



COMPTROLLER

OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

FEB -5 2013

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR
BUDGET, OFFICE OF THE ASSISTANT SECRETARY OF THE
ARMY (FINANCIAL MANAGEMENT AND COMPTROLLER)
DIRECTOR, OFFICE OF BUDGET/FISCAL MANAGEMENT,
OFFICE OF THE ASSISTANT SECRETARY OF THE NAVY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY (BUDGET), OFFICE OF THE
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL
MANAGEMENT AND COMPTROLLER)
DEPUTY ASSISTANT SECRETARY (HEALTH AFFAIRS)
COMMANDER, U.S. SOUTHERN COMMAND
COMMANDER, U.S. TRANSPORTATION COMMAND
DEPUTY DIRECTOR, COST ASSESSMENT AND PROGRAM
EVALUATION
DEPUTY DIRECTOR, ADMINISTRATION AND FINANCE,
OPERATIONAL TEST AND EVALUATION
CHIEF OF STAFF, OFFICE OF THE INSPECTOR GENERAL OF
THE DEPARTMENT OF DEFENSE
COMPTROLLERS OF THE DEFENSE AGENCIES
COMPTROLLERS OF THE DOD FIELD ACTIVITIES

SUBJECT: Fiscal Year (FY) 2014 President's Budget Submission

This has been an extraordinary Program/Budget review and we are in the final stages of completing the necessary actions required to support the FY 2014 President's Budget submission. We understand that the President intends to submit the top-level budget to the Congress in mid March, with the delivery of all justification material later in the month. We now must focus on delivering the final budget to the Office of Management and Budget (OMB) and preparing the necessary budget justification material for the Congress. I understand that this is an aggressive timeline, but I am confident in our ability to complete the Department's Budget.

Our goal is to electronically transmit data into OMB's MAX system on Tuesday, February 12, 2013. In order for my staff and OMB to have sufficient time to review the material prior to release, please provide draft copies of your justification material to my office



by the dates indicated on the Schedule for FY 2014 President's Budget Justification Book Material (Attachment 1).



John Roth
Deputy Comptroller

Attachment:
As stated

cc:
Director, National Intelligence

**Schedule for FY 2014 President's Budget 1/
Justification Book Material**

	<u>To OUSD(C)</u>	<u>Returned</u>	<u>Notional To Congress</u>
Select and Native Programming (SNAP)	Mar 08, 2013	---	---
Military Personnel	Feb 22, 2013	Mar 01, 2013	Mar 25, 2013
Operation & Maintenance			
Overview	Feb 15, 2013	---	Apr 08, 2013
Operation & Maintenance <u>2/</u>	Feb 22, 2013	Mar 01, 2013	Mar 25, 2013
Operation & Maintenance, <u>Defense-Wide</u>	Feb 15, 2013	---	Mar 25, 2013
Drug Interdiction	Feb 22, 2013	Mar 01, 2013	Mar 25, 2013
Overseas Contingency Operations (OCO) <u>2/</u>	TBD	TBD	TBD
Overseas Contingency Operations (base budget)	Feb 15, 2013	Feb 25, 2013	Mar 25, 2013
Former Soviet Union Threat			
Reduction	Feb 15, 2013	---	Mar 25, 2013
Procurement/Multiyear Justifications <u>2/</u>	Feb 22, 2013	Mar 01, 2013	Mar 25, 2013
Procurement, Defense-Wide	Feb 15, 2013	---	Mar 25, 2013
Research, Development, Test and Evaluation (RDT&E) <u>2/</u>	Feb 22, 2013	Mar 01, 2013	Mar 25, 2013
RDT&E, Defense-Wide	Feb 15, 2013	---	Mar 25, 2013
Military Construction, Family			
Housing, Homeowners Assistance	Feb 22, 2013	Mar 01, 2013	Mar 25, 2013
Defense-Wide	Feb 15, 2013	---	Mar 25, 2013
Base Closure Account	Feb 15, 2013	Feb 22, 2013	Mar 25, 2013
Working Capital Funds <u>2/</u>	Feb 22, 2013	Mar 01, 2013	Mar 25, 2013
National Defense Sealift Fund	Feb 22, 2013	Mar 01, 2013	Mar 25, 2013
Defense Health Program			
Justification Book <u>2/</u>	Feb 22, 2013	Mar 01, 2013	Mar 25, 2013
Chemical Demilitarization			
Program Justification Book	Feb 22, 2013	Mar 01, 2013	Mar 25, 2013
Military Intelligence Programs (MIP)			
Resources, Narrative, Documents <u>2/</u>	Mar 08, 2013	Mar 15, 2013	Apr 08, 2013
National Intelligence Program (NIP)	<u>3/</u>	<u>3/</u>	<u>3/</u>
Information Technology (IT)	Mar 01, 2013	---	Apr 12, 2013

1/ All dates are tentative and subject to change.

2/ Due dates for the OCO portions of the FY 2014 President's Budget submission will be announced at a later time. The FY 2014 President's Budget may be submitted without the OCO amounts for the FY 2014 column.

3/ Budget justification for the National Intelligence Program (NIP) is submitted by the Office of the Director of National Intelligence (ODNI). Separate guidance will be provided by the ODNI for development of these justification books.

Material Submission

Material will be submitted as specified in Chapter 1, Section 0104, Volume 2, of the Department of Defense Financial Management Regulation (DoD FMR) as modified by this memorandum. Revisions to the above justification material will be made based only on changes received from the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) Directorates and the Office of Management and Budget (OMB), with the exception of Military Intelligence Program (MIP) and Information Technology (IT) exhibits. Changes to MIP will be provided by Office of the Under Secretary of Defense (Intelligence) (OUSD(I)), Military Intelligence Program Office. Changes to IT will be provided by **the Department of Defense Chief Information Officer (DoD CIO)**, Resource, Program Budget Office. Each Component is responsible for clearing security before final printing (Defense Agencies are responsible for obtaining security clearance before submitting its material to OUSD(C)). Note that MIP must follow specific security marking requirements as noted in separate guidance.

Advance Copies for OSD Review

The OSD review should be considered a final policy review and not a review for purposes of proofreading or numbers checking, all of which should have been accomplished prior to submission of this material to OSD. Therefore, the advance justification material submitted must be appropriately checked before being provided to OSD for policy review.

Office of Management and Budget (OMB) Clearances

Clearances of justification material required by OMB will be obtained by OUSD(C) Directorates, or in the case of IT, the DoD CIO, Resource, Program Budget Office, Pentagon, Room 3D1048, and for MIP exhibits, by OUSD(I), Military Intelligence Program Office, Pentagon, Room 3B1088. In order to expedite this process, you must provide two advance paper copies to the appropriate OSD staff office unless guidance specifically indicates otherwise.

Procedures for Recording Current Year (CY)

In the absence of an enacted appropriations act, the guidance for the FY 2013 (Current Year) column has not been finalized. Unless a full year appropriation is enacted, the following guidance is provided for the FY 2013 column. At the appropriation level the annualized level of the FY 2013 Continuing Resolution (CR) will be used. Below the appropriation level the FY 2012 President's Budget enacted level increased by 0.612 percent will be used for the Base budget and the FY 2013 President's Budget request will be used for Overseas Contingency Operations (OCO).

**FY 2014 Budget Justification Book Material
Congressional Submission Requirements and Scope**

I. Printing of Congressional Justification Books. Justification material will be printed in accordance with Section 010401, Volume 2A, Chapter 1, of the Department of Defense Financial Management Regulation (DoD FMR), as amplified by the following:

A. Justification Book Covers. All covers will reflect “March 2013” as the date, and “Fiscal Year (FY) 2014 Budget Estimates” in the title of the justification books. The following colors will apply:

Army	Green
Navy	Buff
Air Force	Blue
Defense-Wide (all accounts)	White

B. Advance Books. When the total copy requirement exceeds 40 justification books, a minimum of 40 advance copies are required to be produced by the due date so that immediate distribution may be made to congressional committees. Any remaining quantities must be delivered/distributed 3 to 5 days thereafter.

II. Performance Budget-Related Requirements:

A. The Government Performance and Results Act (GPRA) of 1993 requires, among other things, that each Federal agency submit an Annual Performance Report and an Annual Performance Plan. OMB Circular A-11, “Preparation, Submission, and Execution of the Budget” allows select Federal agencies (including the DoD) to provide their annual performance plans and reports with their President’s Budget submissions. The Department’s Annual Performance Report for FY 2012 and Annual Performance Plan for FY 2014 will be included in DoD’s FY 2014 Budget Request Overview.

B. The Quadrennial Defense Review Report (QDRR), issued every 4 years, serves as the Department’s strategic plan for identifying DoD strategic goals and objectives. Pursuant to the 2010 QDR, Resource Management Decision (RMD) 700 identifies a limited number of DoD-wide performance goal priorities for FY 2014. Performance goals, included in appropriation and/or DoD Component-specific budget justification material should be consistent with, but not be limited to, the performance goals identified in RMD 700.

C. Service highlights and/or overview justifications, in support of the FY 2014 President’s Budget, should include a performance section that depicts how their respective Strategic Plans’ goals and objectives are aligned to DoD-wide strategic goals and objectives. In addition, each Service justification should address their relative contributions to the DoD-wide performance goal priorities identified in RMD 700.

D. The Deputy Chief Management Office point of contact for Performance Budget Requirements is Linda Gileau, 703-614-1843, or Linda.Gileau@osd.mil.

III. Business-type Statements. Printing in the United States Budget document of business-type budget statements is not required for the Homeowners' Assistance Fund. Business-type statements for the National Defense Stockpile Fund, Pentagon Reservation Maintenance Revolving Fund, and the Buildings Maintenance Fund will be included in the consolidated justification book.

IV. Appropriation Title Guidance

A. General.

1. Financial and Manpower Controls. Components are required to ensure that budget justification material reconciles to the Comptroller Information System (CIS) and other data systems (i.e., Program Resources Collection Process (PRCP) system). The FY 2013 through FY 2018 columns will lock in the CIS data systems on February 12, 2013.

2. References to Resource Management Decisions (RMDs). **Budget justification material must not refer to RMDs in any form.** The RMDs are part of the internal DoD decision making process and are not releasable outside of the Department. They are exempt from release under the DoD Freedom of Information Act Program, DoD 5400.7-R, exemption 5.

3. DoD Initiatives to Comply with the Budget Control Act of 2011, the Executive Order (EO) 13589, "Promoting Efficient Spending," dated November 9, 2011, and the OMB Memorandum, "Promoting Efficient Spending to Support Agency Operations" dated May 11, 2012. The FY 2014 President's Budget will document and explain the Department's initiatives to reduce programs either by finding greater efficiencies or reducing capabilities. All justification material should clearly identify the reductions taken and articulate the associated level of force structure capability adjustments. The justification material should highlight specific actions taken to reduce contract management support services, travel, conference expenditures, real estate, printing, information technology devices, motor vehicles and promotional items in support of the EO. These initiatives must be documented separately for all affected appropriations.

4. FY 2014 Overseas Contingency Operations (OCO) Request. Components will submit the FY 2014 OCO request at a later date. Guidance on due dates and finalization of the FY 2014 OCO request will be provided separately.

5. New Starts. Proper documentation of any new start in the prior and current year columns of the FY 2014 budget material is important for congressional review and for subsequent approval and execution of the new start.

a. For RDT&E and Procurement appropriations, a new start is any program, subprogram, modification, project, or subproject that was not previously justified by the Department in the FY 2013 President's Budget material and funded by the Congress through the normal budget process, explicitly added by the Congress as part of the DoD appropriations process, or subsequently approved by the Congress through a reprogramming action.

b. As budget material is being prepared, ensure that new starts are properly identified for all fiscal years. Conversely, if an effort is not a new start, ensure that it is reflected consistent with last year's budget. Keep in mind that prior approval or notification to Congress is required prior to obligating funds for any new start, as specified in Chapter 6, Volume 3 of the DoD FMR (section 060401E; http://comptroller.defense.gov/fmr/03/03_06.pdf, page 6-18) and that this notification is not satisfied by the budget exhibits (separate congressional notification is required).

B. Electronic Posting Requirements. The following automated data inputs are required to support the FY 2014 President's Budget:

1. Program Resources Collection Process (PRCP) System.

a. The PRCP system will open for updates the day after all RMDs are signed. Components are required to provide adjustments by Issue Number at the budget line item and program element level of detail in the PRCP update process.

b. Budget exhibits collected through the PRCP system include:

1. Military Personnel Programs Exhibits (M-1, M-1A, M-1B)
2. O&M Funding by Budget Activity/Activity Group/Subactivity Group Exhibits (O-1, O-1A)
3. RF-1 Revolving Fund Title by Budget Activity/Activity Group/Subactivity Group Exhibit (RF-1)
4. OP-8 Civilian Personnel Costs (all appropriations)
5. PB-32 Summary of Combined Price and Program Change Exhibit (for all appropriations other than those included in the O&M Title)
6. Summary of Price and Program Change (for O&M Title Account) (OP-32, OP-32A)
7. CS-1 Contract Services
8. Military Construction Programs Exhibit (C-1)
9. Procurement Programs Exhibit (P-1) and Procurement Annex
10. Procurement for Guard and Reserve Program Exhibit (P-1R)
11. Research, Development, Test and Evaluation (RDT&E) Programs Exhibit (R-1) and RDT&E Annex

c. The PRCP training, handouts, documentation, and revised templates (addition of issue number column) are available on the Comptroller's classified web-page: (<http://cisweb.ousdc.osd.smil.mil/>).

d. New PEs must be updated in the Resource Structure Management System before the Program and Financial Control Directorate can process transactions containing the new PEs. The point of contact for new PEs is Ramon McMillan, Cost Assessment and Program Evaluation (CAPE), (703) 614-9271, Ramon.McMillan@osd.mil.

e. Components are required to ensure that all budget justification material reconciles to the PRCP data system, which will agree with the locked CIS database. This includes object class data. Also, the Components are required to post all of their exhibits on the Comptroller's classified web site: (<http://cisweb.ousdc.osd.smil.mil/> under "Budget Exhibit" web link.

f. For the FY 2014 President's budget, OP-32 data for Operation and Maintenance appropriations will be collected in PRCP as currently required. For all other appropriations, Components will be required to submit PB-32 data into PRCP. This requirement for the other appropriations is established to provide insight into object class detail at the line item level and is a key element of Department's strategy to satisfy the service contract funding requirement of Section 803 of FY 2010 National Defense Authorization Act (NDAA) and compliance with the Executive Order 13589, "Promoting Efficient Spending." The PB-32 data will consist of essentially the same data as the "Program Amount" column of the O&M OP-32. This Program Amount should reflect a breakdown of the obligation data as collected in CIS to the line item level. The PB-32 will not require calculations of price and program growth.

g. Questions regarding the requirements for the PRCP update should be directed to Manju Goel, (703 693-0578), (Manju.Goel@osd.mil).

