | \$11,893 | \$11,923 | \$13,354 | \$57,037 | |
| | 2001 | \$9,421 | \$10,995 | \$11,957 | \$11,839 | \$12,234 | \$56,446 | |
| | Change | \$-47 | \$597 | \$64 | \$-84 | \$-1,120 | \$-591 | -1.0 |

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

**Appendix I
Procurement Accounts in the Department of
Defense's 2000 and 2001 Future Years
Defense Programs**

Table 9: Navy/Marine Corps Procurement Appropriation Accounts, 2000 and 2001 FYDPs (total obligational authority in millions of fiscal year 2001 dollars)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|--|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------------------|
| Aircraft procurement, Navy | 2000 | \$7,957 | \$8,356 | \$8,469 | \$8,355 | \$8,341 | \$41,478 | |
| | 2001 | 7,964 | 8,087 | 8,506 | 8,108 | 8,295 | 40,960 | |
| | Change | 7 | -270 | 37 | -246 | -46 | -519 | -1.3 |
| Weapons procurement, Navy | 2000 | 1,549 | 1,636 | 1,869 | 1,963 | 2,072 | 9,088 | |
| | 2001 | 1,434 | 1,492 | 1,690 | 1,893 | 1,962 | 8,471 | |
| | Change | -115 | -144 | -179 | -70 | -110 | -617 | -6.8 |
| Shipbuilding and conversion, Navy | 2000 | 12,144 | 7,400 | 8,350 | 9,151 | 10,483 | 47,528 | |
| | 2001 | 12,297 | 8,278 | 8,090 | 9,331 | 9,501 | 47,497 | |
| | Change | 153 | 878 | -261 | 181 | -982 | -31 | -0.1 |
| Ammunition procurement, Navy and Marine Corps | 2000 | 477 | 537 | 617 | 681 | 700 | 3,012 | |
| | 2001 | 430 | 399 | 500 | 570 | 531 | 2,430 | |
| | Change | -47 | -138 | -117 | -111 | -169 | -582 | -19.3 |
| Other procurement, Navy | 2000 | 3,616 | 4,618 | 4,837 | 4,970 | 4,975 | 23,016 | |
| | 2001 | 3,335 | 4,376 | 4,837 | 4,583 | 4,679 | 21,809 | |
| | Change | -281 | -243 | 0 | -387 | -296 | -1,207 | -5.2 |
| Procurement, Marine Corps | 2000 | 1,122 | 1,185 | 1,316 | 1,462 | 1,674 | 6,760 | |
| | 2001 | 1,172 | 1,122 | 1,369 | 1,362 | 1,477 | 6,501 | |
| | Change | 50 | -64 | 52 | -100 | -197 | -259 | -3.8 |
| Total | 2000 | \$26,864 | \$23,733 | \$25,458 | \$26,581 | \$28,246 | \$130,883 | |
| | 2001 | \$26,631 | \$23,753 | \$24,992 | \$25,847 | \$26,444 | \$127,668 | |
| | Change | \$-233 | \$20 | \$-466 | \$-734 | \$-1,801 | \$-3,215 | -2.5 |

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

Appendix I
Procurement Accounts in the Department of
Defense's 2000 and 2001 Future Years
Defense Programs

Table 10: Air Force Procurement Appropriations Accounts, 2000 and 2001 FYDPs (total obligational authority in millions of fiscal year 2001 dollars)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|---|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-------------------------------------|
| Aircraft procurement, Air Force | 2000 | \$9,857 | \$10,718 | \$10,748 | \$10,148 | \$10,798 | \$52,269 | |
| | 2001 | 9,540 | 10,358 | 10,935 | 9,878 | 10,474 | 51,184 | |
| | Change | -317 | -360 | 186 | -270 | -324 | -1,085 | -2.1 |
| Missile procurement, Air Force | 2000 | 3,315 | 3,610 | 3,386 | 3,459 | 3,447 | 17,217 | |
| | 2001 | 3,062 | 3,502 | 3,993 | 3,469 | 3,803 | 17,829 | |
| | Change | -253 | -108 | 607 | 10 | 356 | 612 | 3.6 |
| Procurement of ammunition, Air Force | 2000 | 644 | 609 | 607 | 582 | 516 | 2,959 | |
| | 2001 | 639 | 767 | 603 | 579 | 555 | 3,143 | |
| | Change | -5 | 158 | -4 | -4 | 39 | 184 | 6.2 |
| Other procurement, Air Force | 2000 | 7,349 | 7,420 | 7,582 | 7,780 | 7,913 | 38,045 | |
| | 2001 | 7,699 | 7,966 | 7,853 | 7,930 | 7,928 | 39,376 | |
| | Change | 350 | 546 | 271 | 149 | 15 | 1,331 | 3.5 |
| Total | 2000 | \$21,165 | \$22,358 | \$22,323 | \$21,970 | \$22,675 | \$110,491 | |
| | 2001 | \$20,939 | \$22,593 | \$23,384 | \$21,855 | \$22,760 | \$111,532 | |
| | Change | -\$226 | \$235 | \$1,060 | -\$114 | \$85 | \$1,041 | 0.9 |

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

Appendix I
 Procurement Accounts in the Department of
 Defense's 2000 and 2001 Future Years
 Defense Programs

Table 11: Defensewide Procurement Appropriations Accounts, 2000 and 2001 FYDPs (total obligational authority in millions of fiscal year 2001 dollars)

| Appropriation category | FYDP | 2001 | 2002 | 2003 | 2004 | 2005 | Total | Percent change 2001-2005 |
|---|---------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------------------|
| Procurement, defensewide | 2000 | \$2,892 | \$3,210 | \$3,184 | \$3,480 | \$3,713 | \$16,479 | |
| | 2001 | 2,275 | 3,504 | 3,225 | 3,524 | 3,431 | 15,960 | |
| | Change | -617 | 295 | 41 | 44 | -282 | -518 | -3.1 |
| Chemical agents and munitions destruction, defense | 2000 | 979 | 1,085 | 812 | 897 | 924 | 4,698 | |
| | 2001 | 1,004 | 1,116 | 820 | 938 | 919 | 4,797 | |
| | Change | 24 | 31 | 8 | 42 | -5 | 99 | 2.1 |
| Total | 2000 | \$3,871 | \$4,295 | \$3,996 | \$4,376 | \$4,638 | \$21,176 | |
| | 2001 | \$3,279 | \$4,620 | \$4,046 | \$4,462 | \$4,351 | \$20,757 | |
| | Change | \$-593 | \$325 | \$49 | \$86 | \$-287 | \$-419 | -2.0 |

Note: Totals may not add due to rounding.

Source: Our analysis of FYDP data.

Ordering Information

The first copy of each GAO report is free. Additional copies of reports are \$2 each. A check or money order should be made out to the Superintendent of Documents. VISA and MasterCard credit cards are accepted, also.

Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

Orders by visiting:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders by phone:

(202) 512-6000
fax: (202) 512-6061
TDD (202) 512-2537

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

Orders by Internet:

For information on how to access GAO reports on the Internet, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web home page at:

<http://www.gao.gov>

To Report Fraud, Waste, or Abuse in Federal Programs

Contact one:

- Web site: <http://www.gao.gov/fraudnet/fraudnet.htm>
- e-mail: fraudnet@gao.gov
- 1-800-424-5454 (automated answering system)