



Established by Congress 1923

American Battle Monuments Commission

Fiscal Year 2015 Appropriation Request

Submitted to the
113th Congress of the United States, Second Session

Senate Committee on Appropriations
Subcommittee on Military Construction, Veterans Affairs, and Related Agencies
and
House Committee on Appropriations
Subcommittee on Military Construction, Veterans Affairs, and Related Agencies

March 4, 2014

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EXECUTIVE SUMMARY

Total Budget Authority

The American Battle Monuments Commission (ABMC) requests \$72,000,000 in total budget authority and a 400 Full-Time Equivalent (FTE) employment level. This request will support ABMC's Fiscal Year (FY) 2015 requirements to commemorate the service, achievements, and sacrifice of American armed forces. After taking into account the non-recurring increase provided by the *Consolidated Appropriations Act, 2014*, the budget authority request for FY 2015 is \$300,000 less than the amount requested in FY 2014. No change is requested in the Commission's FTE employment level.

In this submission, the Commission is proposing to address concerns expressed in the Government Accountability Office (GAO) audit report, GAO-13-641, dated July 19, 2013. The GAO found one area of noncompliance with laws and regulations concerning the Commission's use of its Foreign Currency Fluctuations Account (FCFA). The GAO found that the Commission's rate for euro transactions (the predominant currency for ABMC's foreign transactions) undervalued the euro on the date of budget submission, resulting in significantly more costs being charged to the FCFA than were allowable by law.

To address this issue in the Salaries and Expenses account, the Commission is proposing to use an estimated rate that matches a twenty month average actual Department of the Treasury exchange rate. For the FCFA account, the Commission is proposing to use an estimated rate that equals a twenty month high value of actual Treasury exchange rates. This proposal does not significantly affect the Commission's overall budget authority after taking into account the non-recurring \$5 million increase from FY 2014.

These requests are discussed in greater detail in Section 2.

Funding Request Summary

		(\$ in Millions)			
		FY 2013	FY 2014	FY 2015	Change from FY
		Appropriation	Budget	Request	2014 Budget
Salaries & Expenses		62.929	63.200	70.100	6.900
2.513% Rescission	PL 113-6, Section 3001(b)(1)(A)	(1.581)	-	-	-
0.2% Rescission	PL 113-6, Section 3004(c)(1)	(0.123)	-	-	-
5% Sequestration	March 1 Sequestration Order	(3.855)	-	-	-
Subtotal		57.370	63.200	70.100	6.900
Foreign Currency		16.446	14.100	1.900	(12.200)
2.513% Rescission	PL 113-6, Section 3001(b)(1)(A)	(0.413)	-	-	-
0.2% Rescission	PL 113-6, Section 3004(c)(1)	(0.032)	-	-	-
Subtotal		16.001	14.100	1.900	(12.200)
Gross Budget Authority		73.371	77.300	72.000	(5.300)
Nonrecurring Interpretation/Maintenance		-	(5.000)	-	5.000
Net Budget Authority		73.371	72.300	72.000	(0.300)
FTE		400	400	400	0

PART 1: INTRODUCTION

Mission

The Commission's mission statement communicates its essence to stakeholders and the public. We believe it is a full and inspirational expression of our purpose.

The American Battle Monuments Commission – guardian of America's overseas commemorative cemeteries and memorials – honors the competence, courage and sacrifice of United States armed forces.

Vision

The Commission's vision statement originates from the words of our first Chairman, General of the Armies John J. Pershing. These words connect the very beginning of the Commission to our vision of the future.

Fulfill the promise that "time will not dim the glory of their deeds."

Values

Our values represent the Commission's priorities, culture, and how our team members act within the organization.

- Excellence – We strive for excellence in everything we do
- Integrity – We do what is right: legally, morally, and ethically
- Stewardship – We are careful and responsible guardians of the sacred mission entrusted to our care
- Commitment – We are dedicated to our mission, each other, and the public we serve
- Respect – We treat others with high regard and one another as valued members of our team

Who We Serve

Since ABMC was founded in 1923, the success of our mission has depended on the engagement of our stakeholders. Over time, our approach to accomplishing our mission has evolved to meet the changing needs of these various individuals. This section outlines the major groups that we have traditionally served and the types of activities we have provided.

- Veterans, Family, and Friends Honored for Their Service or Their Loss – We honor the veterans, family members, and friends of United States (U.S.) military who have served our country or endured the loss of a loved one who served. This group has the closest ties to our sites, and we strive to provide them with the most positive experience possible. For immediate family members who want to visit a family member's grave or memorial site, we provide letters authorizing fee-free passports for traveling overseas to visit

the memorial site. We also provide, at no charge, color lithographs and headstone photographs to relatives of those interred or memorialized in our cemeteries and monuments. In addition, we offer a variety of other services, including placement of floral decorations on a grave or marker, information on an individual buried or honored, and escort services for relatives to grave and memorial sites within the cemetery.

- Military and Public Officials – We host a variety of special events and commemorations throughout the year, including Memorial Day and Veterans Day holidays, to honor the freedom preserved and restored and the lives lost. Host country and U.S. government officials, diplomats, and military representatives attend these events with the public. In addition, military units hold ceremonies to honor their fallen comrades, and foreign organizations pay tribute to those who died liberating their regions.
- Guests and Visitors – We receive millions of American and foreign visitors of all generations at ABMC cemeteries and memorials, where they can learn and be inspired by the meticulous stewardship of the memorials and interpretation of the stories of our armed forces. We provide a variety of services to these visitors, including direction, advice on modes of transportation, and information on local accommodations.
- ABMC Partners – We support and provide information to our partners that help us further our mission, including other government agencies, historians and educators, the travel and tourism industry, and the media. Through these partnerships, we promote our mission, encourage visits to our commemorative sites, and help educate and inspire the public.