2. Select and Native Programming (SNaP) Guidance.

a. The following is a list of budget justification materials that must be updated through the Office of the Director of Cost Assessment and Program Evaluation's (CAPE) programming data collection system to reflect the FY 2013 President's Budget position. The SNaP is a web based data collection system on the NIPRNet web site (<https://snap.pae.osd.mil>) and on the SIPRNet web site (<https://snap.pae.osd.smil.mil>). The SNaP data collection system will remain open in accordance with the schedule at **Attachment 1**. The Components will be able to use the SNaP database to produce paper copy exhibits that are required to be included in their submission of budget justification material to the Congress. The point of contact is Bruce R. Berry, OSD CAPE, Pentagon, Room 3D141, (703) 697-0223 or (Bruce.Berry@osd.mil).

b. Budget exhibits collected through the SNaP system include:

SNaP Budgetary Exhibits (Due March 08, 2013)

1. Forces
 - a) Military Intelligence Program (MIP) Resources
 - b) Military Intelligence Program (MIP) Narratives
 - c) Combating Terrorism 1 Detail
 - d) Combating Terrorism 2 Narrative
 - e) Combating Terrorism 3 Vulnerability Assessment
 - f) Homeland Defense 1 (HD1) Activities Detail
 - g) Homeland Defense 2 (HD2) Narrative
2. Manpower and Personnel

- a) OP-34 Fund Support for Selected Quality-of-Life Activities
 - b) PB-23 AT&L Workforce Transformation Program
3. Investment
- a) Test and Evaluation
 - b) Multiyear Procurement Criteria
 - c) Multiyear Procurement Total Funding Plans
 - d) Multiyear Procurement Contract Summary
 - e) Multiyear Procurement Contract Resources
4. Operations and Support
- a) OP-20 Flying-Hour Summary
 - b) OP-25 Ground Vehicle Operations
 - c) PB-45 Depot Maintenance Program – Table 1
 - d) PB-45 Depot Maintenance Program – Table 2 (Ground)
 - e) PB-45 Depot Maintenance Program – Table 2 (Aircraft)
 - f) OP-41 Ship Operations
5. Infrastructure – Installation and Environment
- a) Env-30 Part 1 DERA and BRAC Funds Budgeted for Environmental Cleanup Program Management and Support
 - b) Env-30 Part 2 DERA and BRAC Funds Budgeted for Environmental Cleanup Project Management
 - c) Env-30 Part 3 Performance Metrics
 - d) PB-28 Environmental Quality
 - e) PB-28A Environmental Technology
 - f) PB-28B Munitions Response at Operational Ranges

SNaP Programmatic Exhibits (Due March 08, 2013)

6. Forces
- a) Prepositioning
 - b) Defense POW/Missing Personnel Office (DPMO) – POW/MIA Personnel Accounting
 - c) Operational Support Aircraft
 - d) Selected SOF Procurements and Modifications
 - e) Special Operations Forces Aircraft and CSAR Inventory
 - f) SOF Forces and Equipment (Other Than Aircraft)
 - g) SOF Training

- h) SOF Manpower
- i) MIP JCA Highlights
- j) MIP AOE Highlights
- k) MIP Glossary of Abbreviations
- l) MIP Documents
- m) MIP Component Highlights
- n) MIP Position Detail
- o) MIP Contractor FTE
- p) Global Defense Posture – Integrated Global Presence and Basing Strategy
- q) Defense Language Program
- r) Defense Continuity of Operations Program
- s) Global Nuclear Defense (GND) Activities Detail

7. Investment

- a) Net Centric CPM Program Resources
- b) National Leadership Command Capability (NLCC) – Resource Information
- c) National Leadership Command Capability (NLCC) – System & POC Information

8. Manpower and Personnel

- a) USFK Tour Normalization

9. Operations and Support

- a) IO 1 - Information Operations Detail
- b) IO 2 - Information Operations Narrative
- c) Electronic Warfare Resource Detail
- d) Electronic Warfare Oversight Data
- e) DoD Equipment Reset Projection
- f) Security Cooperation Program Detail
- g) Security Cooperation Program POC

10. Infrastructure – Installation and Environment

- a) Energy Efficiency
- b) Energy Efficiency Projects
- c) Renewable Energy

- d) Renewable Energy Projects
- e) Potable Water Intensity
- f) Non-Potable Water Consumption
- g) Potable Water Consumption
- h) Operational Energy
- i) Energy Master Plan

11. Native Data Files

- a) USAF Program Document
- b) USAF Primary Aerospace Vehicle and Flying Hour

C. Military Personnel

1. General.

a. Chapter 2, Volume 2A, of the DoD FMR includes applicable instructions and exhibits for preparation of justification material required for the Military Personnel appropriations base budget request. In addition to the exhibits listed in sections 020602 and 020603, Components must consult the other chapters in the DoD FMR for additional justification material requirements including Chapter 19 of Volume 2B, Special Analysis. In the justification material, Components should take special care to highlight all Administration and Departmental initiatives and priorities.

b. Fiscal years covered by the submission will include FY 2012 through FY 2014 on all exhibits. The FY 2012 column will reflect actual obligations consistent with the September 2012 AR(M) 1002 report (column E). The FY 2013 and FY 2014 columns will reflect budget estimates based on the latest manpower projections consistent with data in the Comptroller Information System (CIS) at the Military Personnel Programs (M-1) level of detail. Exhibits will not include data for FY 2015 through FY 2018, except for the Incentive/Bonus Payment Stream exhibit (PB-30V) and base budget back-up exhibits, which will show FY 2012 through FY 2018.

2. Funding and Strength Displays Within the Base Budget Justification Material.

a. The FY 2012 funding from P.L. 112-74, Title IX of Division A—Department of Defense Appropriations Act, 2012, received either directly or via transfer/reprogramming action to support overseas contingency operations (OCO) must be identified by budget activity on Exhibit PB-30A, Summary of Requirements by Budget Program, as shown in Chapter 2, Volume 2A, of the DoD FMR.

b. Any FY 2012 end strength and average strength funded by OCO funding must be separately identified on Exhibit PB-30B, Summary of Military Personnel Strength, as shown in Chapter 2, Volume 2A, of the DoD FMR. In addition, the officer and enlisted average strength associated with mobilized Reserve and National Guard members must also be footnoted on Exhibit PB-30B.

c. Servicemembers' Group Life Insurance (SGLI) Extra Hazard and Traumatic Injury Protection Coverage (T-SGLI) Payments. Justification materials for the baseline budget are to include the SGLI Extra Hazard and T-SGLI payments made in FY 2012 to the Department of Veterans Affairs. In an OUSD(C) memorandum, *Fiscal Year 2012 Servicemembers' Group Life Insurance (SGLI) and Traumatic Injury Protection (T-SGLI) Programs*, dated December 2, 2011 payments were directed to be made centrally from each Service's active duty military personnel appropriations from budget activity (BA) 6 – *Other Military Personnel Costs*. To account for these payments in the justification materials, Components must include, by line item, the SGLI/T-SGLI insurance premiums, the SGLI Extra Hazard payments, and the T-SGLI (retroactive and prospective) payments as a separate budget display within BA 6 as well as on all applicable summary exhibits.

3. FY 2014 OCO Request. Justification material for the FY 2014 OCO President's Budget Request is to be submitted under separate cover and will be due on a date yet to be announced.

4. Reserve Component Issues.

a. National Guard Active Guard and Reserve (AGR) Deployment. The FY 2014 President's Budget justification documents need to inform the users on how activated AGR end strength is to be accounted for. Within the "Introduction" portion of the justification book, the Army and Air National Guard must discuss their individual process for deployed AGRs. This explanation needs to address transfer from Title 32 status to Title 10 status, end strength accountability, and funding of backfills (provide ratio) with the resulting savings.

b. Selected Reserve 12304b Authority. For those Services ordering Selected Reserve members to active duty for preplanned missions in support of Combatant Commands (12304b authority), the budget justification material must include the manpower and associated costs of such missions. For manpower costs, such documentation is to appear **within the active Military Personnel** budget justification documentation (**Exhibit PB 30-E**). Insert section entitled "Selected Reserve 12304b Authority with the same detail as ADOS support). Additionally, the **Introduction** portion of the active Military Personnel budget justification material must include a description of the mission for which such units are anticipated to be ordered to active duty and the anticipated length of time of the order of such units to active duty on an involuntary basis.

5. Stop Loss Retroactive Payments. A separate exhibit within BA 6, Other Military Personnel Costs, is required for Stop Loss Retroactive payments authorized by section 310 of Public Law 111-32 to show FY 2012 actual execution in the FY 2014 baseline justification book. These funds remain available for obligation until expended in the Active Military Personnel appropriations 2009/XXXX accounts; however, no new applications can be accepted since the October 21, 2012 claims deadline has passed. The format for this exhibit is at **Attachment 3** and the corresponding addition to the Exhibit PB 30-J Summary of Entitlements by Subactivity is at **Attachment 4**. A new line item has been added to separately identify these costs in PRCP.

6. Preventive Health Allowance Demonstration Project. An exhibit within BA 6 is required for reporting execution of the FY 2012 Preventive Health Allowance Demonstration Project directed by Section 714 of the Duncan Hunter National Defense Authorization Act of

FY 2009. The format for this exhibit is at **Attachment 5** and the corresponding addition to the Exhibit PB 30-J Summary of Entitlements by Subactivity is at **Attachment 4**.

7. Clothing Rates. The budget estimates for clothing should reflect full funding of initial and replacement clothing allowances requirements. The FY 2014 estimate will be based on the FY 2013 rates (see below) adjusted by non-pay inflation. The Services are reminded that “upfront” resources must be provided to cover the costs associated with any new item(s) projected for inclusion in the clothing bag. These costs must be separately identified in the clothing allowances budget exhibits. If an existing clothing item is replaced with a new item and the new item is substantially more expensive, this item must also be identified separately in the clothing allowances budget exhibits.

Standard Initial Clothing Allowance (Enlisted Members Only)

<u>Army</u>		<u>Navy</u>		<u>Marine Corps</u>		<u>Air Force</u>	
<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
\$1,533.95	\$1,756.94	\$1,811.61	\$2,031.69	\$1,758.70	\$1,803.50	\$1,464.04	\$1,667.36

Cash Clothing Replacement Allowance (Enlisted Members Only)

	<u>Army</u>		<u>Navy</u>		<u>Marine Corps</u>		<u>Air Force</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
<u>Basic</u>	\$327.60	\$367.20	\$327.60	\$331.20	\$414.00	\$428.40	\$237.60	\$241.20
<u>Standard</u>	\$469.35	\$522.00	\$468.00	\$471.60	\$594.00	\$612.00	\$338.40	\$342.00
<u>Special</u>	0	0	\$640.80	\$630.00	0	0	0	\$0

Extra Clothing Allowances (Special Initial)

(1) Members of the Navy Band, Washington, DC, or US Naval Academy Band, Annapolis, MD, or pay grade E-6 selected for temporary appointment as a Limited Duty Officer (LDO) in the Navy receive the Chief Petty Officer Allowance when assigned to either a band or selected for LDO.

Male below E-7	\$1,080.23
Female below E-7	\$ 932.25

(2) Naval enlisted members eligible to wear chief petty officer uniforms as prescribed by the Secretary of the Navy in accordance with principles established in DODI 1338.18, except members attached to the Navy Band or Naval Academy Band who previously received this allowance upon assignment to the band.

Male	\$1,080.23
Female	\$ 932.25

(3) Members selected for Naval officer training who enter Officer Candidate School (OCS); candidates attending Aviation Officer’s Candidate School; members who enter Broadened Opportunity for Officer Selection and Training (BOOST) Program, Enlisted Commissioning Program (ECP), or the Seaman to Admiral Program.

Male	\$1,654.29
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Female \$1,990.16

(4) Partial initial monetary clothing allowance for E-1 through E-6 Naval Reservists entering active duty.

Male \$ 0

Female \$ 0

Civilian Clothing Allowance

<u>Duty Type</u>	<u>Initial</u>	<u>Replacement</u>	<u>15 days in 30 day period</u>	<u>30 days in 36 month period</u>
Permanent	\$970.56	\$323.52		
Temporary			\$323.52	\$647.04

8. Cadet Ration Rates. The following daily reimbursement rates for cadet rations are to be used:

Cadet Daily Ration Rates

January 1, 2012	\$11.55
January 1, 2013	\$11.70
January 1, 2014	\$12.10
January 1, 2014	\$12.50
January 1, 2016	\$12.95
January 1, 2017	\$13.35
January 1, 2018	\$13.85

9. Subsistence. The following fiscal year composite rates for subsistence should be used for officer and enlisted personnel. The inflation rate effective January 1, 2013, is 1.1 percent based on growth in the US Department of Agriculture food cost index between October 2011 and October 2012. Rates for January 1, 2014 and the outyears are increased by 3.4 percent.

Basic Allowance for Subsistence

	<u>Officer</u>		<u>Enlisted</u>	
	<u>Monthly*</u>	<u>FY Composite</u>	<u>Monthly*</u>	<u>FY Composite</u>
2012	\$239.96	\$2,831.13	\$348.44	\$4,111.11
2013	\$242.60	\$2,903.28	\$352.27	\$4,215.75
2014	\$250.85	\$2,985.45	\$364.25	\$4,335.06
2015	\$259.38	\$3,086.97	\$376.63	\$4,482.42
2016	\$268.20	\$3,191.94	\$389.44	\$4,634.85
2017	\$277.31	\$3,300.39	\$402.68	\$4,792.44
2018	\$286.74	\$3,412.59	\$416.37	\$4,955.37

*Monthly rates effective January 1

10. Retired Pay Accrual Normal Cost Percentage (NCP).

- a. The following NCPs should be used to compute retired pay accrual costs:

	<u>Full-Time</u>	<u>Part-Time Reserves</u>
FY 2012	34.3	24.3
FY 2013	32.1	24.4
FY 2014	32.4	24.5
FY 2015	32.4	24.5
FY 2016	32.4	24.5
FY 2017	32.4	24.5
FY 2018	32.4	24.5

b. Title V, section 581 of the National Defense Authorization Act for FY 2007 directs the Department of Defense to contribute at the part-time rate for Reserve Component soldiers who are mobilized or on active duty for operational support, rather than the full-time rate as previously mandated. The Military Departments' budgets will reflect this rate change. For the FY 2014 President's Budget justification books, each active military personnel account must include a breakout of the retired pay accrual costs by Active Duty Component soldiers and Reserve Component soldiers who are mobilized or on active duty for operational support, as displayed in **Attachment 6**.

11. Medicare-Eligible Retiree Health Care Fund Contribution Accounts.

a. The Military Departments must maintain appropriate balances in these accounts to finance the Medicare-Eligible Retiree Health Care Fund (MERHCF) accrual costs associated with the Component's projected military personnel strength in each fiscal year. Accrual costs continue to be determined based on the full-time and part-time rates determined by the DoD Board of Actuaries multiplied by the projected average monthly end strength. Due to pending decisions,

the rates for computing the cost of the MERHCF contribution will be available upon the release of the Economic Assumptions Resource Management Decision (RMD).

b. For the FY 2014 President’s Budget justification books, each military personnel account will display the MERHCF Contribution account costs on Exhibit PB-30A, Summary of Requirements by Budget Program, as shown in Chapter 2, Volume 2A, of the DoD FMR. These accounts will continue to be shown on the M-1 exhibit in a separate section after each Service total. In addition, each account will again include the following statement in *Section 2 – Introduction and Performance Measures*:

“The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375) provided permanent, indefinite appropriations to finance the cost of TRICARE benefits accrued by uniformed service members. Since these costs are actually borne in support of the Department of Defense, they will be shown as part of the DoD discretionary total. The appropriations requested for the military personnel accounts exclude retiree health accrual funding. Total obligations on behalf of military personnel include both the amounts requested for appropriation and amounts paid from the permanent, indefinite authority.”

12. Voluntary Separation Incentive (VSI)/Special Separation Benefit (SSB) and Temporary Early Retirement Authority (TERA).

a. Section 504 of the National Defense Authorization Act for FY 2012 (Public Law 112-81) reinstated the authority to retire active service military members up to 5 years before completion of 20 years of service until December 31, 2018. If a Component intends to use the authority, the budget justification materials must include the projected number of active military personnel and the associated costs to fully fund the retired payments between 20 years and the number of years of service before the member retired. For projected retirements in FY 2013, Components should use the DoD Actuary tables, as provided on the Comptroller website, <http://comptroller.defense.gov/reports.html> to determine the estimated cost. For retirements in FY 2014, the MPC Directorate will send out an updated table separately.

b. The Service budgets must include the following amounts to cover the unfunded liability for those members accepting VSI benefits **prior** to January 1, 1993:

<u>(Dollars in Millions)</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<u>Active</u>	<u>55.2</u>	<u>52.4</u>	<u>48.2</u>	<u>43.2</u>	<u>37.9</u>	<u>33.2</u>
Army	23.5	22.3	20.5	18.3	16.1	14.1
Navy	2.9	2.8	2.5	2.3	2.0	1.7
Marine Corps	1.0	0.9	0.8	0.8	0.7	0.6
Air Force	27.8	26.4	24.4	21.8	19.1	16.8

13. Health Professions Scholarship Program and Financial Assistance Program (AFHPSP/FAP). The stipend and grant amounts for the 2012-2013 school year that became effective on July 1, 2012, were \$2,122 per month and \$45,000 per year, respectively. These amounts should be inflated each subsequent July 1st, consistent with the January 1st increase in the rate of basic pay for members of the Uniformed Services.

