

Subject: Venture Capital Fund	DoD Serial Number: FY 03-43 IR
	Includes Transfer? Yes

Component Serial Number:	<i>(Amounts in Thousands of Dollars)</i>							
	Program Base Reflecting Congressional Action		Program Previously Approved by Sec Def		Reprogramming Action		Revised Program	
Line Item	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This reprogramming action transfers \$12.615 million of unobligated balances from the Research, Development, Test, and Evaluation, Army, 97/98, appropriation to Research, Development, Test, and Evaluation, Army, 03/04, appropriation in support of the continuation of the Venture Capital Fund demonstration program. The transfer authority is pursuant to section 8105 of Public Law 107-248, the DoD Appropriations Act, 2003. It meets all administrative and legal requirements of the Congress, and the Congress has not denied any of the items.

FY 2003 REPROGRAMMING INCREASE:

Research, Development, Test, and Evaluation, Army, 03/04 **+12,615**

Budget Activity 7: Operational Systems Development

0708045A Industrial Preparedness	78,325	78,325	+12,615	90,940
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FY 2003 REPROGRAMMING DECREASE:

Research, Development, Test, and Evaluation, Army, 97/98 **-12,615**

Budget Activity 1: Basic Research

0601101A In-House Laboratory Independent Research	14,701	14,701	-22	14,679
0601102A Defense Research Sciences	122,332	122,275	-119	122,156
0601104A University and Industry Research Centers	45,888	45,888	-14	45,874

Approved (Signature and Date)

Dov S. Zakheim

JUL 31 2003

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Budget Activity 2: Exploratory Development

0602104A	TRACTOR ROSE	3,131		3,131		-40		3,091
0602105A	Materials Technology	14,841		14,784		-20		14,764
0602308A	Modeling and Simulation Technology	21,134		21,134		-5		21,129
0602601A	Combat Vehicle and Automotive Technology	35,100		35,043		-118		34,925
0602618A	Ballistics Technology	40,766		40,652		-67		40,585
0602623A	Joint Service Small Arms Program	4,593		4,593		-1		4,592
0602705A	Electronics and Electronic Devices	24,872		24,815		-120		24,695
0602712A	Countermine Systems	7,529		7,529		-216		7,313
0602720A	Environmental Quality Technology	56,357		52,544		-46		52,498
0602782A	Command Control, Communications Technology	15,307		15,079		-150		14,929
0602784A	Military Engineering Technology	38,898		38,656		-19		38,637
0602786A	Logistics Technology	21,808		21,694		-185		21,509
0602787A	Medical Technology	126,990		106,819		-350		106,469

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Budget Activity 3: Advanced Development

0603001A	Logistics Advanced Technology		23,210	23,210		-22		23,188
0603002A	Medical Advanced Technology		205,501	205,501		-63		205,438
0603004A	Weapons and Munitions Advanced Technology		29,759	29,759		-2		29,757
0603005A	Combat Vehicle and Automotive Advanced Technology		29,552	29,552		-16		29,536
0603006A	Command, Control, Communications Advanced Technology		30,120	30,120		-95		30,025
0603009A	TRACTOR HIKE		17,176	17,176		-22		17,154
0603017A	TRACTOR RED		8,625	8,625		-9		8,616
0603020A	TRACTOR ROSE		5,078	5,078		-150		4,928
0603105A	Military HIV Research		17,919	17,919		-248		17,671
0603270A	EW Technology		6,794	6,794		-50		6,744
0603313A	Missile and Rocket Advanced Technology		102,037	102,037		-254		101,783
0603606A	Landmine Warfare and Barrier Advanced Technology		28,296	28,296		-150		28,146
0603734A	Military Engineering Advanced Technology		20,664	20,664		-259		20,405
0603772A	Advanced Tactical Computer Science and Sensor Technology		22,099	22,099		-200		21,899

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Budget Activity 4: Demonstration and Validation

0603308A	Army Missile Defense Systems Integration (Dem/Val)							
		67,884		67,884		-200		67,684
0603713A	Army Data Distribution System							
		23,822		23,822		-41		23,781
0603747A	Soldier Support and Survivability							
		6,680		6,680		-37		6,643
0603790A	NATO Research and Development							
		9,963		9,963		-30		9,933
0603801A	Aviation – Adv Dev	13,385		13,385		-160		13,225
0603804A	Logistics and Engineer Equipment – Adv Dev							
		7,592		7,592		-113		7,479
0603805A	Combat Service Support Control System							
		13,140		13,140		-10		13,130
0603807A	Medical Systems – Adv Dev							
		10,211		10,211		-149		10,062
0603856A	SCAMP Block II – Dem/Val							
		8,080		8,080		-20		8,060