History and Background

Recognizing the need for a federal agency to be responsible for honoring the fallen members of American armed forces where they had served abroad and for controlling the construction of military monuments and markers on foreign soil, the Congress enacted legislation in 1923 creating the American Battle Monuments Commission.

The ABMC is an independent agency of the Executive Branch of the U.S. federal government. It is responsible for commemorating the service, achievements, and sacrifice of American armed forces in the U.S. and where they have served overseas since April 6, 1917 (the date of U.S. entry into World War I), through the erection of suitable memorial shrines; for designing, constructing, operating, and maintaining permanent American military burial grounds in foreign countries; for controlling the design and construction of U.S. military monuments and markers in foreign countries by other U.S. citizens and organizations, both public and private; and for encouraging the maintenance of such monuments and markers by their sponsors. In performing these functions, the Commission administers, operates and maintains twenty-five permanent American military burial grounds and twenty-three separate memorials, monuments and markers on foreign soil, and three memorials in the U.S.

In January 2013, President Obama signed into law the *Dignified Burial and Other Veterans' Benefits Improvement Act* (Public Law 112-260) directing the

Commission to restore, operate and maintain Clark Veterans Cemetery following negotiation of an agreement between the Republic of the Philippines and the United States. A memorandum of understanding was signed on December 16, 2013 providing the authority for Clark Veterans Cemetery to become ABMC's 25th overseas cemetery.

On July 28, 2013 the Commission dedicated its 26th federal monument. The U.S. Korean War Memorial at the United Nations (U.N.) Cemetery in Busan, Korea is the first non-World War I or World War II memorial constructed by the agency outside the United States. The monument is located in the only U.N. cemetery in existence. This is the third memorial commemorating the Korean War created by ABMC. The first is located in Honolulu at the National Memorial Cemetery of the Pacific in Hawaii, which tells the story of America's 20th century wars in the Pacific. That memorial was dedicated in 1966. The Korean War Veterans Memorial located on the National Mall in Washington, DC was dedicated in 1995 and is now under the care of the National Park Service.

Cemeteries

Aisne-Marne American Cemetery, France	Manila American Cemetery, the Philippines
Ardennes American Cemetery, Belgium	Meuse-Argonne American Cemetery, France
Brittany American Cemetery, France	Mexico City American Cemetery, Mexico
Brookwood American Cemetery, England	Netherlands American Cemetery, the Netherlands
Cambridge American Cemetery, England	Normandy American Cemetery, France
Clark Veterans Cemetery, the Philippines	North Africa American Cemetery, Tunisia
Corozal American Cemetery, Panama	Oise-Aisne American Cemetery, France
Epinal American Cemetery, France	Rhone American Cemetery, France
Flanders Field American Cemetery, Belgium	Saint-Mihiel American Cemetery, France
Florence American Cemetery, Italy	Sicily-Rome American Cemetery, Italy
Henri-Chapelle American Cemetery, Belgium	Somme American Cemetery, France
Lorraine American Cemetery, France	Suresnes American Cemetery, France
Luxembourg American Cemetery, Luxembourg	

Memorials, Monuments and Markers

Audenarde Monument, Belgium	Montfaucon Monument, France
Belleau Wood Marine Monument, France	Montsec Monument, France
Bellicourt Monument, France	Papua Marker, New Guinea
Brest Naval Monument, France	Pointe du Hoc Ranger Monument, France
Cabanatuan Memorial, the Philippines	Saipan Monument, Northern Mariana Islands
Cantigny Monument, France	Santiago Surrender Tree, Cuba
Chateau-Thierry Monument, France	Sommepey Monument, France
Chaumont Marker, France	Souilly Marker, France
East Coast Memorial, New York City	Tours Monument, France
Guadalcanal Memorial, Solomon Islands	Utah Beach Monument, France
Honolulu Memorial, Honolulu	West Coast Memorial, San Francisco
Kemmel Monument, Belgium	Western Naval Task Force Marker, Morocco
Korean War Monument, Republic of Korea	World War I Naval Monument, Gibraltar

There are 124,904 U.S. war dead interred in the Commission's cemeteries: 30,921 of World War I; 93,233 of World War II; and 750 of the Mexican War. Additionally, 6,278 American veterans and others are interred in the Mexico City National Cemetery and Corozal American Cemetery in Panama, and more than 8,000 American veterans and others are interred in Clark Veterans Cemetery in the Philippines. Commemorated individually on tablets at the World War I and World War II cemeteries and three memorials on U.S. soil are the names of 94,138 U.S. servicemen and women listed as missing in action or lost or buried at sea during the world wars and the Korean and Vietnam Wars.

Each grave site in the permanent American World War I and World War II cemeteries on foreign soil is marked by a headstone of pristine white marble. Annotated on the headstones of the World War I war dead who could not be identified is the phrase, "HERE RESTS IN HONORED GLORY AN AMERICAN SOLDIER KNOWN BUT TO GOD." In the World War II cemeteries, the words "AMERICAN SOLDIER" were replaced with the words "COMRADE IN ARMS."

The Commission's World War I, World War II, and Mexico City cemeteries are closed to future burials except for the remains of U.S. war dead found from time to time in the World War I and World War II battle areas. Corozal American Cemetery and Clark Veterans Cemetery are the only active cemeteries maintained by the Commission.

Organization

The Board of Commissioners constitutes the policy-making body of the Commission. The President appoints up to eleven members, who serve for an indefinite term without pay. They meet with the Secretary and professional staff of the Commission twice annually. The Commissioners establish policy and ensure proper staff functioning for the Commission to carry out its mission. During inspections, they observe, inquire, comment upon, and make recommendations on any and all aspects of the Commission's operations.