14. Basic Allowance for Housing (BAH). The budget estimates for BAH should be based on the rates issued by the Office of the Under Secretary of Defense for Personnel and Readiness (OUSDP&R)) effective January 1, 2013. Based on the survey of housing rates that was conducted by OUSDP&R, the overall Basic Allowance for Housing (BAH) inflation rate for FY 2013 is 3.3 percent (2013 calendar year (CY) rate is 3.4 percent). Components should use the following Service-specific growth rates in presenting FY 2014 budget requests:

	<u>CY13</u>	<u>CY14</u>	<u>CY15</u>	<u>CY16</u>	<u>CY17</u>	<u>CY18</u>
Army	3.7%	3.9%	3.9%	3.9%	3.9%	3.9%
Navy	3.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Marine Corps	2.5%	4.7%	4.7%	4.7%	4.7%	4.7%
Air Force	3.3%	4.2%	4.2%	4.2%	4.2%	4.2%
Overall DoD	3.4%	4.2%	4.2%	4.2%	4.2%	4.2%

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Army	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Navy	2.9%	4.0%	4.3%	4.3%	4.3%	4.3%
Marine Corps	2.4%	4.2%	4.7%	4.7%	4.7%	4.7%
Air Force	3.3%	4.0%	4.2%	4.2%	4.2%	4.2%
Overall DoD	3.3%	4.0%	4.2%	4.2%	4.2%	4.2%

15. Education Benefits Fund. Components must use the FY 2014 per capita rates and amortization payment amounts approved by the DoD Education Benefits Board of Actuaries on July 19, 2012. These revised rates are to be used for the FY 2014 President's Budget and are provided in **Attachment 7**. Please Note: Even if the normal cost per capita rate for a program is zero, Components must still assess and report counts of new eligibles.

16. Recruiting and Retention. As per the updated MP-16 and MPR-11 exhibit requirements in Volume 2A, Chapter 2 of the DoD FMR, Components are to submit electronically the recruiting and retention bonus incentives and recruiting/retention goals for FY 2012 - FY 2018 to OUSD(C), the Military Personnel and Construction (MPC) Directorate. The MPC Directorate will issue an electronic template separately.

17. Congressional Reporting Requirement: Dwell Time Assessment and Drawdown. The FY 2013 NDAA Senate Armed Service Committee (SASC) Report 112-173, Section 401, directs the inclusion of a statement of estimated deployment to dwell ratios for both Active and Reserve Component for FY 2014 to FY 2017. The statement shall include the average unit and individual deployed to dwell ratios, as of the end of the fiscal year preceding the budget submission, for the Active and Reserve Components. The statement shall also identify the military occupational specialties and types of units, which did not achieve the respective component dwell time goals. For each of these specialties and units, components shall identify the average deployed to dwell ratios. Additionally, the budget submission should include an assessment of whether the requested reduction in active duty end strength is reversible within one year, including through the use of Reserve Components, if demand assumptions are incorrect and additional active forces are needed during that fiscal year. This information and statement shall be

included in “Section 2 – Introduction and Performance Measures” of the Active Component Military Personnel justification materials. The template for this reporting requirement is at **Attachment 8**.

18. Electronic Posting of Justification Material. The Military Departments will not publish their Military Personnel justification material onto the Internet until approval has been received from the OUSD(C), MPC Directorate. Following approval, publication on the Internet should coincide with the delivery date of hard copies of the justification books to the Congress, but not later than 5 working days after this delivery date.

D. Operation and Maintenance (O&M) Justification/Overview

1. General. Components are responsible for documenting accurately and completely their request for operation and maintenance funds for FY 2014. Budget exhibits will cover FY 2012 through FY 2014 as recorded in the Comptroller Information System (CIS).

a. Chapter 3, Volume 2A, of the DoD FMR includes applicable instructions and exhibits for preparation of justification material required for the O&M appropriations. The Components should also consult all of the other chapters in the DoD FMR for additional justification material requirements including Chapter 19 - Other Special Analyses. The justification material for the O&M appropriations should be organized as specified in Volume 2A, Chapter 3, of the DoD FMR, and as modified by this guidance. Component justification books must identify the subactivity group (SAG) number and name in the table of contents (index) on each SAG page section.

b. Guidance presented in this section for Defense Agencies applies also to the three Defense-Wide intelligence agencies/activities (i.e., Defense Intelligence Agency, National Geospatial-Intelligence Agency and National Security Agency). These exhibits will be published in the classified Volume III of the Operation and Maintenance, Defense-Wide justification material. Volume III (classified) is the official Department of Defense (DoD) justification provided as a part of the President's Budget submission. All materials provided to justify Military Intelligence Program (MIP), Information System Security Program (ISSP), and other DoD requests must stand alone, and not rely on reference to any other justification materials. The single exception to this guidance is the National Intelligence Program (NIP), whose resource requests may simply acknowledge the request and then refer to the Congressional Budget Justification Books (CJB) prepared and provided annually by the Office of the Director of National Intelligence (DNI). Additional details pertaining to the justification of Special Access Programs (SAP), MIP, NIP, and All Other Classified Programs are in sections 4E, 4F and 4M of this publication. All other (non-intel and non SAP) classified funding requests must be identified within unclassified justification budget materials. The classified programmatic content supporting the request must be provided by the applicable Component to OSD/OMB and congressional staffs.

c. Components shall highlight all Administration and Departmental initiatives and priorities in its justification material, including but not limited to the initiatives taken in the Program/Budget Submission/Review to comply with the requirements of the Budget Control Act of 2011. Justification material should also highlight initiatives to comply with the Executive

Order 13589, “Promoting Efficient Spending” dated November 9, 2011, the OMB Memorandum, “Campaign to Cut Waste” dated June 28, 2011, and the OMB Memorandum, “Reduced Contract Spending for Management Support Services” dated November 7, 2011. Decrease statements should clearly address related force structure reductions. Both the OP-5 decrease statements and the OP-32 program adjustments should support the reductions taken to comply with the EO and OMB Memorandum to reduce contract management support services, travel, printing, information technology devices, motor vehicles and promotional items.

d. Service Components may include hard copy versions of SNaP electronic exhibits, as identified in the DoD FMR in their Data Books for submission to Congress if the SNaP hard copy versions are identical to the template provided in the DoD FMR.

e. Components must provide two paper copies of all budget exhibits and justification books to the OUSD(Comptroller) lead appropriation analyst or as directed elsewhere in this guidance. All electronic exhibits will be submitted to OPSMAIL@osd.mil.

2. O&M Overview Book. Chapter 3, Volume 2A, 0303, of the DoD FMR contains a list and the format of the exhibits required for the O&M Overview book. All Components must submit data in the prescribed Microsoft Word or Excel format, as appropriate. Do not submit Overview exhibits in PDF format. Submit each Overview exhibit as a separate file named PBA-# Component Account, e.g., PBA-5 Marine Corps 1106. Electronic Overview exhibits are to be submitted via email to OPSMAIL@osd.mil.

3. Automated Submissions (O-1, O-1A, OP-32, OP-32A, and OP-8 Exhibits)

a. O-1/O-1A Exhibit. The electronic data submission template is available on the Comptroller’s classified web page (<http://cisweb.ousdc.osd.smil.mil>) under the link for the PRCP Template Menu. All Components must submit O-1/O-1A exhibit data at the subactivity group level with activity group, budget activity, and appropriation totals for accounts funded in the O&M Title, to include the Defense Health Program, the Counterdrug, and the Office of the Inspector General, in accordance with instructions contained in Chapter 3, Volume 2, of the DoD FMR.

b. OP-32/OP-32A Exhibit. The OP-32 Exhibit has been revised to delete redundant or obsolete line items, and have added some new line items to enhance the Department’s ability to respond to requests for data. Additionally, in order to improve the Department’s Justification Books, the OUSD(C) will “hard-code” inflation rates in the PRCP and the PRCP will automatically compute OP-32 Price and Program Growth amounts. The revised OP-32 is included in Chapter 3, Volume 2A of the DoD FMR. Inflation rates and pay raises are provided under separate cover memorandum. Foreign currency rates are provided in paragraph 5 of this section.

c. OP-8 Exhibit. The OP-8 exhibit will be submitted only through the PRCP system (except USSOCOM). The amounts on the OP-8 for full-time equivalents and object class totals must match the direct and reimbursable amounts in the CIS. The USSOCOM is required to submit separately both a hard and electronic copy (not through PRCP) of its OP-8 exhibit. The USSOCOM electronic copy should be sent to OPSMAIL@osd.mil. The USSOCOM OP-8 exhibit

should reflect the same information that was provided to the Military Services for inclusion in their budget submission. NSA will submit the OP-8 in PRCP. The point of contact for OP-8 content questions is Bette Otts, OUSD(C), Operations Directorate, Pentagon, Room 3C749, (703) 697-3103, (bette.otts@osd.mil)

4. OP-5 Exhibit. This exhibit serves as the primary justification of individual baseline programs resourced through the operation and maintenance appropriations.

a. Detailed instructions for preparation of the OP-5 exhibit are contained in Chapter 3, Volume 2, of the DoD FMR. The Military Services will submit the OP-5 in both hard copy and Microsoft Word. The Microsoft Word exhibits are to be submitted via email to OPSMAIL@osd.mil. The Defense Agencies and Activities and USSOCOM will use the Exhibit Automation System (EAS) to prepare and submit the OP-5. The point of contact for EAS exhibits is Jim Wroten, OUSD(C), Operations Directorate, Pentagon, Room 3C749, (703) 697-3253, (Jim.Wroten@osd.mil).

b. Introduction Summary of Appropriation. For the base budget, the Components must include an introductory statement for the total appropriation in Volume I (DoD FMR paragraph 030302).

c. Components should sufficiently narrate individual program increases and decreases. Each entry for a program increase or decrease must include the baseline amount from which the increase or decrease is taken and the FTE adjustment if appropriate. Additionally, the Components should use the OP-5 to explain accomplishment of program goals and how the resources provided will achieve the Administration's and Secretary's priorities. The OP-5 must clearly reflect one-time costs budgeted for FY 2014 and the reversal in FY 2014 of any FY 2013 one-time cost.

d. The FY 2013 column, Section IIIA, Subactivity Group. Defense Agencies will display subactivities within budget activities. The FY 2013 column must match the FY 2013 President's Budget submission unless otherwise directed.

e. Section IV, Performance Criteria and Evaluation. Each Component (including Reserve and National Guard accounts) must provide Performance Criteria and Evaluation Summary (OP-5, Part IV) in detail sufficient to demonstrate how the budgeted resources for each subactivity group contribute to the Department's mission. This is extremely important for the readiness accounts. Performance criteria must be displayed for each subactivity group, and should reflect quantifiable metrics (other than funding breakouts of each subactivity group). The goal is for the performance criteria to justify the budget request by reflecting changes consistent with funding adjustments.

f. Section V, Personnel Summary. To ensure compliance with section 803 of the 2010 National Defense Authorization Act (PL 111-84), **each Component will report Contractor Manpower/Full-Time Equivalent in addition** to Military, Reserves, and Civilian manpower data. The non-reimbursable Civilian FTEs must be consistent with the civilian personnel compensation reported on line 199 of OP-32/PB-32. The Contractor FTEs must be consistent with the contract services funded and reported on OP-32/PB-32 lines 921, 922, 923, 926, 927, 928, 929, 930, 932,

933, 934, 964, 986, 989 and 990. Components should also ensure Contractor FTEs reported in the OP-5 are consistent with the contractor FTEs reported in the DoD Inventory of Contracts for Services required by section 2330a of U.S. Code Title 10, as amended by section 807 of Public Law 110-181 (FY 2008 NDAA).

g. A change in compensable days should be reflected as programmatic adjustments vice pricing adjustments. There is no change in compensable day from FY 2013 (261) to FY 2014 (261).

5. Foreign Currency Fluctuation, Defense (PB-18) Exhibit. Each Component approved to participate in the foreign currency account is required to submit a PB-18 exhibit for all appropriations to include an estimate of military spendable income, Cost of Living Allowance (COLA) and Overseas Housing Allowance (OHA) estimates. Use the rates provided in the table below. Provide an electronic copy (email) to Keith Anderson, OUSD(C), Operations Directorate, Keith.Anderson@osd.mil.

FOREIGN CURRENCY EXCHANGE RATES
(Units of Foreign Currency per One U.S. Dollar)

Country	Monetary Unit	FY 2012 Budget Rates	FY 2013 Budget Rates	FY 2014 Budget Rates
Denmark	Krone	5.5819	5.3956	5.4074
European Community	Euro	0.7491	0.7241	0.7259
Iceland	Krona	105.2688	106.8909	114.5787
Japan	Yen	91.2524	82.4035	81.7098
Norway	Krone	6.0905	5.9362	5.8662
Singapore	Dollar	1.4246	1.3313	1.3155
South Korea	Won	1,099.5183	1,095.1635	1,140.7859
Turkey	Lira	1.4139	1.4508	1.6091
United Kingdom	Pound	0.5917	0.5943	0.6177

6. Facilities Sustainment and Restoration and Modernization (FSRM). Components should adhere to the guidance in Chapter 8, Volume 2, of the DoD FMR, for Sustainment, Restoration and Modernization (S/RM) exhibit requirements. Budget exhibit displays should include FY 2012 – FY 2014. Components **MUST** ensure the accuracy of data displayed for FSRM is consistent in both budget exhibit displays and data systems. All exhibit displays for FSRM resources, regardless of appropriation, must be provided in electronic and hard copy to Adam Dorosz, Military Personnel and Construction Directorate, Pentagon, Room 3C654. Direct questions to Adam Dorosz, (703) 693-0471, (Adam.Doroz@osd.mil).

7. Overseas Humanitarian, Disaster and Civic Aid (OHDACA) Appropriation.

a. Components are required to submit budget exhibits (OP-5, PB, PBA exhibits as applicable) in accordance with DoD FMR requirements. The three major subactivities of the OHDACA appropriation require separate identification within these exhibits:

- (1) Humanitarian Assistance,
- (2) Humanitarian Mine Action, and
- (3) Foreign Disaster Relief

b. The budget exhibits must display actual obligations for the prior year.

c. The FY 2013 to FY 2014 reconciliation in the OP-5 exhibit will provide details on OHDACA funds (if any) used to finance Military Humanitarian Assistance requirements in support of overseas contingency operations.

d. A summary of Humanitarian Assistance (HA) projects budgeted by Combatant Commands must be submitted with the OP-5 exhibit.

e. The required exhibits are to be provided as both a hard copy and an electronic copy via OPSMAIL.osd.mil. to the OUSD(C), Operations Directorate, Pentagon, Room 3C749, Galen Heflin, (Galen.Heflin@osd.mil), (703) 614-7149.

8. Cooperative Threat Reduction, (Former Soviet Union Threat Reduction). In accordance with direction in section 1304 of the FY 2005 National Defense Authorization Act (P.L. 108-375), in addition to the required budget justification materials submitted, a summary table of amount requested by project category must be submitted.

9. POW/MIA Exhibit. The FY 2007 National Defense Authorization Act included a requirement for a consolidated exhibit on the Department's activities for Prisoners of War and those Missing in Action. For FY 2014, the Defense Prisoner-of-War/Missing Personnel Office (DPMO) will consolidate this exhibit (**Attachment 9, POW/MIA**) by collecting the required information from the following DoD Components: the Defense Prisoner-of-War/Missing-in-Action Personnel Office (DPMO), the Joint POW/MIA Accounting Command (JPAC), the Armed Forces DNA Identification Laboratory (AFDIL), the Life Sciences Equipment Laboratory (LSEL) of the Air Force, and any other element of a DoD Component involving the accounting for and recovery of members of the armed forces who are missing in action, prisoners of war, or who are unaccounted for. Direct questions to Annette Florence in the Operations Directorate, Pentagon, Room 3C749, (703) 614-6438, (Annette.Florence@osd.mil).

10. Overseas Operations/Overseas Contingency Operations Exhibits (Base Budget). In accordance with direction in section 8110 of the FY 2000 National Defense Authorization Act (P.L. 106-79) budget justification documents are required for overseas operations that are funded from the base budget. It does not include operations fully funded with Title IX Overseas Contingency Operations funds, such as Operation ENDURING FREEDOM-AFGHANISTAN. Base budget overseas contingency operations include but are not limited to: Bosnia operations, Kosovo operations, Multinational Force Observers (MFO) – Sinai, Operation NOBLE EAGLE, Operation ENDURING FREEDOM (OEF) – Trans Sahara, OEF – Horn of Africa, OEF– Caribbean and Central America, Joint Task Force (JTF) Honduras, and JTF Guantanamo Bay. Components, (i.e., Military Services, Combatant Commands, and Defense Health Program) with prior, current, and anticipated base budget obligations for these operations should provide OP-5 and CONOPS-1 exhibits (reference DoD FMR Volume 2B, Chapter 17) to OPSMAIL@osd.mil.

Direct questions to Mitzi Mayes, (Mitzi.Mayes@osd.mil), Operations Directorate, Pentagon, Room 3C749, (703) 614-8263.

