

## TITLE II—OPERATION AND MAINTENANCE

The conference agreement provides \$163,073,141,000 in Title II, Operation and Maintenance, instead of \$169,975,411,000 as proposed by the House and \$162,549,531,000 as proposed by the Senate. The conference agreement on items addressed by either the House or the Senate is as follows:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
RECAPITULATION		
OPERATION & MAINTENANCE, ARMY	34,735,216	31,072,902
OPERATION & MAINTENANCE, NAVY	39,364,688	38,120,821
OPERATION & MAINTENANCE, MARINE CORPS	5,960,437	5,542,937
OPERATION & MAINTENANCE, AIR FORCE	36,195,133	34,985,486
OPERATION & MAINTENANCE, DEFENSE-WIDE	30,940,409	30,152,008
OPERATION & MAINTENANCE, ARMY RESERVE	3,109,176	3,071,733
OPERATION & MAINTENANCE, NAVY RESERVE	1,323,134	1,305,134
OPERATION & MAINTENANCE, MARINE CORPS RESERVE	271,443	271,443
OPERATION & MAINTENANCE, AIR FORCE RESERVE	3,274,359	3,274,359
OPERATION & MAINTENANCE, ARMY NATIONAL GUARD	7,041,432	6,924,932
OPERATION & MAINTENANCE, AIR NATIONAL GUARD	6,136,280	6,098,780
OVERSEAS CONTINGENCY OPERATIONS TRANSFER ACCOUNT	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	326,495
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
GRAND TOTAL OPERATION & MAINTENANCE	170,759,313	163,073,141

## OPERATION AND MAINTENANCE REPROGRAMMINGS

The Secretary of Defense is directed to submit the Base for Re-programming (DD Form 1414) for each of the fiscal year 2012 appropriation accounts not later than 60 days after enactment of this Act. The Secretary of Defense is prohibited from executing any re-programming 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 Secretary of Defense is directed to use the normal prior approval reprogramming procedures to transfer funds in the Services' operation and maintenance accounts between O-1 budget activities in excess of \$15,000,000. In addition, the Secretary of Defense should follow prior approval reprogramming procedures for transfers in excess of \$15,000,000 out of the following budget sub-activities:

*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:*

- Primary combat forces
- Combat enhancement forces
- Combat communications
- Facilities Sustainment, Repair, and Modernization

During fiscal year 2012, the Air Force is required to submit written notification and justification to the congressional defense committees not later than 30 days prior to implementing transfers in excess of \$15,000,000 out of the following budget subactivities:

- Operating forces depot maintenance
- Mobilization depot maintenance
- Training and recruiting depot maintenance
- Administration and service-wide depot maintenance

The transfer may be implemented 30 days after congressional notification unless an objection is received from a congressional defense committee.

Finally, the Secretary of Defense should follow prior approval reprogramming procedures for transfers in excess of \$15,000,000 into the following budget subactivity:

*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 de-

fense agencies in excess of \$15,000,000 shall be subject to prior approval reprogramming procedures.

OPERATION AND MAINTENANCE FUNDING FOR MILITARY TECHNICIANS

The House recommendation included adjustments to Army and Air Force Reserve and National Guard operation and maintenance accounts based on discrepancies in the number of military technicians included in the request. The conference agreement does not include these adjustments; however, the Department is directed to ensure consistency in the number of military technicians included in the request between the military personnel appropriations in the PB-31R Personnel Summary exhibit and noted on the OP-5 exhibit in the operation and maintenance appropriations in the future.

STRATEGIC COMMUNICATIONS AND INFORMATION OPERATIONS/  
MILITARY INFORMATION SUPPORT OPERATIONS

The conference agreement includes \$224,975,000 for Department of Defense information operations (IO)/military information support operations (MISO) programs, instead of \$176,575,000 as proposed by the House and \$300,570,000 as proposed by the Senate. The budget request includes \$120,570,000 in title II and \$180,000,000 in title IX. The conference agreement includes all funds for these activities in title IX of this division as proposed by the House. Of the \$120,570,000 requested in title II, the conference agreement includes program reductions totaling \$16,795,000 and transfers the remaining \$103,775,000 to title IX. The allocation of funding by combatant command and funding levels for certain programs is specifically delineated in the classified annex accompanying this Act. The conferees direct that these delineations shall be considered congressional special interest items and be subject to normal reprogramming procedures.

The conferees agree that combatant commanders need the ability to effectively communicate in their respective areas of responsibility and provide adequate resources to support such military objectives. The conferees appreciate the progress made by the Office of the Secretary of Defense over the past three years to define and consolidate strategic communications (SC) and IO into a more accountable and transparent structure within the Department and improve interagency coordination. Even with this progress, concerns remain that some activities being funded under IO/MISO and SC are duplicative of, or operate at cross purposes with, other federal agencies' efforts. As the Secretary of Defense Memorandum dated January 25, 2011 indicates, further refinements are necessary to identify IO-related costs and develop standardized budgeting methodologies for SC and IO-related capabilities and activities, as well as MISO costs. In an era of declining budgets, Department of Defense funding for these activities must be fully captured and carefully reviewed to ensure that each request meets a primary military requirement.

The conference agreement does not provide funds within the fiscal year 2012 base budget for these activities, but instead continues funding them within title IX of this division. The conferees will consider transitioning the funding for SC and IO/MISO pro-

grams to the base budget in fiscal year 2013 after a review of the comprehensive budget requests for SC, IO/MISO, and IO-related capabilities and activities.

The conferees reiterate the direction included in the House report requiring the Secretary of Defense to develop a format for improving the budget submission for these programs in fiscal year 2013. The submission shall include, at a minimum, a delineation of all programs and activities, and the funding associated with each, for all SC and IO/MISO programs within the Department of Defense. The conferees further direct the Secretary of Defense to follow the direction in the House report regarding execution reports for funds provided for these programs.

#### ENERGY INDEPENDENCE AND SECURITY ACT

The conference agreement does not include a provision (House Section 10011) on the Energy Independence and Security Act of 2007. The conferees note that the enforcement of section 526 of the Energy Independence and Security Act of 2007 may lead to higher fuel costs for federal fleets in the absence of competitively priced new generation fuels that emit fewer emissions. In carrying out this statute, the Secretary of Defense and the Service Secretaries should work to ensure that costs associated with fuel purchases necessary to carry out the missions of their respective departments and agencies should be minimized to the extent possible under the law.