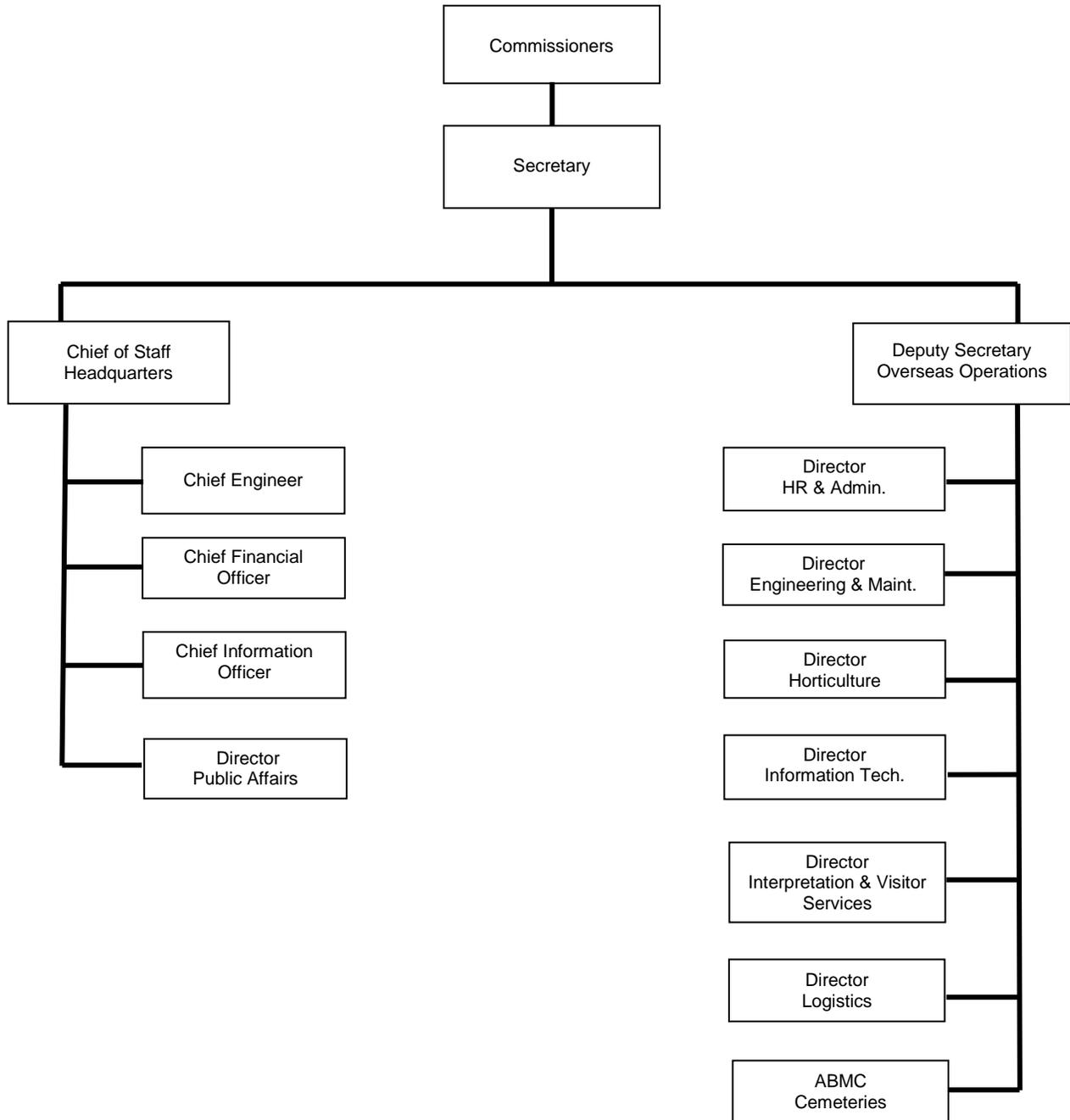
Commission

The Honorable Merrill McPeak – Chairman
The Honorable Cindy Campbell
The Honorable Barbaralee Diamonstein-Spielvogel
The Honorable Darrell Dorgan
The Honorable John Estrada
The Honorable Rolland Kidder
The Honorable Richard Klass
The Honorable Constance Morella
The Honorable Maura Sullivan

The Honorable Max Cleland – Secretary

The Commission's daily operations are directed by an Executive Level Secretary appointed by the President. The Commission is currently staffed by 400 FTE

consisting of both U.S. General Schedule and Foreign Service National civilian employees. The agency headquarters is located in Arlington, Virginia, and a field operations office responsible for all overseas cemeteries and memorials is located in Garches, France, just outside Paris. This organization plan is reflected below:



The Commission also administers trust funds to (1) build memorials authorized by Congress, but financed primarily from private contributions, commemorative coin proceeds, or investment earnings; (2) decorate grave sites with flowers from private contributions; and (3) maintain and repair nonfederal war memorials with private contributions.