11. Electronic Posting of Defense-Wide Justification Material. The Operations Directorate is responsible for publishing on the Internet the O&M justification material for the Defense Agencies, Defense-Wide Activities (except DHP), and USSOCOM. The Defense Agencies and the Defense-Wide Activities, and the USSOCOM, therefore, must provide the electronic budget exhibits when they deliver the hard copy originals to the OUSD(C), Operations Directorate, Pentagon, Room 3C749. The Defense Agencies, Defense-Wide Activities and the USSOCOM must ensure that their budget exhibits are prepared using Microsoft Word (the OP-5 prepared in the Exhibit Automation System (EAS) produces a Word file that conforms to this requirement). In addition, the page configuration of the exhibits **must** comply with the following format specification (no exceptions).

Exhibit Format: (THIS FORMAT MUST BE USED – NO EXCEPTIONS)

Font: Courier New (this is a non-proportional True Type font)

Font Style: Bold type for Headers, Regular type for the body of the exhibit.

Font Size: 12 (except when the use of the 12 pitch would prevent all information to be displayed properly (example: a smaller font may be necessary to prepare the OP-8 exhibit).

Page Layout: (THIS FORMAT MUST BE USED – NO EXCEPTIONS)

Letter size (8.5 x 11 inch)

Landscape

Page margins may not be less than 0.8 inches from paper edges.

If necessary, the user can create the document by following the page format convention provided above and copying the layout presented in the appropriate chapters of Volume 2 of the DoD FMR. Direct questions to Jim Wroten in the Operations Directorate, Pentagon, Room 3C749, (703) 697-3253 (Jim.wroten@osd.mil – unclassified e-mail, or Jim.wroten@osd.smil.mil – classified email).

E. Procurement

1. General: All budget exhibits in support of the FY 2014 President's Budget will cover FY 2012 through FY 2018.

a. Instructions and exhibits for preparation of material for this title are included in Volume 2B, Chapter 4 of the DoD FMR (http://comptroller.defense.gov/fmr/02b/02b_04.pdf), and are supplemented herein. The Components and Defense Agencies should also consult other chapters in the DoD FMR to determine whether or not additional justification materials are required (e.g., Chapter 19, Special Analysis). **Components must ensure that the budget exhibits, the P-40 exhibit (Budget Item Justification Sheet) in particular, describes and highlights the content being funded in the FY 2014 program.**

b. Four paper copies of the Procurement Justification books (J books) are to be provided to OUSD(C) Investment Directorate, as well as electronic copies. The email address for electronic submissions is INVMAIL@osd.mil. Components must use a meaningful file name in the subject line that includes the Component name. Components must submit at least one attachment per account within the email. Attachment names are to include the Treasury Account Symbol (TAS) in the file name, and Budget Activity if more than one attachment is needed for an account. Defense Agencies must include the CIS short name as part of their file name and the TAS.

c. The Components must identify and explain all savings accruing from Administration and Departmental initiatives and priorities, particularly those focusing on achieving greater efficiency (Executive Order #13589) and productivity through improved DoD Business Operations such as Better Buying Power. Examples include: economic order quantities, targeting affordability, multiyear and tailored procurements, block buys, and the use of Fixed Price Incentive-type contracts. Any efficiency savings in the FY 2014 request must be documented on the P-40 exhibit.

d. The Components must clearly identify all end items budgeted for delivery to the National Guard and Reserve Components on the P-40 exhibit, consistent with the P-1R exhibit. Funding amounts, quantities, and deliveries of equipment, including modifications and support equipment, regardless of equipment type or procurement amount, must be identified separately by Component (Active, Reserve, and National Guard) for items procured in FY 2012 through FY 2014. The prior year must include the total amount provided for the National Guard and Reserve (NG&R) Components during execution.

e. For all dual use equipment that has been identified for possible homeland defense or defense support of civil authority missions, whether Active, Reserve, or Guard, the P-40 must include the following statement for all applicable equipment items: "In accordance with section 1815 of the FY 2008 National Defense Authorization Act (P.L. 110-181), this item is necessary for use by the Active and Reserve Components of the Armed Forces for homeland defense missions, domestic emergency responses, and providing military support to civil authorities." Dual use equipment should include aircraft, vehicles and other major end items in addition to smaller inventory equipment.

2. Exhibit Guidance. Budget justification materials will include both base and OCO for FY 2012 and FY 2013 and base request only for FY 2014 through FY 2018. Reflect only requests for the FY 2014 Base Budget; OCO funds for FY 2014 will be addressed later.

a. The OUSD(C) computer generated printouts of the P-1 and P-1R exhibits covering FY 2012 through FY 2014 will be used to produce a single P-1 and P-1R exhibit book for all DoD Procurement appropriations. The P-1 exhibit will display the FY 2013 current estimate and the FY 2014 budget request in three columns: (1) the base funding; (2) the OCO funding; and (3) the total request. The FY 2012 actuals for base and OCO will be combined. Guidance for FY 2014 OCO will be provided later.

b. The P-1 exhibit quantities must be reflected for all major platform end items including: Aircraft, Unmanned Air Vehicles, Ships, Missiles/Interceptors, Tanks, Combat and Support Vehicles, Satellites, Radars and Service Life Extension Programs. The Advance Procurement funding for a major end item must be clearly distinguished on the P-1 exhibits by the congressional authorized fiscal year of the program. Those programs that are authorized to execute advance construction labor from within advance procurement must cite the following statement in the P-10 exhibit: “Advance procurement items are limited to components whose long-lead times require purchase early in order to reduce the overall procurement lead-time of the major end item.”

c. The P-40 exhibit funding table will display the FY 2014 budget request in three columns: (1) the base funding; (2) the OCO funding; and (3) the total request. The FY 2013 current estimate and the FY 2012 actuals for base and OCO will be combined. The Components and Defense Agencies will use the narrative description section of the P-40 exhibit to separately describe and justify the efforts that are being funded with the base and OCO amounts.

d. The Components must identify all related RDT&E program elements and adhere to the P-40 exhibit format categories for both dollar amounts and quantities in accordance with Volume 2B, Chapter 4 of the DoD FMR.

e. Components must include a P-40 exhibit for special access programs (SAPs) that are not labeled as secret within the PRCP system. The P-40 exhibits for SAPs must only include funding streams and cite the following justification: “This program is reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report to Congress.” All other (non-intel and non SAP) classified funding requests must be identified (submit a one page P-40 exhibit) within unclassified justification budget materials. The classified programmatic content supporting the request must be provided by the applicable Component to OSD/OMB and congressional staffs.

f. The P-5 exhibit (Weapon System Cost Analysis) will follow the same construct as the three-columned P-40 exhibit for the base and the OCO. The P-5a exhibit (Budget Procurement History and Planning) will display combined base and OCO contract award data for all fiscal years, UNLESS separate contract efforts are indicated. The P-21 exhibit (Production Schedule) will display combined base and OCO delivery data for all fiscal years, unless separate contract efforts are indicated on the P-5a exhibit.

3. Major Defense Acquisition Programs (MDAPs) and Major Automated Information Systems (MAIS). For MDAPs/MAISs that are included under another P-1 line item, the P-18 exhibit must be used to display the full funding profile and the program must be labeled as “MDAP/MAIS Subprogram: Program Name” under the end item P-1 line item header (e.g., MDAP Subprogram: Cooperative Engagement System); costs must be identified by appropriation, budget activity and line item. **Components must ensure that all applicable years of the PRCP and FYDP annex data bases are updated to reflect the program budget estimates for all MDAPs/MAISs, including the prior years and cost-to-complete columns.**

4. Defense-Wide Material (Unclassified and MIP (Special Program Code 365) Classified). The Justification books for Procurement, Defense-Wide will be consolidated by OUSD(C). The

Defense Agencies are responsible for the preparation of all Defense-Wide procurement justification and backup materials. See attachment 1 for due dates.

a. Submit three paper copies and an electronic copy (PDF) of the procurement justification and backup books, as well as a Form DD 1790 (PDF) to Judy Earl (Judy.Earl@osd.mil), Stephen Patrick (Stephen.Patrick@osd.mil), or (Wesli.Jensen@osd.mil) for the Defense Agencies, and to Mr. Stephen Patrick (Stephen.Patrick@osd.mil) for the Missile Defense Agency.

b. For the MIP (Special Program Code 365) classified programs, submit the three paper copies, the electronic copies and the Form DD 1790 to Mr. Randy Fisher (randy.fisher@osd.mil).

5. Multiyear Procurement (MYP). The MYP justification exhibits will be submitted via the Select and Native Programming (SNaP) data system in accordance with the DoD FMR Volume 2A, Chapter 1, Section 101203; and Volume 2B, Chapter 4, Sections 0402 and 040502.

a. The MYP submits are required for: All FY 2014 MYP candidate systems, multiyear contracts approved in prior years that have been significantly restructured, and MYP candidates that are requesting FY 2014 advance procurement funding in support of a later year MYP contract. Any changes to the MYP budget justification and backup materials, as approved by OUSD(C), must be re-submitted via SNaP. The approved MYP exhibits must be included in the J book along with the other procurement exhibits for that program.

b. Annual Congressional Multiyear Reporting Requirement. Section 2306b(1) of Title 10, United States Code (Multiyear Contracts), as implemented by the DoD FMR Volume 2B, Chapter 4, Section 040502, directs the Secretary of Defense to submit an annual report to the congressional defense committees regarding multiyear contracts. The consolidated report will be coordinated by Ms. Mary Ann McAfee in OUSD(C).

c. Components and Defense Agencies must signal their intent to request MYP authority and approval via email to Ms. Mary Ann McAfee (MaryAnn.McAfee@osd.mil) **within two days of the signed date of this memorandum**. This email should include "MYP" in the subject, identify the program and requesting Component or Defense Agency, and provide a point of contact for the congressional reporting requirement.

d. The Components and Defense Agencies will submit three paper copies and electronic copies (PDF and Word versions) of the OUSD(C) approved MYP exhibits along with the other program budget justification material to Ms. Mary Ann McAfee, OUSD(C), Investment Directorate, Pentagon, Room 3C749, (703) 697-7563, at INVMAIL@osd.mil. For the electronic version, please use a meaningful file name that includes "MYP."

6. Electronic Exhibit Submission using Extended Markup Language (XML). The Components and Defense Agencies must submit the P-3A, P-5, P-5A, P-10, P-17, P-18, P-21, P-25, P-26, P-40, and P-40A, exhibits for all procurement accounts except SCN in a PDF format with the source XML file embedded. The XML files will be generated within the Components' and Defense Agencies' budget formulation systems or via a tool within the Comptroller XML

Exhibits website (<https://exhibits.dtic.mil/r2>). The Components and Defense Agencies may register for the website at: <https://reg.dtic.mil/DTICRegistration/R2>.

a. The XML files submitted via the Preview section of the Comptroller XML Exhibits website must comply with the latest Procurement XML schema displayed on the website. The XML files will be converted to PDF files and the result will be a PDF file with an XML file embedded.

b. All PDF/XML files must be assembled into a justification book within the Comptroller XML Exhibits website. Detailed instructions, including the XML schema and procedures for assembling the Procurement Justification books can be found on the same web site.

c. Technical questions should be addressed to Andy Darby (703-767-9128; adarby@dtic.mil); financial policy inquiries should be addressed to Judy Earl (703-697-0019; Judy.Earl@osd.mil). Unless otherwise indicated, all XML files must be submitted in accordance with Attachment 1.

7. Electronic Posting of Justification Material.

a. Military Departments will not publish procurement justification material on the Internet until approval has been received from the OUSD(C), Investment Directorate. Publication should coincide with the delivery of hard copies of the justification books to the Congress, but not later than 5 working days after this delivery date.

b. All posted justification budget books must include both a Program Resources Collection Process (PRCP system generated) P-1 exhibit as well as a table of contents. The P-1 generated by PRCP includes the official line numbers for the budget lines submitted in the FY 2014 President's Budget Submission.

F. Research, Development, Test, and Evaluation (RDT&E)

1. General. All budget exhibits in support of the FY 2014 President's Budget will cover FY 2012 through FY 2018.

a. Instructions and exhibits for preparation of material for this title are included in Volume 2B, Chapter 5 of the DoD FMR (http://comptroller.defense.gov/fmr/02b/02b_05.pdf), and are supplemented herein. The Components and Defense Agencies should also consult other chapters in the DoD FMR to determine whether or not additional justification materials are required. **Components and Defense Agencies must ensure that the budget exhibits, the R-2 exhibit (RDT&E Budget Item Justification) in particular, describes and highlights the content being funded in the FY 2014 program.**

b. The Components should identify and explain all savings accruing from Administration and Departmental initiatives and priorities, particularly those focusing on achieving greater efficiency (Executive Order #13589) and productivity through improved DoD Business Operations such as Better Buying Power. Examples include: targeting affordability,

tailoring requirements and testing, and incentivizing productivity and innovation. Any efficiency savings in the FY 2014 request should be documented in the R-2 exhibit.

c. Two indexes must be included at the front of each of the justification books: one in alphabetical order and one in R-1 Line Item order. These indexes must include the PE title, PE number, R-1 line item number, and the appropriate page number.

d. Four paper copies of the RDT&E Justification books (J books) are to be provided to OUSD(C) Investment Directorate, as well as electronic copies. The email address for electronic submissions is INVMAIL@osd.mil. Components must use a meaningful file name in the subject line that includes the Component name. Components must submit at least one attachment per account within the email. Attachment names are to include the Treasury Account Symbol (TAS) in the file name, and Budget Activity if more than one attachment is needed for an account. Defense Agencies should include the CIS short name as part of their file name and the TAS.

2. Exhibit Guidance. Budget justification materials will include both base and OCO for FY 2012 and FY 2013 and base request only for FY 2014 through FY 2018. Requests for FY 2014 OCO funds will be addressed later.

a. The R-1 exhibit will display the FY 2013 current estimate and the FY 2014 budget request in three columns: (1) the base funding; (2) the OCO funding; and (3) the total request. The FY 2012 actuals for base and OCO will be combined.

b. The R-2 exhibit, the R-2A exhibit (RDT&E Project Justification), and the R-3 exhibit (RDT&E Project Cost Analysis) will display the FY 2014 budget request in three columns: (1) the base funding; (2) the OCO funding; and (3) the total request. The FY 2013 request and the FY 2012 actuals for base and OCO will be combined. The Components and Defense Agencies will use the narrative description section of the R-2 and R-2A exhibits to separately describe and justify the efforts that are being funded with the base and OCO amounts. Exhibits must include RDT&E quantities. Section A of the R-2 exhibit must provide a brief statement that justifies the research category assignment for that PE.

c. The Components must include an R-2 exhibit for special access programs (SAPs) that are not labeled as secret within the PRCP system. The R-2 exhibits for SAPs should only include funding streams and cite the following justification: "This program is reported in accordance with Title 10, United States Code, Section 119(a)(1) in the Special Access Program Annual Report to Congress." All other (non-intelligence and non SAP) classified funding requests must be identified (submit a one page R-2 exhibit) within unclassified justification budget materials. The classified programmatic content supporting the request must be provided by the applicable Component to OSD/OMB and congressional staffs.

d. The RDT&E exhibits included in the justification books must be included in R-1 line item order (budget activity/program element (PE)). A listing of the PEs not providing R-exhibits due to classification will be included at the front of the justification book.

3. Major Defense Acquisition Programs (MDAPs) and Major Automated Information Systems (MAISs). **Components must ensure that all applicable years of the PRCP and FYDP annex data bases are updated to reflect the program budget estimates for all MDAPs/MAISs, including the prior years.**

4. Test articles. Test article quantities must be identified in the RDT&E budget exhibits in accordance with the DoD FMR Volume 2B, Chapter 5. The exhibits must clearly identify the number and type of test articles budgeted over the life of the RDT&E program. The test article quantity must be reflected in the first year of incremental funding.

5. Research, Development, Test and Evaluation, and Procurement Buy and Delivery Schedules. The Components that are requesting funding to procure incrementally funded end items in RDT&E Program Elements must provide production delivery schedules for each incrementally funded end item for FY 2013 through FY 2018. The amounts and quantities must be reflected individually by fiscal year until the end item is delivered.

a. Quantities must be individually broken out by: appropriation, fiscal year, resources for FY, buy quantity for FY, cumulative buy quantity for FY, delivery quantity for FY, cumulative delivery quantity for FY, quantity expended in FY, inventory, (cumulative delivery quantity subtracted from quantity expended in FY).

b. When applicable, Programs shall include Procurement Production Delivery Schedules along with the RDT&E Production Delivery Schedules, (i.e., the Missile Defense Agency program(s) SM-3s, Sensors, Targets and etc.)

c. In addition to hard copy exhibit submission, electronic copies should be sent to INVMAIL@osd.mil. Components must ensure the electronic file name includes representative detail of the program(s) file content. Submit Buy and Delivery Schedule at the same time as the PRCP submission lock.

