

TITLE II

OPERATION AND MAINTENANCE

The fiscal year 2012 budget request for programs funded in title II of the Committee bill, Operation and Maintenance, is \$170,759,313,000 in new budget authority. These appropriations finance the costs of operating and maintaining the Armed Forces, including the reserve components and related support activities of the Department of Defense. Included is pay for civilians, services for maintenance of equipment and fuel, supplies, and spare parts for weapons and equipment. Financial requirements are influenced by many factors, including force levels such as the number of aircraft squadrons, Army and Marine Corps divisions, installations, military personnel end strength and deployments, rates of operational activity, and the quantity, complexity, and age of equipment such as aircraft, ships, missiles, and tanks.

The table below summarizes the Committee's recommendations.

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
RECAPITULATION			
OPERATION & MAINTENANCE, ARMY.....	34,735,216	34,581,321	-153,895
OPERATION & MAINTENANCE, NAVY.....	39,364,688	39,385,685	+20,997
OPERATION & MAINTENANCE, MARINE CORPS.....	5,960,437	6,036,996	+76,559
OPERATION & MAINTENANCE, AIR FORCE.....	36,195,133	36,065,107	-130,026
OPERATION & MAINTENANCE, DEFENSE-WIDE.....	30,940,409	30,682,265	-258,144
OPERATION & MAINTENANCE, ARMY RESERVE.....	3,109,176	3,047,033	-62,143
OPERATION & MAINTENANCE, NAVY RESERVE.....	1,323,134	1,323,134	---
OPERATION & MAINTENANCE, MARINE CORPS RESERVE.....	271,443	271,443	---
OPERATION & MAINTENANCE, AIR FORCE RESERVE.....	3,274,359	3,310,459	+36,100
OPERATION & MAINTENANCE, ARMY NATIONAL GUARD.....	7,041,432	6,979,232	-62,200
OPERATION & MAINTENANCE, AIR NATIONAL GUARD.....	6,136,280	6,094,380	-41,900
OVERSEAS CONTINGENCY OPERATIONS TRANSFER ACCOUNT.....	5,000	---	-5,000
UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES...	13,861	13,861	---
ENVIRONMENTAL RESTORATION, ARMY.....	346,031	346,031	---
ENVIRONMENTAL RESTORATION, NAVY.....	308,668	308,668	---
ENVIRONMENTAL RESTORATION, AIR FORCE.....	525,453	525,453	---
ENVIRONMENTAL RESTORATION, DEFENSE-WIDE.....	10,716	10,716	---
ENVIRONMENTAL RESTORATION, FORMERLY USED DEF. SITES...	276,495	276,495	---
OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID.....	107,662	107,662	---
COOPERATIVE THREAT REDUCTION ACCOUNT.....	508,219	508,219	---
DOD ACQUISITION WORKFORCE DEVELOPMENT FUND.....	305,501	105,501	-200,000
GRAND TOTAL, OPERATION & MAINTENANCE.....	170,759,313	169,979,661	-779,652

EFFICIENCY INITIATIVES

One of the major themes of the Department's fiscal year 2012 budget submission has been the generation of efficiency savings by reduced overhead costs and improved business practices. The Department's fiscal year 2012 budget request includes \$10,700,000,000 in efficiency savings and the Department's program plan includes \$100,200,000,000 in efficiency savings over the five year period from 2012 through 2016. While the Committee applauds the Department's attempt to reduce costs through efficiencies, the Committee finds that the majority of these savings have been taken in the broad categories of better business practices and reorganizations and believes that such savings often times never materialize.

Further, upon a careful examination of the budget request, the Committee is dismayed to discover several instances where no action is necessary to achieve the specified efficiency savings underway or planned. For example, the budget request assumes a savings of \$250,000,000 in fiscal year 2012 by eliminating 400 internally generated reports. However, the Committee has repeatedly requested a list of these reports which will be eliminated, as well as an explanation of the derivation of the savings estimate, but the Department has yet to supply the list or explain the derivation of the estimate.

More troubling were instances in which underfunding valid requirements were claimed as efficiencies. For example, the Services were directed to underfund base facility sustainment requirements and claim this reduction as infrastructure savings. In total, the Committee has identified \$884,700,000 in unrealistic efficiencies. In this instance, the Committee specifically identified the error and restored funding. The Committee urges the Secretary of Defense to reassess the efficiency savings estimates, restore funding when required, and develop contingency plans to mitigate the effect on operations and readiness if the savings do not materialize.

CIVILIAN PERSONNEL PAY

The Department has not responded to the Committee's repeated requests for a monthly report of the number of civilian personnel end strength by appropriation account. Therefore, the bill includes a general provision which requires such a report be submitted to the congressional defense committees.

Further, the budget request includes discrepancies among the Services in the price growth budgeted for civilian personnel pay. The Under Secretary of Defense (Comptroller) is directed to ensure consistency across the Department for civilian personnel pay rates in future budget submissions.

CONTRACTOR LOGISTICS SUPPORT

Although there is no uniform definition of Contractor Logistics Support (CLS) throughout the Department of Defense, it is broadly defined as contracted weapon system sustainment that occurs over the life of the weapon system. Examples of CLS include contractor provided aircraft and engine overhaul, repair and replenishment of parts, sustaining engineering, and supply chain management. The

Committee has numerous concerns with the Department of Defense's increasing reliance on CLS: actual costs are not known, CLS cost growth far outpaces overall operation and maintenance cost growth for no discernable reason, and contract oversight is inadequate.

The cost of CLS is not discreetly visible in the Department's budget request, and there is no central collection of CLS costs anywhere in the Department. The Committee has asked for a report of CLS costs from the Services, and each Service has a varying degree of ability to report these costs. The Army reported CLS costs by year for fiscal years 2008 to 2012, by program, with a footnote of programs for which CLS costs were not known. The CLS funds that the Army was able to identify in the fiscal year 2012 budget request total \$3,597,382,000. The Navy reported actual CLS costs for fiscal years 2009 and 2010, estimated costs for fiscal year 2011, and the CLS funding requested for fiscal year 2012, by program. The CLS funding in the Navy's fiscal year 2012 budget request totals \$6,142,486,843. The Air Force has no clear definition of CLS so while the Air Force has reported CLS costs by year for fiscal years 2008 to 2012, by program, it is not clear that these costs are accurate. The CLS funds that the Air Force identified in the fiscal year 2012 budget request total \$6,304,400,000.

The RAND Corporation also had difficulty identifying Air Force CLS costs. A 2009 RAND Corporation Report titled, "Contractor Logistics Support in the U.S. Air Force" which had been requested by the Air Force states:

"The Air Force does not collect detailed or uniform data on CLS costs. Air Force Total Ownership Cost (AFTOC), the official Air Force operation and support management information system, contains only total CLS costs per program and offers no further detail. For insight into CLS tasks and costs, we had to rely on CLS brochures, which are budget-requirement documents that provide estimated costs for the fiscal year in which they are prepared and budget requests for future years. One of the implications for cost analysts of the data limitations is that the CLS costs will not be recorded in AFTOC in the appropriate operation and support Cost Analysis Improvement Group (CAIG) cost element, and the detailed commodity transaction costs for consumables and depot-level repairables will not be recorded because these transactions are conducted outside of the government supply system."

While actual CLS costs are not known, they appear to be substantial and increasing at a rate which outpaces overall growth of the operation and maintenance accounts for no apparent reason. The CLS costs as reported by the Services increase by \$3,010,500,000 (twenty-three percent) from fiscal year 2009 to 2012. Over the same time period, operation and maintenance funding grows by only ten percent. The Services have yet to explain the reason that CLS cost growth outpaces the overall growth of operation and maintenance funding.

While the Department of Defense has increasingly relied on CLS for weapon system sustainment contracts, the acquisition workforce and number of contract managers has not kept pace. Further, in conjunction with the move toward CLS, the Department is also

adopting performance based logistics (PBLs) in which program managers establish flexible performance and funding ranges to link contract incentives to sustainment goals such as weapon system availability. However, even under a PBL contract, seventy-five to ninety percent of the contract cost is fixed and only ten to twenty-five percent can vary based on performance. Finally, some performance goals appear lax; for example, certain aircraft CLS contracts set aircraft availability goals of only sixty percent, and award fees are granted if aircraft availability exceeds this goal. Additionally, the Committee is aware of instances in which CLS contracts are essentially sole source contracts with the original equipment manufacturer on weapon systems for which the government does not own the technical data and therefore the contractor need not worry about realistic competition in order to be awarded the CLS contracts. Finally, the Committee is concerned that in some instances “inherently governmental” and “critical functions” have been performed by private sector CLS contractors. The RAND Corporation report cited above states, “The increasing use of public-private partnership arrangements . . . in which organic depots perform work that contractors plan and supervise . . . blurs the distinction among tasks.”

For these reasons, the Committee strongly urges the Department to carefully look at the management and oversight of Contractor Logistics Support and expects that the Department will find efficiencies, cost savings, and cost avoidances through better management of CLS. The Committee has adjusted funding accordingly.

MILITARY INFORMATION SUPPORT OPERATIONS

The budget request includes \$300,570,000 for fiscal year 2012 Department of Defense Information Operations programs. Of this amount, \$120,570,000 is requested as base funding and \$180,000,000 is requested as Overseas Contingency Operations funding. The Committee’s recommendation reduces the total request by \$123,995,000. The allocation of funds by Combatant Command and funding levels for certain programs is specifically delineated in the classified annex to this report. These delineations shall be considered a congressional special interest item and any deviations from the allocations are subject to sections 8005, 8006, and 9002 of this Act.