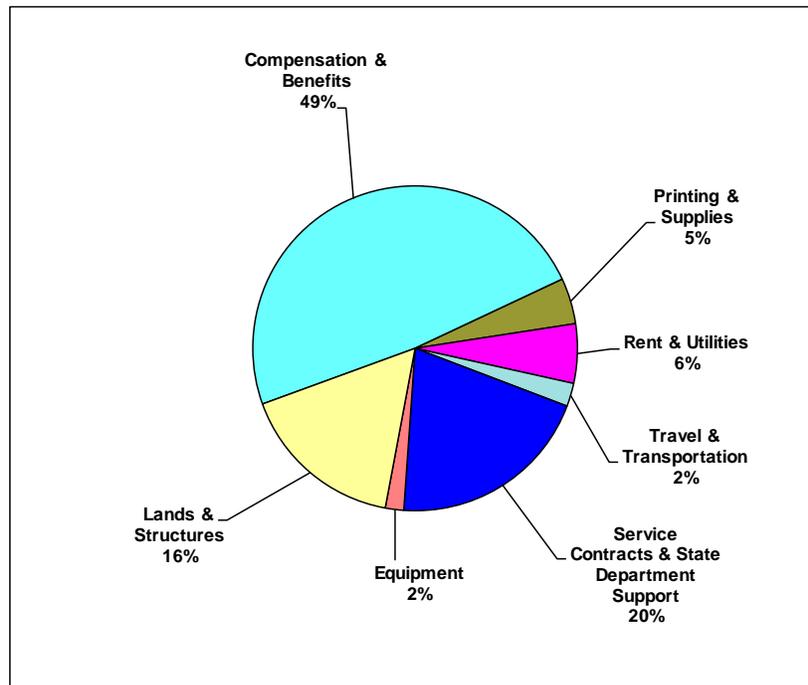
Operations

The Commission's FY 2015 funding request focuses on providing the appropriate amount of funding for personnel costs, service fees, scheduled maintenance and repairs, supplies, spare parts, replacement equipment, and capital improvements enabling the Commission to perform its mission.

Most of the Commission's facilities range in age from 50 to 96 years old, with the Mexico City National Cemetery being nearly 160 years old. The permanent structures, grounds and plantings make the Commission's facilities among the most beautiful memorials in the world, yet their age requires increased funding levels to maintain them. These shrines to America's war dead require a formidable annual program of maintenance and repair of facilities, equipment, and grounds.

The Commission prioritizes the use of its engineering, maintenance and horticulture funds carefully to ensure the most effective and efficient utilization of its available resources. This care includes upkeep of more than 131,000 graves and headstones and 74 memorial structures (within and external to the cemeteries) on approximately 1,650 acres of land. Additionally, the Commission maintains 65 visitor facilities and quarters for assigned personnel; 67 miles of roads and paths; and over 900 acres of ornamental landscaping and fine lawns.

Care and maintenance of these resources requires exceptionally intensive labor at the Commission's cemeteries and memorials. Compensation and benefits consume nearly 50 percent of the Commission's FY 2015 request while the remaining 50 percent supports engineering, maintenance, logistics, services, supplies and other administrative costs critical to its operations.



PART 2: FY 2015 BUDGET REQUEST

Overview of FY 2015 Request

The Commission requests \$72,000,000 in total budget authority and a 400 FTE employment level. This request will support ABMC's FY 2015 requirements to commemorate the service, achievements, and sacrifice of American armed forces. After taking into account the non-recurring increase provided by the *Consolidated Appropriations Act, 2014*, the budget authority request for FY 2015 is \$300,000 less than the amount requested in FY 2014. No change is requested in the Commission's FTE employment level.

In this submission, the Commission is proposing to address concerns expressed in the GAO audit report, GAO-13-641, dated July 19, 2013. The GAO found one area of noncompliance with laws and regulations concerning the Commission's use of its Foreign Currency account. The GAO found that the Commission's rate for euro transactions (the predominant currency for ABMC's foreign transactions) undervalued the euro on the date of budget submission, resulting in significantly more costs being charged to the FCFA than were allowable by law.

To address this issue in the Salaries and Expenses (S&E) account, the Commission is proposing to use an estimated rate that matches a twenty month average actual Department of the Treasury exchange rate. For the FCFA account, the Commission is proposing to use an estimated rate that equals a twenty month high value of actual Treasury exchange rates. This proposal does not significantly affect the Commission's overall budget authority after taking into account the non-recurring \$5 million increase from FY 2014.

Funding Request Summary

		(\$ in Millions)			
		FY 2013	FY 2014	FY 2015	Change from FY
		Appropriation	Budget	Request	2014 Budget
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Net Budget Authority		73.371	72.300	72.000	(0.300)
FTE		400	400	400	0

Proposed Appropriations Language¹

Federal Funds:

**Salaries and Expenses
 Treasury Account ID: 74-0100-0**

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases 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-one replacement basis only) and hire of passenger motor vehicles; not to exceed \$7,500 for official reception and representation expenses; and insurance of official motor vehicles in foreign countries, when required by law of such countries, ~~[\$63,200,000]~~\$70,100,000, to remain available until expended. (*Consolidated Appropriations Act, 2014*)

**Foreign Currency Fluctuations Account
 Treasury Account ID: 74-0101-0**

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, such sums as may be necessary, to remain available until expended, for purposes authorized by section 2109 of title 36, United States Code.

¹ In FY 2015, ABMC proposes to use an estimated exchange rate in the S&E account that matches the a twenty month average actual exchange rate in order to address concerns expressed by the Government Accountability Office. This proposal will increase the S&E appropriation to \$70,100,000 and reduce the FCFA to \$1,900,000. After taking into account the \$5,000,000 increase provided by the *Consolidated Appropriations Act, 2014*, the net change in budget authority required is \$300,000.

(\$ in Millions)

	FY 2013 Appropriation	FY 2014 Budget	FY 2015 Request	Change from FY 2014
Salaries & Expenses	57.370	63.200	70.100	6.900
Foreign Currency	16.001	14.100	1.900	(12.200)
TOTAL Budget Authority	\$73.371	\$77.300	\$72.000	(\$5.300)

ABMC Budget Authority

The FY 2015 budget request seeks an increase in the Salaries and Expenses account of \$6.9 million and a decrease of \$12.3 million in the Foreign Currency Fluctuations Account. The total budget authority request is \$72 million, a net decrease of \$5.3 million or 6.9 percent from the total budget authority appropriated in FY 2014. After taking into account the increase provided by the *Consolidated Appropriations Act, 2014*, the budget authority request for FY 2015 is \$300,000 less than the amount requested in FY 2014.

For FY 2015, the Commission is proposing to address concerns expressed in the GAO audit report, GAO-13-641, dated July 19, 2013. The GAO found one area of noncompliance with laws and regulations concerning the Commission's use of its Foreign Currency account. The GAO found that the Commission's rate for euro transactions (the predominant currency for ABMC's foreign transactions) undervalued the euro on the date of budget submission, resulting in significantly more costs being charged to the FCFA than were allowable by law. To address this issue in the S&E account, the Commission is proposing to use an estimated rate that matches a twenty month average actual Department of the Treasury exchange rate. For the Foreign Currency account, the Commission is proposing to use an estimated rate that equals a twenty month high value of actual Treasury exchange rates.

