



DEPARTMENT OF THE ARMY
WASHINGTON DC 20310-0200

NOV 20 2007

MEMORANDUM FOR ALL COMMANDS AND AGENCIES

SUBJECT: Contingency Budget Planning

Reference. Secretary of Defense Memorandum, 16 NOV 07, Subject: Contingency Budget Planning (attached)

1. The FY 2008 DoD Appropriations Act did not include funds for the Global War on Terror (GWOT) and we do not know at this time when or if the GWOT funds will be approved by Congress. The Secretary of Defense, in the attached memorandum, directed the Army to prepare plans to operate with reduced funding. While this effort will focus on activities funded by Operation and Maintenance accounts, the effects if these plans are implemented will have wide-ranging impacts on all Army operations and will vary from installation to installation.

2. The VCSA will lead this planning effort and will provide detailed guidance next week. However, as the importance of these plans is high and the time to prepare them is short, you should be ready to respond quickly to identify the actions necessary to comply with this direction. We expect that this will be an aggressive and collaborative planning effort and look forward to your input in the process.


GEORGE W. CASEY, JR.
General, United States Army
Chief of Staff


Pete Geren
Secretary of the Army



SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

November 16, 2007

MEMORANDUM FOR SECRETARY OF THE ARMY
SECRETARY OF THE NAVY
UNDER SECRETARY OF DEFENSE
(COMPTROLLER)

SUBJECT: Contingency Budget Planning

As you are aware, Congress has not provided the Department with supplemental funding for war-related operations. This funding is essential to support our deployed forces and for sustaining operations at home and abroad in all military services, particularly the Army and Marine Corps. Additionally, Congress has provided very limited flexibility for the Department to deal with this funding shortage.

It is therefore prudent that the Department prepare to operate with reduced funding. Accordingly, effective immediately the following actions are directed:

- The Comptroller will start reprogramming actions to move up to \$3.7B into Operation and Maintenance, Army (OMA) from various military personnel accounts with remaining amounts reprogrammed to JIEDDO.
- The Army will immediately start to transfer \$800M from the Army working capital fund into OMA.
- The Army and USMC will start appropriate planning to reduce operations at all Army bases by mid-February of next year and all USMC bases by mid-March of next year. These dates represent the best estimates regarding the expiration of funds in respective O&M accounts.

All planning needs to be sufficiently mature by the middle of December such that the Department can begin appropriate notification of government civilian employees to be furloughed consistent with labor agreements.

I request a status report on the planning effort from the Army and USMC by November 26 and weekly from that point forward.

cc:
Deputy Secretary of Defense
Secretary of the Air Force
Chairman, Joint Chiefs of Staff



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