The Committee’s recommendation provides no funding within the base for these activities and instead provides for these activities within the Overseas Contingency Operations funding as these activities do not reflect an enduring military requirement. The Committee remains concerned that many of the activities being conducted under the guise of “information operations” or “military information support operations” do not represent traditional or appropriate military roles or responsibilities. Many of the activities being funded under information operations are duplicative of, or operate at cross purposes with, other federal agencies’ activities, particularly the Department of State. Finally, based on the Department of Defense’s significant usage of contractors to plan and execute these programs, the Committee questions whether the Department has the technical expertise or capacity to effectively manage and execute these types of programs in a cost effective manner. In

an era of declining budgets, the Committee does not believe that the Department can afford to fund activities that do not fulfill core military requirements and are more appropriately funded by those other federal agencies which are statutorily authorized and traditionally charged with developing and administering such programs.

Additionally, the Committee remains concerned that the official budget justification materials do not include the level of detailed information necessary to provide proper analysis and oversight of the activities funded under Information Operations. The Committee directs the Secretary of Defense to develop a format for improving the budget submission for fiscal year 2013 for these programs.

In the interim, not later than 30 days after enactment of this Act, the Secretary of Defense is directed to submit a report in writing to the House and Senate Appropriations Committees detailing the proposed execution of the funding provided for these programs. This report shall include: the program name, activity, description of service, target audience, goals/objectives, attribution, measures of effectiveness, prior year obligations and expenditures, and the estimated budget for year of execution. The report shall include an annex for the inclusion of necessary explanatory and supporting classified information. Such a report, and the delineation of each program, project and activity, shall serve as the basis for re-programming in accordance with section 8006 of this Act.

TELECOMMUNICATIONS EXPENSE MANAGEMENT

The Committee has observed the rapidly growing use of mobile communications and computing devices across all of the military Services and commands within the Department. The Committee is concerned that the thousands of mobile devices each require a wide assortment of significant long-term network service commitments to telecommunications industry service providers. Additionally, the Committee believes this rapidly growing number of telecom services poses a serious cost and accountability management challenge to service telecom management operations that are still using manual or outdated cost management systems, resulting in the potential for significant unnecessary and inaccurate telecom service costs to users within the Department.

Further, it is not clear that the systems in place to manage telecom services and the inventory of communication and computing devices are managed as efficiently as possible. The Committee recommends that the Secretary of Defense find efficiencies through methods such as independent or third party verification to ensure the government is not paying for services it does not need or does not actually use, and/or the use of commercially available telecom expense management systems used by Fortune 500 companies. The use of such management solutions can significantly reduce costs, in some cases saving as much as thirty percent annually. Modern telecommunications expense management systems monitor daily business processes in detail, to include purchasing and managing telephone and communications inventories and services for phone lines, phones, wireless devices, wireless services, and internet services.

The Committee directs in Section 8117 of the bill that the Secretary of Defense complete a study and assessment of the feasibility of using commercial off-the-shelf (COTS) telecommunication expense management solutions to improve enterprise visibility over the Department's telecommunications expenses and identify possible efficiencies in this growing technological area. Further, the Secretary is directed to provide the results of this report to the congressional defense committees not later than March 1, 2012. The report shall include an implementation plan to pilot this capability and demonstrate how the Department might begin to utilize COTS expense management solutions and whether the technology might be implemented throughout the Department.

CORROSION CONTROL MATERIAL FOR ASPHALT PRESERVATION OF AIRFIELD FACILITIES

In fiscal year 2005, the Office of Naval Research conducted an evaluation of asphalt preservation seal coatings on Department of Defense and Federal Aviation Administration airfields. Since that time, both Army and Air Force pavement specialists have evaluated asphalt preservation seal coats and preservation processes. The Committee urges the Department to robustly fund a program whereby mission-critical asphalt pavement, such as airfield runways, are systematically subjected to the preservation methods and materials recently proven effective in an extended test and evaluation study.

CIVIL-MILITARY TRAINING EXERCISES

The Committee finds that civil-military training can simultaneously enhance military readiness while meeting civil needs of the communities where the units train. Therefore, the Committee has fully funded the Department's requirement for such training exercises in fiscal year 2012.

HIGHER EDUCATION TRAINING

The Committee encourages the Department of Defense to support the training of Weapons of Mass Destruction nonproliferation specialists at U.S. institutions of higher education. The Department should cooperate with colleges and universities to expand the curricula offering in this field of study. Emphasis should also be placed on institutions that would provide on-the-job nonproliferation training and internship activities on campuses and at U.S. government agencies.

OPERATION AND MAINTENANCE REPROGRAMMINGS

The Committee recommends a provision identical to the provision enacted in fiscal year 2009 that requires the Department of Defense to submit the DD Form 1414, Base for Reprogramming Actions, for each of the fiscal year 2012 appropriation accounts not later than 60 days after the enactment of this Act. This provision prohibits the Department from executing any reprogramming or transfer of funds for any purpose other than originally appropriated until the aforementioned report is submitted to the House and Senate Appropriations Committees.

The Committee directs that proposed transfers of funds between O-1 budget activities in excess of \$15,000,000 be subject to the normal prior approval reprogramming procedures. In addition, the Department should follow prior approval reprogramming procedures for transfers in excess of \$15,000,000 out of the following budget subactivities:

Army:

Maneuver units
 Modular support brigades
 Land forces operations support
 Force readiness operations support
 Land forces depot maintenance
 Base operations support
 Facilities Sustainment, Repair, and Modernization

Navy:

Aircraft depot maintenance
 Ship depot maintenance
 Facilities Sustainment, Repair, and Modernization

Marine Corps:

Depot maintenance
 Facilities Sustainment, Repair, and Modernization

Air Force:

Operating Forces depot maintenance
 Mobilization depot maintenance
 Training and Recruiting depot maintenance
 Administration and Servicewide depot maintenance
 Primary combat forces
 Combat enhancement forces
 Combat communications
 Facilities Sustainment, Repair, and Modernization

Operation and Maintenance, Army National Guard:

Other Personnel Support/Recruiting and Advertising

With respect to Operation and Maintenance, Defense-Wide, proposed transfers of funds to or from the levels specified for defense agencies in excess of \$15,000,000 shall be subject to prior approval reprogramming procedures.

OPERATION AND MAINTENANCE BUDGET EXECUTION DATA

The Committee directs the Secretary of Defense to continue to provide the congressional defense committees with quarterly budget execution data. Such data should be provided not later than 45 days past the close of each quarter for the fiscal year and should be provided for each O-1 budget activity, activity group, and subactivity group for each of the active, defense-wide, reserve and National Guard components. For each O-1 budget activity, activity group, and subactivity group, these reports should include the budget request and actual obligation amount, the distribution of unallocated congressional adjustments to the budget request, all adjustments made by the Department of Defense in establishing the Base for Reprogramming (DD Form 1414) report, all adjustments resulting from below threshold reprogrammings, and all adjustments resulting from prior approval reprogramming requests.

OPERATION AND MAINTENANCE, ARMY

Fiscal year 2011 appropriation	\$33,306,117,000
Fiscal year 2012 budget request	34,735,216,000
Committee recommendation	34,581,321,000
Change from budget request	- 153,895,000

The Committee recommends an appropriation of \$34,581,321,000 for Operation and Maintenance, Army. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST	
OPERATION AND MAINTENANCE, ARMY				
BUDGET ACTIVITY 1: OPERATING FORCES				
LAND FORCES				
10	MANEUVER UNITS.....	1,399,804	1,399,804	---
20	MODULAR SUPPORT BRIGADES.....	104,629	104,629	---
30	ECHELONS ABOVE BRIGADES.....	815,920	815,920	---
40	THEATER LEVEL ASSETS.....	825,587	825,587	---
50	LAND FORCES OPERATIONS SUPPORT.....	1,245,231	1,245,231	---
60	AVIATION ASSETS.....	1,199,340	1,199,340	---
LAND FORCES READINESS				
70	FORCE READINESS OPERATIONS SUPPORT.....	2,939,455	2,939,455	---
80	LAND FORCES SYSTEMS READINESS.....	451,228	451,228	---
90	LAND FORCES DEPOT MAINTENANCE.....	1,179,675	1,179,675	---
LAND FORCES READINESS SUPPORT				
100	BASE OPERATIONS SUPPORT.....	7,637,052	7,990,052	+353,000
110	FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION..	2,495,667	2,495,667	---
120	MANAGEMENT AND OPERATIONAL HEADQUARTERS.....	397,952	397,952	---
130	COMBATANT COMMANDER'S CORE OPERATIONS.....	171,179	171,179	---
140	CONTRACTOR LOGISTICS SUPPORT.....	---	-50,000	-50,000
170	COMBATANT COMMANDERS ANCILLARY MISSIONS.....	459,585	439,112	-20,473
TOTAL, BUDGET ACTIVITY 1.....				
		21,322,304	21,604,831	+282,527
BUDGET ACTIVITY 2: MOBILIZATION				
MOBILITY OPERATIONS				
180	STRATEGIC MOBILITY.....	390,394	390,394	---
190	ARMY PREPOSITIONED STOCKS.....	169,535	169,535	---
200	INDUSTRIAL PREPAREDNESS.....	6,675	6,675	---
TOTAL, BUDGET ACTIVITY 2.....				
		566,604	566,604	---

