

**AMERICAN BATTLE MONUMENTS COMMISSION**

**Appropriation Request for Fiscal Year 2005**

Second Session, 108th Congress of the United States

Submitted to the Appropriations Subcommittees on  
Veterans Affairs, Housing and Urban Development and  
Independent Agencies

February 2004

American Battle Monuments Commission  
 Fiscal Year 2005 Appropriation Request  
 Salaries and Expenses

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AMERICAN BATTLE MONUMENTS COMMISSION  
PROPOSED APPROPRIATION LANGUAGE

**General and Special Funds:**

**Salaries and Expenses**

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission including the acquisition of land or interest in foreign countries; purchase and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries; \$41,100,000 [\$41,300,000], to remain available until expended, of which \$9,100,000 is for the building of an interpretive center at the Normandy American Cemetery.

(Division G, H.R. 2673, Consolidated Appropriations Bill 2004.)

AMERICAN BATTLE MONUMENTS COMMISSION  
GENERAL STATEMENT

The principal functions of the American Battle Monuments Commission (ABMC) are: to commemorate the achievements and sacrifices of United States Armed Forces where they have served since April 6, 1917, through the erection and maintenance of suitable memorial shrines; to design, construct, operate and maintain permanent American military burial grounds in foreign countries; to control the design and construction on foreign soil of U.S. military monuments and markers by other U.S. citizens and organizations both public and private; and to encourage U.S. governmental agencies and private individuals and organizations to adequately maintain the monuments and markers erected by them on foreign soils.

In performance of these functions, ABMC administers, operates and maintains twenty-four permanent American military cemeteries, twenty-five monuments, memorials, markers, and three offices in fifteen countries around the world, the U.S. Commonwealth of the Northern Mariana Islands and the British dependency of Gibraltar. These cemeteries and memorials are among the most beautiful and meticulously maintained shrines of their nature in the world. Few others combine such fitness of design, beauty, landscaping, memorial features, and care. Interred in the cemeteries are 124,917 U.S. War Dead - 30,922 of World War I, 93,245 of World War II, and 750 of the Mexican American War. Additionally, 6,010 American Veterans and others are interred in the Mexico City and Corozal Cemeteries. The World Wars and Mexico City Cemeteries are closed to future burials except for the remains of U.S. War Dead still to be found from time to time in the World War I and II battle areas. In addition to burials, the World War I and II cemeteries, together with three memorials on U.S. soil, commemorate individually by name on Tablets of the Missing, the 94,132 U.S. servicemen and women who were Missing in Action or lost or buried at sea in their general region during the World Wars, and the Korean and Vietnam Wars.

The care of these shrines to our War Dead requires a formidable annual program of maintenance and repair of facilities, equipment, and grounds maintenance. This care includes upkeep of 131,000 graves and headstones; 73 memorial structures; 41 quarters, utilities, and maintenance facilities; 67 miles of roads and paths; 911 acres of flowering plants, fine lawns and meadows; 3,000,000 square feet of shrubs and hedges and 11,000 ornamental trees. Our facilities range in age from 46 to 81 years old with our Mexico City Cemetery being over 100 years old. The permanent structures and plantings which make our facilities among the most beautiful memorials in the world are aging and require increased funding to maintain them at the current standards. Accordingly, we are prioritizing our maintenance and engineering funds very carefully to ensure the most effective utilization of our available resources. All of the plantings, including the lawns and to some extent the meadows, must be cut and/or shaped, fed and treated with insecticides and fungicides at regular intervals during the growing season. The plantings also must be replaced when their useful lives are exhausted or they receive major storm damage. Some of the maintenance and care is performed by casual labor.

We are requesting \$2.0 million for our Infrastructure Modernization Program. Our cemeteries and their infrastructure range in age from 46 to 81 years old. With the help of Congress and OMB we have eliminated our backlog of maintenance and

## AMERICAN BATTLE MONUMENTS COMMISSION

engineering projects. We must now make a concerted effort to continue the examination of the infrastructure of these aging facilities and execute our plan to modernize worn out systems. The Infrastructure Modernization Program will enable us to identify existing problems, avoid future problems, and to work in a more logical and efficient manner. The first phase of this program established a baseline by utilizing in depth technical surveys of our installations. These surveys were done by certified subject matter experts who applied current standards, regulations, and technological advances to our facilities to determine what needs to be accomplished.