#### OPERATION AND MAINTENANCE, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
OPERATION AND MAINTENANCE, ARMY		
BUDGET ACTIVITY 1 OPERATING FORCES		
10	1,399,804	1,031,695
20	104,629	90,595
30	815,920	741,068
40	825,587	764,818
50	1,245,231	1,072,413
60	1,199,340	1,131,228
70	2,939,455	2,778,799
80	451,228	404,896
90	1,179,675	1,179,675
100	7,637,052	7,469,948
110	2,495,667	2,495,667
120	397,952	397,952
130	171,179	171,179
170	459,585	439,115
140	---	-50,000
	---	-166,365
	---	-1,454,500
TOTAL, BUDGET ACTIVITY 1	21,322,304	18,498,183
BUDGET ACTIVITY 2 MOBILIZATION		
180	390,394	390,394
190	169,535	169,535
200	6,675	6,675
	---	843
TOTAL, BUDGET ACTIVITY 2	566,604	567,447

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
BUDGET ACTIVITY 3 TRAINING AND RECRUITING		
210	113,262	113,262
220	71,012	71,012
230	49,275	49,275
240	417,071	451,071
250	1,045,948	1,030,765
260	1,083,808	1,083,808
270	191,073	191,073
280	607,896	607,896
290	523,501	523,501
300	139,159	139,159
310	238,978	238,978
320	221,156	221,156
330	170,889	170,889
		23,560
ADJUSTMENT FOR DEFENSE EFFICIENCY CIVILIAN STAFFING REDUCTION		
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TOTAL, BUDGET ACTIVITY 3		
	4,873,028	4,915,405
BUDGET ACTIVITY 4 ADMIN & SERVICEWIDE ACTIVITIES		
340	995,161	993,801
350	524,334	524,334
360	705,668	705,668
370	484,075	487,075
380	457,741	387,741



**EXPLANATION OF PROJECT LEVEL ADJUSTMENTS**  
**[In thousands of dollars]**

O-1	Budget Request	Conference
<b>111 MANEUVER UNITS</b>	<b>1,399,804</b>	<b>1,031,695</b>
Transfer to title IX - Combined Arms Training Strategy		-217,376
Transfer to title IX - MRAP Vehicle Sustainment		-2,539
Transfer to title IX - Theater Demand Reduction		-148,194
<b>112 MODULAR SUPPORT BRIGADES</b>	<b>104,629</b>	<b>90,595</b>
Transfer to title IX - Combined Arms Training Strategy		-11,752
Transfer to title IX-Theater Demand Reduction		-2,282
<b>113 ECHELONS ABOVE BRIGADES</b>	<b>815,920</b>	<b>741,068</b>
Transfer to title IX - Combined Arms Training Strategy		-74,852
<b>114 THEATER LEVEL ASSETS</b>	<b>825,587</b>	<b>764,818</b>
Transfer to title IX - Chemical Defense Equipment Sustainment		-8,579
Transfer to title IX - Combined Arms Training Strategy		-23,198
Transfer to title IX - Theater Demand Reduction		-18,692
Transfer to title IX - Unmanned Aircraft System Gray Eagle Satellite Service		-10,300
<b>115 LAND FORCES OPERATIONS SUPPORT</b>	<b>1,245,231</b>	<b>1,072,413</b>
Transfer to title IX - MRAP Vehicle Sustainment at Combat Training Centers		-6,420
Transfer to title IX - Combat Training Center Role Players		-30,091
Transfer to title IX - Fox Nuclear Biological and Chemical Reconnaissance Vehicle Contract Logistics Support		-12,062
Transfer to title IX - Joint Maneuver Readiness Center Opposing Force Augmentation		-4,545
Transfer to title IX - Joint Readiness Training Center Opposing Force Augmentation		-26,940
Transfer to title IX - National Training Center Tier Two Level Maintenance Contract		-24,000
Transfer to title IX - National Training Center Warfighter Focus		-26,650
Transfer to title IX - Sustainment Brigade and Functional Brigade Warfighter Exercise		-20,285
Transfer to title IX - Theater Demand Reduction		-14,984
Transfer to title IX - Tube-Launched, Optically-Tracked, Wire- Guided Missile Improved Target Acquisition System Contract Logistics Support		-6,841
<b>116 AVIATION ASSETS</b>	<b>1,199,340</b>	<b>1,131,228</b>
Transfer to title IX - Combined Arms Training Strategy		-6,607
Transfer to title IX - Theater Demand Reduction		-61,505
<b>121 FORCE READINESS OPERATIONS SUPPORT</b>	<b>2,939,455</b>	<b>2,778,799</b>
Forward Operating Base Baseline not taken into Account in Requested Program Growth		-20,000
Transfer to title IX - Body Armor Sustainment		-71,660
Transfer to title IX - Rapid Equipping Force Readiness		-9,294
Transfer to title IX - Battle Simulation Centers		-59,702
<b>122 LAND FORCES SYSTEMS READINESS</b>	<b>451,228</b>	<b>404,896</b>
Unjustified Growth for Civilian and Contractor Positions		-20,000
Transfer to title IX - Fixed Wing Life Cycle Contract Support		-21,171