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
ACCESSION TRAINING			
210 OFFICER ACQUISITION.....	113,262	113,262	---
220 RECRUIT TRAINING.....	71,012	71,012	---
230 ONE STATION UNIT TRAINING.....	49,275	49,275	---
240 SENIOR RESERVE OFFICERS TRAINING CORPS.....	417,071	451,071	+34,000
BASIC SKILL AND ADVANCED TRAINING			
250 SPECIALIZED SKILL TRAINING.....	1,045,948	1,045,948	---
260 FLIGHT TRAINING.....	1,083,808	1,083,808	---
270 PROFESSIONAL DEVELOPMENT EDUCATION.....	191,073	191,073	---
280 TRAINING SUPPORT.....	607,896	607,896	---
RECRUITING AND OTHER TRAINING AND EDUCATION			
290 RECRUITING AND ADVERTISING.....	523,501	523,501	---
300 EXAMINING.....	139,159	139,159	---
310 OFF-DUTY AND VOLUNTARY EDUCATION.....	238,978	238,978	---
320 CIVILIAN EDUCATION AND TRAINING.....	221,156	221,156	---
330 JUNIOR RESERVE OFFICERS TRAINING CORPS.....	170,889	170,889	---
TOTAL, BUDGET ACTIVITY 3.....	4,873,028	4,907,028	+34,000
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
SECURITY PROGRAMS			
340 SECURITY PROGRAMS.....	995,161	992,161	-3,000
LOGISTICS OPERATIONS			
350 SERVICEWIDE TRANSPORTATION.....	524,334	524,334	---
360 CENTRAL SUPPLY ACTIVITIES.....	705,668	708,668	+3,000
370 LOGISTICS SUPPORT ACTIVITIES.....	484,075	484,075	---
380 AMMUNITION MANAGEMENT.....	457,741	457,741	---

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

SERVICEMANAGEMENT SUPPORT			
390 ADMINISTRATION.....	775,313	775,313	---
400 SERVICEMANAGEMENT COMMUNICATIONS.....	1,534,706	1,569,384	+34,678
410 MANPOWER MANAGEMENT.....	316,924	316,924	---
420 OTHER PERSONNEL SUPPORT.....	214,356	214,356	---
430 OTHER SERVICE SUPPORT.....	1,093,877	1,098,777	+4,900
440 ARMY CLAIMS ACTIVITIES.....	216,621	216,621	---
450 REAL ESTATE MANAGEMENT.....	180,717	180,717	---
SUPPORT OF OTHER NATIONS			
460 SUPPORT OF NATO OPERATIONS.....	449,901	449,901	---
470 MISC. SUPPORT OF OTHER NATIONS.....	23,886	23,886	---
IMPROVED MANAGEMENT OF TELECOM SERVICES.....	---	-10,000	-10,000

TOTAL, BUDGET ACTIVITY 4.....	7,973,280	8,002,858	+29,578
EXCESS GROWTH IN SUPPLY PURCHASES.....	---	-500,000	-500,000
=====			
TOTAL, OPERATION AND MAINTENANCE, ARMY.....	34,735,216	34,581,321	-153,895
=====			

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

O-1	Budget Request	Committee Recommended	Change from Request
131 BASE OPERATIONS SUPPORT	7,637,052	7,990,052	353,000
Restore Army Requested Reduction to Family Programs		75,000	
Restore Underfunding Attributed to Efficiency Savings		278,000	
138 COMBATANT COMMANDER'S DIRECT MISSION SUPPORT	459,585	439,112	-20,473
Military Information Support Operations		-20,473	
CONTRACTOR LOGISTICS SUPPORT		-50,000	-50,000
314 SENIOR RESERVE OFFICER TRAINING CORP	417,071	451,071	34,000
Restore Army Requested Reduction to ROTC Maintains Ratio of Public to Private Colleges		34,000	
411 SECURITY PROGRAMS	995,161	992,161	-3,000
Military Information Support Operations		-3,000	
422 CENTRAL SUPPLY ACTIVITIES	705,668	708,668	3,000
Army Requested Transfer for AESIP from Other Procurement, Army line 116		3,000	
432 SERVICEWIDE COMMUNICATIONS	1,534,706	1,569,384	34,678
Transfer Automated Biometric Identification System (ABIS) from Title IX		26,200	
Expand ABIS to Improve Data Sharing with Federal Partner Agencies - Unique Identity Task Force		3,800	
Army Requested Transfer for GCSS-A from Other Procurement, Army line 116		2,883	
Army Requested Transfer for GFEBs from Other Procurement, Army line 116		1,795	
435 OTHER SERVICE SUPPORT	1,093,877	1,098,777	4,900
Army Support to the Capital 4 th		4,900	
IMPROVED MANAGEMENT OF TELECOM SERVICES		-10,000	-10,000
EXCESS GROWTH IN SUPPLY PURCHASES		-500,000	-500,000

UNIQUE IDENTITY

The Automated Biometric Identification System (ABIS) was originally implemented to collect and track biometric information taken from Improvised Explosive Devices in Iraq and Afghanistan. Since then, the Army has shared ABIS data with other federal agencies as a member of the Unique Identity program. The Unique Identity program was established to collect 10-print biometric information from travelers to the United States; share and compare biometric information collected and held by the Army in the ABIS, the Department of Justice Integrated Automated Fingerprint Identification System, as well as other law enforcement agencies; and enhance multi-modal capabilities for all users. In the past three years, the Army has become an increasingly significant partner in this effort.

The Committee is pleased with the excellent coordination and cooperation among federal agencies in enhancing interoperability, accelerating the response times, and sharing biometric information for national security and law enforcement purposes.

The Committee finds that the ABIS program has an enduring requirement and therefore shifts \$26,200,000 from the Army's Overseas Contingency Operations budget request to the Army's baseline funding account and increases funding for ABIS by \$3,800,000. The Committee directs the Secretary of the Army to work with federal agency counterparts to continue providing quarterly briefings on the progress made in implementing system interoperability, operational impacts resulting from remaining gaps, and steps being taken to close such gaps.

FACILITY DEMOLITION TO PROMOTE PERSONNEL SAFETY

As written earlier in this report, the Committee restores funding to correct a funding shortfall of \$884,700,000, including \$278,000,000 in Army base operations, caused by unrealistic efficiency savings reductions assumed in the fiscal year 2012 budget request. The Committee also encourages full funding of Facilities Sustainment, Restoration, and Modernization projects for high priority demolition projects to promote personnel safety on Army installations.

OPERATION AND MAINTENANCE, NAVY

Fiscal year 2011 appropriation	\$37,809,239,000
Fiscal year 2012 budget request	39,364,688,000
Committee recommendation	39,385,685,000
Change from budget request	20,997,000

The Committee recommends an appropriation of \$39,385,685,000 for Operation and Maintenance, Navy. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST	
OPERATION AND MAINTENANCE, NAVY				
BUDGET ACTIVITY 1: OPERATING FORCES				
AIR OPERATIONS				
10	MISSION AND OTHER FLIGHT OPERATIONS.....	4,762,887	4,762,887	---
20	FLEET AIR TRAINING.....	1,771,644	1,771,644	---
30	AVIATION TECHNICAL DATA AND ENGINEERING SERVICES.....	46,321	46,321	---
40	AIR OPERATIONS AND SAFETY SUPPORT.....	104,751	104,751	---
50	AIR SYSTEMS SUPPORT.....	431,576	431,576	---
60	AIRCRAFT DEPOT MAINTENANCE.....	1,030,303	1,030,303	---
70	AIRCRAFT DEPOT OPERATIONS SUPPORT.....	37,403	37,403	---
80	AVIATION LOGISTICS.....	238,007	238,007	---
SHIP OPERATIONS				
90	MISSION AND OTHER SHIP OPERATIONS.....	3,820,186	3,795,186	-25,000
100	SHIP OPERATIONS SUPPORT AND TRAINING.....	734,866	734,866	---
110	SHIP DEPOT MAINTENANCE.....	4,972,609	5,337,609	+365,000
120	SHIP DEPOT OPERATIONS SUPPORT.....	1,304,271	1,089,271	-215,000
COMBAT COMMUNICATIONS/SUPPORT				
130	COMBAT COMMUNICATIONS.....	583,659	556,259	-27,400
140	ELECTRONIC WARFARE.....	97,011	97,011	---
150	SPACE SYSTEMS AND SURVEILLANCE.....	162,303	162,303	---
160	WARFARE TACTICS.....	423,187	413,187	-10,000
170	OPERATIONAL METEOROLOGY AND OCEANOGRAPHY.....	320,141	320,141	---
180	COMBAT SUPPORT FORCES.....	1,076,478	1,076,478	---
190	EQUIPMENT MAINTENANCE.....	187,037	187,037	---
200	DEPOT OPERATIONS SUPPORT.....	4,352	4,352	---
210	COMBATANT COMMANDERS CORE OPERATIONS.....	103,830	103,830	---
220	COMBATANT COMMANDERS DIRECT MISSION SUPPORT.....	180,800	174,700	-6,100