In Fiscal Year 2000, ABMC and OMB conducted a joint productivity study to determine if equipment modernization, leasing, outsourcing, and automation improvements could reduce the growing costs of foreign employment and provide more efficient operations. Industry experts from two major turf and grounds-keeping equipment manufacturers participated in the study. The conclusion indicated that opportunities existed to reduce work-hours associated with labor-intensive operations and thereby could potentially defer or offset a small portion of identified requirements for personnel increases. During Fiscal Years 2001, 2002, and 2003 we completed a significant number of productivity enhancement projects. We believe we have made significant strides to increase our productivity. In order to continue our productivity program enhancements, we are requesting \$1.0 million for Fiscal Year 2005. These funds will be targeted toward equipment modernization, automation, and improvement projects to continue to offset ABMC labor requirements and increase ABMC efficiency. ABMC will develop the Cemetery Evaluation Review system to assess productivity improvements and assess future requirements.

In 1985, the U.S. Government embarked on a long term program to lower the value of the U.S. dollar in foreign markets in order to make U.S. goods and services more competitive. Through its efforts, the dollar's exchange rate has decreased significantly in most of the countries where ABMC's installations are located. In order to insulate the Commission's annual appropriation against major changes in its purchasing power due to currency exchange fluctuations, legislation was enacted in 1988 establishing an ABMC currency fluctuation account in the U.S. Treasury. During Fiscal Year 2003, we experienced exchange rate losses of approximately \$5 Million. So far in FY 2004 we have experienced losses of approximately \$1.6 million. If the budget rates and the current exchange rates of the dollar against foreign currencies continue we could experience significant losses during Fiscal Year 2005.

As a service and maintenance organization ABMC's operations are labor intensive. During Fiscal 2003, 54% of obligations were to pay the salaries and personnel benefits of employees. Cost of living increases for ABMC employees average over \$500,000 annually. Most of these increases go to ABMC's foreign national employees. By treaty agreements with the countries where ABMC installations are located, the United States has agreed to pay its foreign national employees' cost of living increases during the year as decreed by these governments.

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In addition to its other activities, ABMC provides information and assistance on request by relatives and friends of the War Dead interred in or commemorated at its facilities. These services include burial and memorialization information; letters authorizing fee-free passports for members of the immediate family traveling overseas primarily to visit the cemetery; travel and accommodation information; floral decorations of grave or memorial sites utilizing funds provided by the donor; color Polaroid photographs of the decoration in place, when weather permits; color lithographs of the cemetery or memorial where a serviceman or woman is buried or commemorated by name on which has been mounted a photograph of the appropriate headstone or section of the Tablet of the Missing; and escort of relatives within the cemetery to the grave or memorial site.

Congress added \$5.0 million in Fiscal Year 2002, \$4.0 million in Fiscal Year 2003, and \$9.0 million in FY 2004 to the ABMC Budget for the development of an Interpretive Visitors Center at the Normandy American Cemetery. We are requesting \$9.1 million to complete the project which is anticipated to total \$27 million. ABMC selected an architect-engineering (A-E) team to assist in programming and design of the Center and is currently projecting design completion and dedication in Fiscal Year 2004 in conjunction with the 60th Anniversary celebration of D-Day.

As an organization responsible for permanent burial facilities, we do not have the option of closing or consolidating cemeteries. Within the context of the President's Management Agenda, we have continued our efforts to achieve greater efficiency and effectiveness in the areas where we do have alternatives.

### **STRATEGIC MANAGEMENT OF HUMAN CAPITAL**

Such efforts demand the strategic management of human capital. We analyze our work force to maximize the efforts of employees who deliver our services

As previously stated, in Fiscal Year 2000, ABMC and OMB conducted a joint productivity study to determine if equipment modernization, leasing, outsourcing, and automation improvements could increase the efficiency of our cemetery workers. They concluded that opportunities existed to reduce work-hours associated with labor-intensive operations, potentially offsetting the requirement for additional personnel. Based on these findings we are continuing to fund this program.

Managing our human capital demands that we have the right person with the right skills in every position. In Fiscal Years 1998 and 1999, we undertook the first comprehensive survey of our overseas personnel, their position descriptions, and workloads since the early 1980's. This survey identified a variety of discrepancies in how we staffed our cemeteries. We took corrective action, and with the concurrence of OMB, ensured consistency in staffing. In Fiscal Year 2002, we began a worldwide manpower study which will further identify and comprehensively outline our manpower requirements, position descriptions, workloads and manpower distribution to ensure our work force is properly deployed. We expect this project to be completed during Fiscal Year 2004 with implementation occurring in Fiscal Year 2005.

