



UNDER SECRETARY OF DEFENSE
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 WASHINGTON, DC 20301-1 100
 INFO MEMO

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COMPTROLLER

FOR: SECRETARY OF DEFENSE
 THROUGH: DEPUTY SECRETARY OF DEFENSE
 FROM: Lawrence J. Lanzillotta *[Signature]*

SUBJECT: Fiscal Year (FY) 2005 Appropriations Conference

- **Schedule** – The appropriations conference concluded last night. I believe the House and the Senate will take the conference agreement to the floor July 21 and 22, 2004.
- **Outcomes** – We expect the conferees to file next week and at that time we will see the report and bill language. In the meantime, I have gathered from the staff directors that the appropriations bill will include your highest priorities.
 - \$25 billion reserve fund – made the funds available “when enacted.” There are some earmarks, but generally meets our flexibility requirements.
 - General Transfer Authority (GTA) - provided \$700 million in additional transfer authority in FY 2004 and \$3.5 billion for FY 2005, and excluded transfers between military personnel accounts in both years. (The exclusion of military pay transfer will be very useful.)
 - \$1.8 billion rescission – repealed the rescission required in the FY 2004 Omnibus Appropriations Act.
 - Commanders Emergency Response Fund (CERP) authority – provided \$300 million as we requested.
 - Train and Equip – provided \$500 million, but the language excluded security forces and nearby countries.
- Attached are further program details (TAB A).

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COORDINATION: Copy provided to LA.

Attachment:
 As stated



Prepared By: Rebecca Schmidt, 703-697-1101

OSD 10532-04

FY05 DoD Appropriations Conference Key Program Cuts and Adds

- **Added \$3 billion to procurement and \$2 billion to RDTE accounts paid through general reductions, primarily from O&M accounts.**
- **Ballistic Missile Defense** – Split the difference between the House and Senate positions.
 - **Ground-Based Midcourse Defense** – Added \$100 billion to the request.
 - **Kinetic Energy Interceptor** – Cut \$163 million from the request.
- **Space Based Radar** – Accepted the House position and cut \$253 million from the request.
- **T-SAT** – Split the difference and cut \$250 million from the request.
- **JUCAS** – Split the difference with a \$125 million reduction.
- **Recapitalization**- Added approximately \$1.5 billion for additional equipment including more HMMVVs, helicopters, and over \$600 million for two new Stryker battalions.
- **LHA(R)** – Moved toward the Senate position by adding \$150 million for advanced procurement.
- **DDX** – Moved toward the Senate position by adding \$85 million for a second ship and moving the funds from RDTE to SCN.
- **Future Combat Systems** – Moved closer to the House position by cutting approximately \$275 million.