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

WEAPONS SUPPORT			
230 CRUISE MISSILE.....	125,333	125,333	---
240 FLEET BALLISTIC MISSILE.....	1,209,410	1,209,410	---
250 IN-SERVICE WEAPONS SYSTEMS SUPPORT.....	99,063	99,063	---
260 WEAPONS MAINTENANCE.....	450,454	465,454	+15,000
270 OTHER WEAPON SYSTEMS SUPPORT.....	358,002	358,002	---
BASE SUPPORT			
280 ENTERPRISE INFORMATION TECHNOLOGY.....	971,189	971,189	---
290 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ..	1,946,779	2,094,916	+148,137
300 BASE OPERATING SUPPORT.....	4,610,525	4,610,525	---
140 CONTRACTOR LOGISTICS SUPPORT.....	---	-150,000	-150,000
TOTAL, BUDGET ACTIVITY 1.....	32,164,377	32,259,014	+94,637
BUDGET ACTIVITY 2: MOBILIZATION READY RESERVE AND PREPOSITIONING FORCES			
310 SHIP PREPOSITIONING AND SURGE.....	493,326	493,326	---
ACTIVATIONS/INACTIVATIONS			
320 AIRCRAFT ACTIVATIONS/INACTIVATIONS.....	6,228	6,228	---
330 SHIP ACTIVATIONS/INACTIVATIONS.....	205,898	205,898	---
MOBILIZATION PREPAREDNESS			
340 FLEET HOSPITAL PROGRAM.....	68,634	68,634	---
350 INDUSTRIAL READINESS.....	2,684	2,684	---
360 COAST GUARD SUPPORT.....	25,192	25,192	---
TOTAL, BUDGET ACTIVITY 2.....	801,962	801,962	---
BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
ACCESSION TRAINING			
370 OFFICER ACQUISITION.....	147,540	147,540	---
380 RECRUIT TRAINING.....	10,655	10,655	---
390 RESERVE OFFICERS TRAINING CORPS.....	151,147	148,361	-2,786
BASIC SKILLS AND ADVANCED TRAINING			
400 SPECIALIZED SKILL TRAINING.....	594,799	547,278	-47,521
410 FLIGHT TRAINING.....	9,034	9,034	---
420 PROFESSIONAL DEVELOPMENT EDUCATION.....	173,452	159,136	-14,316
430 TRAINING SUPPORT.....	168,025	168,025	---

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

RECRUITING, AND OTHER TRAINING AND EDUCATION			
440 RECRUITING AND ADVERTISING.....	254,860	255,843	+983
450 OFF-DUTY AND VOLUNTARY EDUCATION.....	140,279	140,279	---
460 CIVILIAN EDUCATION AND TRAINING.....	107,561	107,561	---
470 JUNIOR ROTC.....	52,689	52,689	---

TOTAL, BUDGET ACTIVITY 3.....	1,810,041	1,746,401	-63,640
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
SERVICEWIDE SUPPORT			
480 ADMINISTRATION.....	754,483	754,483	---
490 EXTERNAL RELATIONS.....	14,275	14,275	---
500 CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT.....	112,616	112,616	---
510 MILITARY MANPOWER AND PERSONNEL MANAGEMENT.....	216,483	216,483	---
520 OTHER PERSONNEL SUPPORT.....	282,295	282,295	---
530 SERVICEWIDE COMMUNICATIONS.....	534,873	534,873	---
LOGISTICS OPERATIONS AND TECHNICAL SUPPORT			
550 SERVICEWIDE TRANSPORTATION.....	190,662	190,662	---
570 PLANNING, ENGINEERING AND DESIGN.....	303,636	303,636	---
580 ACQUISITION AND PROGRAM MANAGEMENT.....	903,885	903,885	---
590 HULL, MECHANICAL AND ELECTRICAL SUPPORT.....	54,880	54,880	---
600 COMBAT/WEAPONS SYSTEMS.....	20,687	20,687	---
610 SPACE AND ELECTRONIC WARFARE SYSTEMS.....	68,374	68,374	---
SECURITY PROGRAMS			
620 NAVAL INVESTIGATIVE SERVICE.....	572,928	572,928	---
SUPPORT OF OTHER NATIONS			
680 INTERNATIONAL HEADQUARTERS AND AGENCIES.....	5,516	5,516	---
OTHER PROGRAMS			
OTHER PROGRAMS.....	552,715	552,715	---
IMPROVED MANAGEMENT OF TELECOM SERVICES.....	---	-10,000	-10,000

TOTAL, BUDGET ACTIVITY 4.....	4,588,308	4,578,308	-10,000
=====			
TOTAL, OPERATION AND MAINTENANCE, NAVY.....	39,364,688	39,385,685	+20,997
=====			

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

O-1	Budget Request	Committee Recommended	Change from Request	
1B1B	MISSION AND OTHER SHIP OPERATIONS	3,820,186	3,795,186	-25,000
	Reduced Number of Deployed Steaming Days		-25,000	
1B4B	SHIP DEPOT MAINTENANCE	4,972,609	5,337,609	365,000
	Increase Percentage of Required Ship Maintenance Funded	150,000		
	Additional Ship Maintenance Performed at Pearl Harbor Naval Shipyard	120,000		
	Additional Ship Maintenance Performed at Puget Sound Naval Shipyard	60,000		
	Additional Ship Maintenance Performed at Portsmouth Naval Shipyard	35,000		
1B5B	SHIP DEPOT OPERATIONS SUPPORT	1,304,271	1,089,271	-215,000
	Excess Overhead at Pearl Harbor Naval Shipyard	-120,000		
	Excess Overhead at Puget Sound Naval Shipyard	-60,000		
	Excess Overhead at Portsmouth Naval Shipyard	-35,000		
1C1C	COMBAT COMMUNICATIONS	583,659	556,259	-27,400
	Eliminate Requested Growth of Contractor Full-time Equivalents		-27,400	
1C4C	WARFARE TACTICS	423,187	413,187	-10,000
	Denies Funding Requested to Stand-up a new Center of Excellence		-10,000	
1CCM	COMBATANT COMMANDERS DIRECT MISSION SUPPORT	180,800	174,700	-6,100
	Military Information Support Operations		-6,100	
1D4D	WEAPONS MAINTENANCE	450,454	465,454	15,000
	Ship Self Defense Program Increase		15,000	
BSM1	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	1,946,779	2,094,916	148,137
	Restores Underfunding Attributed to Efficiency Savings		148,137	
	CONTRACTOR LOGISTICS SUPPORT		-150,000	-150,000
3A3J	RESERVE OFFICERS TRAINING CORPS	151,147	148,361	-2,786
	Excessive Program Increase for GSA Lease Cost		-2,786	
3B1K	SPECIALIZED SKILL TRAINING	594,799	547,278	-47,521
	Unjustified Growth in Moored and Tech Training		-47,521	
3B3K	PROFESSIONAL DEVELOPMENT EDUCATION	173,452	159,136	-14,316
	Denies Facilities Sustainment, Restoration & Modernization Request in this Subactivity group		-7,988	
	Request Increase of Distance Learning is Not Supported with Performance Data		-6,328	
3C1L	RECRUITING AND ADVERTISING	254,860	255,843	983
	Naval Sea Cadet Corps		983	
	IMPROVED MANAGEMENT OF TELECOM SERVICES		-10,000	-10,000

OVERHEAD COSTS AT NAVAL SHIPYARDS

The Navy owns and operates four shipyards: the Norfolk Naval Shipyard in Portsmouth, Virginia; the Portsmouth Naval Shipyard in Kittery, Maine; the Puget Sound Naval Shipyard in Bremerton, Washington; and the Pearl Harbor Naval Shipyard in Pearl Harbor, Hawaii. From the 1950s until very recently, the Navy financed these shipyards through the Navy Working Capital Fund (NWCF). Under the NWCF's revolving-fund approach, the shipyards set prices for maintenance and repair services that were intended to cover their full operating costs, and the Navy's Atlantic and Pacific Fleets as well as its other customers paid for those services out of their appropriated funds. The benefits of the NWCF financing is that costs are transparent and there is an incentive for efficient operations in order to keep cost to the customers competitively low.

In recent years, the Navy has changed the mechanism it uses to fund each of the shipyards by shifting from the NWCF to direct appropriations, a financing mechanism known as mission funding.

That lack of transparency and efficiency incentives has resulted in large overhead costs. An examination of the Navy's detailed budget justification indicates that the difference in percentage of Naval Shipyard overhead funding between shipyards is significant. Overhead rates range from twenty-nine percent at the Norfolk Naval Shipyard to forty-three percent at the Pearl Harbor Naval Shipyard, as displayed below:

	Pearl Harbor	Puget Sound	Portsmouth	Norfolk
Direct costs (\$s millions)	340	912	388	720
Overhead costs (\$s millions)	259	426	190	296
Shipyard Funding (\$s millions)	599	1,339	579	1,016
Percentage of direct	57%	68%	67%	71%
Percentage of overhead	43%	32%	33%	29%

The Committee is concerned that the overhead costs are excessive and is puzzled by the wide disparity. The recommendation adjusts funding to reduce overhead costs such that they do not exceed the Norfolk Naval Shipyard's rate of twenty-nine percent. These funds have been redistributed from overhead to depot maintenance funding. The Committee recommends that the Secretary of the Navy carefully review Naval Shipyard operations and eliminate all unnecessary overhead costs.

NEXT GENERATION ENTERPRISE NETWORK

The Committee has concerns with the Navy's proposed program to transition from the Navy Marine Corps Intranet (NMCI) to its Next Generation Enterprise Network (NGEN). A March 2011 Government Accountability Office (GAO) study of the program questioned the Navy's current acquisition approach and recommended that the Navy immediately limit further investment in Next Generation Enterprise Network pending a comprehensive review of the acquisition strategy. In the study, the GAO determined the Navy's current acquisition strategy is \$4,700,000,000 more costly and introduces more risk than other alternatives. In addition, Next Gen-

eration Enterprise Network program execution has not been based on the kind of reliably derived integrated master schedule that is essential to overall program success.