## AMERICAN BATTLE MONUMENTS COMMISSION

A key element of recruiting and retaining a talented work force is fair compensation. To ensure equal pay for equal work we converted the European Region from our legacy Cemetery System for classifying and paying most of our foreign employees to the standard Foreign Service National (FSN) pay system. This FSN system is used by State Department and other federal departments employing foreign nationals overseas. This will ensure that we have a pool of well qualified personnel to fill our critical positions.

### **COMPETITIVE SOURCING**

We have continued efforts to avoid using our work force to perform tasks that are not inherently governmental and are readily available in the commercial market place. In this area we are well advanced. When Congress directed us to establish a World War II Memorial, we outsourced the fund raising, design, construction, data management, fulfillment processing, customer servicing, and public relations.

The success of this effort has been astonishing. It will soon result in the first national memorial dedicated to the 16 million who served in uniform during the war, the more than 400,000 who gave their lives, and the millions who supported the war effort from the home front.

Our competitive sourcing initiatives did not stop there. Contributing to our efforts to improve financial management, in April 2000, we contracted with a software implementation consultant to assist in the selection and development of an automated, integrated accounting system that conforms to regulatory requirements. Our new commercial-off-the-shelf system became operational in October 2001. The use of a competitive source contractor allowed our government employees to focus on our daily mission while the contractor ironed out the normal wrinkles associated with implementing a new system. We are pleased with the overall results and will continue to upgrade our capabilities so that we will be among the leaders in financial management in the Federal Government.

In addition, our Infrastructure Modernization Program (IMP) has made extensive use of competitive sourcing to ensure that highly qualified Firms and individuals were contracted to perform engineering analysis and reviews. Most construction and engineering projects at ABMC facilities are contracted out, since these projects are usually unique and beyond the capability of our limited staff.

Our cemeteries and their infrastructure range from 45 to 80 years old. We began IMP in FY 2001 in order to examine in detail the infrastructure of our facilities and bring them up to today's standards. With this we can avoid future uncertainty, work in a programmed and efficient manner, and protect our investments in facilities. The first phase of the IMP consisted of studies to identify deficiencies in the various aspects of our infrastructure. In the second phase, corrective actions are performed. During FY 2004, we are dedicating \$2 million to IMP, and are requesting \$2 million for FY 2005 to continue these essential projects in addition to the \$1.8 million to continue normal engineering and maintenance operations.

## AMERICAN BATTLE MONUMENTS COMMISSION

### **IMPROVED FINANCIAL PERFORMANCE**

Since 1998, ABMC has been required to produce full financial statements. In addition, these CFO Act financial statements are independently audited by the Comptroller General. Each year, ABMC has earned an unqualified opinion from GAO on our annual financial audits.

We recognize that improved financial performance is more than achieving an unqualified audit opinion. It is about putting useful and timely information in the hands of leaders with which they can make decisions. Our new accounting system moves us toward that goal. Looking to the future, we have included funding in our FY 2005 budget to continue our transition to a web-based system that will enhance our ability to make such information more readily available to our decision-makers.

Closely related to efforts to expand e-government, in partnership with the Department of the Treasury, we converted to full electronic funds transfer banking for all foreign currency disbursements. Prior to this, we maintained U.S. funds in separate overseas foreign currency bank accounts under delegated disbursing authority from the Treasury. Now disbursements flow electronically from our accounting a system through the Treasury's Kansas City Financial Center to the overseas bank account of our vendors and employees. The initial conversion to this electronic capability was not as seamless as expected. However, the process is now stabilized and is allowing quicker payments for customers, elimination of funds held outside the Treasury in foreign bank accounts, and real automation of worldwide funds transfers.

Our new integrated accounting system and our successes on international electronic funds payment and full financial audits are moving ABMC toward new levels of financial excellence. We look forward to the challenges of Fiscal Year 2005.

### **EXPANDED E-GOVERNMENT**

Our efforts in expanding e-government go beyond the use of electronic funds transfers overseas. They include how we deliver our services to our citizens—the very heart of what we do.

Over the last several years, ABMC has expanded access to valuable information through the use of on-line tools. We have a Web site which allows visitors to gather information on our organization, cemeteries, memorials, and their locations. Our European Region has an intranet web site which provides details on their operations. In addition, we have placed an interactive video system at the Korean War Veteran's Memorial which allows visitors to view or print biographies of those lost in that conflict.

We are also supporting the Administration's efforts to reduce the number of payroll providers within the federal government. In December 2003, we converted our internal, manual payroll operations to a web-based system provided by GSA.