Budget Activity 5: Engineering and Manufacturing Development

0604201A	Aircraft Avionics	15,008		18,408		-56		18,352
0604223A	Comanche	338,644		338,644		-733		337,911
0604270A	EW Development	75,474		75,474		-99		75,375
0604321A	All Source Analysis System							
		40,200		40,200		-40		40,160

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0604611A JAVELIN		6,143		6,143		-864		5,279
0604640A Advanced Command and Control Vehicle (AC2V)		7,899		7,899		-35		7,864
0604649A Engineer Mobility Equipment Development		47,710		47,710		-20		47,690
0604710A Night Vision Systems – Eng Dev		35,637		35,637		-500		35,137
0604713A Combat Feeding, Clothing, and Equipment		78,063		78,063		-39		78,024
0604715A Non-System Training Devices		49,865		48,806		-159		48,647
0604746A Automatic Test Equipment Development		9,793		9,793		-65		9,728
0604760A Distributive Interactive Simulations (DIS) – Eng Dev		15,966		15,966		-71		15,895
0604768A Brilliant Anti-Armor Submunition (BAT)		165,407		165,407		-353		165,054
0604770A Joint Surveillance/Target Attack Radar System		9,857		9,857		-1,000		8,857
0604780A Positioning Systems Development		26,713		26,713		-2		26,711
0604801A Aviation – Eng Dev		5,518		5,518		-62		5,456
0604802A Weapons and Munitions – Eng Dev		24,168		21,168		-46		21,122

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a		b	c	d	e	f	g	h	i
0604804A Logistics & Engineer Equipment – Eng Dev			20,330		20,330		-234		20,096
0604805A Command, Control, Communications Systems – Eng Dev			9,796		9,796		-20		9,776
0604807A Medical Materiel/Medical Biological Defense Equipment – Eng Dev			4,794		4,794		-121		4,673
0604816A LONGBOW – Eng Dev		10,872		10,872			-39		10,833
0604818A Army Tactical Command & Control Hardware & Software			16,429		33,229		-35		33,194
<u>Budget Activity 6: RDT&E Management Support</u>									
0604759A Major T & E Development			41,725		41,725		-41		41,684
0605301A Army Kwajalein Atoll		146,864		146,807			-1,101		145,706
0605601A Army Test Ranges and Facilities			133,012		132,100		-165		131,935
0605604A Survivability/Lethality Analysis			31,343		31,343		-13		31,330
0605605A DOD High Energy Laser Test Facility (HELSTF)			30,667		30,667		-90		30,577
0605706A Material Systems Analysis		14,428		14,371			-15		14,356
0605709A Exploitation of Foreign Items			7,347		7,347		-21		7,326
0605712A Support of Operational Testing			50,906		50,849		-599		50,250

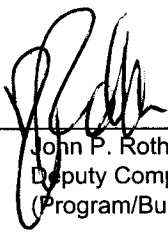
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a		b	c	d	e	f	g	h	i
0605801A Programwide Activities			61,092		60,807		-276		60,531
0605803A Technical Information Activities			16,921		16,921		-69		16,852
0605805A Munitions Standardization, Effectiveness & Safety			3,282		3,282		-31		3,251
0605853A Environmental Conservation			1,759		1,759		-43		1,716
0605854A Pollution Prevention			13,894		13,894		-203		13,691
0605856A Environmental Compliance			55,411		55,297		-31		55,266
0605879A Real Property Services (RPS) – RDT&E			92,390		92,390		-86		92,304
0605898A Management Headquarters (Research and Development)			18,801		18,801		-40		18,761
<u>Budget Activity 7: Operational Systems Development</u>									
0102419A Aerostat Joint Program Office			26,940		26,940		-347		26,593
0203726A Adv Field Artillery Tactical Data System			39,497		39,497		-40		39,457
0203735A Combat Vehicle Improvement Program			211,296		211,296		-38		211,258
0203740A Maneuver Control System			29,082		29,082		-6		29,076
0203758A Digitization			140,180		104,824		-317		104,507

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Line Item		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a		b	c	d	e	f	g	h	i
0203761A Warfighting Rapid Acquisition Program			0		16,640		-60		16,580
0203801A Missile/Air Defense Product Improvement Program			65,959		65,959		-369		65,590
0203802A Other Missile Product Improvement Program			10,099		13,299		-48		13,251
0203806A TRACTOR RUT			3,179		3,179		-59		3,120
0203808A TRACTOR CARD			6,933		6,933		-9		6,924
0208053A Joint Tactical Ground System			2,124		2,124		-2		2,122
0301359A Special Army Program			11,185		11,185		-56		11,129
0303140A Information Systems Security Program			3,161		3,161		-20		3,141
0303142A SATCOM Ground Development			40,677		40,677		-13		40,664
0708045A End Item Industrial Preparedness Activities			48,842		48,842		-22		48,820