The Navy's fiscal year 2012 budget requests \$1,737,000,000 for the Next Generation Enterprise Network. The Committee believes that greater oversight of the program is required by the Office of the Secretary of Defense. Given the scope and nature of the program's significance to the Navy's operational and cybersecurity capabilities, it is important that action is taken to ensure that risks and costs have been fully addressed. Accordingly, the Committee recommends that the Secretary of Defense conduct an Independent Cost Estimate (ICE) of the Navy's NGEN acquisition strategy and a risk analysis of the impact that program transition from the Navy and Marine Corps Intranet to NGEN will have on network support to Navy and Marine Corps operations.

ADVANCED EDUCATION

The Committee has long recognized the value of advanced education in science and technology to support improved combat effectiveness of U.S. military forces. Therefore, the Committee has fully funded the Navy's fiscal year 2012 request for the Naval Postgraduate School.

OPERATION AND MAINTENANCE, MARINE CORPS

Fiscal year 2011 appropriation	\$5,539,740,000
Fiscal year 2012 budget request	5,960,437,000
Committee recommendation	6,036,996,000
Change from budget request	76,559,000

The Committee recommends an appropriation of \$6,036,996,000 for Operation and Maintenance, Marine Corps. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST	
OPERATION AND MAINTENANCE, MARINE CORPS				
BUDGET ACTIVITY 1: OPERATING FORCES				
EXPEDITIONARY FORCES				
10	OPERATIONAL FORCES.....	715,196	791,755	+76,559
20	FIELD LOGISTICS.....	677,608	677,608	---
30	DEPOT MAINTENANCE.....	190,713	190,713	---
USMC PREPOSITIONING				
40	MARITIME PREPOSITIONING.....	101,464	101,464	---
60	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ..	823,390	823,390	---
70	BASE OPERATING SUPPORT.....	2,208,949	2,208,949	---
TOTAL, BUDGET ACTIVITY 1.....				
		4,717,320	4,793,879	+76,559
BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
ACCESSION TRAINING				
80	RECRUIT TRAINING.....	18,280	18,280	---
90	OFFICER ACQUISITION.....	820	820	---
BASIC SKILLS AND ADVANCED TRAINING				
100	SPECIALIZED SKILLS TRAINING.....	85,816	85,816	---
120	PROFESSIONAL DEVELOPMENT EDUCATION.....	33,142	33,142	---
130	TRAINING SUPPORT.....	324,643	324,643	---
RECRUITING AND OTHER TRAINING EDUCATION				
140	RECRUITING AND ADVERTISING.....	184,432	184,432	---
150	OFF-DUTY AND VOLUNTARY EDUCATION.....	43,708	43,708	---
160	JUNIOR ROTC.....	19,671	19,671	---
TOTAL, BUDGET ACTIVITY 3.....				
		710,512	710,512	---

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST	

BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
SERVICEWIDE SUPPORT				
180	SERVICEWIDE TRANSPORTATION.....	36,021	36,021	---
190	ADMINISTRATION.....	405,431	405,431	---
200	ACQUISITION AND PROGRAM MANAGEMENT.....	91,153	91,153	---

	TOTAL, BUDGET ACTIVITY 4.....	532,605	532,605	---
=====				
	TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS.....	5,960,437	6,036,996	+76,559
=====				

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

O-1	Budget Request	Committee Recommended	Change from Request
^{1A1A} OPERATIONAL FORCES	715,196	791,755	76,559
Restores Underfunding Attributed to Efficiency Savings		49,559	
Marine Corps Requested Transfer for Family of Shelters from Procurement, Marine Corps line 38		27,000	

OPERATION AND MAINTENANCE, AIR FORCE

Fiscal year 2011 appropriation	\$36,062,989,000
Fiscal year 2012 budget request	36,195,133,000
Committee recommendation	36,065,107,000
Change from budget request	- 130,026,000

The Committee recommends an appropriation of \$36,065,107,000 for Operation and Maintenance, Air Force. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

OPERATION AND MAINTENANCE, AIR FORCE			
BUDGET ACTIVITY 1: OPERATING FORCES			
AIR OPERATIONS			
10	4,224,400	1,739,346	-2,485,054
20	3,417,731	1,717,723	-1,700,008
30	1,482,814	828,756	-654,058
50	2,204,131	7,017,516	+4,813,385
60	1,652,318	1,952,318	+300,000
70	2,507,179	2,507,179	---
COMBAT RELATED OPERATIONS			
80	1,492,459	1,492,459	---
90	1,046,226	1,046,226	---
100	696,188	676,188	-20,000
SPACE OPERATIONS			
110	321,484	321,484	---
120	633,738	611,620	-22,118
130	735,488	699,641	-35,847
140	170,481	170,481	---
140	---	-200,000	-200,000

TOTAL, BUDGET ACTIVITY 1	20,584,637	20,580,937	-3,700

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

BUDGET ACTIVITY 2: MOBILIZATION			
MOBILITY OPERATIONS			
150 AIRLIFT OPERATIONS.....	2,988,221	1,834,060	-1,154,161
160 MOBILIZATION PREPAREDNESS.....	150,724	139,282	-11,442
170 DEPOT MAINTENANCE.....	373,568	1,529,171	+1,155,603
180 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ..	388,103	388,103	---
190 BASE SUPPORT.....	674,230	674,230	---

TOTAL, BUDGET ACTIVITY 2.....	4,574,846	4,564,846	-10,000
BUDGET ACTIVITY 3: TRAINING AND RECRUITING			
ACCESSION TRAINING			
200 OFFICER ACQUISITION.....	114,448	114,448	---
210 RECRUIT TRAINING.....	22,192	22,192	---
220 RESERVE OFFICER TRAINING CORPS (ROTC).....	90,545	90,545	---
230 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ..	430,090	430,090	---
240 BASE SUPPORT (ACADEMIES ONLY).....	789,654	789,654	---
BASIC SKILLS AND ADVANCED TRAINING			
250 SPECIALIZED SKILL TRAINING.....	481,357	188,281	-293,076
260 FLIGHT TRAINING.....	957,538	957,538	---
270 PROFESSIONAL DEVELOPMENT EDUCATION.....	198,897	198,897	---
280 TRAINING SUPPORT.....	108,248	108,248	---
290 DEPOT MAINTENANCE.....	6,386	299,462	+293,076
RECRUITING, AND OTHER TRAINING AND EDUCATION			
300 RECRUITING AND ADVERTISING.....	136,102	136,102	---
310 EXAMINING.....	3,079	3,079	---
320 OFF DUTY AND VOLUNTARY EDUCATION.....	167,660	167,660	---
330 CIVILIAN EDUCATION AND TRAINING.....	202,767	189,767	-13,000
340 JUNIOR ROTC.....	75,259	75,259	---

TOTAL, BUDGET ACTIVITY 3.....	3,784,222	3,771,222	-13,000

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
LOGISTICS OPERATIONS			
350 LOGISTICS OPERATIONS.....	1,112,878	1,043,596	-69,282
360 TECHNICAL SUPPORT ACTIVITIES.....	785,150	785,150	---
370 DEPOT MAINTENANCE.....	14,356	15,812	+1,456
380 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ..	416,588	416,588	---
390 BASE SUPPORT.....	1,219,043	1,219,043	---
SERVICEWIDE ACTIVITIES			
400 ADMINISTRATION.....	662,180	662,180	---
410 SERVICEWIDE COMMUNICATIONS.....	650,689	650,689	---
420 OTHER SERVICEWIDE ACTIVITIES.....	1,078,769	1,067,769	-11,000
430 CIVIL AIR PATROL CORPORATION.....	23,338	27,838	+4,500
SUPPORT TO OTHER NATIONS			
460 INTERNATIONAL SUPPORT.....	72,589	53,589	-19,000
OTHER PROGRAMS.....			
OTHER PROGRAMS.....	1,215,848	1,215,848	---
IMPROVED MANAGEMENT OF TELECOM SERVICES.....	---	-10,000	-10,000

TOTAL, BUDGET ACTIVITY 4.....	7,251,428	7,148,102	-103,326
=====			
TOTAL, OPERATION AND MAINTENANCE, AIR FORCE.....	36,195,133	36,065,107	-130,026
=====			

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

O-1		Budget Request	Committee Recommended	Change from Request
011A	PRIMARY COMBAT FORCES	4,224,400	1,739,346	-2,485,054
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-2,485,054	
011C	COMBAT ENHANCEMENT FORCES	3,417,731	1,717,723	-1,700,008
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-1,700,008	
	Unjustified Increase in Travel		-10,000	
011D	AIR OPERATIONS TRAINING	1,482,814	828,756	-654,058
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-654,058	
011M	DEPOT MAINTENANCE	2,204,131	7,017,516	4,813,385
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		2,485,054	
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		1,700,008	
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		654,058	
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		22,118	
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		2,147	
	Efficiency Due to Consolidation of Management of Depot Maintenance		-50,000	
011R	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	1,652,318	1,952,318	300,000
	Restores Underfunding Attributed to Efficiency Savings		300,000	
012F	TACTICAL INTELLIGENCE AND SPECIAL ACTIVITIES	696,188	676,188	-20,000
	Classified Adjustment		-20,000	
013C	SPACE CONTROL SYSTEMS	633,738	611,620	-22,118
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-22,118	
015A	COMBATANT COMMANDERS DIRECT MISSION SUPPORT	735,488	699,641	-35,847
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-2,147	
	Military Information Support Operations		-33,700	
	CONTRACTOR LOGISTICS SUPPORT		-200,000	-200,000
021A	AIRLIFT OPERATIONS	2,988,221	1,834,060	-1,154,161
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-1,154,161	
021D	MOBILIZATION PREPAREDNESS	150,724	139,282	-11,442
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-11,442	