## AMERICAN BATTLE MONUMENTS COMMISSION

### **BUDGET AND PERFORMANCE INTEGRATION**

We are pressing forward in the budget process to ensure that our funding requests support the objectives of the agency and the President's Management Agenda. Our budget clearly ties to our Strategic and Annual Performance Plans. ABMC will be develop the Cemetery Evaluation Review System to assess productivity improvements and assess future requirements to ensure that our budget requests reflect optimum performance. In addition, these plans directly link to the Commission's Management Discussion and Analysis (MD&A) statements which are required as an integral part of the annual audit conducted by the Comptroller General.

On May 25, 1993, Public Law 103-32 was signed authorizing the American Battle Monuments Commission to establish a World War II Memorial in Washington D.C. or its environs. This memorial will be the first national memorial dedicated to all who served during the war, and will recognize the commitment and achievement of the entire nation. The memorial is being funded primarily through private donations. The first public solicitation for the capital campaign began in January 1997.

The project is nearing completion and will be completed on time and within budget. As result, it was rated as "Effective" by the Program Assessment Rating Tool (PART) evaluation overseen by OMB. The effectiveness of this project is largely due to ABMC's insistence on clearly defined deliverables along with appropriate cost and schedule goals. In collaboration with GSA, ABMC directed a fixed-price construction contract with a performance based award fees based upon quality, schedule, and budget goals. The result is that the project has experienced no significant deviation from the original schedule or budget.

(See Section VI for further details.)

This appropriation request is submitted pursuant to the Act of March 4, 1923, 42 Stat. 1509, as amended (36 U.S.C. 2101-2113).

AMERICAN BATTLE MONUMENTS COMMISSION  
LEAD OFF TABULAR STATEMENT

SALARIES AND EXPENSES

	<u>AMOUNT</u> <u>(THOUSANDS)</u>	<u>FULL-TIME</u> <u>EQUIVALENT</u> <u>PERSONNEL</u> <u>AUTHORIZATION</u>	<u>AVERAGE</u> <u>EMPLOYMENT</u>
1. Fiscal 2003 Appropriation*	35,246	374	374
Recision	-229		
Transferred to Foreign Currency Fluctuation Account			
Transferred from Foreign Currency Fluctuation Account to Offset Losses	5,057		
Unobligated balance End of Year	...		
Budget Authority	40,074		
Unobligated balance transferred to Foreign Currency Fluctuation Account	...		
Total Obligations	40,074		
2. Fiscal 2004 Appropriation**	41,300	384	384
Recision	-244		
Unobligated Balance from Prior Year	...		
Budget Authority	41,056		
Total Obligations***	41,056		
3. Fiscal 2005 Appropriation***	41,100	390	390
Budget Authority	41,100		
Total Obligations	41,100		

\* Includes \$4.0 million added by Congress for the design and construction of the Normandy Interpretive Center

\*\* Includes \$9.0 million added by Congress for the design and construction of the Normandy Interpretive Center

\*\*\* Includes \$9.1 million for completion of design and construction of the Normandy Interpretive Center.

AMERICAN BATTLE MONUMENTS COMMISSION  
FOREIGN CURRENCY FLUCTUATION

<b>74-0101-0-1-705 FINANCING:</b>	<b><u>2003</u> Actual</b>	<b><u>2004</u> Estimate</b>	<b><u>2005</u> Estimate</b>
21.4001 Unobligated Balance			
Start of Year	-8,764	-3,707	722
24.4001 Unobligated Balance End of			
Year	3,707	722	-2,278
39.0001 Budget Authority	-5,057	-2,985	-1,556
<b>Budget Authority</b>			
41.0001 Transferred to Other Accounts	5,057	2,985	3,000
42.0001 Transferred from Other			
Accounts	0	0	0
43.0001 Appropriation (Total)	5,057	2,985	3,000

Note: Legislation in 1988 established ABMC's Foreign Currency Fluctuation Account (FCFA). The account is to offset foreign currency costs when the dollar is less favorable than the budgeted rate, and to collect gains when the dollar is in a more favorable currency position.

