

<b>Subject:</b> Foreign Currency Fluctuations, Defense		<b>DoD Serial Number:</b> FY 03-58
<b>Appropriation Title:</b> Various Appropriations		
		<b>Includes Transfer?</b> Yes

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

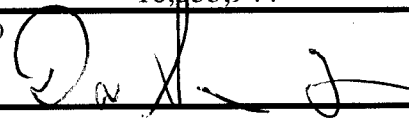
Pursuant to the authority provided by Public Law 95-457, 92 Stat. 1236, and section 2779 of Title 10 of the United States Code, this reprogramming action transfers funds in three parts. **Part I** transfers \$556,738 million of fiscal year (FY) 2001 unobligated balances from various Components' Operations and Maintenance and Military Personnel appropriations to the Foreign Currency Fluctuations, Defense (FCF, D) appropriation. **Part II** transfers \$258,358 million from the FCF, D appropriation to various Components' FY 2002 and FY 2003 Operations and Maintenance and Military Personnel appropriations to offset realized and estimated foreign currency losses resulting from the decline in the market value of the U.S. dollar compared to foreign currency execution rates and actual rates for selected foreign currencies. **Part III** transfers \$4,052 million of FY 2001 foreign currency fluctuation gains from the Component's appropriations to the FCF, D appropriation.

**PART I**

<b><u>REPROGRAMMING INCREASE:</u></b>				<b><u>+556,738</u></b>	
<b><u>Foreign Currency Fluctuations, Defense</u></b>					
	970,000		20,000	<b><u>+556,738</u></b>	576,738
<b><u>REPROGRAMMING DECREASES:</u></b>					
<b><u>(Unobligated Balances)</u></b>					
<b><u>Reserve Personnel, Army, 01/01</u></b>				<b><u>-23,709</u></b>	
	2,519,863		2,545,163	<b><u>-23,709</u></b>	2,521,454
<b><u>Reserve Personnel, Navy, 01/01</u></b>				<b><u>-25,000</u></b>	
	1,585,214		1,585,214	<b><u>-25,000</u></b>	1,560,214
<b><u>Reserve Personnel, Marine Corps, 01/01</u></b>				<b><u>-5,000</u></b>	
	451,381		451,381	<b><u>-5,000</u></b>	446,381
<b><u>Military Personnel, Navy, 01/01</u></b>				<b><u>-35,000</u></b>	
	17,983,462		17,983,462	<b><u>-35,000</u></b>	17,948,462
<b><u>Military Personnel, Marine Corps, 01/01</u></b>				<b><u>-15,200</u></b>	
	6,943,730		6,943,730	<b><u>-15,200</u></b>	6,928,530
<b><u>Military Personnel, Air Force, 01/01</u></b>				<b><u>-100,000</u></b>	
	18,335,944		18,335,944	<b><u>-100,000</u></b>	18,235,944

Approved (Signature and Date)

Dov S. Zakheim



SEP 26 2003

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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
<b><u>Operations and Maintenance, Army Reserve, 01/01</u></b>							<b><u>-3,923</u></b>		
		1,562,686		1,583,746			<b><u>-3,923</u></b>	1,579,823	
<b><u>Operations and Maintenance, Navy Reserve, 01/01</u></b>							<b><u>-8,000</u></b>		
		1,045,093		1,045,093			<b><u>-8,000</u></b>	1,037,093	
<b><u>Operations and Maintenance, Marine Corps Reserve, 01/01</u></b>							<b><u>-1,500</u></b>		
		144,780		144,780			<b><u>-1,500</u></b>	143,280	
<b><u>Operations and Maintenance, Army National Guard, 01/01</u></b>							<b><u>-16,600</u></b>		
		3,323,263		3,398,531			<b><u>-16,600</u></b>	3,381,931	
<b><u>Operations and Maintenance, Navy, 01/01</u></b>							<b><u>-50,000</u></b>		
		25,157,597		25,157,596			<b><u>-50,000</u></b>	25,107,596	
<b><u>Operations and Maintenance, Marine Corp, 01/01</u></b>							<b><u>-2,900</u></b>		
		2,778,758		2,854,362			<b><u>-2,900</u></b>	2,851,462	
<b><u>Operations and Maintenance, Air Force, 01/01</u></b>							<b><u>-40,000</u></b>		
		24,409,922		24,409,922			<b><u>-40,000</u></b>	24,369,922	
<b><u>Operations and Maintenance, Defense-Wide, 01/01</u></b>							<b><u>-39,549</u></b>		
		11,726,816		12,199,259			<b><u>-39,549</u></b>	12,159,710	
American Forces Information Service							<b><u>-32</u></b>		
Civilian Military Program							<b><u>-500</u></b>		
Defense Acquisition University							<b><u>-681</u></b>		
Defense Contract Audit Agency							<b><u>-1,800</u></b>		
Defense Contract Management Agency							<b><u>-3,197</u></b>		
Defense Finance and Accounting Service							<b><u>-49</u></b>		
Defense Human Resources Field Activity							<b><u>-5,615</u></b>		
Defense Intelligence Agency							<b><u>-2,000</u></b>		
Defense Information Systems Agency							<b><u>-554</u></b>		
Defense Logistics Agency							<b><u>-1,025</u></b>		
Department of Defense Education Activity							<b><u>-8,500</u></b>		
Defense Prisoner of War/Missing Persons Office							<b><u>-159</u></b>		
Defense Security Cooperation Agency							<b><u>-611</u></b>		
Defense Security Service							<b><u>-365</u></b>		