O-1	Budget Request	Conference
Transfer to title IX - Capability Development and Integration		-5,161
<b>123 LAND FORCES DEPOT MAINTENANCE</b>	<b>1,179,675</b>	<b>1,179,675</b>
<b>131 BASE OPERATIONS SUPPORT</b>	<b>7,637,052</b>	<b>7,469,948</b>
Restore Army Requested Reduction to Family Programs		75,000
Restore Underfunding Attributed to Efficiency Savings		93,232
Removal of fiscal year 2011 Costs Budgeted for Detainee Operations (Full fiscal year 2012 Requirement Funded in title IX)		-70,000
Budget Justification does not Match Summary of Price and Program Changes for Utilities		-37,500
Environmental Conservation for Ranges to Address Shortfalls		12,500
Transfer to title IX - Overseas Security Guards		-200,000
Transfer to title IX - Senior Leader Initiative: Comprehensive Soldier Fitness Program		-30,000
Transfer to title IX - Training Range Maintenance		-10,336
<b>138 COMBATANT COMMANDER'S DIRECT MISSION SUPPORT</b>	<b>459,585</b>	<b>439,115</b>
Transfer to title IX and Program Reduction - Military Information Support Operations		-20,470
<b>CONTRACTOR LOGISTICS SUPPORT</b>		<b>-50,000</b>
<b>TRANSFER TO TITLE IX - READINESS AND DEPOT MAINTENANCE</b>		<b>-1,454,500</b>
<b>BUDGET ACTIVITY 1 ADJUSTMENT FOR DEFENSE EFFICIENCY CIVILIAN STAFFING REDUCTION</b>		<b>-166,365</b>
<b>BUDGET ACTIVITY 2 ADJUSTMENT FOR DEFENSE EFFICIENCY CIVILIAN STAFFING REDUCTION</b>		<b>843</b>
<b>314 SENIOR RESERVE OFFICER TRAINING CORP</b>	<b>417,071</b>	<b>451,071</b>
Restore Army Requested Reduction to Reserve Officer Training Corps to Maintain Ratio of Public to Private Colleges		34,000
<b>321 SPECIALIZED SKILL TRAINING</b>	<b>1,045,948</b>	<b>1,030,765</b>
Transfer to title IX - Survivability and Maneuverability Training		-15,183
<b>BUDGET ACTIVITY 3 ADJUSTMENT FOR DEFENSE EFFICIENCY CIVILIAN STAFFING REDUCTION</b>		<b>23,560</b>
<b>423 LOGISTIC SUPPORT ACTIVITIES</b>	<b>484,075</b>	<b>487,075</b>
Army Requested Transfer for Army Enterprise Systems Integration Program from OP, A line 116		3,000
<b>424 AMMUNITION MANAGEMENT</b>	<b>457,741</b>	<b>387,741</b>
Requested Growth Unjustified by Metrics Provided in Performance Criteria		-70,000
<b>432 SERVICEWIDE COMMUNICATIONS</b>	<b>1,534,706</b>	<b>1,540,957</b>
Transfer from title IX - Automated Biometric Identification System (ABIS)		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 OP, A line 116		2,883

O-1	Budget Request	Conference
Army Requested Transfer for GFEBs from OP, A line 116 Budget Justification does not Match Summary of Price and Program Changes for the Defense Information Systems Agency Requirement		3,368  -30,000
<b>435 OTHER SERVICE SUPPORT</b>	<b>1,093,877</b>	<b>1,048,777</b>
Army Support to the Capitol 4th Budget Justification does not Match Summary of Price and Program Changes for the Defense Finance and Accounting Service Requirement		4,900  -50,000
<b>436 ARMY CLAIMS ACTIVITIES</b>	<b>216,621</b>	<b>216,621</b>
<b>437 REAL ESTATE MANAGEMENT</b>	<b>180,717</b>	<b>170,717</b>
Budget Justification Does Not Match Summary of Price and Program Changes for the Pentagon Reservation Maintenance Revolving Fund		-10,000
<b>442 MISCELLANEOUS SUPPORT OF OTHER NATIONS</b>	<b>23,886</b>	<b>20,886</b>
Transfer from SAG 411 - Military Information Support Operations		-3,000
<b>IMPROVED MANAGEMENT OF TELECOM SERVICES</b>		<b>-10,000</b>
<b>BUDGET ACTIVITY 4 ADJUSTMENT FOR DEFENSE EFFICIENCY CIVILIAN STAFFING REDUCTION</b>		<b>-12,904</b>
<b>UNEXECUTABLE OPTEMPO GROWTH</b>		<b>-500,000</b>
<b>UNOBLIGATED BALANCES</b>		<b>-238,300</b>

OPERATION AND MAINTENANCE, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
OPERATION AND MAINTENANCE, NAVY		
BUDGET ACTIVITY 1 OPERATING FORCES		
AIR OPERATIONS		
10	MISSION AND OTHER FLIGHT OPERATIONS	4,762,887 4,499,387
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	431,576 414,576
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
100	SHIP OPERATIONS SUPPORT AND TRAINING	734,866 734,866
110	SHIP DEPOT MAINTENANCE	4,972,609 5,122,609
120	SHIP DEPOT OPERATIONS SUPPORT	1,304,271 1,297,271
COMBAT COMMUNICATIONS/SUPPORT		
130	COMBAT COMMUNICATIONS	583,659 556,259
140	ELECTRONIC WARFARE	97,011 97,011
150	SPACE SYSTEMS AND SURVEILLANCE	162,303 137,303
160	WARFARE TACTICS	423,187 423,187
170	OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	320,141 320,141
180	COMBAT SUPPORT FORCES	1,076,478 883,677
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	180,800 166,400

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
230 WEAPONS SUPPORT CRUISE MISSILE	125,333	125,333
240 FLEET BALLISTIC MISSILE	1,209,410	1,209,410
250 IN SERVICE WEAPONS SYSTEMS SUPPORT	99,063	90,063
260 WEAPONS MAINTENANCE	450,454	465,454
270 OTHER WEAPON SYSTEMS SUPPORT	358,002	382,002
280 BASE SUPPORT ENTERPRISE INFORMATION TECHNOLOGY	971,189	971,189
290 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	1,946,779	1,946,779
300 BASE OPERATING SUPPORT	4,610,525	4,553,025
140 CONTRACTOR LOGISTICS SUPPORT	---	-150,000
TRANSFER TO TITLE IX READINESS AND DEPOT MAINTENANCE (BA1 UNDISTRIBUTED)	---	-495,000
TOTAL, BUDGET ACTIVITY 1	32,164,377	31,069,776
310 BUDGET ACTIVITY 2 MOBILIZATION READY RESERVE AND PREPOSITIONING FORCES SHIP PREPOSITIONING AND SURGE	493,326	493,326
320 ACTIVATIONS/INACTIVATIONS AIRCRAFT ACTIVATIONS/INACTIVATIONS	6,228	6,228
330 SHIP ACTIVATIONS/INACTIVATIONS	205,898	205,898
340 MOBILIZATION PREPAREDNESS FLEET HOSPITAL PROGRAM	68,634	63,630
350 INDUSTRIAL READINESS	2,684	2,684
360 COAST GUARD SUPPORT	25,192	25,192
TOTAL, BUDGET ACTIVITY 2	801,962	796,958
370 BUDGET ACTIVITY 3 TRAINING AND RECRUITING ACCESSION TRAINING OFFICER ACQUISITION	147,540	147,540
380 RECRUIT TRAINING	10,655	10,655
390 RESERVE OFFICERS TRAINING CORPS	151,147	148,361
400 BASIC SKILLS AND ADVANCED TRAINING SPECIALIZED SKILL TRAINING	594,799	544,278
410 FLIGHT TRAINING	9,034	9,034
420 PROFESSIONAL DEVELOPMENT EDUCATION	173,452	173,452
430 TRAINING SUPPORT	168,025	168,025
440 RECRUITING, AND OTHER TRAINING AND EDUCATION RECRUITING AND ADVERTISING	254,860	255,843

