



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, DC 20350-1000

JUN 22 2004

MEMORANDUM FOR DISTRIBUTION

Subj: GUIDANCE FOR THE PREPARATION OF CONFERENCE APPEALS ADDRESSING
HOUSE AND SENATE ACTION ON THE FY 2005 DEFENSE APPROPRIATIONS BILL

Ref: (a) DON Budget Guidance Manual

Encl: (1) FY05 Appropriations Program Appeal Instructions
(2) FY05 Appropriations Language Appeal Instructions

This memorandum provides DON guidance for the preparation of appeals for the FY 2005 Defense Appropriations Bill. The HAC-D has reported out of committee, and copies of the bill and report are posted on the Congressional Action Tracking System (CATS). The SAC-D is expected to report out of committee this week, and the accompanying report and bill will be posted on CATS as soon as they are filed. CATS is available to those with access to the Program/Budget Information System (PBIS) on the Department of the Navy Headquarters Network (DNHN) under the CATS icon.

Addressees interested in preparing conference appeals to HAC-D and SAC-D should adhere to the guidance contained in Chapter 5, Part I, and Chapter 12, Part IV, of reference (a) and the following specific guidance:

1. Appeals to the HAC-D marks must be submitted to FMB not later than 25 June 04. Any modifications based on the SAC-D report will be submitted not later than 28 June 04. Do not delay submission until Congressional floor action is completed.
2. Appeals must be in the exact format required by OSD. Instructions for preparing appeals are attached at enclosures (1) and (2). Electronic templates must be used and are available on the CATS web site main page. There are separate formats for language appeals and program appeals.
3. All appeals must be unclassified.
4. Do not submit hardcopy appeals.
5. Even though the bills reported by the committees have not yet passed the House or Senate chamber, appeals should be written as if they have passed.

At each stage of the review and approval process, appeals should be forwarded individually as they are reviewed, vice holding them to submit as an organizational package. Proposed appeals should be submitted electronically to the appropriate budget analyst in FMB, copy to FMBE. The FMBE POC is Ms. Lisa St. Andre (FMBE7) at Lisa.Standre@navy.mil. Once the cognizant FMB Division Director approves an appeal, it will be forwarded to FMBE for coordination for final FMB approval. Any questions concerning the appeals process should be addressed to Ms. St. Andre at (703) 692-4924.

B. B. ENGELHARDT
Rear Admiral, U.S. Navy
Director, Office of Budget

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DRPM for Advanced Amphibious Assault

**Department of Defense Appeal
FY 2005 Defense Appropriations Bill**

Subject: Brief Distinguishing Title*

Appropriations: O&M, Navy; RDT&E, Army; etc.

Summary: This should summarize the congressional action and apparent reason behind it, for example: The Senate reduced the DoD request by \$x.x million because of concern about program growth. The House supported the request.

<u>Item</u>	<u>Budget Authority</u> <u>(Dollars in Millions)</u>			
	<u>Budget</u>	<u>House</u>	<u>Senate</u>	<u>Appeal</u>
C-17 Procurement**	2,472.9	2,472.9	1,954.2	2,472.9

DoD Position: The first sentence should summarize the Department's position and the reason for it. For example: "The Department opposes the House reduction because it would drive up the program's life-cycle costs and delay needed production." After this first topic sentence, provide concise rationale in support of the Department's position. This should not be a repeat of justification of the program. It should articulate the qualitative and quantitative consequences of the House or Senate action being opposed. If applicable, identify flaws in the reasoning behind the committee's action to include misinterpretations, inconsistencies, and errors. Avoid jargon and seek clarity. Normally, we will not appeal language that is in a committee report but not reflected in the bill, e.g., by an actual funding cut. Generally we will remain silent on funding adds, handling these in a single DoD-wide appeal or letter.

Appeals should use exact electronic copy of USD(C) format and TNR, Font 11. Appeal should not exceed one page. Spell out: percent, million, billion. Single space between paragraphs.