6. Civilian Personnel (OP-8 Exhibit). The Components and Defense Agencies that fund civilian personnel from the RDT&E appropriation must submit an automated OP-8 exhibit through the PRCP system in accordance with paragraph IV.B.1.

7. Defense-Wide Material (Unclassified and MIP (Special Program Code 365) Classified).

a. All Components having responsibility for preparation of Defense-Wide RDT&E unclassified or intelligence classified justification and backup materials are to submit three paper copies of the original RDT&E justification and backup book, and the approved Form DD 1790 (Security Review) as proof that the agency's RDT&E submission has been approved for transmission to Congress. Provide unclassified materials to Judy Earl (703-697-0019), Stephen Patrick (703-693-4306), or Wesli Jensen (703-695-5589) in the OUSD(C), Investment Directorate, Pentagon, Room 3C749, in accordance with the schedule in Attachment 1. Provide intelligence classified copies directly to Randy Fisher, OUSD(C), Investment Directorate, Pentagon, Room 3C749, (703) 692-3980, (Randy.Fisher@osd.mil).

b. In addition, Components must e-mail an identical electronic unclassified copy (PDF) of the RDT&E justification and backup book, as well as the Form DD 1790 (only PDF version required) to Judy Earl (Judy.Earl@osd.mil), Stephen Patrick (Stephen.Patrick@osd.mil), and Wesli Jensen (Wesli.Jensen@osd.mil). Email the classified materials directly to Randy Fisher (Randy.Fisher@osd.mil). Additionally, the Missile Defense Agency should provide its information as well as three CDs containing one consolidated PDF file with a bookmark for each program element/R-1 line item directly to Stephen Patrick (Stephen.Patrick@osd.mil) in accordance with the schedule in Attachment 1

c. Upon OUSD(C) approval, DARPA (Volume 1), MDA (Volume 2), OSD (Volume 3), and CBDP (Volume 5) are responsible for printing 35 copies of their budget materials. The 35 copies are to be provided to Judy Earl, Stephen Patrick, or Wesli Jensen in the OUSD(C), Investment Directorate, Pentagon, Room 3C749, no later than **COB February 22, 2013**. The MDA shall submit four CDs containing the budget materials as one consolidated PDF file with a bookmark for each program element/line item directly to Stephen Patrick (Stephen.Patrick@osd.mil) no later than **COB February 15, 2013**.

d. Prior to the submission, each Component must ensure that the RDT&E justification and backup materials match PRCP R-1 Item Nomenclature/Numbers; Control Numbers by fiscal year; and that the narrative and tables are in agreement.

8. Electronic Exhibit Submission using extended Markup Language (XML). All Components will submit RDT&E budget exhibits, as required by the DoD FMR, in a PDF format, with the XML file embedded. These XML files can be generated within the Military Service or Defense Agency budget formulation system or via a tool within the Comptroller XML Exhibits web site (<https://exhibits.dtic.mil/r2>). The XML files will be converted to PDFs at the Comptroller XML Exhibit web site, and the result will be a PDF file with the XML file embedded. Go to <https://reg.dtic.mil/DTICRegistration/R2> to register for the site. Detailed instructions, including the XML schema and XSLT, and procedures for building RDT&E Justification Books can be found at the same site. Technical questions should be addressed to Andy Darby at (703) 767-9128 (adarby@dtic.mil). Financial questions should be addressed to Judy Earl at (703) 697-0019 (Judy.Earl@osd.mil).

9. Electronic Posting of Budget Material.

a. Military Departments will not publish their justification material onto the Internet until approval has been received from the OUSD(C), Investment Directorate. Following approval, publication on the Internet should coincide with the delivery date of hard copies of the justification books to the Congress, but not later than 5 working days after this delivery date.

b. The Components preparing Defense-Wide justification material must adhere to guidance addressing electronic posting of budget material. Each Agency must ensure that they submit one consolidated PDF file with a bookmark for each program element/R-1 line item. Questions should be addressed to Judy Earl (Judy.Earl@osd.mil), (703) 697-0019, Stephen Patrick (Stephen.Patrick@osd.mil), (703) 693-4306, or Wesli Jensen (Wesli.Jensen@osd.mil), (703) 695-5589, OUSD(C), Investment Directorate, Pentagon, Room 3C749.

c. All justification material must be consistent with the CIS and the PRCP data.

d. All posted justification budget books must include both a Program Resources Collection Process (PRCP system generated) R-1 exhibit as well as a table of contents. The R-1 generated by PRCP includes the official line numbers for the budget lines submitted in the FY 2014 President's Budget Submission.

G. Military Construction, Family Housing, Homeowners Assistance, and Base Realignment and Closure (BRAC), and NATO Security Investment Program (NSIP)

1. General.

a. Chapter 6, Volume 2B, of the DoD FMR applies to the preparation of Military Construction and Family Housing justification materials. Components must adhere to the reporting requirements for Implementation by Major Initiative, as this information will be used in congressional testimony. Chapter 7, Volume 2B, of the DoD FMR contains information relating to BRAC. Guidance covering Defense Working Capital Fund capital construction projects is addressed in **paragraph IV.I.** of this attachment. The Components should also consult all of the other chapters in the DoD FMR for additional justification material requirements including Chapter 19 - Special Analysis. In the justification material, the Components and Defense Agencies should identify the initiatives used in concert with Administration and Departmental priorities which result in a more disciplined use of resources.

b. For Military Construction, Family Housing, Homeowners Assistance Program, BRAC and NATO Security Investment Program (NSIP); detailed budget exhibits (e.g., DD Forms 1390/1391, FH-1 through 12 Exhibits, UH-1a through 3 Exhibits, FH OP-5 Exhibit, HA-1 through 4 Exhibits, and FMR NSIP-1 and NSIP-2 Exhibits) are required for the FY 2014 President's Budget submission.

c. The C-1 Construction Programs book that OUSD(C) will provide Congress in support of the President's budget will only include FY 2012, FY 2013 and FY 2014; however, the Components must update the C-1 data base with project level detail across all FYDP years beginning in FY 2012. Questions on C-1 construction programs may be addressed to Faye Tavernier, OUSD(C), Military Personnel and Construction Directorate, Room 3C654, (703) 695-5258, (Faye.Tavernier@osd.mil).

2. Facilities Modernization Model. Components are required to update the following data fields in PRCP for military construction projects:

- Primary Facility Cost
- Renovation/Alteration Cost
- Demolition Cost

3. Strategic Objectives. Components are required to complete the strategic objective data field in PRCP for military construction projects. Accuracy is essential as data will be compiled for use in congressional hearing testimony and budget rollout materials.

4. BRAC Recommendations I, II, III, IV and V.

a. DoD Components are required to submit one bound justification book for all BRAC exhibits (a separate tab should identify exhibits for BRAC 1995 and BRAC 2005). The BRAC justification book should contain the financial summaries for BRACs 88, 91, 93, 95 and 2005. Additionally, BRAC exhibits (BCs-02, 03 & 04) for both BRAC 95 and 2005 should be provided only for those recommendations with FY 2013 environmental and caretaker costs. The Components will submit justification books to OUSD(C) in accordance with the schedule in Attachment 1.

b. Base Closure Environmental Exhibits (Env-1A and 1B) should be submitted through the SNaP data collection system rather than hard copy distribution and diskette. The required BRAC inputs will be entered as Env-30 exhibits, which match the data requirement for the BRAC Env-1A and 1B. The SNAP website hosted by CAPE can be found at <http://snap.pae.osd.mil>.

5. Foreign Currency. Use the foreign currency rates provided in Section IV.D.5 of this attachment, in developing budget estimates for the FY 2013 overseas programs. Family Housing Operations appropriations which participate in the Foreign Currency Fluctuations, Construction, Defense, account are required to submit a PB-18 Exhibit. This exhibit can be found in Chapter 3, Volume 2, of the DoD FMR.

6. Energy Conservation Improvement Program (ECIP). The DD Forms 1390/1391 should be submitted in support of the FY 2014 budget request for the ECIP. These forms should include the location, the nature or category of the project, the cost, the expected payback using the most current technological and economic information available. The Components should submit these forms to the OUSD (Acquisition, Technology, and Logistics), ECIP manager, CDR Matt McCann, (Matthew.Mccann@osd.mil), 571-372-6856, by **February 22, 2013**, to allow sufficient time for his review prior to transmittal to OUSD(C).

7. Medical Construction Program. In response to concerns raised by the Military Construction Subcommittee of the Senate Appropriations Committee, the medical construction request must include a certification by the appropriate Service Secretary concurring, if applicable, with the cost and scope of medical projects budgeted by the TRICARE Management Activity.

8. Family Housing. Detailed guidance for preparation of the justification books is provided in Chapter 6, Volume 2B, of the DoD FMR. The Components should also consult all of the other chapters in the DoD FMR for additional justification material requirements including Chapter 19 - Special Analysis. 1. The Inventory and Condition of Government-owned Family Housing Units exhibit (FH-11) has been revised to include Transitional Family Housing (FH) units. Transitional FH is defined as units: 1) at non-enduring sites, as a result of organizational deactivations (e.g., Brigade Combat Team (BCT), etc.), consolidation (e.g., Base, Realignment and Closure (BRAC), etc.), and relocation efforts (e.g., Yongson Relocation, etc.); 2) at enduring sites, where FH units have been identified by the Services as surplus/excess; and in both cases, the Service has formally planned, documented, funded and/or officially announced the divestiture, demolition or transfer of these units in the FYDP. 2. Proper documentation and funding must be provided to and coordinated with OUSD(C) Military Personnel Construction

Directorate and OSD I&E Facilities Investment and Management Directorate, before the units will be considered "transitional" for the purpose of performance measurement. The transitional units should be excluded when calculating the percentage of adequate housing. The Detail of Awarded Family Housing Privatization Projects (FH-13) is not required for this submission. The OUSD (C) POC for Family Housing issues is Evelyn Roll, (Evelyn.Roll@osd.mil), 703-695-7402.

DEPARTMENT OF _____
FH-11 Inventory and Condition¹ of Government-Owned, Family Housing Units
WORLDWIDE
(Number of Dwelling Units in Inventory)
Fiscal Year 2014

	Number of Units - Worldwide						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%	-	-	-	-	-	-	-
Q2 - 80% to 89%	-	-	-	-	-	-	-
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%	-	-	-	-	-	-	-
Q4 - 59% and below	-	-	-	-	-	-	-
Beginning of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - Begin of FY Inventory	%	%	%	%	%	%	%
Inadequate Inventory Reduced Through:	-	-	-	-	-	-	-
Construction (MilCon)	-	-	-	-	-	-	-
Maintenance & Repair (O&M)	-	-	-	-	-	-	-
Privatization	-	-	-	-	-	-	-
Demolition/Divestiture/Diversion/Conversion	-	-	-	-	-	-	-
Funded by Host Nation	-	-	-	-	-	-	-
Adequate Inventory Changes:	-	-	-	-	-	-	-
Privatization	-	-	-	-	-	-	-
Demolition/Divestiture/Diversion/Conversion	-	-	-	-	-	-	-
TOTAL INVENTORY (with transitional² units)							
End of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%	-	-	-	-	-	-	-
Q2 - 80% to 89%	-	-	-	-	-	-	-
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%	-	-	-	-	-	-	-
Q4 - 59% and below	-	-	-	-	-	-	-
End of FY Total Inventory	-	-	-	-	-	-	-
INVENTORY (without transitional² units)							
End of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
End of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
DoD Performance Goal - At least 90% Q1/Q2 beginning in FY12, except Navy by FY17		90%	90%	90%	90%	90%	90%

NOTE:
1 - Condition Index (CI) is a general measure at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of Plant Replacement Value (PRV) minus the estimated cost of maintenance and repair requirements, divided by PRV. This provides a CI, or Q-rating (Q1 to Q4), from 0% to 100%, with 100% representing excellent condition.

2 - Transitional FH is defined as units: 1) at non-enduring sites, as a result of organizational deactivations, consolidation and relocation efforts; 2) at enduring sites, where FH units have been identified by the Services as surplus/excess; and in both cases, the Service has formally planned, documented, funded and/or officially announced the divestiture, demolition or transfer of these units in the FYDP.

Include narrative describing the Service's funding and improvement strategy for maintaining at least 90% of the world-wide, government-owned Family Housing inventory at good or fair (Q1/Q2) condition, beginning in FY 2012, except for Navy with a goal of FY 2017. If the Service will not meet the DoD Performance Goal beginning in FY 2012 or for Navy by FY 2017, please provide the reasons behind the delay, the funding plan to accomplish this goal, and the fiscal year when the DoD goal will be met.

DEPARTMENT OF _____
 FH-11 Inventory and Condition of Government-Owned, Family Housing Units
 UNITED STATES (CONUS plus Hawaii and Alaska)
 (Number of Dwelling Units in Inventory)
 Fiscal Year 2014

	Number of Units - U.S.						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
Beginning of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%
Inadequate Inventory Reduced Through:	-	-	-	-	-	-	-
Construction (MilCon)							
Maintenance & Repair (O&M)							
Privatization							
Demolition/Divestiture/Diversion/Conversion							
Funded by Host Nation							
Adequate Inventory Changes:	-	-	-	-	-	-	-
Privatization							
Demolition/Divestiture/Diversion/Conversion							
End of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
End of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%

NOTE:

1 - Condition Index (CI) is a general measure at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of Plant Replacement Value (PRV) minus the estimated cost of maintenance and repair requirements, divided by PRV. This provides a CI, or Q-rating (Q1 to Q4), from 0% to 100%, with 100% representing excellent condition.

DEPARTMENT OF _____
 FH-11 Inventory and Condition of Government-Owned, Family Housing Units
 FOREIGN (includes U.S. Territories)
 (Number of Dwelling Units in Inventory)
 Fiscal Year 2014

	Number of Units - Foreign						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Beginning of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
Beginning of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
Beginning of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - Beginning of FY Inventory	%	%	%	%	%	%	%
Inadequate Inventory Reduced Through:	-	-	-	-	-	-	-
Construction (MilCon)							
Maintenance & Repair (O&M)							
Privatization							
Demolition/Divestiture/Diversion/Conversion							
Funded by Host Nation							
Adequate Inventory Changes:	-	-	-	-	-	-	-
Privatization							
Demolition/Divestiture/Diversion/Conversion							
End of FY Adequate Inventory Total	-	-	-	-	-	-	-
Q1 - 90% to 100%							
Q2 - 80% to 89%							
End of FY Inadequate Inventory Total	-	-	-	-	-	-	-
Q3 - 60% to 79%							
Q4 - 59% and below							
End of FY Total Inventory	-	-	-	-	-	-	-
Percent Adequate - End of FY Inventory	%	%	%	%	%	%	%
NOTE: 1 - Condition Index (CI) is a general measure at a specific point in time with respect to physical condition and ability to support the current occupant or mission. CI is calculated as the ratio of Plant Replacement Value (PRV) minus the estimated cost of maintenance and repair requirements, divided by PRV. This provides a CI, or Q-rating (Q1 to Q4), from 0% to 100%, with 100% representing excellent condition.							

9. Chemical Demilitarization Construction. The Department of the Army is responsible for providing the DoD Chemical Demilitarization Construction Program justification book in accordance with the submission dates for Military Construction accounts shown on **Attachment 1**. A narrative explanation of the construction program, in context with the entire Chemical Demilitarization Program, must also be included. The Army should use a format similar to that of the Chemical Agents and Munitions Destruction justification book.

10. Unaccompanied Housing. The Unaccompanied Housing (UH) Exhibits (UH-1a through UH-3) are not required to be included in the President's Budget justification books to

Congress, but will still need to be updated with a hardcopy of the complete package submitted to OUSD (Comptroller) in a binder.

a. The performance goal for UH has been consolidated into one worldwide metric, instead of separate U.S. and Foreign goals. The FY 2013 goal is: “By the end of FY 2017, the DoD and each Service will maintain at least 90 percent of the worldwide government-owned permanent party UH at good or fair (Q1 or Q2) condition, except for Navy by the end of FY 2022.”

b. Unaccompanied Housing Privatization (Permanent Party) (UH-4) and Detail of Awarded Unaccompanied Housing Privatization Projects (UH-5) is not required for this submission. POC is Steve Weidenkopf, (Steve.Weidenkopf@osd.mil, 703-695-6482).

11. Other Special Exhibits.

a. USMC Relocation to Guam Estimates. The United States Government (USG) and the Government of Japan (GOJ) have agreed on a Realignment Roadmap (as adjusted) for the relocation of Marines from Okinawa to Guam. The relocation of forces is a component of the U.S.-Japan Alliance transformation and realignment initiative. A significant level of funding associated with this initiative is required. Submission of the following budget exhibit identifying funding for this initiative is required by **February 22, 2013**. This exhibit should be provided to Maria Probst, (Maria.Probst@osd.mil), 703-697-5554.

