

Subject: Defense Security Service - National Industrial Security Program	DoD Serial Number: FY 04-19 PA
Appropriation Title: Operation and Maintenance, Defense Wide, 04/04; Operation and Maintenance, Navy, 04/04; Research, Development, Test, and Evaluation, Army, 04/05; and Research, Development, Test, and Evaluation, Air Force, 04/05	
	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								
a	b	c	d	e	f	g	h	i

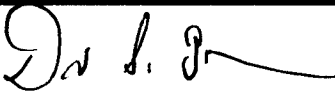
This reprogramming action is submitted for prior approval because it exceeds thresholds and uses general transfer authority pursuant to section 8005 of Public Law 108-087, the Department of Defense Appropriations Act, 2004; and section 1001 of Public Law 108-136, the National Defense Authorization Act for Fiscal Year 2004. This action transfers \$8.667 million from Operation and Maintenance, Navy, 04/04, appropriation, \$8.667 million from Research, Development, Test, and Evaluation, Army, 04/05, appropriation, and \$8.666 million from Research, Development, Test, and Evaluation, Air Force, 04/05, appropriation to Operation and Maintenance, Defense-Wide, 04/04, appropriation. This action reprograms funding in support of higher priority items, based on unforeseen requirements, than those for which the funds were originally appropriated. It meets all administrative and legal requirements of the Congress, and the Congress has not denied any of the items.

<u>FY 2004 REPROGRAMMING INCREASE:</u>					+26,000
<u>Operation and Maintenance, Defense Wide, 04/04</u>					+26,000
	16,048,559		17,162,434		+26,000
<u>Defense Security Service (DSS)</u>					
<u>Budget Activity 4: Administrative and Servicewide Activities</u>					+26,000

Explanation: The DSS is the Executive Agency for the management of Personnel Security Investigations for industry (for contractor personnel in the DoD and multiple other federal agencies). The DSS requires additional funding for an increase in contractor security investigations. A delay in the processing of contractor clearances equates to an inability of contractors to staff government contracts, resulting in increases in contract costs and program execution delays.

<u>FY 2004 REPROGRAMMING DECREASES:</u>					-26,000
<u>Operation and Maintenance, Navy, 04/04</u>					-8,667
<u>Budget Activity 1: Operating Forces</u>					
	20,732,147		20,732,147		-8,667
					20,723,480

Explanation: The decrease represents reductions across Budget Activity 1 that the Navy applied to various programs to preclude reductions in operations and to minimize the impact on readiness while executing the appropriated FY 2004 program.

Approved (Signature and Date)
Dov S. Zakheim  MAR 23

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<u>Research, Development, Test, and Evaluation, Army, 04/05</u>						<u>-8,667</u>			
<u>Budget Activity 7: Operational System Development</u>									
PE 0203802A Other Missile Product Improvement Programs									
		9,822		9,822		-8,667		1,155	

Explanation: The Army terminated the follow-on Hellfire Modification procurement after FY 2005 in order to fund transformation and other higher priorities.

<u>Research, Development, Test, and Evaluation, Air Force, 04/05</u>						<u>-8,666</u>			
<u>Budget Activity 5: System Development and Demonstration</u>									
PE 0604800F Joint Strike Fighter (JSF)									
		2,092,547		2,092,547		-2,268		2,090,279	

Explanation: These funds are available due to program adjustments associated with the revised System Design and Development program, as reflected in the FY 2005 President’s Budget.

<u>Inflation Savings</u>						<u>-6,398</u>		
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Explanation: These funds are available from FY 2004 inflation savings based on revised escalation indices.