Under U.S. Code Title 36, Section 2109(c)(1) "Amounts in the Account may be transferred to amounts appropriated for salaries and expenses of the Commission. Transferred amounts shall be merged with, and are available for the same time period as, the appropriation to which they are applied." Funds in the Foreign Currency account are transferred into the Salaries and Expenses account via nonexpenditure transfers and approved by the Department of the Treasury. Such transfers increase total available resources within the S&E account. These transferred funds are accessed when actual payments are made.

Therefore, the Commission's total budget authority is obligated and outlayed under the Salaries and Expenses account. There are no obligations and no outlays made in the Foreign Currency account.

In previous budget submissions, the Commission used a budget rate of €1 euro = \$1 U.S. dollar to develop budget estimates for the Salaries and Expenses account and then developed a budget estimate for the Foreign Currency account based on trends of the euro (and other currencies) against the U.S. dollar.

In accordance with 36 U.S. Code 2109, the Commission accesses its Foreign Currency funding when, on the date of payment, funds are required in excess of the budget rate versus the actual Treasury exchange rate. As a basic example, a €10,000 euro maintenance contract was budgeted at \$10,000 U.S. dollars – a rate of €1 euro = \$1 dollar. When payment is due, a \$13,000 U.S. dollar payment is made if, for example, the actual Treasury rate at the time of the transaction is €1 euro = \$1.30 (or \$1 dollar = €0.77 euro). The \$10,000 payment is made from Salaries and Expenses and the \$3,000 payment is made from a FCFA transfer into the S&E.

For FY 2015, the Commission is proposing to use a budget rate closer in value to actual exchange rates. This budget request proposes using a rate of €1 euro = \$1.30 dollar (the equivalent of \$1 dollar = €0.77 euro) in the S&E account. This is based on an average actual exchange rate. Using the above example, the Commission will now budget not \$10,000 for the maintenance contract but \$13,000.

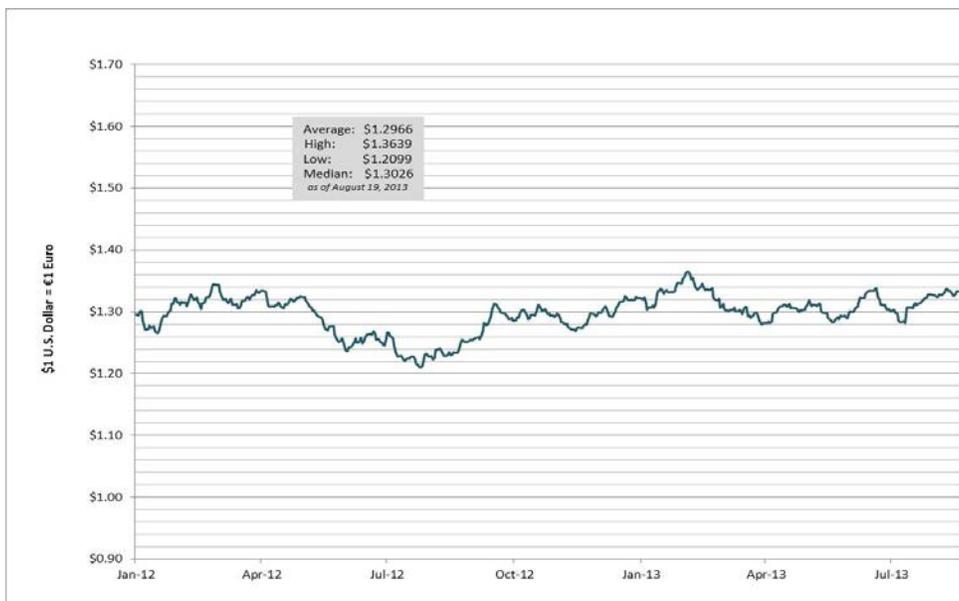
In FY 2015, \$1,900,000 is requested for the Foreign Currency account using a rate of €1 euro = \$1.35 dollar (or \$1 dollar = €0.74 euro). This FCFA budget rate of €0.74 euro is based on a twenty month high value of actual exchange rates. The Foreign Currency account may only be used for the difference between the actual Treasury exchange rates and the Commission's budget rate.

This lower FY 2015 FCFA request level reflects the amount necessary when, on the date of payment at an actual Treasury exchange rate, the Salaries and Expenses funds – using the €1 euro = \$1.30 dollar budget rate – are insufficient to make the payment. The Foreign Currency account funds will be required if the dollar is weaker than €1 euro = \$1.30. Using the same example, ABMC's €10,000 euro maintenance contract is \$13,000 using the new budget rate (€1 euro = \$1.30) in the S&E account. If the actual Treasury exchange rate at the date of payment is €1 euro = \$1.35 (or \$1 dollar = €0.74 euro), a total payment of \$13,500 is required: \$13,000 paid from Salaries and Expenses and \$500 paid from the Foreign Currency account funds transferred into Salaries and Expenses.

The net effect of this change increases the funding required in the S&E account and reduces the amount necessary for the FCFA account. The overall impact on ABMC's total budget authority for FY 2015 when compared to FY 2014 is negligible.

In conclusion, the Commission believes that this response to the GAO finding is the best strategy to bring the Commission's use of the Foreign Currency account into compliance.

Foreign Currency Exchange Rate Trend



Fiscal Year 2015 Request - \$72,000,000

For FY 2015, the Commission requests \$72,000,000 in total budget authority and a 400 FTE employment level. The Salaries and Expenses request is \$70,100,000 using a foreign currency budget rate of \$1 dollar = €0.77 euro for overseas transactions. The request for the Foreign Currency account is \$1,900,000 and is based on a twenty month high value of actual exchange rates.