O-1	Budget Request	Committee Recommended	Change from Request
021M DEPOT MAINTENANCE	373,568	1,529,171	1,155,603
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		1,154,161	
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		11,442	
Efficiency Due to Consolidation of Management of Depot Maintenance		-10,000	
032A SPECIALIZED SKILL TRAINING	481,357	188,281	-293,076
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-293,076	
032M DEPOT MAINTENANCE	6,386	299,462	293,076
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		293,076	
033D CIVILIAN EDUCATION AND TRAINING	202,767	189,767	-13,000
Maintain Service Contracts at the fiscal year 2011 Level		-13,000	
041A LOGISTICS OPERATIONS	1,112,878	1,043,596	-69,282
Unjustified Program Growth for Expeditionary Combat Support System Sustainment		-67,826	
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-1,456	
041M DEPOT MAINTENANCE	14,356	15,812	1,456
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		1,456	
042G OTHER SERVICEWIDE ACTIVITIES	1,078,769	1,067,769	-11,000
Revised Transportation Estimate		-11,000	
042I CIVIL AIR PATROL CORPORATION	23,338	27,838	4,500
Civil Air Patrol		4,500	
044A INTERNATIONAL SUPPORT	72,589	53,589	-19,000
Unjustified Establishment of a New Strategic Airlift Consortium		-19,000	
IMPROVED MANAGEMENT OF TELECOM SERVICES		-10,000	-10,000

VISIBILITY OF DEPOT MAINTENANCE FUNDING

The Air Force has not properly justified \$6,398,905,000 of depot maintenance funding contained in the Air Force's fiscal year 2012 budget request by not correctly reflecting the requested funding for weapon system depot maintenance in depot maintenance funding lines. The Air Force justification material displays \$2,598,441,000 for weapon system depot maintenance on the following fiscal year 2012 budget exhibits:

- O-1 "O&M Funding by Budget Activity, Activity Group, and Subactivity Group";
- OP-5 "Detail by Subactivity Group"; and
- OP-30 "Depot Maintenance Program."

However, the OP-32 "Summary of Price and Program Changes" and the "Appendix to the Budget of the U.S Government, FY2012" indicates that the Air Force's fiscal year 2012 budget request contains \$8,997,346,000 for weapon system depot maintenance, a difference of \$6,398,905,000. Further, the Committee notes that, as well as understating the depot maintenance funding request by \$6,398,905,000, the OP-30 "Depot Maintenance Program" budget exhibit contains additional errors.

In addition to the serious concern that the Air Force's depot maintenance funding request is not fully justified, the Committee is deeply concerned that lack of visibility of depot maintenance funding is an obstacle to effective management. Proper management of the depot maintenance program is critical to military readiness. Therefore, the Committee identifies and consolidates all depot maintenance funding contained in the Air Force's fiscal year 2012 budget request in the "Depot Maintenance" Subactivity Group, and adjusts funding to reflect the improved management of the depot maintenance program that can occur with central visibility of all depot maintenance funding.

CANINE EXPLOSIVE DETECTION CAPABILITIES

The Department of Defense's use of canines to help locate and clear Improvised Explosive Devices has been highly successful and has contributed to the success of the counterinsurgency mission. The Committee urges the Secretary of the Air Force, the executive agent for the military working dog program, to robustly fund the canine explosive detection capabilities program, continue training military working dog handlers and their dogs, and deploy trained dog handlers and their dogs to Afghanistan to find buried improvised explosive devices.

QUICK REACTION CAPABILITY

The Committee finds that the Quick Reaction Capability systems have significantly enhanced the effectiveness of the Air Force's military operations in the U.S. Central Command. The Committee recommends that the Air Force seek a waiver to Section 2401 of Title 10 United States Code regarding the lease of aircraft, so that these systems can continue to be deployed in direct support of combat operations.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Fiscal year 2011 appropriation	\$30,210,810,000
Fiscal year 2012 budget request	30,940,409,000
Committee recommendation	30,682,265,000
Change from budget request	-258,144,000

The Committee recommends an appropriation of \$30,682,265,000, for Operation and Maintenance, Defense-Wide. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST	
OPERATION AND MAINTENANCE, DEFENSE-WIDE				
BUDGET ACTIVITY 1: OPERATING FORCES				
10	JOINT CHIEFS OF STAFF.....	563,787	563,787	---
20	SPECIAL OPERATIONS COMMAND.....	3,986,766	3,903,859	-82,907
	TOTAL, BUDGET ACTIVITY 1.....	4,550,553	4,467,646	-82,907
BUDGET ACTIVITY 3: TRAINING AND RECRUITING				
30	DEFENSE ACQUISITION UNIVERSITY.....	124,075	124,075	---
40	NATIONAL DEFENSE UNIVERSITY.....	93,348	93,348	---
	TOTAL, BUDGET ACTIVITY 3.....	217,423	217,423	---
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
50	CIVIL MILITARY PROGRAMS.....	159,692	169,692	+10,000
80	DEFENSE CONTRACT AUDIT AGENCY.....	508,822	495,722	-13,100
100	DEFENSE FINANCE AND ACCOUNTING SERVICE.....	12,000	12,000	---
120	DEFENSE INFORMATION SYSTEMS AGENCY.....	1,360,392	1,360,392	---
140	DEFENSE LEGAL SERVICES AGENCY.....	37,367	37,367	---
150	DEFENSE LOGISTICS AGENCY.....	450,863	432,263	-18,600
160	DEFENSE MEDIA ACTIVITY.....	256,133	256,133	---
170	DEFENSE POW /MISSING PERSONS OFFICE.....	22,372	22,372	---
200	DEFENSE TECHNOLOGY SECURITY AGENCY.....	33,848	33,848	---
210	DEFENSE THREAT REDUCTION AGENCY.....	432,133	432,133	---
220	DEPARTMENT OF DEFENSE EDUCATION ACTIVITY.....	2,768,677	2,768,677	---
110	DEFENSE HUMAN RESOURCES ACTIVITY.....	676,419	676,289	-130
90	DEFENSE CONTRACT MANAGEMENT AGENCY.....	1,147,366	1,147,366	---
180	DEFENSE SECURITY COOPERATION AGENCY.....	682,831	682,831	---
190	DEFENSE SECURITY SERVICE.....	505,366	505,366	---
230	MISSILE DEFENSE AGENCY.....	202,758	202,758	---
250	OFFICE OF ECONOMIC ADJUSTMENT.....	81,754	91,754	+10,000
260	OFFICE OF THE SECRETARY OF DEFENSE.....	2,201,964	2,165,564	-36,400
270	WASHINGTON HEADQUARTERS SERVICES.....	563,184	563,184	---
	TOTAL, BUDGET ACTIVITY 4.....	12,103,941	12,055,711	-48,230

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
IMPACT AID.....	---	40,000	+40,000
OTHER PROGRAMS.....	14,068,492	13,901,485	-167,007
TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE.....	30,940,409	30,682,265	-258,144

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

O-1	Budget Request	Committee Recommended	Change from Request
SPECIAL OPERATIONS COMMAND	3,986,766	3,903,859	-82,907
Sustaining Base Communications - Excessive Growth		-8,000	
Aviation Foreign Internal Defense		-17,607	
Military Information Support Operations		-57,300	
CIVIL MILITARY PROGRAMS	159,692	169,692	10,000
Youth ChalleNGe		5,000	
STARBASE Youth Program		5,000	
DEFENSE CONTRACT AUDIT AGENCY	508,822	495,722	-13,100
Transfer from Excess Support Overhead Costs for Additional Contract Oversight		26,100	
Reduction in Non-Pay Personnel Support Overhead Costs		-39,200	
DEFENSE LOGISTICS AGENCY	450,863	432,263	-18,600
Unjustified Request for the Defense Property Accountability System Program Office		-1,600	
Efficiencies in the Continuity of Operations Policy		-3,000	
Overstatement DoD Enterprise Systems Development and Demonstration Costs		-23,000	
Procurement Technical Assistance Program		9,000	
DEFENSE HUMAN RESOURCES ACTIVITY	676,419	676,289	-130
Fully Fund Wounded Care and Transition Policy Office Unjustified Increase for the Request for Defense Advisory Committee on Women in the Services Program Reporting		300 -430	
OFFICE OF ECONOMIC ADJUSTMENT	81,754	91,754	10,000
Program Increase		10,000	
OFFICE OF THE SECRETARY OF DEFENSE	2,201,964	2,165,564	-36,400
Duplicative Funding Request - Army also requested Funding for the Synchronization Pre-deployment and Operational Tracker		-19,000	
Unjustified Growth for Boards and Commissions		-7,300	
Unjustified Growth for the Office of the Under Secretary of Defense, Policy and for other OSD Programs		-10,100	
OTHER PROGRAMS	14,068,492	13,901,485	-167,007
Classified Adjustment		-167,007	
IMPACT AID		40,000	40,000