AMERICAN BATTLE MONUMENTS COMMISSION  
FOREIGN CURRENCY FLUCTUATION  
FY 2003-FY 2005

Month	FY 03			FY 04			FY05		
	GAINS/LOSSES	REPLNSMNT	BALANCE	GAINS/LOSSES	REPLNSMNT	BALANCE	GAINS/LOSSES	REPLNSMNT	BALANCE
B/F			<b>\$8,763,899</b>		\$1,824,946	<b>\$5,532,057</b>			<b>\$1,672,314</b>
Oct	-\$253,953	<b>\$0</b>	\$8,509,946	-\$490,489	<b>\$0</b>	\$5,041,568	-\$250,000	<b>\$0</b>	\$1,422,314
Nov	-\$290,582		8,219,364	-\$700,504		4,341,064	-\$250,000		1,172,314
Dec	-\$266,483		7,952,881	-\$715,088		3,625,976	-\$250,000		922,314
Jan	-\$351,496		7,601,385	-\$607,350		3,018,626	-\$250,000		672,314
Feb	-\$350,084		7,251,301	-\$86,529		2,932,097	-\$250,000		422,314
Mar	-\$287,378		6,963,923	-\$179,969		2,752,128	-\$250,000		172,314
Apr	-\$351,665		6,612,258	-\$179,969		2,572,159	-\$250,000		-77,686
May	-\$481,215		6,131,043	-\$179,969		2,392,190	-\$250,000		-327,686
Jun	-\$666,706		5,464,337	-\$179,969		2,212,221	-\$250,000		-577,686
Jul	-\$674,291		4,790,046	-\$179,969		2,032,252	-\$250,000		-827,686
Aug	-\$520,790		4,269,256	-\$179,969		1,852,283	-\$250,000		-1,077,686
Sep	-\$562,145		3,707,111	-\$179,969		1,672,314	-\$250,000		-1,327,686
	<b><u>-\$5,056,788</u></b>	<b><u>\$0</u></b>	<b><u>\$3,707,111</u></b>	<b><u>-\$3,859,743</u></b>	<b><u>\$0</u></b>	<b><u>\$1,672,314</u></b>	<b><u>-\$3,000,000</u></b>	<b><u>\$0</u></b>	<b><u>-\$1,327,686</u></b>
FY 03 Actual									
FY 04 Estimated (Actual Oct thru 10 Feb; Estimated remainder of the year)									
FY 05 Estimated									

AMERICAN BATTLE MONUMENTS COMMISSION  
STATEMENT OF PERSONNEL

	<u>2003</u> <u>Actual</u>	<u>2004</u> <u>Estimate</u>	<u>2005</u> <u>Estimate</u>
Total Number of Full-Time Permanent Positions	374	384	390
Total Compensable Work Years (FTE)	374	384	390
Full-Time Equivalent (FTE) of Overtime and Holiday Pay	4	4	4
Average GS Grade/Step	12/3	12/4	12/5
Average GS Salary	62,587	64,714	66,915
Average Salary of Ungraded Positions	25,489	26,831	27,000

AMERICAN BATTLE MONUMENTS COMMISSION  
STATEMENT OF  
INCREASES AND DECREASES BY ACTIVITY  
(In Thousands)

	<u>Administration and U.S. Memorials</u>	<u>European Cemeteries and Memorials</u>	<u>Mediterranean Cemeteries and Memorials</u>	<u>Asian Cemeteries and Memorials</u>	<u>Latin Cemeteries and Memorials</u>	<u>Totals</u>
1. Fiscal 2003 Obligations (Actual)	4,823	23,435 *	4,911	1,323	525	35,017
2. Fiscal 2004 Obligations (Est)	5,520	29,159 **	4,598	1,289	534	41,100
Change from 2003	697	5,724	-313	-34	9	6,083
3. Fiscal 2005 Obligations (Est)	5,555	28,959 ***	4,641	1,416	529	41,100
Change from 2004	35	-200	43	127	-5	0

\* Includes \$4.0 million added for Normandy Interpretive Center

\*\* Includes \$9.0 million added for Normandy Interpretive Center

\*\*\* Includes \$9.1 million for Normandy Interpretive Center

AMERICAN BATTLE MONUMENTS COMMISSION  
STATEMENT OF  
INCREASES AND DECREASES BY OBJECT CLASSIFICATION  
(In Thousands)

	<u>11</u>	<u>12</u>	<u>13</u>	<u>21</u>	<u>22</u>	<u>23</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>31</u>	<u>32</u>	<u>42</u>	<u>Total</u>
Fiscal 2003 Obligations (Actual)	12,029	4,636	163	348	196	1,232	68	1,143	1,644	5,438	8,120	0	35,017
Fiscal 2004 Obligations (Est)	12,855	5,196	148	399	141	1,430	168	1,600	1,728	4,590	12,843	2	41,100
Changes from 2003	826	560	-15	51	-55	198	100	457	84	-848	4,723	2	6,083
Fiscal 2005 Obligations (Est)	13,215	4,728	152	430	185	1,805	170	1,718	2,097	3,212	13,383	5	41,100
Changes from 2004	360	-468	4	31	44	375	2	118	369	-1,378	540	3	0

AMERICAN BATTLE MONUMENTS COMMISSION  
CHANGES BY OBJECT CLASSIFICATION

This appropriation request provides \$41,100,000 for the administration, operation, maintenance, and supervision for 24 burial grounds and 31 separate monuments, memorials, markers and offices around the world, plus funding to complete construction of the Normandy American Cemetery Interpretive Center.

