

THE WHITE HOUSE

WASHINGTON

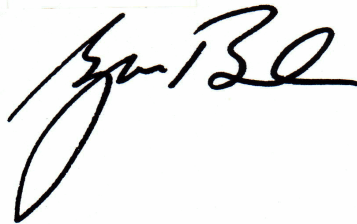
March 5, 2004

Dear Mr. Speaker:

I ask the Congress to consider the enclosed FY 2005 budget amendments for the Department of Defense reflecting the Army's recommendation not to proceed further with funding for the Comanche helicopter program. Overall, the discretionary budget authority proposed in the FY 2005 Budget would not be affected by these amendments.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Dennis Hastert", is written over a light gray rectangular background.

The Honorable J. Dennis Hastert
Speaker of the
House of Representatives
Washington, D.C. 20515

Enclosure



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

March 3, 2004

The President
The White House

Submitted for your consideration are requests for FY 2005 budget amendments for the Department of Defense. Overall, the discretionary budget authority proposed in your FY 2005 Budget would not be affected by these amendments.

Your FY 2005 Budget includes \$1.2 billion for research and development of the Army's Comanche helicopter program. The amended request reflects the Army's recommendation to redirect these funds to other assets related to the Army's current aviation requirements while also improving its future capabilities. The amended request would reallocate this funding to support the acquisition of the best available aircraft survivability equipment, the purchase of additional helicopters, and the upgrade and acceleration of the capitalization of the existing fleet of Army helicopters. The amended request would also advance transformation efforts by accelerating the Army's tactical unmanned aerial vehicles programs and support new concepts of operations for joint warfare that are consistent with your transformation priorities.

I have carefully reviewed this proposal and am satisfied that it is necessary at this time. Therefore, I join the Secretary of Defense in recommending that you transmit these amendments to the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Bolten", with a long horizontal stroke extending to the right.

Joshua B. Bolten
Director

Enclosures

Agency: DEPARTMENT OF DEFENSE
Bureau: RESEARCH, DEVELOPMENT, TEST, AND EVALUATION
Heading: Research, Development, Test, and Evaluation, Army
FY 2005 Budget
Appendix Page: 292
FY 2005
Pending Request: \$10,435,557,000
Proposed Amendment: -\$1,169,299,000 (net)
Revised Request: \$9,266,258,000

This proposal reflects the Army's decision not to proceed further with the Comanche helicopter program and reinvest the resources into other Army aviation programs for both the active and reserve components. This amendment would redirect \$60.4 million within the account to support development of a replacement for the Kiowa Warrior, unmanned aerial vehicle payloads, ground support equipment, digitization for joint interoperability, and diagnostic systems for the UH-60. In addition, the amendment would reduce the pending request for Research, Development, Test, and Evaluation, Army by \$1,169.3 million and reallocate the funds to Army operations, maintenance and procurement accounts to support current Army aviation requirements as described in the accompanying proposals.

Agency: DEPARTMENT OF DEFENSE
Bureau: OPERATION AND MAINTENANCE
Heading: Operation and Maintenance, Army
FY 2005 Budget
Appendix Page: 255
FY 2005
Pending Request: \$26,075,533,000¹
Proposed Amendment: \$57,878,000
Revised Request: \$26,133,411,000

This amendment would increase the pending request for Operations and Maintenance, Army by \$57.9 million to support proposed changes made to the Army's Flying Hour Program based on aircraft reallocation and crew mix for UH-60, CH-47, OH-58A/C, UH-1, OH-58D, and AH-64 aircraft. It also would support the development of doctrine for multifunctional aviation brigade structure and for unmanned aerial vehicles employment. This increase is fully offset by the decision to reinvest dollars from the Comanche helicopter program into other Army aviation programs for the active component and reserve component.

¹ Appropriations language in the FY 2005 Budget *Appendix* for this account incorrectly reports the pending request as \$26,076,033,000. The pending request should have been \$26,075,533,000, which is consistent with the FY 2005 Budget policy transmitted to the Congress.