This funding level will support compensation and benefits, rental of office space, utilities, payments to the Department of State for the International Cooperative Administrative Support Service and for the Capital Security Cost Share Program, printing and supplies, services and support contracts, travel and transportation, equipment, and capital improvements to perform its mission.

Adjustments from the FY 2014 Budget

FY 2014 Appropriation	\$63,200,000
Adjustments:	
Compensation and Benefits	\$403,000
Travel	(\$36,000)
Department of State ICASS	\$170,000
External Audit, Internal Controls, Accounting System	\$236,000
Utilities, Maintenance and Repairs, and Horticulture Supplies	\$480,000
IT, Service Contracts, Printing, and Equipment, net decrease	(\$288,000)
Maintenance and Infrastructure Programs, net decrease	(\$4,769,000)
Foreign Currency Requirement in S&E	\$10,704,000
 Subtotal Adjustments	 <u>\$6,900,000</u>
 Subtotal	 \$70,100,000
 Foreign Currency Fluctuations Account	 <u>\$1,900,000</u>
 FY 2015 Budget Authority Request	 \$72,000,000

Compensation and Benefits..... \$403,000

For FY 2015, the Commission is requesting an increase of \$403,000 for Salaries & Benefits. The Commission operates in an overseas environment where personnel compensation expenses increase annually regardless of Federal pay guidance for personnel benefits for employees worldwide, including health insurance, social security, and other allowances. This increase will fund such annual increases plus an estimated 1.0 percent pay increase for U.S. employees and Foreign National workforce under the Administration's FY 2015 pay assumptions.

Travel..... (\$36,000)

The Commission will reduce Travel by \$36,000 in FY 21015.

Department of State ICASS \$170,000
Payments to Department of State for the International Cooperative Administrative Support Service will increase in FY 2015. An increase of \$170,000 is requested.

External Audit, Internal Controls, Accounting System \$236,000
The Commission is requesting \$236,000 to fund the increases necessary for the annual external audit, the biennial internal controls review to comply with Federal financial management directives, and accounting system cross servicing contracts with the Department of the Interior.

Utilities, Maintenance and Repairs, and Horticulture Supplies \$480,000
An increase of \$480,000 is requested to maintain ABMC's 25 cemeteries and 26 memorials. This increase will fund the cost increases for utilities, day-to-day annual maintenance expenses, and horticulture supplies (such as grass, seeds, flowers, plants, fertilizers, and pesticides).

IT, Service Contracts, Printing, and Equipment, net decrease (\$288,000)
This budget request reflects ABMC's requirements in reduced information technology contracts and equipment, and nonrecurring build-out expenses related to the Paris office space move. These decreases are offset by increases in printing and miscellaneous service contracts.

Maintenance and Infrastructure Programs, net decrease..... (\$4,769,000)
The Commission is requesting a decrease in funding for the Maintenance and Infrastructure Program of \$4,769,000. The overall Maintenance and Infrastructure Program request level of \$12,892,000 will support the program requirements of ABMC in engineering, horticulture, logistics and interpretation. This decrease comprises most of the \$5,000,000 provided in FY 2014 "to support ABMC's interpretive program and nonrecurring maintenance needs."

Foreign Currency Requirement in S&E..... \$10,704,000
The \$10,700,000 request in the Salaries and Expenses Account reflects the effect of using the rate of \$1 dollar = €0.77 euro.

Statement of Increases and Decreases By Object Classification

FY 2015 Budget Request

(\$ in thousands)

Object Class	FY 2013 Appropriation	FY 2014 Budget	FY 2015 Request	0.77 FC	FY 2015 Total S&E	Foreign Currency Fluctuations Account	FY 2015 Budget Authority
Personnel Compensation	17,954	18,595	18,934	3,534	22,468	625	23,093
Personnel Benefits	9,678	9,810	9,874	1,608	11,482	283	11,765
Benefits for Former Personnel	75	75	75	23	98	4	102
Travel & Transportation of Persons	1,090	1,136	1,100	217	1,317	41	1,358
Transp of Things	234	235	235	71	306	13	319
Rent/Communications/Utilities	2,485	3,297	3,395	743	4,138	135	4,273
Printing	193	191	206	40	246	8	254
Other Services	16,933	17,260	12,561	1,693	14,254	303	14,557
Supplies & Materials	2,123	3,410	2,288	655	2,943	115	3,058
Equipment	1,143	1,681	998	287	1,285	51	1,336
Land & Structures	6,262	7,510	9,730	1,833	11,563	322	11,885
TOTAL	58,170	63,200	59,396	10,704	70,100	1,900	72,000

The chart above presents the request by Budget Object Class. It highlights the changes from FY 2014 to FY 2015 under the previous budget rate of \$1 dollar = €1 euro and the effect of using the rate of \$1 dollar = €0.77 euro. The following narrative describes the differences from the FY 2014 Budget and the FY 2015 Request. This budget request will allow the Commission to continue its commemorative mission and to achieve the Administration's government-wide management initiatives within agency operations.

Personnel Compensation - The Commission requests \$18,934,000. This funding will support a 400 FTE employment level, including allowances authorized for the Commission's U.S. employees and Foreign National workforce. An estimated 1.0 percent pay increase is included under the Administration's FY 2015 pay assumptions.

Personnel Benefits - This \$9,874,000 request includes funding benefits for employees worldwide such as health insurance, social security, and other allowances authorized for the Commission's U.S. employees and Foreign National workforce.

Benefits for Former Personnel - No increase is requested for unemployment compensation and severance pay.

Travel and Transportation of Persons – The Commission requests \$36,000 less for travel in FY 2015. This line item supports travel and transportation requirements for U.S. and Foreign National workers, U.S. employees and dependents traveling on permanent change of station, U.S. student dependents traveling to or from school, and travel by the Commissioners appointed by the President who are charged with oversight of Commission operations.