(IN THOUSANDS OF DOLLARS)

		BUDGET REQUEST	CONFERENCE
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	1,757,717
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	203,926
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	293,636
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	550,334
IMPROVED MANAGEMENT OF TELECOM SERVICES.....		---	-10,000
TOTAL, BUDGET ACTIVITY 4.....		4,588,308	4,553,370
DENY FY 12 BUDGETED PRICE GROWTH FOR CIVILIAN PERSONNEL COMPENSATION.....		---	-5,000
UNOBLIGATED BALANCES.....		---	-52,000
TOTAL, OPERATION AND MAINTENANCE, NAVY.....		39,364,688	38,120,821

**EXPLANATION OF PROJECT LEVEL ADJUSTMENTS**  
**[In thousands of dollars]**

O-1	Budget Request	Conference
<b>1A1A MISSION AND OTHER FLIGHT OPERATIONS</b>	<b>4,762,887</b>	<b>4,499,387</b>
Transfer to title IX - Flying Hours		-180,945
Transfer to title IX - MV 22B Pricing Variance		-82,555
<b>1A4N AIR SYSTEMS SUPPORT</b>	<b>431,576</b>	<b>414,576</b>
Unjustified Growth for Program Related Logistics Support		-17,000
<b>1B1B MISSION AND OTHER SHIP OPERATIONS</b>	<b>3,820,186</b>	<b>3,795,186</b>
Reduced Number of Deployed Steaming Days		-25,000
<b>1B4B SHIP DEPOT MAINTENANCE</b>	<b>4,972,609</b>	<b>5,122,609</b>
Increase Percentage of Required Ship Maintenance Funded		150,000
<b>1B5B SHIP DEPOT OPERATIONS SUPPORT</b>	<b>1,304,271</b>	<b>1,297,271</b>
Removal of One-Time fiscal year 2011 Costs for Surface Ship Life Cycle Maintenance Activity and Local Command Office for Navy Enterprise Resource Planning		-7,000
<b>1C1C COMBAT COMMUNICATIONS</b>	<b>583,659</b>	<b>556,259</b>
Eliminate Requested Growth of Contractor Full-time Equivalents		-27,400
<b>1C3C SPACE SYSTEMS AND SURVEILLANCE</b>	<b>162,303</b>	<b>137,303</b>
Budget Justification does not Match Summary of Price and Program Changes		-25,000
<b>1C6C COMBAT SUPPORT FORCES</b>	<b>1,076,478</b>	<b>883,677</b>
Transfer to title IX - Naval Expeditionary Combat Command Increases		-192,801
<b>1CCM COMBATANT COMMANDERS DIRECT MISSION SUPPORT</b>	<b>180,800</b>	<b>166,400</b>
Transfer to title IX and Program Reduction - Military Information Support Operations		-6,100
Transfer to title IX - Joint Special Operations Task Force-Philippines		-8,300
<b>1D3D IN-SERVICE WEAPONS SYSTEMS SUPPORT</b>	<b>99,063</b>	<b>90,063</b>
Transfer to title IX - Naval Expeditionary Combat Command		-9,000
<b>1D4D WEAPONS MAINTENANCE</b>	<b>450,454</b>	<b>465,454</b>
Ship Self Defense Program Increase		15,000
<b>1D7D OTHER WEAPON SYSTEMS SUPPORT</b>	<b>358,002</b>	<b>382,002</b>
Classified Adjustment		24,000
<b>BSM1 FACILITIES SUSTAINMENT, RESTORATION &amp; MODERNIZATION</b>	<b>1,946,779</b>	<b>1,946,779</b>
Restores Underfunding Attributed to Efficiency Savings		0
<b>BSS1 BASE OPERATING SUPPORT</b>	<b>4,610,525</b>	<b>4,553,025</b>
Savings from In-sourcing Security Contractor Positions not Properly Accounted for in Budget Documentation		-20,000
Transfer to title IX - Regional/Emergency Operations Center		-50,000
Environmental Conservation for Ranges to Address Shortfalls		12,500

O-1	Budget Request	Conference
CONTRACTOR LOGISTICS SUPPORT		-150,000
TRANSFER TO TITLE IX - READINESS AND DEPOT MAINTENANCE		-495,000
<b>2C1H FLEET HOSPITAL PROGRAM</b>	<b>68,634</b>	<b>63,630</b>
Transfer to title IX - Medical/Equipment costs for USNS MERCY		-5,004
<b>3A3J RESERVE OFFICERS TRAINING CORPS</b>	<b>151,147</b>	<b>148,361</b>
Excessive Program Increase for General Services Administration Lease Cost		-2,786
<b>3B1K SPECIALIZED SKILL TRAINING</b>	<b>594,799</b>	<b>544,278</b>
Unjustified Growth in Moored and Tech Training		-47,521
Transfer to title IX - Naval Sea Systems Command Visit, Board, Search and Seizure/Explosive Ordnance Device Training		-3,000
<b>3C1L RECRUITING AND ADVERTISING</b>	<b>254,860</b>	<b>255,843</b>
Naval Sea Cadet Corps		983
<b>4A4M MILITARY MANPOWER AND PERSONNEL MANAGEMENT</b>	<b>216,483</b>	<b>203,926</b>
Transfer to title IX - Family Readiness Programs		-3,557
Transfer to title IX - Navy Manpower and Personnel System/Naval Standard Integrated Personnel System		-9,000
<b>4B2N PLANNING, ENGINEERING AND DESIGN</b>	<b>303,636</b>	<b>293,636</b>
Unjustified Growth for Installation Emergency Management		-10,000
<b>999 OTHER PROGRAMS</b>	<b>552,715</b>	<b>550,334</b>
Classified Adjustment		-2,381
IMPROVED MANAGEMENT OF TELECOM SERVICES		-10,000
DENY FISCAL YEAR 2012 BUDGETED PRICE GROWTH FOR CIVILIAN COMPENSATION		-5,000
UNOBLIGATED BALANCES		-52,000

## OVERHEAD COSTS AT NAVAL SHIPYARDS

One of the major themes of the Department of Defense's fiscal year 2012 budget submission has been the generation of efficiency savings through reduced overhead and improved business practices. However, the Navy's own budget materials indicate a plan to spend over \$1,700,000,000 for overhead costs at Naval shipyards in fiscal year 2012, an amount equal to 33 percent of Naval shipyard funding. The conferees believe there are opportunities to find Naval shipyard efficiency savings and direct the Secretary of the Navy to carefully assess shipyard overhead costs with a goal of identifying and eliminating all unnecessary overhead expenditures. The conferees recommend that funding garnered from overhead savings be reapplied to ship depot and intermediate maintenance in order to improve the readiness of the fleet.