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| Agency: | DEPARTMENT OF DEFENSE |
| Bureau: | OPERATION AND MAINTENANCE |
| Heading: | Operation and Maintenance, Army National Guard |
| FY 2005 Budget Appendix Page: | 263 |
| FY 2005 Pending Request: | \$4,488,925,000 |
| Proposed Amendment: | -\$48,239,000 |
| Revised Request: | \$4,440,686,000 |

This amendment would reduce the pending request for Operations and Maintenance, Army National Guard by \$48.2 million to reflect proposed changes to the Army's Flying Hour Program based on aircraft reallocation and crew mix. This reduction is fully offset by the decision to reinvest dollars from the Comanche helicopter program into other Army aviation programs for the active component and reserve component.

Agency: DEPARTMENT OF DEFENSE
Bureau: PROCUREMENT
Heading: Aircraft Procurement, Army
FY 2005 Budget
Appendix Pages: 276-277
FY 2005
Pending Request: \$1,830,580,000
Proposed Amendment: \$827,661,000 (net)
Revised Request: \$2,658,241,000

This amendment would provide a net increase of \$828 million to the pending request for Aircraft Procurement, Army. This proposal would reduce the request by \$12 million to reflect the Army's decision not to proceed further with the Comanche helicopter program and increase the request by \$840 million to support the acquisition of high-priority aircraft survivability equipment, purchase of additional CH-47, UH-60, and TH-67 aircraft, and the start of a Light Utility Helicopter program. Funding also would allow the Army to transfer Comanche-developed radar technology to APACHE Block III. The net increase is fully offset by the decision to reinvest dollars from the Comanche helicopter program into other Army aviation programs for the active component and reserve component.

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| Agency: | DEPARTMENT OF DEFENSE |
| Bureau: | PROCUREMENT |
| Heading: | Missile Procurement, Army |
| FY 2005 Budget Appendix Page: | 277 |
| FY 2005 Pending Request: | \$1,305,421,000 |
| Proposed Amendment: | \$92,900,000 |
| Revised Request: | \$1,398,321,000 |

This amendment would increase the pending request for Missile Procurement, Army by \$92.9 million to support the acquisition of additional Hellfire missiles for aviation systems. This increase is fully offset by the decision to reinvest dollars from the Comanche helicopter program into other Army aviation programs for the active component and reserve component.

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| Agency: | DEPARTMENT OF DEFENSE |
| Bureau: | PROCUREMENT |
| Heading: | Procurement of Ammunition, Army |
| FY 2005 Budget Appendix Page: | 279 |
| FY 2005 Pending Request: | \$1,402,203,000 |
| Proposed Amendment: | \$154,699,000 |
| Revised Request: | \$1,556,902,000 |

This amendment would increase funding for Procurement of Ammunition, Army by \$154.7 million to support the acquisition of Hydra M274, M267, and M151 rockets. It also would support the purchase of flares, which are a component of aircraft survivability equipment. This increase is fully offset by the decision to reinvest dollars from the Comanche helicopter program into other Army aviation programs for the active component and reserve component.

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| Agency: | DEPARTMENT OF DEFENSE |
| Bureau: | PROCUREMENT |
| Heading: | Other Procurement, Army |
| FY 2005 Budget Appendix Page: | 280 |
| FY 2005 Pending Request: | \$4,186,496,000 |
| Proposed Amendment: | \$54,400,000 |
| Revised Request: | \$4,240,896,000 |

This amendment would increase the pending request for Other Procurement, Army by \$54.4 million to support the acquisition of additional unmanned aerial vehicles. This increase is fully offset by the decision to reinvest dollars from the Comanche helicopter program into other Army aviation programs for the active component and reserve component.

Agency: DEPARTMENT OF DEFENSE
Bureau: MILITARY CONSTRUCTION
Heading: Military Construction, Army National Guard
FY 2005 Budget
Appendix Pages: 300-301
FY 2005
Pending Request: \$265,657,000
Proposed Amendment: \$30,000,000
Revised Request: \$295,657,000

This amendment would increase the pending request for Military Construction, Army National Guard by \$30.0 million to support the construction/enlargement of three National Guard aviation facilities at Denver, Colorado, Grand Ledge, Michigan, and Helena, Montana. This increase is fully offset by the decision to reinvest dollars from the Comanche helicopter program into other Army aviation programs for the active component and reserve component.