Transportation of Things - The Transportation of Things budget request is \$245,000 for the transportation of supplies, materials, spare parts, vehicles and equipment used in the operation, maintenance, and repair of ABMC facilities and for the transportation of household goods in connection with permanent change of station. No increase is requested.

Rent, Communications, and Utilities - The Commission requests \$3,395,000 for rent; water, gas and electricity; horticulture equipment rental; and postal, telephone, and internet services. This \$98,000 increase will fund increased payments required for utilities in the cemeteries.

Printing and Reproduction - The increase of \$15,000 in printing will fund the printing of cemetery booklets, visitor brochures, photographs, general information pamphlets, and reports.

Other Services - The Commission requests \$12,561,000 for other contractual services which consist of engineering and technical services; professional support services; horticulture contracts; operation, maintenance, and repair of equipment; information technology services; interagency service agreements (such as payments to the Department of State for International Cooperative Administrative Support Service and Capital Security Cost Share Program fees); maintenance and repairs of vehicles; and employee training. These funds also support the Commission's Maintenance and Infrastructure Program requirements. This request includes \$7,500 (not to exceed) for official reception and representation expenses.

This funding level will provide increases for external audit services, annual accounting services with the Department of the Interior, biennial internal controls review, payments to the Department of State for International Cooperative Administrative Support Service, horticulture maintenance requirements, and annual maintenance and repair efforts in the cemeteries. Offsetting decreases include contracted information technology services, program requirements in the Maintenance and Infrastructure programs, and miscellaneous service contracts.

Supplies and Materials - The decrease of \$1,122,000 reflects higher spending on the headstone replacement program using the additional funds provided in FY 2014. This decrease is offset by increased funding for horticulture supplies in FY 2015.

Equipment - The Commission requests \$998,000, a \$683,000 reduction, that will fund cemetery maintenance equipment and unserviceable vehicles under the Logistics program. Other equipment funded in this line item includes office and information technology equipment and software. The decrease reflects fewer information technology equipment purchases and fewer requirements for the Logistics program.

Land and Structures - The request of \$9,730,000 will fund the mix of Maintenance and Infrastructure program requirements in FY 2015 which include, constructing a World War II Monument in New Zealand, constructing visitor centers at the Honolulu Memorial and at the Manila American Cemetery, rebuilding the service area at the Manila American Cemetery, replacing storm

drainage under the roads at the Netherlands American Cemetery, and rehabilitating the walking paths at the Pointe du Hoc Ranger Monument.

Clark Veterans Cemetery

In January 2013, the President signed into law the *Dignified Burial and Other Veterans' Benefits Improvement Act* (Public Law 112-260) directing the Commission to restore, operate and maintain Clark Veterans Cemetery following an agreement between the Republic of the Philippines and the U.S. A memorandum of understanding was signed on December 16, 2013 providing the authority for Clark Veterans Cemetery to become ABMC's 25th overseas cemetery.

Upon signature, the Commission's Superintendent at the Manila American Cemetery assumed responsibility for maintaining the cemetery and began taking the necessary steps to transition the cemetery to full ABMC control. These transition actions included:

1. Assigning two maintenance staff from Manila American Cemetery to Clark Veterans Cemetery on temporary duty to oversee a contract labor force of five workers that is providing basic maintenance of the site.
2. Temporary relocation of maintenance equipment to Clark from Manila for use by the crew and the purchase of maintenance equipment for permanent location at Clark.
3. Beginning discussions on burial policies and procedures with the Bases Conversion and Development Authority, as required by the memorandum of understanding, and the local VFW Post, which has been coordinating burials and maintaining the site.
4. Transferring water and electricity accounts.
5. Deploying the Director of Engineering from the overseas operations office in France to Manila for a two-year detail to oversee projects planned at Manila American Cemetery and that will be planned at Clark Veterans Cemetery. Significant existing projects for the Manila cemetery and Pacific memorials (Manila perimeter fence, Manila quarters, Cabanatuan Memorial, and Guadalcanal Memorial, for example), in addition to requirements to be defined at Clark cemetery, justified this detail.

Additional action during FY 2014 will include:

1. Contracting with a Department of Defense agency for a full engineering and landscaping assessment of the cemetery infrastructure and grounds condition.
2. Determining permanent staffing requirements.
3. Building a secure storage facility to house the equipment and vehicles.
4. Possibly digging a deep well to provide a reliable water supply.

The *Consolidated Appropriations Act, 2014* provided ABMC with additional funds for the Commission's "interpretive program and nonrecurring maintenance needs". The Commission has made funds available for the Clark cemetery activities noted above.

The Commission will continue to perform basic maintenance as an assessment of the restoration and operational requirements is initiated. The annualized estimate for such basic maintenance is \$250,000. This amount is budgeted within the Commission's overall recurring maintenance requirements beginning in FY 2015.

The full engineering and landscaping assessment of the Clark cemetery infrastructure and grounds will be used to guide Commission and Administration decisions on restoration work to be done and a timeline for completion of that work. Funding for restoration of the cemetery will be subject to government-wide funding constraints.

Maintenance and Infrastructure Programs

FY 2015 Request Level

(\$ in thousands)

Object Class	FY 2013 Appropriation	FY 2014 Budget	FY 2015 Request	0.77 FC	FY 2015 Total S&E	Foreign Currency Fluctuations Account	FY 2015 Budget Authority
Engineering and Maintenance	7,051	11,200	7,192	1,835	9,027	322	9,349
Horticulture	2,430	503	950	284	1,234	50	1,284
Logistics	514	958	750	225	975	41	1,016
Interpretation	4,000	5,000	4,000	419	4,419	73	4,492
TOTAL	13,995	17,661	12,892	2,763	15,655	486	16,141

Engineering and Maintenance Program

The high quality of the commemorative sites maintained by the Commission demonstrates a careful commitment to America's war dead. These cemeteries and memorials are among the most beautiful and meticulously maintained sites in the world. Commission staff are the stewards of these sites, and the condition of the sites reflect the degree to which this organization has achieved excellence. Operating, maintaining, and improving ABMC facilities to this standard requires a robust Engineering and Maintenance Program.