FY 2014 President's Budget Estimates for USMC Relocation to Guam							
	Component Name						
	(\$ in thousands)						
<u>Appropriation</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
Military Personnel							
Operation and Maintenance							
Procurement							
Military Construction (list by project) (e.g. Operational Facility)							
A brief explanation of what is funded for each appropriation should be included.							

b. Global Defense Posture. A specific budget exhibit is required to identify all funding which supports the Department’s Global Defense Posture initiatives. Submission of the following budget exhibit identifying appropriation level funding is required by **February 22, 2013**. This exhibit should be provided to Maria Probst, (Maria.Probst@osd.mil), 703-697-5554.

FY 2014 President's Budget Estimates for Global Defense Posture (GDP)							
GDP Initiative*	Component Name						
	(\$ in thousands)						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<i>Establish Access Network in Africa</i>							
<i>Posture Forces in the Gulf to Reassure Allies and Partners</i>							
<i>Task Force East</i>							
<i>Footprint supporting a Phased Adaptive Approach to Missile Defense</i>							
<i>En Route Infrastructure</i>							
<i>Japan/Okinawa Relocation and Consolidation</i>							
<i>Increased Capability on Guam</i>							
<i>Access in South and Southeast Asia</i>							
<i>Ensure Defense of Southern Approaches to the United States</i>							
<i>Other (be specific and provide details)</i>							
* Individual appropriation lines must be included for each GDP initiative.							
A brief explanation of what is funded for each appropriation should be included at the end of the exhibit as well as a narrative explanation of the Department's strategic objective for each GDP initiative. It should also explain the benefits to the DoD mission.							

12. Electronic Posting of Justification Material.

a. Military Departments will not publish their justification material onto the Internet until approval has been received from the OUSD(C), Military Personnel and Construction Directorate. Following approval, publication on the Internet should coincide with the delivery date of hard copies of the justification books to the Congress, but not later than 5 working days after this delivery date.

b. The justification books for Defense-Wide “Military Construction” and “Family Housing” accounts will be consolidated by OUSD(C). The Military Personnel and Construction Directorate is also responsible for publishing on the Internet, the military construction and family housing justification materials for the Defense Agencies and Defense-Wide Components. In order for this to be accomplished, the Defense Agencies and Defense-Wide Activities must provide **electronic** standard installation and project justification (DD Form 1390s and 1391s) and Family Housing exhibits when they deliver the hard copy originals to OUSD(C), Military Personnel and Construction Directorate, Pentagon, Room 3C654 in accordance with the schedule in Attachment 1. Electronic and hard copies must be identical. The family housing exhibits, FH-2 (Family Housing O&M), FH-3 (Furnishings Summary), FH-4 (Analysis of Leased Units), FH-6 (Family Housing Privatization), and FH-12 (Privatized GFOQ Private Sector Operation and Maintenance Expenditure Report) must be submitted in Excel format. For Military Construction, Defense-Wide projects, **budget exhibits must be submitted in one single electronic Word file** and be in a format that is compliant with Adobe Acrobat 6.0 PDF. Therefore, the Defense Agencies and Defense-Wide Activities will ensure that their exhibits are prepared using Microsoft Office XP. **Pages in the file must not be numbered.** The National Security Agency (NSA), Defense Intelligence Agency (DIA), and the National Geospatial-Intelligence Agency (NGA) must submit all required justification material as unclassified.

c. Defense-Wide Military Construction exhibits should be delivered to Faye Tavernier, OUSD(C), (703) 695-5258, (Faye.Tavernier@osd.mil), and family housing

exhibits should be delivered to Evelyn Roll, (703) 695-7402, (Evelyn.Roll@osd.mil). Both individuals are located in the Military Personnel and Construction Directorate, Pentagon, Room 3C654.

H. Working Capital Funds (WCF)

1. **Budget Submission Detail.** Formal program and financing statements and all DWCF backup budget justification books and exhibits will display data from FY 2012 to FY 2014. The data in required financial exhibits will agree with valid execution reports, Resource Management Decisions (RMDs), other budget reports as applicable, and data in the Comptroller Information System (CIS).

2. **General.** Guidance for preparation of justification material for the President's Budget is contained in DoD FMR Volume 2B, Chapters 9 and 10. Unless otherwise stated, the revised instructions and exhibits included in the draft Volume 2B, Chapter 9 updated in 2012 should be used as implemented by the RMD. This guidance applies to all Components' WCF. The Components should also consult all of the other chapters in the DoD FMR for additional justification material requirements including Chapter 19 - Other Special Analyses. In the justification material, Components should highlight all Executive Orders (e.g. E.O. 13589), Administration and Departmental initiatives and priorities, and include pertinent detail regarding organization efficiencies to include, but not limited to, the Secretary's initiative to Improve Department of Defense (DoD) Business Operations as reflected in the DoD Efficiency Initiatives. The Components should use the narrative to explain the accomplishment of program goals and how the resources provided will achieve the Administration's and Secretary's priorities. Additional guidance to be used in preparation of justification materials follows:

a. Per DoD FMR Volume 2B, Chapters 9 and 10, each Component will prepare a separate volume including their operating and capital budgets for direct submission to the Congress following review and approval by the OUSD(C), Revolving Funds Directorate, Pentagon, Room 3D755. **All Components** should separately submit their overview material, along with all required back-up exhibits, for review and approval to the Revolving Funds Directorate by the due dates listed in **Attachment 1**.

b. The Defense Finance and Accounting Service (DFAS) and the Defense Information Systems Agency (DISA) will provide their budget materials to the Defense Logistics Agency (DLA) **after** approval by the Revolving Funds Directorate. The DLA, with appropriate support from the submitting organizations, will assemble the Defense Agency volume and supervise its printing and distribution. The United States Transportation Command (USTRANSCOM) will make similar arrangements with the Air Force. The Defense Commissary Agency (DeCA) will prepare a justification book that includes its two business areas, Operations and Resale Stocks.

c. The National Defense Stockpile Transaction Fund, Buildings Maintenance Fund, and Pentagon Reservation Maintenance Revolving Fund will submit narratives and justification material required by the DoD FMR, Volume 2B, Chapter 10, to the Director, Revolving Funds, for approval and consolidation into a single Defense-Wide Justification Book. The National Defense Sealift Fund will submit narrative and justification material to the Director,

Investment, for approval, and a courtesy copy to the Director, Revolving Funds, for consolidation into a single Defense-Wide Justification Book.

d. Following OUSD(C) approval, all Components shall deliver their justification books to the Congress by the due date listed in **Attachment 1**. The Components will also deliver a minimum of two electronic copies and four paper copies of the final approved justification books to the OUSD(C), Revolving Funds Directorate on or before the date of delivery to the Congress. One of the electronic copies will be provided to the OMB. Electronic submissions will be in Excel and Word formats with no more than one file of each format per Component.

e. Costs of Operation, Net Operating Results (NOR)/Accumulated Operating Results (AOR), work load, civilian FTEs, military end strength and workyears, performance indicators, customer rate changes and related items must be consistent with signed RMDs and approved by the assigned OUSD(C), Revolving Funds Directorate analyst.

f. Price military personnel assigned to DWCF Activity Groups at civilian equivalent rates in FY 2012 to FY 2014. Amounts must agree with the final control numbers estimated in the RMD for Defense Agencies, and USTRANSCOM business areas, and in CIS for Military Service business areas.

g. OP-8 Exhibit. The OP-8 exhibit will be submitted only through the PRCP system. The amounts on the OP-8 for fulltime equivalents and object class totals must match the direct and reimbursable amounts in the CIS. The point of contact for OP-8 content questions is Bette Otts, OUSD(C), Operations Directorate, Pentagon, Room 3C749, (703) 697-3103, (bette.otts@osd.mil).

3. Component Summary. Each Component will submit to Congress a Component narrative summary or overview, as well as a narrative summary for each business area. The overview will discuss:

a. Significant changes in the composition of the component or activity group. Significant changes will include program increases and decreases associated with the Secretary initiatives to Improve Department of Defense Business Operations (the “tail to tooth” efficiency directed by the Secretary in his memorandum dated June 4, 2010) and program decreases resulting from the DoD Efficiency Initiative described in the Secretary’s memorandum of August 16, 2010, and E.O. 13589.

b. Incremental changes OCO has had on financial operations.

c. Changes in overall cash and the need for sustaining the budgeted cash levels.

d. In addition to DoD FMR requirements, budget narrative exhibits for the Supply Management activity groups must include the following data for FY 2012 to FY 2014: items managed (#), requisitions received (#), receipts (#), issues (#), contracts executed (#), material purchase inflation (%), and supply material availability (%).

e. Supply Management business areas should also include an analysis of undelivered orders growth from FYs 2012 through 2014 and explain how this growth will affect cash and inventory levels in the budget years.

f. The narrative for Depot Maintenance business areas must include the display of capital investment planned for the business area as specified in the DoD FMR and provide the information as required for the Six Percent Capital Investment Plan.

4. Summary Detail. In addition to the DoD FMR required exhibits, each DWCF justification book must include summary overviews and each activity group within the Components should include, at a minimum, tables that note the following information for FY 2012 to FY 2014:

- Revenue
- Cost of Goods Sold
- Net Operating Results
- Accumulated Operating Results
- Cash Collections, Appropriations, Disbursements, Transfers, Net Outlays, and Ending Cash Balance
- Civilian Manpower (Full-time Equivalents, Overtime Usage, and Efficiency Metrics)
- Military End Strength
- Military Average Strength
- Rate Change Percentages (Cost Recovery Rate (CRR) and OP-32 Rate Change)
- Unit Costs
- Carryover Calculations
- Capital Budget Program Authority and Estimated Annual Capital Cash Outlays
- Direct Appropriations
- Performance Indicators (Financial and Operational) (previously displayed on the Fund 12 Budget Exhibit)

5. Performance Budgeting. Each Component narrative must highlight how the budget supports DoD, Component, and Activity group strategic goals. In addition to the financial performance displayed in the various exhibits, provide specific non-financial performance outcomes for each activity group as it relates to the activity group's primary mission (e.g., number of depot maintenance overhauls completed, number of parts stocked, percentages of parts available, number of research projects completed, and number of public works orders completed). These criteria should be measurable against a goal or standard, and reportable on a quarterly basis.

6. Direct Appropriations. Each Component will provide a narrative justification to support its request for a direct WCF appropriation. These direct appropriations include War Reserve Material (WRM), Inventory Augmentation, Unutilized Plant Capacity/Industrial Mobilization Capacity and other direct requirements. Performance indicators, impact on readiness or rates, reasons for dollar changes from year to year, and the impact of not receiving the requested amount should be clearly explained. Include references to supporting exhibits in the narrative. Components must submit an SM-6 exhibit for all WRM requirements.

7. Supply Business Area Requirements. Each supply area will provide a consolidated Fund 14 (Revenue and Expense Statement) that combines the wholesale and retail division statements. This exhibit is in addition to the individual division statements. Supply areas will include the Non-Mission Capable Rate-Supply (NMCRS) on the SM-3B Exhibit (Operating Requirement by Weapons System) for each fiscal year (per DoD FMR Volume 2B, Chapter 9).

8. Electronic Posting of Justification Material.

a. Military Departments and Defense Agencies will not publish WCF Budgets prior to receiving approval from the assigned Revolving Fund analyst, who will coordinate with OMB. Following approval, publication on the Internet should coincide with the delivery date of hard copies of the justification books to the Congress, but not later than 5 working days after the delivery date.

b. The DeCA, DLA, and the Washington Headquarters Services will submit copies of approved President's Budget justification material in electronic PDF format to Cynthia Jones, OUSD(C), Revolving Funds Directorate, Pentagon, Room 3D755, (703) 571-9213 (Cynthia.Jones@osd.mil). The Revolving Funds Directorate will forward these files to the Program and Financial Controls Directorate for publication on the OUSD(C) Internet site. The Military Departments will publish their budgets per guidance in section 5.

I. WCFs/DeCA Capital Construction Projects. Components will not submit copies of the DD 1391s for the FY 2014 President's Budget with the capital budgets of the working capital funds since the related capital construction project DD 1391s are separately grouped under a section at the end of the Military Construction Justification Books and military construction depreciation is excluded from costs of operation. The C-1 Programs will continue to include the working capital projects (annotated as such) with their associated budget authority. The DeCA will continue to submit construction projects for approval from the congressional Morale, Welfare and Recreation panel.

J. National Defense Sealift Fund (NDSF). In addition to the submission of the NDSF exhibits addressed in **Attachment 1**, P-40, P-5, P-8A, P-27, R-2, and R-3 exhibits are to be submitted to Nicole Segura, OUSD(C), Investment Directorate, Pentagon, Room 3C749, (703) 697-0136, (Nicole.Segura@osd.mil). In accordance with Paragraph H.2.c, the narrative and justification materials must be sent to the Investment Directorate for approval and a courtesy copy sent to the Director, Revolving Funds for consolidation into a single Defense-Wide Justification Book.

K. Defense Health Program (DHP). The Assistant Secretary of Defense (Health Affairs) is responsible for providing the DoD Health program justification book in accordance with the submission dates shown on **Attachment 1**. Justification for this account should be consistent with the material required by the Volume 2, of the DoD FMR and this memorandum for each appropriation. Refer to the PB-31D/OP-5 Summary of Increases and Decreases format and for information for footnoting and reporting Overseas Contingency Operations and other supplemental funds. Justification posting on the Internet will be accomplished by OUSD(C). Any justification material submitted for civilian personnel for the DHP Components must agree

with the controls reflected in the database for CIS. All materials are to be delivered to room 3C654, (703) 614-7529, (William.Curley@osd.mil). **Ensure all materials clear security before submitting them.**

L. Defense Chemical Demilitarization Program. The Department of the Army is responsible for providing the DoD Chemical Demilitarization Program justification book in accordance with the submission dates shown on **Attachment 1**. The title of the exhibits should be “Chemical Demilitarization.” Justification for this account should be formatted to conform to the material required for each type of appropriation. Military Construction justification material requirements are addressed in paragraph IV.G.10. and will be submitted separately. Exhibits are to be submitted to Judy Earl, OUSD(C), Investment Directorate, Pentagon, Room 3C749, (703) 697-0019, (Judy.Earl@osd.mil).

M. Special Access Programs (SAP), National Intelligence Program (NIP), Military Intelligence Program (MIP) and All Other Classified Programs.

1. Special Access Program Funding:

a. Components must update of the following TABs included in the joint Under Secretary of Defense Comptroller (USD(C)) and Director Cost Assessment and Program Evaluation (D,CAPE) Memorandum dated July, 2012:

<u>TAB No.</u>	<u>TAB Title</u>
TAB-2	PB 2014 submission program level of detail
TAB-4	PB 2014 vs. PB 2013 submission (or enactment) prog level of detail comparison
TAB-10:	Congressional Action FY 2013 status
TAB-11A:	Crosswalk: Appropriation Dash One (P-1, R-1, C-1 and O-1) by Program
TAB-11B:	Crosswalk: Programs by Appropriation Dash One (P-1, R-1, C-1 & O-1)

b. Dash One exhibits (i.e., O-1, P-1, R-1, C-1) are required for all funding in support of Special Access Program (SAP) funding. In addition, for the FY 2014 congressional submission, Components must also enter SAP resources into the Comptroller Information System (CIS) using Special Program Codes (SPCs) 398 and 399.

c. Electronic copies of the TAB updates and Dash One exhibits are to be submitted to OSD with appropriate classification markings. This information is to be provided to Mr. John Cewe via the SAP network (703) 692-3984, (John.Cewe@osd.mil). SAP TAB data updates are due concurrently with submission of the PB.

2. MIP and NIP: MIP and NIP follow guidance in accordance with DoD FMR Volume 2B, Chapter 16, Intelligence Programs/Activities, dated July 2011. The OUSD(Comptroller) point of contact for this data is Mr. Randy Fisher (703) 692-3980, (Randy.Fisher@osd.mil).