**11. Personnel Compensation.** \$13,215,511 is requested for salaries of 66 U.S. civilian and 324 foreign national employees indigenous to the foreign countries where our installations are located. Included in the request are in-grade increases, promotions, and cost of living increases for all employees.

**12. Personnel Benefits.** \$4,727,712 is requested for personnel benefits. These benefits or allowances are authorized by U.S. Federal law, the laws of the countries where our installations are located, and the treaty agreements between host countries and the U.S. Federal Government. They include U.S. and foreign national (FN) social security; GS Medicare taxes; GS and FN life insurance; GS education allowances; GS and FN retirement; GS quarters allowances; GS post allowances; GS and FN health insurance; GS temporary lodging allowances; GS thrift savings programs; bonuses; and FN family allowances.

**13. Benefits for Former Personnel.** \$152,000 is requested for severance pay of FN and GS employees.

**21. Travel and Transportation of Persons.** \$430,100 is requested for the travel and transportation of ABMC's U.S. and FN employees for operational purposes, its U.S. employees and dependents traveling on permanent change of station, its U.S. student dependents traveling to or from school, and its Presidentially appointed Commissioners, charged with oversight of ABMC operations.

**22. Transportation of Things.** \$185,000 is requested for transportation of supplies, materials, spare parts, vehicles and equipment utilized in the operation, maintenance, and repair of ABMC facilities and for the transportation of household goods in connection with permanent change of station.



AMERICAN BATTLE MONUMENTS COMMISSION  
CHANGES BY OBJECT CLASSIFICATION

**23. Rent, Communications, and Utilities.** \$1,804,645 is requested for rental of quarters, storage and garage space; postal, telephone, and fax services; water, gas and electricity; and Department of State International Cooperative Administrative Support Service (ICASS); \$375,000 more than our FY 04 budget. This increase is attributable to increases in utility charges and ICASS costs.

**24. Printing and Reproduction.** \$170,000 is requested for printing and reproduction of reports, photographs, general information pamphlets, cemetery booklets, lithographs of the cemetery memorials for presentation to the members of the families interred in them or commemorated by name on The Tablets of the Missing.

**25. Other Services.** \$1,717,890 is requested for contractual maintenance and repairs and vehicular insurance in those countries that require such coverage by law.

**26. Supplies and Materials.** \$2,097,305 is requested to replenish stockages of plantings and seeds; horticultural, repair and utility, custodial and office supplies; petroleums, oils and lubricants; tires and tubes; and spare replacement parts for vehicles and equipment.

**31. Equipment.** \$3,212,070 is requested for the replacement of worn-out and uneconomically repairable vehicles, equipment and furniture. Included in this request is \$1,000,000 for our Productivity Program.

**32. Lands and Structures.** \$13,382,767 is requested for capital improvements. This request includes \$9,100,000 for the completion of the Normandy Interpretive Center.

AMERICAN BATTLE MONUMENTS COMMISSION  
CHANGES BY ACTIVITY

General. This Appropriation Request provides \$41,100,000 for the administration, operation, maintenance, and supervision of 24 burial grounds and 31 monuments, memorials, markers, and offices around the world. This includes \$9.1 million for the completion of the Normandy American Cemetery Interpretive Center.

**Administration and U.S. Memorials.** \$5,555,000 is requested for the ABMC Headquarters office to administer operations worldwide and directly supervise three burial grounds, one in Panama, one in Mexico, and one in the Philippines. Also under the direct supervision of the Headquarters office are eight monuments and memorials, three in the United States, one in the Northern Marianas, one in the Philippines, one in the Solomon Islands, one in New Guinea, and one in Cuba. Funding includes \$1,550,000 for automation initiatives.

**European Cemeteries and Memorials.** \$28,959,417 is requested for the European Region to administer, supervise operate, and maintain 17 burial grounds and 14 separate monuments, memorials, markers, and one office, in France, England, Belgium, Luxembourg and The Netherlands. This request includes \$9,100,000 funding to complete the Normandy Interpretive Center.

**Mediterranean Cemeteries and Memorials.** \$4,641,000 is requested for the Mediterranean Region to administer, supervise, operate, and maintain four burial sites, two monuments/markers, and one office. These installations are located in Southern France, Italy, North Africa, and Gibraltar.