## OPERATION AND MAINTENANCE, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
<b>OPERATION AND MAINTENANCE, MARINE CORPS</b>		
<b>BUDGET ACTIVITY 1: OPERATING FORCES</b>		
<b>EXPEDITIONARY FORCES</b>		
10	OPERATIONAL FORCES	715,196 695,196
20	FIELD LOGISTICS	677,608 677,608
30	DEPOT MAINTENANCE	190,713 78,713
<b>USMC PREPOSITIONING</b>		
40	MARITIME PREPOSITIONING	101,464 101,464
60	FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	823,390 823,390
70	BASE OPERATING SUPPORT	2,208,949 2,201,449
	MAINTENANCE (BA1 UNDISTRIBUTED)	--- -235,000
	<b>TOTAL, BUDGET ACTIVITY 1</b>	<b>4,717,320 4,342,820</b>
<b>BUDGET ACTIVITY 3: TRAINING AND RECRUITING</b>		
<b>ACCESSION TRAINING</b>		
80	RECRUIT TRAINING	18,280 18,280
90	OFFICER ACQUISITION	820 820
<b>BASIC SKILLS AND ADVANCED TRAINING</b>		
100	SPECIALIZED SKILLS TRAINING	85,816 85,816
120	PROFESSIONAL DEVELOPMENT EDUCATION	33,142 33,142
130	TRAINING SUPPORT	324,643 324,643
<b>RECRUITING AND OTHER TRAINING EDUCATION</b>		
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
	<b>TOTAL, BUDGET ACTIVITY 3</b>	<b>710,512 710,512</b>
<b>BUDGET ACTIVITY 4: ADMIN &amp; SERVICEWIDE ACTIVITIES</b>		
<b>SERVICEWIDE SUPPORT</b>		
180	SERVICEWIDE TRANSPORTATION	36,021 31,021
190	ADMINISTRATION	405,431 405,431
200	ACQUISITION AND PROGRAM MANAGEMENT	91,153 91,153
	<b>TOTAL, BUDGET ACTIVITY 4</b>	<b>532,605 527,605</b>
<b>TECHNOLOGY BUDGET JUSTIFICATION FOR THE OPERATIONAL</b>		
	SUPPORT SYSTEMS COMMAND AND CONTROL	--- -20,000
	UNOBLIGATED BALANCES	--- -18,000
	<b>TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS</b>	<b>5,960,437 5,542,937</b>

**EXPLANATION OF PROJECT LEVEL ADJUSTMENTS**  
 [In thousands of dollars]

O-1	Budget Request	Conference
<b>1A1A OPERATIONAL FORCES</b>	<b>715,196</b>	<b>695,196</b>
Request Inconsistent with Information Technology Budget Justification for the Global Combat Support System		-20,000
<b>1A3A DEPOT MAINTENANCE</b>	<b>190,713</b>	<b>78,713</b>
Transfer to title IX - Depot Maintenance		-112,000
<b>BSS1 BASE OPERATING SUPPORT</b>	<b>2,208,949</b>	<b>2,201,449</b>
Reduction for Collateral Equipment Requirements not Properly Accounted for in Budget Documentation		-20,000
Environmental Conservation for Ranges to Address Shortfalls		12,500
<b>TRANSFER TO TITLE IX - READINESS AND DEPOT MAINTENANCE</b>		<b>-235,000</b>
<b>4A3G SERVICEWIDE TRANSPORTATION</b>	<b>36,021</b>	<b>31,021</b>
Incorrect Price Growth Rate Used for Commercial Transportation		-5,000
<b>REQUEST INCONSISTENT WITH INFORMATION TECHNOLOGY BUDGET JUSTIFICATION FOR THE OPERATIONAL SUPPORT SYSTEMS COMMAND AND CONTROL</b>		<b>-20,000</b>
<b>UNOBLIGATED BALANCES</b>		<b>-18,000</b>

## PERSONAL PROTECTIVE EYEWEAR

The conferees do not agree to the reporting requirements carried in the Senate report accompanying the Department of Defense Appropriations Act, 2012 regarding the Marine Corps' personal protective eyewear. However, the conferees remain committed to ensuring that the Marine Corps' acquisition program and its performance meet the standards and procedures required for these important protective devices.

## OPERATION AND MAINTENANCE, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:



(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
-----		
BUDGET ACTIVITY 2 MOBILIZATION		
MOBILITY OPERATIONS		
150 AIRLIFT OPERATIONS	2,988,221	2,543,389
160 MOBILIZATION PREPAREDNESS	150,724	150,724
170 DEPOT MAINTENANCE	373,568	813,400
180 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	388,103	388,103
190 BASE SUPPORT	674,230	674,230
	-----	-----
TOTAL, BUDGET ACTIVITY 2	4,574,846	4,569,846
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	749,654
BASIC SKILLS AND ADVANCED TRAINING		
250 SPECIALIZED SKILL TRAINING	481,357	471,357
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	6,386
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
340 JUNIOR ROTC	75,259	75,259
	-----	-----
TOTAL, BUDGET ACTIVITY 3	3,784,222	3,721,222

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES		
LOGISTICS OPERATIONS		
350	1,112,878	1,112,252
360	785,150	785,150
370	14,356	14,982
380	416,588	416,588
390	1,219,043	1,219,043
SERVICEWIDE ACTIVITIES		
400	662,180	662,180
410	650,689	650,689
420	1,078,769	1,080,769
430	23,338	27,838
SUPPORT TO OTHER NATIONS		
460	72,589	72,589
OTHER PROGRAMS		
	1,215,848	1,200,261
		-10,000
TOTAL, BUDGET ACTIVITY 4		
	7,251,428	7,212,341
		-90,000
		-60,000
TOTAL, OPERATION AND MAINTENANCE, AIR FORCE		
	36,195,133	34,985,486

