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CL BY: 0693020

CL REASON: Section 1.5 C

DECL ON: 6 November 2007

DRV FRM: FIN 7-82

TO: Rebecca V. Strode
FROM: Cynthia R. Bower
OFFICE: COMPT
DATE: 11/06/97 12:09:41 PM
SUBJECT: Re: CSI Resource Request regarding JFK

Some background information for you:

(S) First, although Congress authorized and appropriated \$5.5 million for classification management, it is unlikely that CSI will receive the full \$5.5 million. Why? Congress levied a tax on DoD procurement that will have a significant impact on CIA's program because of the fact that **our entire budget is incorporated in DoD's budget as Other Procurement Air Force.** As a result of that tax, CIA has to take about a \$49 million reduction across all programs (per SAC direction). This will impact on all activities -- including new adds. Each activity can expect to lose about 1% of its resources. We will identify specifically how to take this cut at Friday's offsite.

(C) In addition, CIA has a large FY98 unfunded bill (**about \$143 million**). On Friday, we will determine how to reduce and/or pay that bill. One of the proposals on the table for paying that bill is to use some of the Congressional add money -- obviously, we would have to work this with the Hill, but the bottom line is that some of the declass money may be redirected to other priorities.

(C) Finally, we may decide to use some of the adds to prepay some FY99 shortfalls. We are already aware of a shortfall in FY99 of about **\$180 million.**

(U) So, the bottom line is that no one should count on getting the full amount of their add until we have finalized our decisions on FY98 and FY99 unfundeds.

(C) All that said, if CSI does receive some or all of the money added by Congress, they do have the flexibility to allocate that money to other priorities. However, they should attempt to meet the spirit of the language in the Authorization Act. Specifically, the language reads, "The Senate bill added \$5.5 million to enhance declassification efforts, **with a particular emphasis on those documents relating to Guatemala and Honduras.** The House amendment added \$8 million for classification management. the conferees agree to provide \$5.5 million for declassification and classification management and request that the Director of CSI report to the Congressional Intelligence Committees on progress in declassifying documents of historical significance, the volume of documents involved, the mechanism for review, the anticipated date of completion of this effort, and how the process can be improved."

(U) Hope this helps. CRB

CC: Mary K. Sturtevant

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