AMERICAN BATTLE MONUMENTS COMMISSION  
CHANGES BY ACTIVITY

**Asian Cemeteries and Memorials.** \$1,416,000 is requested for the Manila American Cemetery and Memorial to administer, operate, and maintain one burial ground and one separate memorial.

**Latin Cemeteries and Memorials.** \$528,518 is requested for the operation and maintenance of two burial grounds in Panama and Mexico.

FY 2003 VISITORS TO ABMC  
CEMETERIES, MONUMENTS, AND MEMORIALS

<b>U.S. INSTALLATIONS:</b>	<b><u>TOTAL:</u></b>	<b><u>5,730,533</u></b>	<b>MEDITERRANEAN INSTALLATIONS</b>	<b><u>TOTAL:</u></b>	<b><u>407,069</u></b>
Honolulu Memorial		5,730,533	Florence Cemetery		36,029
			North Africa Cemetery		2,960
			Rhone Cemetery		33,080
			Sicily-Rome Cemetery		335,000
<b>EUROPEAN INSTALLATIONS:</b>	<b><u>TOTAL:</u></b>	<b><u>2,316,021</u></b>	<b>ASIAN INSTALLATIONS:</b>	<b><u>TOTAL:</u></b>	<b><u>68,231</u></b>
Aisne-Marne Cemetery		33,724	Manila American Cemetery		68,231
Ardennes Cemetery		15,093			
Brittany Cemetery		2,897			
Brookwood Cemetery		3,003	<b>LATIN AMERICAN INSTALLATIONS</b>	<b><u>TOTAL:</u></b>	<b><u>2,700</u></b>
Cambridge Cemetery		293,142	Corozal Cemetery		1,875
Epinal Cemetery		37,551	Mexico City Cemetery		825
Flanders Field Cemetery		6,578			
Henri-Chapelle Cemetery		70,966			
Lorraine Cemetery		66,527			
Luxembourg Cemetery		62,126			
Meuse-Argonne Cemetery		95,099			
Netherlands Cemetery		288,650			
Normandy Cemetery		1,259,381			
Oise-Aisne Cemetery		60,061	<b><u>TOTAL FY 2002 VISITORS:</u></b>		<b><u>8,524,554</u></b>
Saint Mihiel Cemetery		12,024			
Somme Cemetery		5,137			
Suresnes Cemetery		4,062			

AMERICAN BATTLE MONUMENTS COMMISSION  
PRODUCTIVITY PROGRAM

<u>Description</u>	<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
Personnel Studies (Outsourced)	200	263	100
Modernization Equipment	1,256	868	300
Automation	66	60	50
Improvement Projects	1,478	1,809	550
Total	3,000	3,000	1,000

**AMERICAN BATTLE MONUMENTS COMMISSION  
WORLD WAR II MEMORIAL PROJECT  
BACKGROUND AND STATUS - FY 2005**

WORLD WAR II MEMORIAL PROJECT

I. BACKGROUND

Public Law 103-32 signed on May 25, 1993, authorized the American Battle Monuments Commission (ABMC) to establish a World War II Memorial in Washington D.C., or its environs. The legislation directed ABMC to obtain funds to construct the memorial from private donations.

II. SITE, DESIGN, AND CONSTRUCTION

Public Law 103-422 (October 1/994) authorized siting the memorial in the prime area of the capital that includes the National Mall. The Commission of Fine Arts (CFA) and National Capital Planning Commission (NCPC) approved selection of a 7.4-acre area between the Lincoln Memorial and Washington Monument. The site was dedicated by President Clinton on Veterans Day 1995. The CFA and NCPC approved the memorial design concept in 1998, the preliminary design in 1999, the final architectural design and ancillary structures in 2000, granite selections in 2001, and sculpture and inscriptions in 2002 and 2003. A ceremonial groundbreaking was held on Veterans Day 2000. Construction began in September 2001 and is on schedule for completion in March 2004. The memorial will be dedicated on May 29, 2004.

Construction is not only proceeding on time but also within budget, resulting in the project being rated as "Effective" by the Program Analysis and Review Technique (PART) evaluation overseen by the Office of Management and Budget (OMB). The success of this project is largely due to ABMC's comprehensive management, to include effective planning, scheduling, coordination and control of resources available. The General Services Administration (GSA) provides contracting support for the project, and together with ABMC, developed and issued a fixed-price construction contract with an award fee based primarily upon quality, schedule, and budget performance. In addition to ensuring that the memorial and its components were designed for maximum service life and for effective maintainability, ABMC also contracted for repair work to the adjacent Reflecting Pool as an added protection against, and prevention of water seepage into the memorial. This effort was accomplished within the existing budget, was fully coordinated with the National Park Service, and received the concurrence of the OMB.