New Zealand World War II Monument - The Government of New Zealand is constructing a Memorial Park in front of its National War Memorial tower in Wellington, the capital city, and invited the U.S. to build a monument in the new park to commemorate our shared sacrifice and core values. Only the U.S., Australia and the United Kingdom have been invited to construct monuments in the park. New Zealand hosted a contingent of U.S. soldiers and marines beginning in 1942, and was an important component in the U.S. strategy in the South West Pacific. Americans arrived when invasion looked imminent and New

Zealand's army was deployed overseas. U.S. forces strengthened the nation's defenses against a possible Japanese attack and used New Zealand as the staging base for operations against distant enemy-held islands. An estimated total of 100,000 U.S. military personnel were stationed in New Zealand during World War II. A U.S. memorial to this effort will reinforce the strong, historic links between the countries.

Additional projects in FY 2015 the Commission proposes to execute include:

- rebuild the service area at the Manila American Cemetery;
- replace storm drainage under the roads at the Netherlands American Cemetery;
- rehabilitate the walking paths at the Pointe du Hoc Ranger Monument;
- site and structural upgrades to the Guadalcanal Memorial;
- rebuild 60 meters of stone wall at the Rhone American Cemetery.

Horticulture Program

The Commission's goal for the Horticulture Program is to ensure that the horticultural elements of cemetery plot areas, fine lawns, meadows and plantings reflect the honor bestowed upon those who served. Program activities include the replacement of irrigation systems and major tree or feature replacements. The Horticulture Program requirement in FY 2015 is the replacement of the irrigation system at the Brittany American Cemetery.

Logistics Program

The Logistics Program ensures that cemeteries have the appropriate type and amount of equipment reflecting best industry practices. This includes the purchase and replacement of cemetery equipment such as horticultural tools and equipment, vehicles, and trucks. In FY 2015, the Logistics Program will continue to support the cemeteries in maintaining the most beautiful and meticulously maintained sites in the world.

Interpretation Program

Meticulously maintaining our cemeteries and memorials is and will remain ABMC's core mission. But that alone is not enough to honor those who served; the Commission must also preserve and communicate their stories of competence, courage, and sacrifice. Telling the story of those who fought and died through the creation of interpretive centers began with the opening of the Normandy Visitor Center in May 2007. The Commission's interpretive program is advancing at multiple sites in Europe, with new visitor centers at Cambridge and Sicily-Rome cemeteries and the Pointe du Hoc Ranger Monument opening this Spring. Design development to renovate the Meuse-Argonne visitor center is underway and design development at Flanders Field will begin in FY 2014.

The story of World War II in the Pacific is the bookend to the story in Europe. The Commission is turning its attention to Manila American Cemetery and the Honolulu Memorial to address that region's interpretive program requirements in fiscal years 2014 and 2015. These are the only ABMC sites in the Pacific with the capacity and visitation to warrant interpretive centers, and thus the only sites at which ABMC can tell the story of America's participation in the major Pacific wars of the 20th century. Design will begin in FY 2014; construction is budgeted for FY 2015.

Honolulu Memorial Visitor Center - The Honolulu Memorial is located within the National Memorial Cemetery of the Pacific. The memorial and cemetery rest within Puowaina Crater, an extinct volcano referred to locally as the Punchbowl. The Commission erected the Honolulu Memorial in 1964. The Punchbowl, administered by the National Cemetery Administration (NCA), receives millions of visitors each year. An interpretive center there will allow the Commission to tell the story of World War II in the Pacific, as well as the Korean and Vietnam wars, all of which are commemorated by battle maps and Courts of the Missing within the memorial. Complementing the story at Manila, the primary World War II focus at the interpretive center will be operations in Admiral Chester Nimitz's Pacific Oceans Theater. The Commission has begun discussions with the NCA about the possibility of building an interpretive center near the memorial. Several potential sites within the Punchbowl are under evaluation. An area within walking distance of the memorial and the cemetery overlook appears most promising; a feasibility study of the site was contracted in FY 2014.

Manila Visitor Center - The Manila American Cemetery is the Commission's largest cemetery. The cemetery occupies 152 acres on a prominent plateau, visible at a distance from the east, south and west. It contains the largest number of graves of military dead of World War II, a total of 17,202, most of whom lost their lives in operations in New Guinea and the Philippines, and more than 36,000 names on Walls of the Missing. The 53,000 American and Filipino service men and women buried or memorialized there account for nearly 24 percent of the 225,000 individuals honored at Commission commemorative sites worldwide. The primary story focus of a renovated visitor center will be operations in the South West Pacific commanded by General Douglas MacArthur. Manila provides the best opportunity to feature accounts of the competence, courage and sacrifice of U.S. Navy and Marine Corps forces. Coupled with an interpretive center at the Punchbowl in Honolulu, Manila cemetery is a critical venue for ABMC's telling of the World War II story in the Pacific.

Statement of Personnel

The table below presents a profile of ABMC's personnel requirements:

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Compensable Work Years (FTE) Authorized	400	400	400
Total Compensable Work Years (FTE) Actual/Estimated	400	400	400
Average GS Grade/Step (including Locality Pay)	12/6	12/8	12/8
Average Salary of GS Positions	\$87,229	\$93,400	\$95,786
Average Salary of FSN Positions	\$35,221	\$35,339	\$46,558 ^{1/}

^{1/} FY 2015 increase in Average Salary of FSN Positions reflects the use of an estimated budget rate of \$0.77.