**EXPLANATION OF PROJECT LEVEL ADJUSTMENTS**  
**[In thousands of dollars]**

O-1	Budget Request	Conference
<b>011A PRIMARY COMBAT FORCES</b>	<b>4,224,400</b>	<b>3,564,242</b>
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-590,158
Transfer to title IX -Theater Security Package		-70,000
<b>011C COMBAT ENHANCEMENT FORCES</b>	<b>3,417,731</b>	<b>2,706,439</b>
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-673,292
Unjustified Increase in Travel		-10,000
Removal of One-Time fiscal year 2011 Costs for Administrative Support for Contractor to Civilian Conversions		-4,000
Removal of One-Time fiscal year 2011 Costs for Software Maintenance Requirements		-24,000
<b>011D AIR OPERATIONS TRAINING</b>	<b>1,482,814</b>	<b>1,380,264</b>
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-102,550
<b>011M DEPOT MAINTENANCE</b>	<b>2,204,131</b>	<b>3,743,606</b>
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		590,158
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		673,292
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		102,550
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		198,435
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		12,688
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		7,186
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		166
Efficiency Due to Consolidation of Management of Depot Maintenance		-45,000
<b>011Z BASE OPERATING SUPPORT</b>	<b>2,507,179</b>	<b>2,494,679</b>
Budget Justification Does Not Match Summary of Price and Program Changes for Utilities		-25,000
Environmental Conservation for Ranges to Address Shortfalls		12,500
<b>012A GLOBAL C3I AND EARLY WARNING</b>	<b>1,492,459</b>	<b>1,282,024</b>
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-198,435
Removal of One-Time fiscal year 2011 Costs for Long Range Radar Service Life Extension Program		-12,000
<b>012C OTHER COMBAT OPERATIONS SUPPORT PROGRAMS</b>	<b>1,046,226</b>	<b>1,019,538</b>
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-12,688
Removal of One-Time fiscal year 2011 Costs for Administrative Support for Contractor to Civilian Conversions		-14,000

O-1		Budget Request	Conference
012F	<b>TACTICAL INTELLIGENCE AND SPECIAL ACTIVITIES</b>	<b>696,188</b>	<b>691,188</b>
	Classified Adjustment		-5,000
013A	<b>LAUNCH FACILITIES</b>	<b>321,484</b>	<b>313,484</b>
	Overstated Requirement for Additional fiscal year 2012 Funding for Satellite and Launcher Control Ranges		-8,000
013C	<b>SPACE CONTROL SYSTEMS</b>	<b>633,738</b>	<b>619,552</b>
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-7,186
	Removal of One-Time fiscal year 2011 Costs for Administrative Support for Contractor to Civilian Conversions		-7,000
015A	<b>COMBATANT COMMANDERS DIRECT MISSION SUPPORT</b>	<b>735,488</b>	<b>664,262</b>
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-166
	Transfer to title IX and Program Reduction - Military Information Support Operations		-33,700
	Strategic Command Program Decreases not Accounted for in Budget Documentation		-20,000
	Transfer to title IX - CENTCOM HQ C4		-12,500
	Transfer to title IX - CENTCOM Public Affairs		-4,860
	<b>CONTRACTOR LOGISTICS SUPPORT</b>		<b>-200,000</b>
	<b>TRANSFER TO TITLE IX - READINESS AND DEPOT MAINTENANCE</b>		<b>-470,000</b>
021A	<b>AIRLIFT OPERATIONS</b>	<b>2,988,221</b>	<b>2,543,389</b>
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-444,832
021M	<b>DEPOT MAINTENANCE</b>	<b>373,568</b>	<b>813,400</b>
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		444,832
	Efficiency Due to Consolidation of Management of Depot Maintenance		-5,000
031Z	<b>BASE SUPPORT (ACADEMIES ONLY)</b>	<b>789,654</b>	<b>749,654</b>
	Budget Justification does not Match Summary of Price and Program Changes for Utilities		-25,000
	Unjustified Growth for Competitive Sourcing and Privatization		-15,000
032A	<b>SPECIALIZED SKILL TRAINING</b>	<b>481,357</b>	<b>471,357</b>
	Budget Justification does not Match Summary of Price and Program Changes for Equipment Maintenance by Contract		-10,000
033D	<b>CIVILIAN EDUCATION AND TRAINING</b>	<b>202,767</b>	<b>189,767</b>
	Maintain Service Contracts at the fiscal year 2011 Level		-13,000
041A	<b>LOGISTICS OPERATIONS</b>	<b>1,112,878</b>	<b>1,112,252</b>
	Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		-626

O-1	Budget Request	Conference
<b>041M DEPOT MAINTENANCE</b>	<b>14,356</b>	<b>14,982</b>
Consolidate Depot Maintenance Funding in the Depot Maintenance SAG		626
<b>042G OTHER SERVICEWIDE ACTIVITIES</b>	<b>1,078,769</b>	<b>1,060,769</b>
National Aeronautics and Space Agency Orbiter Change in Requirement		-11,000
Budget Justification does not Match Summary of Price and Program Changes for Defense Finance and Accounting Services		-7,000
<b>042I CIVIL AIR PATROL CORPORATION</b>	<b>23,338</b>	<b>27,838</b>
Civil Air Patrol		4,500
<b>043A SECURITY PROGRAMS</b>	<b>1,215,848</b>	<b>1,200,261</b>
Classified Adjustment		-15,587
<b>IMPROVED MANAGEMENT OF TELECOM SERVICES</b>		<b>-10,000</b>
<b>EXCESS WORKING CAPITAL FUND CARRYOVER</b>		<b>-90,000</b>
<b>UNOBLIGATED BALANCES</b>		<b>-60,000</b>

## VISIBILITY OF DEPOT MAINTENANCE FUNDING

All depot maintenance funding contained in the Air Force's fiscal year 2012 budget request has been identified, consolidated, and displayed in the Depot Maintenance Subactivity Group. In fiscal year 2013, all depot maintenance funds requested in the budget must be discretely visible and fully justified. Air Force officials have provided assurances that contracts will be modified as necessary to include specific accounting of depot maintenance costs and that implementation of the Air Force's Next Generation Contractor Logistics Support concept will provide needed data in the required format to achieve full cost visibility and proper accounting of depot maintenance funding in the future.