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a		b	c	d	e	f	g	h	i
Defense Threat Reduction Agency							-500		
National Security Agency							-2,000		
Office of Economic Adjustment							-500		
Office of the Secretary of Defense							-1,500		
The Joint Staff							-1,829		
U.S. Special Operations Command							-8,132		
<b><u>Office of the Inspector General, 01/01</u></b>							<b><u>-153</u></b>		
<b><u>Budget Activity 1: Operations and Maintenance</u></b>									
			144,245		143,977		-153		143,824
<b><u>Defense Health Program, 01/01</u></b>							<b><u>-190,204</u></b>		
<b><u>Budget Activity 1: Operations and Maintenance</u></b>									
			12,421,129		12,421,129		-190,204		12,120,925
<p><u>Explanation:</u> This part of the action transfers prior year expired unobligated balances for FY 2001 to the Foreign Currency Fluctuations, Defense appropriation from various Operations and Maintenance (O&amp;M) and Military Personnel appropriations.</p>									
<b><u>PART II</u></b>									
<b><u>REPROGRAMMING INCREASES:</u></b>							<b><u>+258,358</u></b>		
<b><u>Operations and Maintenance, Marine Corps, 02/02</u></b>							<b><u>+1,600</u></b>		
<b><u>Budget Activity 1: Operating Forces</u></b>									
			2,901,253		2,965,639		+1,600		2,967,239
<b><u>Operations and Maintenance, Air Force, 02/02</u></b>							<b><u>+27,392</u></b>		
<b><u>Budget Activity 4: Administrative and Servicewide Activities</u></b>									
			15,016,559		14,960,122		+27,392		14,987,514
<b><u>Operation and Maintenance, Defense-Wide, 02/02</u></b>							<b><u>+6,317</u></b>		
<b><u>Department of Defense Education Activity</u></b>									
<b><u>Budget Activity 4: Administrative and Servicewide Activities</u></b>									
			1,460,315		1,484,295		+6,317		1,490,612

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Line Item		Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a		b	c	d	e	f	g	h	i
<b><u>Military Personnel, Marine Corps, 03/03</u></b>							<b><u>+13,000</u></b>		
<b><u>Budget Activity 1: Pay and Allowances of Officers</u></b>									
		1,956,082		1,617,078			+3,000	1,620,078	
<b><u>Budget Activity 2: Pay and Allowances of Enlisted</u></b>									
		6,767,978		5,754,051			+10,000	5,764,051	
<b><u>Operations and Maintenance, Army, 03/03</u></b>							<b><u>+130,730</u></b>		
<b><u>Budget Activity 1: Operating Forces</u></b>									
		23,640,996		42,430,431			+130,730	42,561,161	
<b><u>Operations and Maintenance, Navy, 03/03</u></b>							<b><u>+28,462</u></b>		
<b><u>Budget Activity 4: Administrative and Servicewide Activities</u></b>									
		29,331,526		35,563,566			+28,462	35,592,028	
<b><u>Operation and Maintenance, Marine Corps, 03/03</u></b>							<b><u>+4,418</u></b>		
<b><u>Budget Activity 1: Operating Forces</u></b>									
		3,542,244		5,416,651			+4,418	5,421,069	
<b><u>Operations and Maintenance, Air Force, 03/03</u></b>							<b><u>+32,380</u></b>		
<b><u>Budget Activity 4: Administrative and Servicewide Activities</u></b>									
		20,104,586		17,260,880			+32,380	17,293,260	
<b><u>Operation and Maintenance, Defense-Wide, 03/03</u></b>							<b><u>+11,164</u></b>		
<b><u>Department of Defense Education Activity</u></b>									
<b><u>Budget Activity 4: Administrative and Servicewide Activities</u></b>									
		1,565,082		1,638,345			+11,164	1,649,509	
<b><u>Defense Health Program, 03/03</u></b>							<b><u>+2,895</u></b>		
<b><u>Budget Activity 1: Operations and Maintenance</u></b>									
		14,234,041		14,655,248			+2,895	14,652,353	
<b><u>REPROGRAMMING DECREASES:</u></b>							<b><u>-258,358</u></b>		
<b><u>Foreign Currency Fluctuations, Defense</u></b>									
		970,000		576,738			-258,358	318,380	
<p><u>Explanation:</u> This action is necessary to offset the effect of realized and estimated unfavorable variances between approved foreign currency execution rates and actual rates for FY 2002 and FY 2003.</p>									

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a	b	c	d	e	f	g	h	i

**PART III**

<b><u>REPROGRAMMING INCREASE:</u></b>				<b><u>+4,052</u></b>	
<b><u>Foreign Currency Fluctuations, Defense</u></b>					
	970,000		318,380		322,432
<b><u>REPROGRAMMING DECREASES:</u></b>				<b><u>-4,052</u></b>	
<b><u>Defense Health Program, 01/01</u></b>				<b><u>-452</u></b>	
<b><u>Budget Activity 1: Operations and Maintenance</u></b>					
	12,421,129		12,230,473		12,230,021
<b><u>Operations and Maintenance, Marine Corps, 01/01</u></b>				<b><u>-3,600</u></b>	
	2,778,758		2,854,362		2,850,762

Explanation: This part of the action transfers FY 2001 realized foreign currency fluctuation gains resulting from strengthening in the value of the U.S. dollar compared to foreign currency execution rates.