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PAGE 01

IN 913813

TOR:092224Z MAY 73

23974

SECRET 091727Z MAY 73 STAFF

CITE [] 23974

TO: DIRECTOR,

CAGER ADMIN FINAN

REF EGNT 5578

1. REF PROJECTS FY 73 OPS BUDGET OVERRUN OF \$21,000 ABOVE NEWLY IMPOSED CEILING OF [] THIS OVERRUN IS LIKELY TO RESULT FROM FOLLOWING FACTORS:

A. HQS DECISION TO ALLOT \$90,000 TO CAGOPHER (BKHERALD SUPPORT OF U.S. MILITARY INTEL COLLECTION ACTIVITY).

B. ANTICIPATED OVERRUN OF \$16,000 IN CATOMIC PROJECT [] THIS OVERRUN WILL ORIGINATE PRIMARILY FROM FACT THAT SIGNIFICANT AMOUNT OF OPS ACTIVITY AGAINST MPCHEEK TARGETS IN BONN AREA HAS BEEN UNDERTAKEN BY CERTAIN CATOMIC ASSETS WITH MULTI-PURPOSE FUNCTIONS (RENTAL AGENTS, ETC.). HOWEVER, THIS ACTIVITY HAS BEEN FUNDED UNDER CATOMIC.

C. ADJUSTED DATA RE CATOMIC AND CASOCIETY PROJECTS

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PAGE 02-02

IN 913813

TOR:092224Z MAY 73

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AS FOLLOWS:

	[]	ESTIMATE	ADJUSTED	ADJUSTED
PROJECT		PROPOSAL	IN REF	ESTIMATE OVERRUN
CATOMIC	[]			6,000
CASOCIETY	[]			10,000

2. STATION WISHES NOTE THAT EVEN INCLUDING \$90,000 FOR CAGOPHER, PROJECTED OVERRUN OF \$21,000 WOULD AMOUNT TO ONLY 1.5 PERCENT OF OPS BUDGET CEILING. WE CONSIDER THAT THIS RANGE OF ACCURACY IN BUDGET PROJECTION, ESPECIALLY GIVEN SIZEABLE NUMBER OF NON-ANTICIPATABLE CHANGES IN OPS PROGRAMS AND OPERATIONAL CIRCUMSTANCES WHICH HAVE OCCURRED DURING FY 73 TO DATE, CONFIRMS SOUNDNESS AND EFFECTIVENESS OF CONCEPTS AND TECHNIQUES RELATED TO CENTRALIZED MANAGEMENT SYSTEM WITH RESPECT TO FUNDS RESOURCES WHICH [] HAS EMPLOYED IN FY 72 AND FY 73 AND PLANS CONTINUE USE IN FY 74 AND FY 75.

3. NO FILE E2 IMPDET