## OPERATION AND MAINTENANCE, DEFENSE-WIDE

The conference agreement on items addressed by either the House or the Senate is as follows:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
OPERATION AND MAINTENANCE, DEFENSE-WIDE		
BUDGET ACTIVITY 1 OPERATING FORCES		
10	563,787	558,287
20	3,986,766	3,893,859
	4,550,553	4,452,146
BUDGET ACTIVITY 3 TRAINING AND RECRUITING		
30	124,075	124,075
40	93,348	93,348
	217,423	217,423
BUDGET ACTIVITY 4 ADMIN & SERVICEWIDE ACTIVITIES		
50	159,692	169,692
80	508,822	495,722
100	12,000	12,000
120	1,360,392	1,360,392
140	37,367	37,367
150	450,863	455,263
160	256,133	256,133
170	22,372	22,372
200	33,848	33,848
210	432,133	432,133
220	2,768,677	2,738,677
110	676,419	646,289
90	1,147,366	1,147,366

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
180 DEFENSE SECURITY COOPERATION AGENCY.....	682,831	530,551
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
260 OFFICE OF THE SECRETARY OF DEFENSE.....	2,201,964	2,164,564
270 WASHINGTON HEADQUARTERS SERVICES.....	563,184	556,684
TOTAL, BUDGET ACTIVITY 4.....	12,103,941	11,858,931
IMPACT AID.....	---	40,000
IMPACT AID FOR CHILDREN WITH DISABILITIES.....	---	5,000
OTHER PROGRAMS.....	14,068,492	13,628,508
UNOBLIGATED BALANCES.....	---	-50,000
TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE.....	30,940,409	30,152,008

**EXPLANATION OF PROJECT LEVEL ADJUSTMENTS**  
 [In thousands of dollars]

O-1	Budget Request	Conference
<b>JOINT CHIEFS OF STAFF</b>	<b>563,787</b>	<b>558,287</b>
Reduce Civilian Personnel fiscal year 2012 Average Salary Growth		-5,500
<b>SPECIAL OPERATIONS COMMAND</b>	<b>3,986,766</b>	<b>3,893,859</b>
Sustaining Base Communications - Excessive Growth		-8,000
Aviation Foreign Internal Defense		-17,607
Transfer to title IX and Program Reduction - Military Information Support Operations		-57,300
Reduce Civilian Personnel fiscal year 2012 Average Salary Growth		-10,000
<b>CIVIL MILITARY PROGRAMS</b>	<b>159,692</b>	<b>169,692</b>
Youth Challenge		5,000
STARBASE Youth Program		5,000
<b>DEFENSE CONTRACT AUDIT AGENCY</b>	<b>508,822</b>	<b>495,722</b>
Transfer from Excess Support Overhead Costs for Additional Contract Oversight		26,100
Reduction in Non-Pay Personnel Support Overhead Costs		-39,200
<b>DEFENSE LOGISTICS AGENCY</b>	<b>450,863</b>	<b>455,263</b>
Unjustified Request for the Defense Property Accountability System Program Office		-1,600
Efficiencies in the Continuity of Operations Policy		-3,000
Procurement Technical Assistance Program		9,000
<b>DEFENSE DEPENDENTS EDUCATION</b>	<b>2,768,677</b>	<b>2,738,677</b>
Restore Unjustified Reduction for Educational Partnership Program		43,000
Transfer to title IX - Child Care and Counseling		-73,000
<b>DEFENSE HUMAN RESOURCES ACTIVITY</b>	<b>676,419</b>	<b>646,289</b>
Fully Fund Wounded Care and Transition Policy Office		300
Unjustified Increase for the Request for Defense Advisory Committee on Women in the Services Program Reporting		-430
Overstatement of fiscal year 2012 Costs for Civilian Personnel		-30,000
<b>DEFENSE SECURITY COOPERATION AGENCY</b>	<b>682,831</b>	<b>530,551</b>
Global Train and Equip Program		-150,000
Security Cooperation Assessment Office		-2,280
<b>OFFICE OF ECONOMIC ADJUSTMENT</b>	<b>81,754</b>	<b>91,754</b>
Program Increase		10,000
<b>OFFICE OF THE SECRETARY OF DEFENSE</b>	<b>2,201,964</b>	<b>2,164,564</b>
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
Unjustified Growth for Equipment Maintenance by Contract		-10,000
Additional Efficiencies Based on Disestablishment of the Assistant Secretary of Defense (Networks and Information Integration)		-10,000

O-1	Budget	
	Request	Conference
<b>WASHINGTON HEADQUARTERS SERVICES</b>	<b>563,184</b>	<b>556,684</b>
Removal of fiscal year 2011 Costs Budgeted for the Defense Agencies Initiative		-6,500
<b>OTHER PROGRAMS</b>	<b>14,068,492</b>	<b>13,628,508</b>
Classified Adjustment		-439,984
<b>IMPACT AID</b>		<b>40,000</b>
<b>UNOBLIGATED BALANCES</b>		<b>-50,000</b>
<b>IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES</b>		<b>5,000</b>

OPERATION AND MAINTENANCE, ARMY RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
OPERATION AND MAINTENANCE, ARMY RESERVE		
BUDGET ACTIVITY 1 OPERATING FORCES		
10	1,091	1,091
20	18,129	18,129
30	492,705	492,705
40	137,304	137,304
50	597,786	597,786
60	67,366	67,366
70	474,966	448,523
80	69,841	69,841
90	247,010	247,010
100	590,078	583,078
110	255,618	255,618
	-----	-----
TOTAL, BUDGET ACTIVITY 1	2,951,894	2,918,451
BUDGET ACTIVITY 4 ADMIN & SERVICEWIDE ACTIVITIES		
130	14,447	14,447
140	76,393	76,393
150	3,844	3,844
160	9,033	9,033
170	53,565	53,565
	-----	-----
TOTAL, BUDGET ACTIVITY 4	157,282	157,282
DENY INCREASE BUDGETED FOR FY 12 PRICE GROWTH FOR CIVILIAN PERSONNEL COMPENSATION	---	-4,000
	=====	=====
TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	3,109,176	3,071,733
	=====	=====

**EXPLANATION OF PROJECT LEVEL ADJUSTMENTS**  
 [In thousands of dollars]

<b>O-1</b>		<b>Budget</b>	
		<b>Request</b>	<b>Conference</b>
<b>121</b>	<b>FORCES READINESS OPERATIONS SUPPORT</b>	<b>474,966</b>	<b>448,523</b>
	Unjustified Funding for Milcon Planning and Design		-20,443
	Sustainment Costs for Weapons of Mass Destruction Equipment		
	Purchases not Needed in fiscal year 2012		-6,000
<b>131</b>	<b>BASE OPERATIONS SUPPORT</b>	<b>590,078</b>	<b>583,078</b>
	Reduction for Payments to the General Services Administration for		
	Standard Level User Charges not Properly Accounted for in		
	Budget Documentation		-7,000
	<b>UNJUSTIFIED INCREASE BUDGETED FOR FISCAL YEAR 2012</b>		
	<b>PRICE GROWTH FOR CIVILIAN COMPENSATION</b>		<b>-4,000</b>