OPERATION AND MAINTENANCE, ARMY RESERVE

Fiscal year 2011 appropriation	\$2,840,427,000
Fiscal year 2012 budget request	3,109,176,000
Committee recommendation	3,047,033,000
Change from budget request	-62,143,000

The Committee recommends an appropriation of \$3,047,033,000 for Operation and Maintenance, Army Reserve. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST	
OPERATION AND MAINTENANCE, ARMY RESERVE				
BUDGET ACTIVITY 1: OPERATING FORCES				
LAND FORCES				
10	MANEUVER UNITS.....	1,091	1,091	---
20	MODULAR SUPPORT BRIGADES.....	18,129	18,129	---
30	ECHELONS ABOVE BRIGADES.....	492,705	492,705	---
40	THEATER LEVEL ASSETS.....	137,304	137,304	---
50	LAND FORCES OPERATIONS SUPPORT.....	597,786	597,786	---
60	AVIATION ASSETS.....	67,366	67,366	---
LAND FORCES READINESS				
70	FORCES READINESS OPERATIONS SUPPORT.....	474,966	454,523	-20,443
80	LAND FORCES SYSTEM READINESS.....	69,841	69,841	---
90	DEPOT MAINTENANCE.....	247,010	247,010	---
LAND FORCES READINESS SUPPORT				
100	BASE OPERATIONS SUPPORT.....	590,078	590,078	---
110	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ..	255,618	255,618	---

	TOTAL, BUDGET ACTIVITY 1.....	2,951,894	2,931,451	-20,443
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
ADMINISTRATION AND SERVICEWIDE ACTIVITIES				
130	SERVICEWIDE TRANSPORTATION.....	14,447	14,447	---
140	ADMINISTRATION.....	76,393	76,393	---
150	SERVICEWIDE COMMUNICATIONS.....	3,844	3,844	---
160	PERSONNEL/FINANCIAL ADMINISTRATION	9,033	9,033	---
170	RECRUITING AND ADVERTISING.....	53,565	53,565	---

	TOTAL, BUDGET ACTIVITY 4.....	157,282	157,282	---
	OVERSTATEMENT OF AUTHORIZED MILITARY TECHNICIANS.....	---	-41,700	-41,700
=====				
	TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE.....	3,109,176	3,047,033	-62,143
=====				

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

O-1		Budget Request	Committee Recommended	Change from Request
121	FORCES READINESS OPERATIONS SUPPORT	474,966	454,523	-20,443
	Denies Requested Funding for Milcon Planning and Design in Operation and Maintenance, Army Reserve		-20,443	
	OVERSTATEMENT OF AUTHORIZED MILITARY TECHNICIANS		-41,700	-41,700

OPERATION AND MAINTENANCE, NAVY RESERVE

Fiscal year 2011 appropriation	\$1,344,264,000
Fiscal year 2012 budget request	1,323,134,000
Committee recommendation	1,323,134,000
Change from budget request	--

The Committee recommends an appropriation of \$1,323,134,000 for Operation and Maintenance, Navy Reserve. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST	
OPERATION AND MAINTENANCE, NAVY RESERVE				
BUDGET ACTIVITY 1: OPERATING FORCES				
RESERVE AIR OPERATIONS				
10	MISSION AND OTHER FLIGHT OPERATIONS.....	622,868	622,868	---
20	INTERMEDIATE MAINTENANCE.....	16,041	16,041	---
30	AIR OPERATIONS AND SAFETY SUPPORT.....	1,511	1,511	---
40	AIRCRAFT DEPOT MAINTENANCE.....	123,547	123,547	---
50	AIRCRAFT DEPOT OPERATIONS SUPPORT.....	379	379	---
RESERVE SHIP OPERATIONS				
60	MISSION AND OTHER SHIP OPERATIONS.....	49,701	49,701	---
70	SHIP OPERATIONAL SUPPORT AND TRAINING.....	593	593	---
80	SHIP DEPOT MAINTENANCE.....	53,916	53,916	---
RESERVE COMBAT OPERATIONS SUPPORT				
90	COMBAT COMMUNICATIONS.....	15,445	15,445	---
100	COMBAT SUPPORT FORCES.....	153,942	153,942	---
RESERVE WEAPONS SUPPORT				
110	WEAPONS MAINTENANCE.....	7,292	7,292	---
120	ENTERPRISE INFORMATION TECHNOLOGY.....	75,131	75,131	---
BASE OPERATING SUPPORT				
130	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ..	72,083	72,083	---
140	BASE OPERATING SUPPORT.....	109,024	109,024	---

	TOTAL, BUDGET ACTIVITY 1.....	1,301,473	1,301,473	---

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
150 ADMINISTRATION.....	1,857	1,857	---
160 MILITARY MANPOWER & PERSONNEL.....	14,438	14,438	---
170 SERVICEWIDE COMMUNICATIONS.....	2,394	2,394	---
180 ACQUISITION AND PROGRAM MANAGEMENT.....	2,972	2,972	---
TOTAL, BUDGET ACTIVITY 4.....	21,661	21,661	---
=====			
TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE.....	1,323,134	1,323,134	---
=====			

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

Fiscal year 2011 appropriation	\$275,484,000
Fiscal year 2012 budget request	271,443,000
Committee recommendation	271,443,000
Change from budget request	--

The Committee recommends an appropriation of \$271,443,000 for Operation and Maintenance, Marine Corps Reserve. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST	
OPERATION AND MAINTENANCE, MARINE CORPS RESERVE				
BUDGET ACTIVITY 1: OPERATING FORCES				
EXPEDITIONARY FORCES				
10	OPERATING FORCES.....	94,604	94,604	---
20	DEPOT MAINTENANCE.....	16,382	16,382	---
40	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ..	31,520	31,520	---
50	BASE OPERATING SUPPORT.....	105,809	105,809	---
	TOTAL, BUDGET ACTIVITY 1.....	248,315	248,315	---
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
ADMINISTRATION AND SERVICEWIDE ACTIVITIES				
70	SERVICEWIDE TRANSPORTATION.....	852	852	---
80	ADMINISTRATION.....	13,257	13,257	---
90	RECRUITING AND ADVERTISING.....	9,019	9,019	---
	TOTAL, BUDGET ACTIVITY 4.....	23,128	23,128	---
	TOTAL, OPERATION & MAINTENANCE, MARINE CORPS RESERVE	271,443	271,443	---

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

Fiscal year 2011 appropriation	\$3,291,027,000
Fiscal year 2012 budget request	3,274,359,000
Committee recommendation	3,310,459,000
Change from budget request	36,100,000

The Committee recommends an appropriation of \$3,310,459,000 for Operation and Maintenance, Air Force Reserve. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST
OPERATION AND MAINTENANCE, AIR FORCE RESERVE			
BUDGET ACTIVITY 1: OPERATING FORCES			
AIR OPERATIONS			
10	2,171,853	1,748,507	-423,346
20	116,513	115,518	-995
30	471,707	891,048	+419,341
40	77,161	77,161	---
50	308,974	308,974	---
TOTAL, BUDGET ACTIVITY 1	3,146,208	3,141,208	-5,000
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
60	84,423	84,423	---
70	17,076	17,076	---
80	19,688	19,688	---
90	6,170	6,170	---
100	794	794	---
TOTAL, BUDGET ACTIVITY 4	128,151	128,151	---
UNDERSTATEMENT OF AUTHORIZED MILITARY TECHNICIANS	---	41,100	+41,100
TOTAL, OPERATION AND MAINTENANCE, AIR FORCE RESERVE	3,274,359	3,310,459	+36,100

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

O-1	Budget Request	Committee Recommended	Change from Request
011A PRIMARY COMBAT FORCES	2,171,853	1,748,507	-423,346
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-423,346	
011M DEPOT MAINTENANCE	471,707	890,053	418,346
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		423,346	
Efficiency Due to Consolidation of Management of Depot Maintenance		-5,000	
UNDERSTATEMENT OF AUTHORIZED MILITARY TECHNICIANS		41,100	41,100

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

Fiscal year 2011 appropriation	\$6,454,624,000
Fiscal year 2012 budget request	7,041,432,000
Committee recommendation	6,979,232,000
Change from budget request	-62,200,000

The Committee recommends an appropriation of \$6,979,232,000 for Operation and Maintenance, Army National Guard. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD			
BUDGET ACTIVITY 1: OPERATING FORCES			
LAND FORCES			
10	634,181	634,181	---
MANEUVER UNITS.....			
20	189,899	189,899	---
MODULAR SUPPORT BRIGADES.....			
30	751,899	751,899	---
ECHELONS ABOVE BRIGADE.....			
40	112,971	112,971	---
THEATER LEVEL ASSETS.....			
50	33,972	33,972	---
LAND FORCES OPERATIONS SUPPORT.....			
60	854,048	854,048	---
AVIATION ASSETS.....			
LAND FORCES READINESS			
70	706,299	706,299	---
FORCE READINESS OPERATIONS SUPPORT.....			
80	50,453	50,453	---
LAND FORCES SYSTEMS READINESS.....			
90	646,608	646,608	---
LAND FORCES DEPOT MAINTENANCE.....			
LAND FORCES READINESS SUPPORT			
100	1,028,126	1,028,126	---
BASE OPERATIONS SUPPORT.....			
110	618,513	618,513	---
FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ..			
120	792,575	792,575	---
MANAGEMENT AND OPERATIONAL HEADQUARTERS.....			
	---	-25,000	-25,000
UNEXECUTABLE OPTEMPO GROWTH.....			