3. All Other Classified:

a. All other classified funding requests must be identified within unclassified justification budget materials. The classified programmatic content supporting the request must be provided by the applicable Component to OSD/OMB and congressional staffs.

b. For those line items that contain more than one type of classified funds, (i.e.: Special Access, MIP-NIP and or other classified funding), Components must identify on classified the P-40/R-2 exhibit the classified element type, with associated funding by fiscal year:

<u>Element:</u>	<u>FYPY</u>	<u>FYCY</u>	<u>FYBY</u>	<u>FYBY+1</u>	<u>FYBY-+2</u>	<u>FYBY-+3</u>	<u>FYBY-+4</u>
Unclassified							
MIP-NIP							
Special							
Other Classified							
Total Line							

N. Information Technology (IT)

1. General. Chapter 18, Volume 2B, of the DoD FMR includes instructions for preparation of justification material required for IT. The Components should also consult appropriation guidance in other chapters in the DoD FMR. The justification material for IT is submitted through the web based SNaP Information Technology (SNaP-IT) application which is managed by the DoD Chief Information Officer (CIO)/Resources and Analysis (R&A), IT Investments office.

2. Electronic Posting Requirements (Exhibits 53, IT-1, Capital Investment Reports, Section 351 Requirements, Component IT Overview). The SNaP-IT address is (<https://snap.pae.osd.mil/snapit> (Unclassified) and <https://snap.pae.osd.smil.mil/snapit> (Classified)). Component administrators for the SNaP-IT control registration of users from their component. DoD-wide access, granted to OSD-wide analysts, requires preregistration with Cynthia Curry, DoD CIO, R&A, IT Investments Pentagon, Room 3D1048, (703) 697-4542, (Cynthia.Curry@osd.mil).

a. All Components with IT activities must submit resource updates into SNaP-IT. These updates are used for both the OMB updates (automated Exhibit 53 and Exhibit 300's) and for congressional reporting (Component IT Overview, IT-1 at Budget Line Item level of detail, and the Selected Capital Investment Report). All IT investments will report all associated resources, including military pay resources. Resource updates at Budget Line Item level of detail must be completed in accordance with the schedule in **Attachment 1**, and must agree with data provided in primary budget justification materials. The IT-1 exhibit to Congress will include the definition and categorization of every IT investment, similar to the requirement for OMB Exhibit 53.

b. The DoD CIO/R&A, IT Investments will provide additional guidance for completing the IT OMB and congressional submissions.

O. Proposed Legislation. All legislative proposals approved by the Deputy Secretary of Defense and approved by the OMB must be separately identified and added to the Summary of Requirements by Budget Program exhibit (PB-30A) in the Military Personnel justification book and to the Summary of O&M Funding Requirements by Budget Activity exhibit (OP-5) in the O&M justification book. Legislative proposals and the associated costs must be displayed by proposal as memo entries for FY 2014. Detailed justification material should be consistent with approved legislative proposals. In addition, each Component must submit the Legislative Proposals (PB-16) exhibit, which provides a summary of all approved legislative proposals, in accordance with Chapter 19, Volume 2, of the DoD FMR.

P. Total Aircraft Inventory. As required by section 484 of the Title 10, U.S.C., all budget data exhibits that contain Primary Authorized Aircraft (PAA) must also include total aircraft inventory. The Components must ensure that all budget displays reflecting PAA also include the associated total aircraft inventory as identified in the Aircraft Inventory Report (PB-20). The PB-20 should be submitted to Congress with the justification materials in the Operation and Maintenance, Volume II, Data Book. In addition, the Reserve Components are to ensure that the inventory reported is consistent with that reported by the Military Departments.

Q. Competitive Sourcing and Alternatives. Due to the moratorium, a competitive sourcing and alternatives exhibit (PB-42) is not required from each DoD Component. Components are encouraged to maintain the necessary data in the event of relief from the moratorium for future budget submissions. The point of contact is Keith Anderson (Keith.Anderson@osd.mil), Operations Directorate, Pentagon, Room 3C749, (703) 697-3252.

R. Advisory and Assistance Services (A&AS)

1. Section 2212 of Title 10, U.S.C. Requirements. This section requires the Department to report funds spent on A&AS. The PB-15 exhibit is the Department's official presentation of funding budgeted for these services. Components that identify funding budgeted for these services must be prepared to discuss the data with the relevant congressional committees. Amounts reported on the PB-15 must tie to object class 25.1 reflected in the database for the CIS and OP-32/PB-32 categories 932, 933 and 934. A footnote should be added to specify the amount of the FY 2012 Overseas Contingency funds that are included in the FY 2012 Prior Year column. Every Component and all appropriations must be reported; therefore, each Component must complete and submit an Advisory and Assistance Services (PB-15) exhibit using the guidance contained in the DoD FMR. Negative reports are required. Both a hard copy and an electronic copy are to be submitted to Jim Wroten (Jim.Wroten@osd.mil), OUSD(C), Operations Directorate, Room 3C749, (703) 697-3253.

2. Consistency of Exhibits. The Components must ensure that A&AS reporting is consistent throughout the justification material supporting their budget estimate submission. The A&AS reporting and object class reporting must match on the following exhibits:

PB-15	Advisory and Assistance Services
OP-5	Detail by Subactivity Group
OP-32/PB-32	Summary of Price and Program Change

S. Contract Services.

1. To ensure compliance with section 803 of the FY 2010 National Defense Authorization Act (PL 111-84) and section 808 of the FY 2012 National Defense Authorization Act (PL 112-81), significant updates were made to the OP-32 lines for the Operation and Maintenance appropriations (Section D. of this guidance) and the PB-32 exhibit was established in PRCP for all other appropriations (Section B. of this guidance) to report funding for Contract Services. Components must ensure appropriate object classes are used.

2. Section 2212 of Title 10, U.S.C. requires “Other Contract Services” (Object Class 25.2) to be 15 percent or less than Contract Service totals (Object Class 25) for each appropriation/fund. Every Component and all appropriations must be reported. If object class 25.2 “Other Services” will exceed the 15 percent limit, the Component must submit a justification memorandum that details, for each appropriation or fund, why the Component could not comply with the congressional limitation. Negative reports are required. Refer to paragraph IV.D.1. for information for footnoting and reporting war-related and disaster supplemental funds. Both a hard copy and an electronic copy are to be submitted to Jim Wroten (Jim.Wroten@osd.mil), OUSD(C), Operations Directorate, Room 3C749, (703) 697-3253.

T. Combating Terrorism.

1. The DoD Directive 2000.12, “DoD Antiterrorism Force Protection,” and Chapter 19 (Sections 1902 and 191202), Volume 2, of the DoD FMR require that force protection funds within the budget submissions be clearly identified. As required by section 229 of Title 10 U.S.C., a single consolidated Combating Terrorism justification book will be prepared and submitted to the Congress. Refer to paragraph IV.D.1.e. for information for footnoting and reporting war-related and emergency supplemental funds. All DoD Components are directed to provide the Combating terrorism detail for all appropriations through the OSD CAPE SNaP data collection system via the internet <https://snap.pae.osd.mil> by noon **March 01, 2013**. Identification of the FTEs for civilians and end strength for military and the associated funding for each is required.

2. The Components are not required to publish a combating terrorism exhibit. The Components SNaP data will be used to develop the DoD consolidated Combating Terrorism justification book required by Title 10 U.S.C. and the DoD’s input for the report on government-wide spending on combating terrorism mandated by P.L. 105-65. **All Components are responsible for conducting a security review of their data prior to submitting the data to OSD.** Contact Kevin Arnwine (Kevin.Arnwine@osd.mil), OUSD(C), Operations Directorate, Room 3C749, (703) 697-2560 or Robert Fuller, (Robert.Fuller@osd.mil), OASD(SOLIC-Resources), Room 5E420, (703) 697-4754, for additional information.

U. Civilian Personnel.

1. All Components (including Intelligence Agencies or Activities) must submit civilian personnel data (OP-8 exhibit) for the update to the PRCP database and an OP-9 exhibit via email for all appropriations that fund civilian personnel (e.g., RDT&E appropriations). Both exhibits are due on the same date as the justification book materials for each appropriation. For further guidance, consult Chapter 3, section 0302, Volume 2, of the DoD FMR. The point of

contact is Bette Otts, OUSD(C), Operations Directorate, Pentagon, Room 3C749, (703) 697-3103, (Bette.Otts@osd.mil).

2. As a reminder, civilian personnel FTEs must agree with the FTEs (by category, i.e., U.S. Direct Hire, etc.) reflected in the CIS database.

3. Personnel Summaries. Each Component must submit the Personnel Summary (PB-31R) that depicts personnel data for all categories (Military, Reserves, Civilians, and Contractor FTEs) at the appropriation level. See paragraph D.4.g for reporting consistency.

V. Acquisition Workforce. Applicable Components must submit the PB-23 exhibit, which can be found in Chapter 19, Volume 2, of the DoD FMR. Please note the additional data fields required for Business Financial Management, Cost Estimation, and Program Systems Engineering. Submission of the data will be via the SNaP as described in paragraph IV. B. 2. The budget justification for the Defense Acquisition Workforce Development Fund is also required. The point of contact is Keith Anderson, OUSD(C), Operations Directorate, Pentagon, Room 3C749, (703) 697-3252, (Keith.Anderson@osd.mil).

W. Psychological Operations, Military Information Support Operations (MISO). Applicable Components will submit the Psychological Operations exhibit in accordance with Chapter 3, Volume 2A of the DoD FMR. The point of contact is Keith Anderson, OUSD(C), Operations Directorate, Pentagon, Room 3C749, (703) 697-3252, (Keith.Anderson@osd.mil).

X. Body Armor and Protective Armor. Applicable Components must submit the Body Armor exhibit in accordance with Chapter 3, Volume 2A of the DoD FMR. The exhibit format has been modified as reflected in Attachment 10. Amounts should be consistent with baseline estimates Exhibits will be submitted in electronic format to Annette Florence, OUSD(C), Operations Directorate, Pentagon, Room 3C749, (703) 614-6438, (Annette.Florence@osd.mil).

Y. Cyber Operations. All Components that report defensive cyberspace operations, which includes Information Assurance, and offensive cyberspace operations in SNaP-IT per instructions found in Section N above and in Chapter 18, Volume 2B of the DoD FMR, must submit funding for this mission in whole identifiable Program Elements (for Operation and Maintenance and Procurement accounts) and/or separate Project Codes (for RDT&E) in PRCP beginning in FY 2014. The sum of these cyberspace investments should equal the sum reported for defensive cyberspace operations and offensive cyberspace operations in SNaP-IT and will become the control total for development of the supporting budget exhibits developed by the OSD/Chief Information Officer for congress. Report all newly established Program Elements or Project Codes for this purpose to Olga Crerar, OUSD(C), Investment Directorate, Pentagon, Room 3C749, (703) 692-3983, (Olga.Crerar@osd.mil).

V. Distribution/Internet Posting of Budget Material

A. Electronic Posting of the President's Budget Justification Material/DoD FMR Instructions.

1. Instructions for submission of completed justification books and number of copies of final printed materials are contained in Chapter 1, Volume 2, of the DoD FMR. With the posting of unclassified budget material on various DoD Internet sites, the distribution of paper copies of most unclassified material is limited to congressional oversight committees and certain other non-DoD organizations. Internal DoD coverage will continue to be provided through Internet home pages of the Military Departments and OUSD(C). Section 010403, Volume 2 provides specific guidance on the requirements.

2. As stated in Chapter 1, Volume 2, of the DoD FMR, all unclassified budget justification material provided to the Congress in a paper format will also be placed on an Internet web site. Each Military Department must continue to fully implement this guidance. The structure of the material currently on this web site should be reviewed and appropriate adjustments made. Military Department Internet sites must meet, at a minimum, the following requirements:

- a) At a minimum, a link to the web page must be available and readily identifiable from the Military Department's Assistant Secretary (Financial Management and Comptroller) home page. If feasible, also provide a link on the Departmental home page.
- b) Organized by appropriation title and appropriation for the FY 2014 budget to ensure ease of use.
- c) The PDF file size should be managed so that a file may be readily displayed with versions of both Internet Explorer and Netscape browsers when Adobe Acrobat Reader is properly installed. Large files are not always accessible by users. Compatibility should be tested prior to posting. File size should be posted along with the title of the file on the web page.
- d) Because of file size limitations, files for an individual appropriation must be readily navigable within and between files.
- e) The CD-ROM production after justification material is fully posted continues to be required. Automatic distribution should be made based on the distribution list contained in Chapter 1, Volume 2, of the DoD FMR. Listed recipients should not be expected to call budget offices for a copy.
- f) To the maximum extent feasible, electronic documents should be created from originals, rather than scanned. A number of users have requested that documents be posted in a manner that facilitates extraction of the data into other systems or documents. For example, data can be extracted from PDFs created from electronic original documents, but cannot be extracted from a PDF created by scanning documents. In addition, where PDFs are utilized, the "Selecting

Text and Graphics” option should be allowed if you password-protect the PDFs.

3. The OUSD(C) continues to be responsible for the placement and central management of Defense-Wide justification material on the Internet. Individual Comptroller Directorates for Defense-Wide/Agency appropriations requirements are responsible for input requirements, which have been addressed in applicable appropriation sections above, and for the posting of the material on the OUSD(C) public site on the Internet. The Components may contact the applicable Directorate in the Pentagon concerning these requirements:

Directorate for Operations (Room 3C749)	(703) 697-2609
Directorate for Investment (Room 3C749)	(703) 695-2235
Directorate for Military Personnel & Construction (Room 3C654)	(703) 697-6359
Directorate for Revolving Funds (Room 3D755)	(703) 697-4210

Management of Component web sites is currently guided by DoD Web Site Policy located on DefenseLINK at: <http://www.defenselink.mil/webmasters/>

4. The Military Departments are expected to post their budget material in accordance with guidance contained in Volume 2, of the DoD FMR. If, however, a Department believes that some material may be sensitive based on the policies and procedures provided on this web site, the material should be identified to, and discussed with, the appropriate OUSD(C) Directorate for a final and uniform determination before any material is excluded from Internet posting. The Components submitting input for Defense-Wide accounts should also highlight potentially sensitive material.

5. With the current procedures, all requests for justification book material that are received under the Freedom of Information Act by DoD Components can normally be referred to the appropriate Component Internet site. As a reminder, for Freedom of Information requests received prior to the posting of the unclassified or declassified material, it is the responsibility of the DoD Component to comply with the request in accordance with DoD 5400.7-R. The posting on the applicable homepage of budget material will be made only after the congressional copies have been provided for justifications that initially are unclassified, and as soon as possible after declassification has been completed for those books that are classified. Consolidated Defense-Wide/Agency justification material will be placed on the Internet by OUSD(C) Directorates responsible for the consolidation.

6. When established, the Internet site address of each Military Department should be provided to Manju Goel, OUSD(C), Program and Financial Control Directorate, Pentagon, Room 3C689 (703) 693-0578.

B. Public Affairs Requirements. This requirement will be filled by the posting of designated budget material on the required Military Department and OUSD(C) Internet sites. Until material is posted on the Internet, Components remain responsible for filling all Freedom of Information Act requests. Chapter 1 of Volume 2 of the DoD FMR reflects this requirement.

VI. General

A. Use of “Boiler Plate”. It is incumbent upon each DoD Component to avoid the use of “boiler plate” narrative in the justification books. Every reasonable effort should be made to ensure high quality justification material is submitted in support of the FY 2014 budget.

B. Acronyms. The use of acronyms and abbreviations in the justification material should be held to a minimum. Whenever they are used, they must be identified on each page on which they appear.

C. Funding References. The terms “K” to denote thousands and “M” to denote millions **will not** be used in narrative justifications; they must be spelled out.

D. Congressional Reporting Requirements. Whenever data are included to satisfy a reporting requirement levied in a House, Senate, or Conference Report, a lead page in the justification book should indicate clearly that “Page ___ is in response to the Committee requirement contained on page ___ of the ___ report.”

E. Economic Factors. Economic factors will be provided in a separate Under Secretary of Defense (Comptroller) memorandum.

(\$ IN THOUSANDS)

FY 2014 Estimate -
FY 2013 Estimate -
FY 2012 Actual -

PROJECT: STOP LOSS RETROACTIVE PAY

PART I – PURPOSE AND SCOPE

Public Law 111-32, Section 310 appropriated \$534.4 million in FY 2009 supplemental appropriations to make payment of claims to members of the Armed Forces, including members of the reserve components, and former and retired members under the jurisdiction of the Secretary who, at any time during the period beginning on September 11, 2001, and ending on September 30, 2009, served on active duty while the members’ enlistment or period of obligated service was extended, or whose eligibility for retirement was suspended, pursuant to section 123 or 12305 of title 10, United States Code, or any other provision of law (commonly referred to as a ‘‘stop-loss authority’’) authorizing the President to extend an enlistment or period of obligated service, or suspend an eligibility for retirement, of a member of the uniformed services in time of war or of national emergency declared by Congress or the President.