OPERATION AND MAINTENANCE, NAVY RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

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(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
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 57,131
	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 1,283,473

567

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
-----		
BUDGET ACTIVITY 4 ADMIN & SERVICEWIDE ACTIVITIES		
150	ADMINISTRATION AND SERVICEWIDE ACTIVITIES 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 1,305,134
=====		

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS  
[In thousands of dollars]

		<b>Budget</b>	
<b>O-1</b>		<b>Request</b>	<b>Conference</b>
<b>BSIT</b>	<b>ENTERPRISE INFORMATION TECHNOLOGY</b>	<b>75,131</b>	<b>57,131</b>
	Unjustified Growth for Next Generation Enterprise Network Seat		
	Services		-18,000

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

570

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
-----		
OPERATION AND MAINTENANCE, MARINE CORPS RESERVE		
BUDGET ACTIVITY 1 OPERATING FORCES		
10	EXPEDITIONARY FORCES 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		
70	ADMINISTRATION AND SERVICEWIDE ACTIVITIES 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

The conference agreement on items addressed by either the House or the Senate is as follows:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
-----		
OPERATION AND MAINTENANCE, AIR FORCE RESERVE		
BUDGET ACTIVITY 1 OPERATING FORCES		
	AIR OPERATIONS	
10	2 171,853	2,171,853
	PRIMARY COMBAT FORCES	
20	116,513	116,513
	MISSION SUPPORT OPERATIONS	
30	471,707	471,707
	DEPOI MAINTENANCE	
40	77,161	77,161
	FACILITIES SUSTAINMENT RESTORATION & MODERNIZATION	
50	308,974	308,974
	BASE OPERATING SUPPORT	
	-----	-----
	TOTAL, BUDGET ACTIVITY 1	3,146,208 3,146,208
BUDGET ACTIVITY 4 ADMIN & SERVICEWIDE ACTIVITIES		
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	
60	84,423	84,423
	ADMINISTRATION	
70	17,076	17,076
	RECRUITING AND ADVERTISING	
80	19,688	19,688
	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	
90	6,170	6,170
	OTHER PERSONNEL SUPPORT	
100	794	794
	AUDIOVISUAL	
	-----	-----
	TOTAL, BUDGET ACTIVITY 4	128,151 128,151
	=====	=====
	TOTAL, OPERATION AND MAINTENANCE, AIR FORCE RESERVE	3,274,359 3,274,359
	=====	=====

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

The conference agreement on items addressed by either the House or the Senate is as follows:

574

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
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	838,048
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	988,626
BASE OPERATIONS SUPPORT		
110	618,513	618,513
FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION		
120	792,575	787,575
MANAGEMENT AND OPERATIONAL HEADQUARTERS		
	---	-25,000
UNEXFCUTABLE OPTEMPO GROWTH		
-----		
TOTAL, BUDGET ACTIVITY 1	6,419,544	6,334,044

(IN THOUSANDS OF DOLLARS)

		BUDGET REQUEST	CONFERENCE
-----			
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
	DENY FY 12 BUDGETED PRICE GROWTH FOR CIVILIAN PERSONNEL COMPENSATION. . . . .	---	-11,000
	REDUCTION NON-DUAL STATUS TECHNICIAN LIMITATION. . . . .	---	-20,000
		=====	=====
	TOTAL, OPERATION & MAINTENANCE, ARMY NATIONAL GUARD	7,041,432	6,924,932
		=====	=====

**EXPLANATION OF PROJECT LEVEL ADJUSTMENTS**  
**[In thousands of dollars]**

<b>O-1</b>		<b>Budget</b>	
		<b>Request</b>	<b>Conference</b>
<b>131</b>	<b>BASE OPERATIONS SUPPORT</b>	<b>1,028,126</b>	<b>988,626</b>
	Unjustified Growth for Travel		-25,000
	Unjustified Growth for Utilities Based on Metrics Provided in Budget Documentation		-10,000
	Unjustified Growth for Public Affairs		-4,500
<b>133</b>	<b>MANAGEMENT AND OPERATIONAL HEADQUARTERS</b>	<b>792,575</b>	<b>787,575</b>
	Army National Guard-Identified Excess		-5,000
	<b>UNEXECUTABLE OPTEMPO GROWTH</b>		<b>-25,000</b>
	<b>UNJUSTIFIED INCREASE BUDGETED FOR FISCAL YEAR 2012</b>		
	<b>PRICE GROWTH FOR CIVILIAN COMPENSATION</b>		<b>-11,000</b>
	<b>REDUCTION IN NON-DUAL STATUS TECHNICIAN LIMITATION</b>		<b>-20,000</b>

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

The conference agreement on items addressed by either the House or the Senate is as follows:

(IN THOUSANDS OF DOLLARS)

	BUDGET REQUEST	CONFERENCE
OPERATION AND MAINTENANCE, AIR NATIONAL GUARD		
BUDGET ACTIVITY 1 OPERATING FORCES		
AIR OPERATIONS		
10 AIRCRAFT OPERATIONS	3 651,900	3,647,900
20 MISSION SUPPORT OPERATIONS	751,519	751,519
30 DEPOT MAINTENANCE	753,525	753,525
40 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION	284,348	284,348
50 BASE OPERATING SUPPORT	621,942	598,442
TOTAL, BUDGET ACTIVITY 1	6,063,234	6,035,734
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
O&M AIR NATIONAL GUARD REQUEST INCONSISTENT WITH MILITARY INTELLIGENCE PROGRAM (MIP) BUDGET JUSTIFICATION FOR AIR INTELLIGENCE SYSTEMS	---	-10,000
TOTAL, OPERATION & MAINTENANCE, AIR NATIONAL GUARD	6,136,280	6,098,780

**EXPLANATION OF PROJECT LEVEL ADJUSTMENTS**  
 [In thousands of dollars]

O-1	Budget Request	Conference
<b>011F AIRCRAFT OPERATIONS</b>	<b>3,651,900</b>	<b>3,647,900</b>
Overstated Requirement for Additional fiscal year 2012 Funding for Air Sovereignty Alert Program		-4,000
<b>011Z BASE OPERATING SUPPORT</b>	<b>621,942</b>	<b>598,442</b>
Request Inconsistent With Information Technology Budget Justification for Base Level Communications Infrastructure		-23,500
<b>REQUEST INCONSISTENT WITH MILITARY INTELLIGENCE PROGRAM (MIP) BUDGET JUSTIFICATION FOR AIR INTELLIGENCE SYSTEMS</b>		<b>-10,000</b>