DEPARTMENT OF DEFENSE
LETTER APPORTIONMENT
Fiscal Year 2003

TC Yr	Exp	Appn	Line	Bureau/Account Title	Amount
21	2003	2004	2040 1D	Research, Development, Test, and Evaluation, Army	12,615,000
21	1997	1998	2040 1D	Research, Development, Test, and Evaluation, Army	(12,615,000)

The above amount is transferred in accordance with the provisions of section 8105 of Public Law 107-248, the DoD Appropriations Act, and is reflected in DoD Reprogramming Action FY 03-43 IR.

Submitted  Date **JUL 31 2003**

John P. Roth
Deputy Comptroller
(Program/Budget)

Approved _____ Date _____

Kathleen A. Peroff
Deputy Associate Director
for National Security



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON, DC 20310-0109

JUL 15 2003

The Honorable Ted Stevens
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This letter provides notification of my intent to reprogram \$12,615,000 of FY 1997 unobligated and closing Research, Development, Test and Evaluation, Army (RDT&E, A) funds to a current RDT&E, A appropriation account to be used for the continuation of the Venture Capital Investment Corporation. None of these funds are from special interest items.

The FY 2002 Defense Appropriations Act, Public Law 107-117, Section 8150 earmarked \$25 million of Army RDT&E funds to establish a Non-Profit Venture Capital Investment Corporation. The FY 2003 Department of Defense Appropriations Act, Public Law 107-248, Section 8105 authorized transfers of up to \$20 million from unobligated balances remaining in RDT&E, A during the last fiscal year before the account closes to a current year account.

The sources and amounts of funds to be transferred are listed at Enclosure 1. The Army officially announced the selection of OnPoint Technologies Inc., to manage the Army's Venture Capital Initiative, in May 2003. OnPoint is in the process of meeting with other Department of Defense Services and Agencies to determine their requirements and develop priorities of soldier power and energy. Once the requirements and priorities are known, OnPoint will work with and make investments in the entrepreneurial community to meet the requirements. We have a requirement to report accomplishments to date. We will provide the required data in subsequent annual reports since we do not have anything to report at this time.

If you have any concerns, please contact me at your convenience. My staff and I stand ready to answer any questions you may have.

Sincerely,

Sandra L. Pack
Assistant Secretary of the Army
(Financial Management and Comptroller)

Enclosure

Sources and Amounts of FY97 RDT&E Funds To Be Transferred			
(In thousands of dollars)			
OSD		Reprogramming	
Program Element		Amount	
		(In thousands)	
0601101A		22	
0601102A		119	
0602104A		54	
0602105A		20	
0602120A		0	
0602308A		5	
0602601A		118	
0602618A		67	
0602623A		1	
0602705A		120	
0602712A		216	
0602720A		46	
0602782A		150	
0602784A		19	
0602786A		185	
0602787A		350	
0603001A		22	
0603002A		63	
0603004A		2	
0603005A		16	
0603006A		95	
0603009A		22	
0603017A		9	
0603020A		150	
0603105A		248	
0603270A		50	

Sources and Amounts of FY97 RDT&E Funds To Be Transferred (in thousands of dollars)		
OSD Program Element	Reprogramming Amount (in thousands)	
0603313A	254	
0603606A	150	
0603607A	0	
0603734A	259	
0603772A	200	
0603018A	0	
0603308A	200	
0603713A	41	
0603747A	37	
0603790A	30	
0603801A	160	
0603804A	113	
0603805A	10	
0603807A	149	
0603856A	20	
0604201A	56	
0604223A	733	
0604270A	99	
0604321A	40	
0604611A	864	
0604640A	35	
0604641A	0	
0604642A	0	
0604649A	20	
0604710A	500	
0604713A	39	
0604715A	159	Enclosure

Sources and Amounts of FY97 RDT&E Funds To Be Transferred		
(in thousands of dollars)		
OSD	Reprogramming	
Program Element	Amount	
	(in thousands)	
0604746A	65	
0604760A	71	
0604768A	353	
0604770A	1,000	
0604780A	2	
0604801A	62	
0604802A	46	
0604804A	234	
0604805A	20	
0604807A	121	
0604816A	39	
0604818A	35	
0604759A	41	
0605301A	1,101	
0605601A	165	
0605604A	13	
0605605A	90	
0605706A	15	
0605709A	21	
0605712A	599	
0605801A	276	
0605803A	69	
0605805A	31	
0605853A	43	
0605854A	203	
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