

Subject: Chemical Demilitarization		DoD Serial Number: FY 03-05 PA
Appropriation Title: Chemical Agents and Munitions Destruction, Army		
		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	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Line Item	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This reprogramming action is submitted for prior approval because it affects congressional special interest items and uses general transfer authority, pursuant to section 8005 of Public Law 107-248, the DoD Appropriations Act, 2003; and section 1001 of Public Law 107-314, the Bob Stump National Defense Authorization Act for FY 2003. This action transfers funds between budget activities within the Chemical Agents and Munitions Destruction, Army, appropriation. It reprograms funding in support of a higher priority item, based on unforeseen military requirements, than that for which the funds were originally appropriated. It meets all administrative and legal requirements of the Congress and has not previously been denied by the Congress.

Chemical Agents and Munitions Destruction, Army :

Budget Activity 1: Operation and Maintenance, 03/04			
961,162	961,162	+60,743	1,021,905

Explanation: Due to increased security concerns in the wake of the September 11, 2001 terrorist attacks, the Department plans to accelerate disposal of chemical agents stored at Aberdeen Proving Ground, Maryland. Agent disposal operations at Aberdeen will start in March 2003, rather than June 2004. The acceleration requires \$79.453 million to support disposal of mustard agent (HD). The costs supporting the acceleration are: operating contractor support, \$72.1 million; depot/base support costs, \$3.9 million; environmental compliance and cooperative agreement, \$.6 million; and other support costs, \$2.9 million. Approximately 80% of the operating contractor's costs will support agent neutralization and hydrolysate disposal while the remaining 20% will support storage (ton) container decontamination efforts. Ton container decontamination operations will start after completion of agent neutralization operations. The Operation and Maintenance program no longer needs \$18.710 million that was required for system contractor, base support, field office, safety, and environmental support for the incineration technology because an alternative technology is being used to dispose of the Pueblo stockpile. This leaves a shortfall of \$60.743 million.

Budget Activity 2: Research and Development, 03/04			
298,621	298,621	+20,820	319,441

Explanation: The disposal of the chemical weapons stockpiled at Pueblo, Colorado using neutralization followed by bio-treatment requires \$100.273 million. The Assembled Chemical Weapons Assessment Program requires \$14.1 million for contracts, internal operating costs for labor, awards, travel, training, supplies, and materials. The Pueblo Enhanced Reconfiguration Facility activities require \$29.2 million. These activities include process design, procurement of materiel required to support development of the pilot demonstration facility, and environmental activities such as preparing the Research Conservation Recovery Act (RCRA) of 1976 permit application, depot Support, and support from the U.S. Army Soldier and

Approved (Signature and Date)	Dov S. Zakheim	DEC 17 2002
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Biological Chemical Command. The Pueblo Chemical Agent Destruction Pilot Plant requires \$57.0 million for process design and procurement of materiel required to develop the pilot demonstration facility, as well as support from the Pueblo Chemical Depot. The Research and Development program has been restructured to make \$79.453 million available for this accelerated effort, leaving a shortfall of \$20.820 million.

Budget Activity 3: Procurement, 03/05

	210,416	210,416	-81,563	128,853
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Explanation: Funds are excess because the Pueblo stockpile will be disposed using an alternative technology, rather than an incineration technology. Long-lead plant equipment, design work, and modifications are no longer required for incineration-based disposal.