PART II – JUSTIFICATION OF FUNDS REQUESTED

The amount to be paid to or on behalf of an eligible member, retired member, or former member described above shall be \$500 per month for each month or portion of a month during the period specified above that the member was retained on active duty as a result of application of the stop-loss authority. Section 310 stated that the military departments may not pay claims that are submitted more than 1 year after the date on which the implementing rules for claims take effect. The program would have expired on October 21, 2010; however, the deadline was extended several times under the Continuing Resolutions in FY 2011. Public Law 112-10, of April 15, 2011, extended the claim submission deadline until October 21, 2011. At this time, no new claims can be submitted for consideration. These funds are available for obligation until expended on claims received prior to the deadline, but not yet processed for payment.

The (Service name) share of the \$534.4 million for this program is \$xxx.xxx million. As of September 30, 2011 \$xxx.xxx million was obligated and recorded as an Overseas Contingency Operation (OCO) obligation.

	<u>FY 2012</u>			<u>FY 2013</u>			<u>FY 2014</u>		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>

Stop Loss Retroactive Pay, Officer
Stop Loss Retroactive Pay, Enlisted
Total

Show FY 2012 actuals only. Do not show projections for FY 2013 or FY 2014.

MILITARY PERSONNEL, _____
SUMMARY OF ENTITLEMENTS BY SUBACTIVITY
(\$ in Thousands)

	<u>FY 20PY</u>			<u>FY 20CY</u>			<u>FY 20BY</u>		
	<u>Officers</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officers</u>	<u>Enlisted</u>	<u>Total</u>	<u>Officers</u>	<u>Enlisted</u>	<u>Total</u>
11. Other Military Personnel Costs									
a. Apprehension of Deserters									
b. Interest on Uniformed Services Savings Deposits (MIA)									
c. Death Gratuities									
d. Unemployment Compensation									
e. Education Benefits									
f. Adoption Expenses									
g. Mass Transportation									
h. Partial Dislocation Allowance									
i. SGLI									
j. T-SGLI									
k. ROTC									
l. JROTC									
<i>m. Stop Loss Retroactive Pay</i>									
<i>n. Preventive Health Allowance Demonstration Project</i>									

Stop Loss Retroactive Pay and the Preventive Health Allowance Demonstration Project will be listed as a separate entries on the Exhibit PB-30J Summary of Entitlements by Subactivity. Separate line items have been added to PRCP for entry into the M-1 Exhibit.

(\$ IN THOUSANDS)

FY 2014 Estimate	-
FY 2013 Estimate	-
FY 2012 Actual	1,125

PROJECT: PREVENTIVE HEALTH ALLOWANCE DEMONSTRATION PROJECT

PART I – PURPOSE AND SCOPE

Section 714 of the Duncan Hunter National Defense Authorization Act (NDAA) for FY 2009 directs the Secretary of Defense to conduct a demonstration project, beginning on January 1, 2009 to December 31, 2011, to evaluate the efficacy of providing an annual preventive health services allowance to increase the use of preventive health services by members of the Armed Forces and their dependents. This pilot was implemented beginning on January 1, 2011 and ended on December 31, 2011.

PART II – JUSTIFICATION OF FUNDS REQUESTED

Members eligible to participate must be serving on Active Duty for more than 30 days and meet the medical and dental readiness requirements for their armed force; half of the participants shall have dependents and half shall be without dependents. The demonstration limits participation to 1,500 Active Duty members from each Service and provides for an allowance of \$500 for personnel without dependents and \$1,000 for personnel with dependents.

	<u>FY 2012</u>			<u>FY 2013</u>			<u>FY 2014</u>		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Officer (with dependents)	-	\$1,000	-	-	-	-	-	-	-
Officer (without dependents)	-	\$500	-	-	-	-	-	-	-
Subtotal Officer									
Enlisted (with dependents)	-	\$1,000	-	-	-	-	-	-	-
Enlisted (without dependents)	-	\$500	-	-	-	-	-	-	-
Subtotal Enlisted									
Total (with dependents)	750	\$1,000	750	-	-	-	-	-	-
Total (without dependents)	<u>750</u>	<u>\$500</u>	<u>375</u>	-	-	-	-	-	-
Grand Total	1,500		1,125						

Project – Retired Pay Accrual

FY 2014 \$XX
FY 2013 \$XX
FY 2012 \$XX

Part I - Purpose and Scope

Funds requested provide for the Department of Defense's contribution to its Military Retirement Fund, in accordance with 10 U.S.C. 1466. Effective FY 2008, Title V, section 581 of the National Defense Authorization Act for FY 2007 directs the Department of Defense to contribute at the part-time rate for Reserve Component soldiers who are mobilized or on active duty for operational support, rather than the full-time rate as previously mandated.

Part II - Justification of Funds Required

The budgetary estimates are derived as a product of:

- a) The total amount of basic pay expected to be paid during the fiscal year to members of the Armed Forces.
- b) Retired Pay Accrual (RPA) Normal Cost Percentage (NCP) approved by the Board of Actuaries. The full-time RPA NCP is 34.3% for FY 2012, 32.1% for FY 2013 and 32.4% for FY 2014. The part-time RPA NCP is 24.3% for FY 2012, 24.4% for FY 2013 and 24.5% for FY 2014.

Details of the cost computation are provided in the following table:

	FY 2012			FY 2013			FY 2014		
	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>	<u>Number</u>	<u>Rate</u>	<u>Amount</u>
Active Component									
Retired Pay Accrual - Full Time									
Reserve Component									
Retired Pay Accrual - Part Time									
Total Retired Pay Accrual									

**FY 2014 EDUCATION BENEFITS
FY 2014 President's Budget Submission**

I. Basic Selected Skill Benefit (38 United States Code (U.S.C.) 3015(d)):

Army Programs

	<u>2 Year</u>	<u>3 Year</u>	<u>4 Year</u>	<u>5 Year</u>	<u>6 Year</u>
\$150	\$ 1,008	\$ 684	\$ 731	\$ 484	\$ 496
\$250	\$ 1,696	\$ 1,150	\$ 1,226	\$ 810	\$ 830
\$350	\$ 2,398	\$ 1,623	\$ 1,727	\$ 1,141	\$ 1,167
\$450	\$ 3,113	\$ 2,104	\$ 2,234	\$ 1,475	\$ 1,506
\$550	\$ 3,839	\$ 2,592	\$ 2,747	\$ 1,812	\$ 1,848
\$650	\$ 4,576	\$ 3,087	\$ 3,266	\$ 2,152	\$ 2,193
\$750	\$ 5,325	\$ 3,589	\$ 3,790	\$ 2,496	\$ 2,540
\$850	\$ 6,083	\$ 4,097	\$ 4,320	\$ 2,843	\$ 2,889
\$950	\$ 6,852	\$ 4,612	\$ 4,854	\$ 3,193	\$ 3,241

Navy and Marine Corps Programs

	<u>Navy 4 Year</u>	<u>MC 4 Year</u>	<u>MC 5 Year</u>	<u>MC 6 Year</u>
\$150	\$ 1,836	\$ 1,876	\$ 1,565	\$ 1,615
\$250	\$ 3,080	\$ 3,152	\$ 2,630	\$ 2,711
\$350	\$ 4,339	\$ 4,448	\$ 3,713	\$ 3,821
\$450	\$ 5,614	\$ 5,763	\$ 4,812	\$ 4,945
\$550	\$ 6,902	\$ 7,096	\$ 5,926	\$ 6,083
\$650	\$ 8,205	\$ 8,446	\$ 7,057	\$ 7,233
\$750	\$ 9,521	\$ 9,814	\$ 8,202	\$ 8,396
\$850	\$ 10,851	\$ 11,198	\$ 9,361	\$ 9,571
\$950	\$ 12,193	\$ 12,598	\$ 10,535	\$ 10,758

Amortization Payment Due October 1, 2013

	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>
Army	\$0	\$0	\$0	\$0	\$0
Navy	\$18,202,282	\$14,841,647	\$12,101,477	\$9,867,216	\$8,045,460
Marine Corps	\$2,350,658	\$1,916,663	\$1,562,795	\$1,274,260	\$1,038,997

II. Post-Vietnam Era Voluntary and Involuntary Separates (38 U.S.C. 3035):

Note: Use for budgeting purposes only. Amount due on October 1, 2013 will be determined at next formal Board meeting in 2013.

	FY 2014 and Outyears
Army	\$0
Navy	\$606,659
Marine Corps	\$23,924
Air Force	\$209,494

III. Selected Reserve Benefit (10 U.S.C. Ch. 1606):

Per Capita Amount (PCA)

	<u>FY2014 & Outyears</u>
	<u>Basic Benefit</u>
Army Reserve:	\$0
Navy Reserve:	\$0
Marine Corps Reserve:	\$0
Air Force Reserve:	\$0
Army National Guard:	\$0
Air National Guard:	\$958

Critical Skill or Critical Unit Benefit (10 U.S.C. Section 1613(i))

PCNC = PCA

<u>For monthly Benefit Supplement of:</u>	<u>\$100</u>	<u>\$200</u>	<u>\$350</u>
Army Reserve:	\$849	\$1,761	\$3,324
Navy Reserve:	\$779	\$1,977	\$4,457
Marine Corps Reserve:	\$715	\$1,611	\$2,727
Air Force Reserve:	\$1,498	\$2,752	\$3,990
Army National Guard:	\$1,052	\$1,956	\$4,261
Air National Guard:	\$1,707	\$3,064	\$4,851

No Amortization Payments Due October 1, 2013 (FY 2014 and Outyears)

<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>
\$0	\$0	\$0	\$0	\$0

**IV. Educational Benefits for Reservists in Support of Contingency Operations
(10 U.S.C. Chapter 1607):**

<u>PCNC – AA = PCA</u>	<u>FY2014 & Outyears</u>		
	<u>90 Days</u>	<u>1 Year</u>	<u>2 Years</u>
<u>For Mobilization Period of:</u>			
Army Reserve:	\$0	\$0	\$0
Navy Reserve	\$0	\$0	\$0
Marine Corps Reserve	\$0	\$0	\$0
Air Force Reserve	\$0	\$0	\$0
Army National Guard:	\$0	\$0	\$0
Air National Guard	\$0	\$0	\$0

No Amortization Payments Due October 1, 2013 (FY 2014 and Outyears)

<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>
\$0	\$0	\$0	\$0	\$0

DWELL TIME ASSESSMENT

Senate Armed Services Committee (SASC) Reporting Requirement

In the FY 2013 NDAA, the SASC directs a statement on dwell time and an assessment of whether the requested reductions in active duty end-strength are reversible within 1 year.

Dwell Time Assessment

Dwell time for the Active Component refers to the period of time between operational deployments described below, and for the Reserve Component the time between the release from involuntary duty pursuant to operational deployment described below and the reporting date for a subsequent tour, excluding any voluntary active duty performed between two periods of involuntary active duty. Current dwell time goals are 1:5 for the Reserve Components and 1:2 for the Active Components.

An operational deployment begins when the majority of a unit or detachment, or an individual not attached to a unit or detachment, departs homeport/station/base or departs from an enroute training location to meet a Secretary of Defense approved operational requirement. Operational requirements include those recorded in Joint Capabilities Requirements Manager (JCRM) or Electronic-Joint Manpower and Personnel System (eJMAPS) and contained in the annual Global Force Management Allocation Plan (GFMAP). Forces deployed in support of EXORDS, OPLANS or CONPLANS approved by the Secretary of Defense are also included.

Dwell Time (ratio of operationally deployed years to non-deployed years)			
	Actual	Current Year Forecast	Budget Year Forecast
<i>Active</i>	1:X	1:X	1:X
<i>Guard</i>	1:X	1:X	1:X
<i>Reserve</i>	1:X	1:X	1:X

Due to operational demand and the relative low density of the units or occupations, the following units and/or military occupational specialties (MOS) did not meet the dwell time goals.

MOSA 1 : X

MOS B 1 : Y

End Strength Reduction Assessment

Active end strength reductions from FY 2012 to FY 2013 and from FY 2013 to FY 2014 are X and Y, respectively. These reductions are/are not reversible within one year, including through the use of the Reserve Component. *Provide details of assessment.*

COMPONENT NAME
DoD POW/MIA Activities

I. Financial Summary (\$ in Millions): Provide a summary of all funding requirements, budget estimates, and actual obligations.

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>
	<u>Actual</u>	<u>Request</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>

1. Estimated Requirements (\$M)
2. Budgeted (\$M)
3. Percent (%) of Estimated Requirements Budgeted

II. Description of Operations Financed: Provide a detailed narrative overview or description of the all Prisoner-of-War/Missing-in-Action (POW/MIA) requirements and activities.

III. Narrative Program Description by Appropriation and Subactivity Group:

Operation and Maintenance (specify, e.g., OMA, OMN, OMDW, etc., and line item or subactivity group). Provide a narrative programmatic summary that specifically addresses year-to-year variations and/or changes from last year's plan.

IV. Shortfalls (\$ in Thousands) by Appropriation: Provide a detailed explanation (by appropriation and line item or subactivity group) of all estimated requirements not budgeted in the Section I funding summary. That explanation should also note whether funds may not have been fully approved if a change in requirements was made during the execution year, or if prior year execution was less than 100 percent. In such instances, explain the change, (e.g., access to a particular country was denied or environmental or weather conditions precluded some investigations).

(NOTE: Reporting DoD components to include the Defense Prisoner-of-War/Missing-in-Action Personnel Office (DPMO), the Joint POW/MIA Accounting Command (JPAC), the Armed Forces DNA Identification Laboratory (AFDIL), the Life Sciences Equipment Laboratory (LSEL) of the Air Force, and any other element of a DoD component involved in the accounting for and recovery of members of the armed forces who are missing in action, prisoners of war, or who are unaccounted for.)

POW/MIA Exhibit

Attachment 9

Department of _____
 Body Armor, Organizational Clothing, and Individual Equipment

Description of Operations Financed: Body Armor, Organizational Clothing, and Individual Equipment

\$ Thousands	Appropriation	PY Base	PY OCO	PY Supplemental	PY Total	CY Base	CY OCO	CY Total	BY Base	BY OCO	BY Total
Body Armor (1)	Procurement				0			0			0
Body Armor	O&M				0			0			0
Organizational Clothing (2)	Procurement				0			0			0
Organizational Clothing	O&M				0			0			0
Individual Equipment (3)	Procurement				0			0			0
Individual Equipment	O&M				0			0			0
	Total Procurement	0	0	0	0	0	0	0	0	0	0
	Total O&M	0	0	0	0	0	0	0	0	0	0

Quantities	Appropriation	PY Base	PY OCO	PY Supplemental	PY Total	CY Base	CY OCO	CY Total	BY Base	BY OCO	BY Total
Body Armor Sets Required					0			0			0
Body Armor Sets On-Hand					0			0			0
Body Armor Sets Backordered					0			0			0

Comments: (4)

INSTRUCTIONS:

The purpose of the PBA-28 Exhibit, Body Armor, Organizational Clothing, and Individual Equipment, is to highlight funds budgeted for minimizing military Service members personal injury risk as required by the 2011 National Defense Authorization Act, Title X, General Provisions section. Initial issue of items are funded with procurement appropriations. Sustainment of items are funded with operation and maintenance appropriations. All items funded on this exhibit are expendable/consumable and not durable program systems. These are not depreciable assets.

(1) Body Armor is government owned, issued, and controlled ballistic projectile protection equipment temporarily issued to military Service members for use at no cost to the military Service members. Examples of body armor include helmets, armored vests, body armor plates, small arms protective inserts, side ballistic Insert, and tactical vests. Body armor is a subset of individual equipment. For Service specific definition, see Service respective uniform regulation(s). Input procurement and operation and maintenance funding for body armor.

(2) Organizational Clothing is government owned, issued, and controlled uniform garments temporarily issued to military Service members for use at no cost to the military Service member. Examples of uniform garments include the Extended Cold Weather Clothing System, Aviation Combat Uniform, Flight Suit, Fire Resistant Combat Uniform, and the Improved Combat Vehicle Crewmember Coverall. For Service specific definitions, see Service respective uniform regulation(s). Input procurement and operation and maintenance funding for organizational clothing.

(3) Individual Equipment is government owned, issued, and controlled personal protective gear temporarily issued to military Service members for use at no cost to the military Service members. Examples of personal protective gear include Load Bearing Equipment, helmets, ballistic eyewear, steel toe boots, gloves, goggles, ear protection, and hard armor ballistic inserts. For Service specific definition, see Service respective uniform regulation(s). Input procurement and operation and maintenance funding for individual equipment.

(4) Comments: Describe the changes to the program such as new type(s) of body armor or increased congressional interest.

Exhibit PBA-28 Body Armor, Organizational Clothing, and Individual Equipment