**AMERICAN BATTLE MONUMENTS COMMISSION  
WORLD WAR II MEMORIAL PROJECT  
BACKGROUND AND STATUS - FY 2005**

III. FUNDING

As noted above, the memorial is being funded primarily by private contributions. As of the end of FY 2003, the memorial received total income of \$193.4M from the following sources: \$162.8M from the public fund-raising campaign; \$14.8 million in earned interest; \$4.8M from the sale of World War II 50<sup>th</sup> Anniversary Commemorative Coins; \$5.0M transferred from the Department of Defense World War II 50<sup>th</sup> Anniversary Commemoration account; and \$6.0M from the sale of titanium. The public fund-raising campaign was led by former Senator Bob Dole and FedEx Corporation CEO Frederick W. Smith. The \$162.8M in private contributions was received from corporations, foundations, civic, professional and fraternal groups, states, veterans' organizations, schools, and individual Americans. Included in this total are gifts from more than 600,000 individuals contributed in response to direct mail solicitations, through our toll free telephone number, or through our web site.

IV. LEGISLATION

During 1999, Congress approved several legislative items that supported the memorial fund-raising efforts. Public Law 106-58, signed Sept. 29, 1999, made the ABMC and World War II Memorial Advisory Board eligible to use nonprofit standard mail rates with respect to official mail sent in furtherance of soliciting funds and support for the creation of the memorial. In addition, Public Law 106-117, signed Nov. 30, 1999, extended the authorization for initiation of memorial construction to Dec. 31, 2005; granted ABMC permanent authority to solicit and receive funds and preserves any such funds in ABMC controlled interest bearing Treasury Accounts, and increased ABMC's authority to accept volunteer services and to use intellectual property interests. Finally, Public Law 107-11, signed on Memorial Day 2001, directed that the memorial be constructed expeditiously at the dedicated Rainbow Pool site. On the basis of this legislation, a pending lawsuit that had delayed construction was dismissed and a construction contract was awarded in June 2001.

**AMERICAN BATTLE MONUMENTS COMMISSION  
NATIONAL WORLD WAR II MEMORIAL CAMPAIGN (NWWIIMC)  
BUDGETARY/OBLIGATION BASIS--INCOME and EXPENSE FORECAST  
FISCAL YEARS 1993 to 2004  
(\$ in 000)**

	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	TOTAL
	FY93-98	FY99	FY00	FY01	FY02	FY03	FY04	PROGRAM
<b>REVENUE</b>								
Coin Sale and DOD and Titanium	9,797			6,000				15,797
Investment Earnings/Other	1,626	663	2,361	4,468	3,942	1,824	300	15,184
NWWIIMC	24,781	41,502	66,479	17,887	7,624	4,977	120	163,370
<b>Total Revenue</b>	<b>36,204</b>	<b>42,165</b>	<b>68,840</b>	<b>28,355</b>	<b>11,565</b>	<b>6,801</b>	<b>420</b>	<b>194,350</b>
<b>EXPENSES</b>								
Project Cost (Design & Construction)	2,102	3,399	4,955	93,209	4,014		1,785	109,464
Other Svcs	11,152	7,400	4,970	2,393	2,726	2,533	2,933	34,107
Payroll	3,596	2,404	2,535	1,676	678	877	1,264	13,030
Travel & Transportation	647	171	360	112	18	30	55	1,393
Equipment	172	134	22	10	5	9	10	362
Office Expense	374	854	1,135	516	200	188	497	3,763
Ground Breaking/ Ded. Ceremony	0		741	492		4,500	10,500	16,233
<b>Total Expenses</b>	<b>18,043</b>	<b>14,362</b>	<b>14,718</b>	<b>98,407</b>	<b>7,641</b>	<b>8,137</b>	<b>17,044</b>	<b>178,352</b>
NET RESULTS (Annual)	18,161	27,803	54,122	(70,052)	3,924	(1,336)	(16,624)	15,998
<b>BORROWING AUTHORITY</b>								
Borrowing Authority Applied								
Repayment of Borrowed Funding								
Interest on Amount Borrowed (5.5%)								
Unused Portion of Borrowing Authority								
ADJUSTED NET RESULTS (Annual)	18,161	27,803	54,122	(70,052)	3,924	(1,336)	(16,624)	15,998
<b>CUMULATIVE RESULTS</b>	<b>18,161</b>	<b>45,964</b>	<b>100,086</b>	<b>30,034</b>	<b>33,958</b>	<b>32,622</b>	<b>15,998</b>	