The final sentence, beginning a new paragraph, should state the appeal position, such as: "The Department urges support of the House position."

Comptroller Internal Control Notes: Submitter: Component/POC/phone (e.g., Army/LTC Jones/697-3345 or AT&L/Mr. Smith/697-2332)

Page/Section References: House Rpt-p.46 Senate Rpt p.105 House Sec.105 Senate Sec 804

Reviewing directorate/analyst: (Comptroller will fill in)

Director's recommendation/rationale: (Comptroller will fill in)

Added Instructions: DoD Components should fill in Submitter and Page/Section Reference sections. To appeal a specific funding cut to a large account like O&M, show only the cut, rather than actual funding levels (which may include other reductions, similarly appealable in a separate paper), e.g.:

<u>Item</u>	<u>Request</u>	<u>House</u>	<u>Senate</u>	<u>Appeal</u>
O&M, Army (Civilian Personnel Underexecution)	-	-	-32.7	-

The rationale for such a cut usually is found in the committee report, and countering that rationale should be the focus of the appeal. This does not constitute an appeal of report language, since the reason for the appeal is an actual funding cut reflected in the bill.

*To facilitate finding an appeal in a table of contents, do not title it with common words like Defense, Reduction, Restriction, Army, etc. Electronic file name should easily be related to this subject and begin with same letters. A good convention is to begin both the title and file name with program's abbreviation: Subject: BMD (Ballistic Missile Defense) Funding. File name: BMD\$.doc. Then spell out the abbreviation in the Summary paragraph.

**Round to nearest \$.1 million; appeal figure is normally the President's Budget or, if neither house supported it, the better of the two bills' figures.

In the footer of the USD(C) format is a field that will show the date the document was last saved.

Encl (1)

**Department of Defense Appeal
FY 2005 Defense Appropriations Bill**

Subject: Brief Distinguishing Title*

Language/Provision: This paragraph should describe the congressional provision and its apparent intent: "Senate section xxx would require . . . The Senate provision is intended to . . . The House included no similar provision."

DoD Position: The first sentence should summarize the Department's position and the reason for it, for example: "The Department opposes the House provision because it would arbitrarily cut the acquisition work force without regard to possible undermining of force readiness and efficient acquisition." After this first sentence, provide rationale in support of the DoD position. This should provide concise reasons for revising, removing, or supporting the language/general provision. It should focus on considerations such as the adverse consequences of the action; flaws in the reasons behind it; and misinterpretations, inconsistencies, and errors in the action. Normally, we will not appeal language that is in the committee report but not reflected in the bill in the form of a budget cut or an actual provision of law. If the appeal recommends support of a provision passed by only one house, indicate if the provision was part of the Administration's official legislative package. This will facilitate USD(C)'s and OMB's clearance of such an appeal.

Appeals should use exact electronic copy of USD(C) format and Times New Roman, Font 11. Appeal should not exceed one page. Spell out: percent, million, billion. Single space between paragraphs.

The final sentence, beginning a new paragraph, should state the appeal position, usually: "The Department urges exclusion of this provision."

Comptroller Internal Control Notes:

Submitter: Component/POC/phone (e.g., Army/LTC Jones/697-3345 or AT&L/Mr. Smith/697-2332)

Page/Section References : House Rpt-p.46 Senate Rpt p.105 House Sec.105 Senate Sec 804

Reviewing directorate/analyst: (Comptroller will fill in)

Director's recommendation/rationale: (Comptroller will fill in)

Added Instructions:

*To facilitate finding an appeal in a table of contents, do not title it with common words like Defense, Reduction, Restriction, Army, etc. Electronic file name should easily be related to this subject and begin with same letters. A good convention is to begin both the title and file name with program's abbreviation: Subject: A&AS Reporting. File name: AAS-report.doc. Then spell out the abbreviation in the Summary paragraph.

In the footer of the USD(C) format is a field that will show the date the document was last saved.