	6,419,544	6,394,544	-25,000
TOTAL, BUDGET ACTIVITY 1.....			

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST

BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES			
ADMINISTRATION AND SERVICEWIDE ACTIVITIES			
140 SERVICEWIDE TRANSPORTATION.....	11,703	11,703	---
150 ADMINISTRATION.....	178,655	178,655	---
160 SERVICEWIDE COMMUNICATIONS.....	42,073	42,073	---
170 MANPOWER MANAGEMENT.....	6,789	6,789	---
180 RECRUITING AND ADVERTISING.....	382,668	382,668	---

TOTAL, BUDGET ACTIVITY 4.....	621,888	621,888	---
OVERSTATEMENT OF AUTHORIZED MILITARY TECHNICIANS.....	---	-37,200	-37,200
=====			
TOTAL, OPERATION & MAINTENANCE, ARMY NATIONAL GUARD.....	7,041,432	6,979,232	-62,200
=====			

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

O-1	Budget Request	Committee Recommended	Change from Request
		-25,000	-25,000
		-37,200	-37,200

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

Fiscal year 2011 appropriation	\$5,963,839,000
Fiscal year 2012 budget request	6,136,280,000
Committee recommendation	6,094,380,000
Change from budget request	- 41,900,000

The Committee recommends an appropriation of \$6,094,380,000 for Operation and Maintenance, Air National Guard. The total amount recommended in the bill will provide the following program in fiscal year 2012:

(DOLLARS IN THOUSANDS)

	BUDGET REQUEST	COMMITTEE RECOMMENDED	CHANGE FROM REQUEST	
OPERATION AND MAINTENANCE, AIR NATIONAL GUARD				
BUDGET ACTIVITY 1: OPERATING FORCES				
AIR OPERATIONS				
10	AIRCRAFT OPERATIONS.....	3,651,900	2,464,362	-1,187,538
20	MISSION SUPPORT OPERATIONS.....	751,519	696,158	-55,361
30	DEPOT MAINTENANCE.....	753,525	1,986,424	+1,232,899
40	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ..	284,348	284,348	---
50	BASE OPERATING SUPPORT.....	621,942	621,942	---
	TOTAL, BUDGET ACTIVITY 1.....	6,063,234	6,053,234	-10,000
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES				
SERVICEWIDE ACTIVITIES				
60	ADMINISTRATION.....	39,387	39,387	---
70	RECRUITING AND ADVERTISING.....	33,659	33,659	---
	TOTAL, BUDGET ACTIVITY 4.....	73,046	73,046	---
	OVERSTATEMENT OF AUTHORIZED MILITARY TECHNICIANS.....	---	-31,900	-31,900
	TOTAL, OPERATION & MAINTENANCE, AIR NATIONAL GUARD..	6,136,280	6,094,380	-41,900

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS
[In thousands of dollars]

O-1	Budget Request	Committee Recommended	Change from Request
011F AIRCRAFT OPERATIONS	3,651,900	2,464,362	-1,187,538
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-665,012	
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-522,526	
011G MISSION SUPPORT OPERATIONS	751,519	696,158	-55,361
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-14,850	
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-40,511	
011M DEPOT MAINTENANCE	753,525	1,986,424	1,232,899
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		1,242,899	
Efficiency Due to Consolidation of Management of Depot Maintenance		-10,000	
OVERSTATEMENT OF AUTHORIZED MILITARY TECHNICIANS		-31,900	-31,900

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

Fiscal year 2011 appropriation	--
Fiscal year 2012 budget request	\$5,000,000
Committee recommendation	--
Change from budget request	-5,000,000

The Committee recommends no appropriation for the Overseas Contingency Operations Transfer Account given the account's unobligated balance and lack of justification.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

Fiscal year 2011 appropriation	\$14,068,000
Fiscal year 2012 budget request	13,861,000
Committee recommendation	13,861,000
Change from budget request	--

The Committee recommends an appropriation of \$13,861,000 for the United States Court of Appeals for the Armed Forces.

ENVIRONMENTAL RESTORATION, ARMY

Fiscal year 2011 appropriation	\$464,581,000
Fiscal year 2012 budget request	346,031,000
Committee recommendation	346,031,000
Change from budget request	--

The Committee recommends an appropriation of \$346,031,000 for Environmental Restoration, Army.

ENVIRONMENTAL RESTORATION, NAVY

Fiscal year 2011 appropriation	\$304,867,000
Fiscal year 2012 budget request	308,668,000
Committee recommendation	308,668,000
Change from budget request	--

The Committee recommends an appropriation of \$308,668,000 for Environmental Restoration, Navy.

ENVIRONMENTAL RESTORATION, AIR FORCE

Fiscal year 2011 appropriation	\$502,653,000
Fiscal year 2012 budget request	525,453,000
Committee recommendation	525,453,000
Change from budget request	--

The Committee recommends an appropriation of \$525,453,000 for Environmental Restoration, Air Force.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

Fiscal year 2011 appropriation	\$10,744,000
Fiscal year 2012 budget request	10,716,000
Committee recommendation	10,716,000
Change from budget request	--

The Committee recommends an appropriation of \$10,716,000 for Environmental Restoration, Defense-Wide.

ENVIRONMENTAL RESTORATION, FORMERLY USED
DEFENSE SITES

Fiscal year 2011 appropriation	\$316,546,000
Fiscal year 2012 budget request	276,495,000
Committee recommendation	276,495,000
Change from budget request	--

The Committee recommends an appropriation of \$276,495,000 for Environmental Restoration, Formerly Used Defense Sites.

CONTRACT OVERSIGHT AND TRANSPARENCY

The Department of Defense Environmental Restoration program provides for the identification, investigation, and cleanup of contamination and military munitions associated with activities at active military installations located in the continental United States, Hawaii, Alaska, Puerto Rico, and Guam, as well as Formerly Used Defense Sites. According to the Department, the Environmental Restoration program currently oversees 34,058 sites on 1,907 current and closing sites and 2,691 former defense sites. The Committee has provided the Environmental Restoration program with over \$14,000,000,000 since fiscal year 2002 to fulfill its cleanup responsibility. The identification, investigation, and cleanup of sites are accomplished primarily through contracted services.

Over the last six years, the Committee has repeatedly directed the Secretary of Defense to improve accountability and management of contracted services. Despite this direction, not even the most basic information regarding the Environmental Restoration program contracts for fiscal year 2012 or prior years has been provided. Responsibility for contracts is spread across individual sites and installations, and the Department appears to have limited knowledge of how funding is spent or deliverables are met across the program. The Department is unable to provide information regarding the number of program contracts funded in a given fiscal year, contract costs in a given fiscal year, or how much of the funding provided is directed to cleanup versus oversight, administrative costs, and overhead. Further, the Department is unable to respond to queries regarding contract deliverables, fee structures, contract requirements, or the number of sole source contracts awarded.

The Committee is concerned by the lack of accountability and oversight of the Environmental Restoration program contracted services. The budget justification materials provide very little visibility into the program and therefore preclude the Committee from exercising proper congressional oversight of the program. The Committee directs the Secretary of Defense to implement measures to improve management of the program and to institute a process by which oversight can be conducted of the contracting process, including, but not limited to, contract deliverables, fee structures, management and overhead costs, and the competitive bidding process. Additionally, the Secretary of Defense is directed to submit a report to the congressional defense committees, not later than 180 days after enactment of this Act, on the management and process improvements being implemented. This report should include the following information: the number of program contracts funded by fiscal year, contract costs in a given year, requirements for contracts,

contract deliverables, fee structures, administrative and overhead costs, oversight costs, competitive bidding processes, and duration of contracts.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

Fiscal year 2011 appropriation	\$108,032,000
Fiscal year 2012 budget request	107,662,000
Committee recommendation	107,662,000
Change from budget request	--

The Committee recommends an appropriation of \$107,662,000 for Overseas Humanitarian, Disaster, and Civic Aid.

COOPERATIVE THREAT REDUCTION ACCOUNT

Fiscal year 2011 appropriation	\$522,512,000
Fiscal year 2012 budget request	508,219,000
Committee recommendation	508,219,000
Change from budget request	--

The Committee recommends an appropriation of \$508,219,000 for the Cooperative Threat Reduction Account.

DEPARTMENT OF DEFENSE ACQUISITION WORKFORCE DEVELOPMENT FUND

Fiscal year 2011 appropriation	\$217,561,000
Fiscal year 2012 budget request	305,501,000
Committee recommendation	105,501,000
Change from budget request	-200,000,000

The Committee recommends an appropriation of \$105,501,000 for the Department of Defense Acquisition Workforce Development Fund.

ACQUISITION WORKFORCE DEVELOPMENT FUND

The acquisition workforce development fund was established to increase the end strength and quality of the Department's acquisition workforce. The effort is financed with a myriad of funding to include direct appropriated funding and a taxing of other appropriated funds. Since its inception, the fund has executed only a portion of the total funding available in any given fiscal year. The forecast for fiscal year 2011 is no exception. The Department plans to carry over approximately \$346,000,000 of funding available in fiscal year 2011 to fiscal year 2012. The Committee understands that the Department is developing a proposal to reduce the statutory required amounts available by fiscal year and fully supports this proposal. This proposal is especially timely in the face of likely decreasing budgets and acquisitions. Therefore, the recommendation provides \$105,501,000, a decrease of \$200,000,000 below the request.