

Subject: Expense-Investment Threshold Increase		DoD Serial Number: FY 04-29 IR
Appropriation Title: Operation and Maintenance, Defense-Wide, 04/04; Office of Inspector General, Defense, 04/04; Defense Health Program, Defense, 04/04; Procurement, Defense-Wide, 04/06; Office of Inspector General, Defense, 04/06; and Defense Health Program, Defense, 04/06		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 \$56.697 million from various Components' Procurement appropriations to their Operation and Maintenance appropriations due to the increased investment-expense threshold. This action uses general transfer authority pursuant to section 8005 of Public Law, 108-87, the Department of Defense Appropriations Act, 2004; and section 1001 of Public Law 108-136, the National Defense Authorization Act for Fiscal Year 2004. This action does not change the purpose for which the funds were originally appropriated. This action meets all administrative and legal requirements of the Congress, and the Congress has not denied any of the items.

<u>FY 2004 REPROGRAMMING INCREASES:</u>	<u>+56,697</u>	
<u>Operation and Maintenance, Defense-Wide, 04/04</u>	<u>+33,350</u>	
16,652,174	16,652,174	16,685,524
<u>DoD Education Activity</u>		
<u>Budget Activity 4: Administration and Servicewide Activities</u>	+1,100	
<u>National Defense University</u>		
<u>Budget Activity 3: Training and Recruiting</u>	+338	
<u>Defense Intelligence Agency</u>		
<u>Budget Activity 4: Administration and Servicewide Activities</u>	+2,448	
<u>Defense Information Systems Agency</u>		
<u>Budget Activity 4: Administration and Servicewide Activities</u>	+13,475	
<u>Defense Threat Reduction Agency</u>		
<u>Budget Activity 4: Administration and Servicewide Activities</u>	+2,700	
<u>National Security Agency</u>		
<u>Budget Activity 4: Administration and Servicewide Activities</u>	+11,233	
<u>U.S. Special Operations Command</u>		
<u>Budget Activity 1: Operating Forces</u>	+2,056	

Approved (Signature and Date)
Dov S. Zakheim  FEB 5 2004

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<u>Office of the Inspector General, Defense, 04/04</u>							+400		
<u>Budget Activity 1: Operation and Maintenance</u>									
		160,106		160,106		+400		160,506	
<u>Defense Health Program, 04/04</u>									
<u>Budget Activity, 1: Operation and Maintenance</u>							+22,947		
		14,914,816		14,914,816		+22,947		14,937,763	
<u>FY 2004 REPROGRAMMING DECREASES:</u>							-56,697		
<u>Procurement, Defense-Wide, 04/06</u>							-33,350		
<u>Budget Activity 1: Major Equipment</u>							-31,294		
<u>DoD Education Activity</u>									
	Automation/Educational Support	2,320		2,320		-1,100		1,237	
<u>National Defense University</u>									
	National Defense University	-		338		-338		-	
<u>Defense Intelligence Agency</u>									
	General Defense Intelligence Program					-2,448			
<u>Defense Information Systems Agency</u>									
	Information Systems Security Program	38,990		38,990		-9,000		-29,990	
	Items Less Than \$5 Million	70,068		70,068		-4,475		-65,593	
<u>Defense Threat Reduction Agency</u>									
	Other Major Equipment	37,073		37,073		-2,700		34,373	
<u>National Security Agency</u>									
	Cryptologic Activities					-9,903			
	Information Systems Security Program					-1,000			
	Inter-Agency Training					-330			
<u>Budget Activity 2: Special Operations Command</u>							-2,056		
	Operational Enhancements	247,619		247,619		-1,912		245,707	
	Miscellaneous Equipment	11,124		11,124		-144		10,980	

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Office of the Inspector General, Defense, 04/06							<u>-400</u>	
<u>Budget Activity 2: Procurement</u>		2,100	2,100		-400		1,700	

Defense Health Program, Defense, 04/06							<u>-22,947</u>	
<u>Budget Activity 3: Procurement</u>		328,826	328,826		-22,947		305,879	

Explanation: Section 106 of Public Law 108-7, the Consolidated Appropriations Resolution, 2003, increased the expense-investment threshold from \$100,000 to \$250,000. This action realigns funds for proper execution and to comply with the threshold increase.