

Subject: December 2006 Prior Approval		DoD Serial Number: FY 07-04 PA
Appropriation Title: Various Appropriations		
		Includes Transfer? No

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	
Line Item	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
a	b	c	d	e	f	g	h	i

This reprogramming action is submitted for prior approval because it exceeds thresholds and includes a new start.

Part I: Realigns \$89.550 million of FY 2007 funding for the following:

- \$72.000 million within the Research, Development, Test, and Evaluation, Air Force, 07/08, appropriation for the Space Based Space Surveillance (SBSS) program (\$35.0 million), and a classified program, new start (\$37.0 million).
- \$17.550 million within the Research, Development, Test, and Evaluation, Defense-Wide, 07/08 appropriation for the development of a Sea-based Terminal ballistic missile defense.

Part II: Realigns within the Missile Procurement, Air Force, 06/08, appropriation \$13.276 million of excess FY 2006 funding for the Evolved Expendable Launch Vehicle (EELV) space program to the missile spares and Defense Meteorological Satellite Program.

This action reprograms funding in support of higher priority items, based on unforeseen military requirements, than those for which originally appropriated; and is determined to be necessary in the national interest. It meets all administrative and legal requirements and none of the items has previously been denied by the Congress.

PART I

<u>FY 2007 REPROGRAMMING INCREASES:</u>	<u>+89,550</u>	<u>+52,550</u>
<u>Research, Development, Test, and Evaluation, Air Force, 07/08</u>	<u>+72,000</u>	<u>+35,000</u>
<u>Budget Activity 5: Systems Development & Demonstration</u>		
<u>PE 0604425F Space Situation Awareness Systems</u>		
122,157	122,157	+35,000
		157,157

Explanation: Funds are required to finance cost growth in the Space Based Space Surveillance (SBSS) Block 10 program. This program replaces the aging Space-Based Visible sensor on the orbiting Midcourse Space Experiment spacecraft and significantly improves the accuracy and timeliness of our awareness of space object/threat locations. Additional funding is needed to maintain schedule toward an FY 2009 launch and to maintain critical labor skills through FY 2007. If not approved, the program must reduce contractor personnel by 40 percent in FY 2007, resulting in a severe disruption in the cost (\$60-80 million increase) and schedule (18-month delay) for construction and integration of the spacecraft.

Approved (Signature and Date)

FEB 9 2007

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~~Budget Activity 7: Operational Systems Development~~
~~PE 0205791F Advanced Program Evaluation New Start Classified Project~~
~~+37,000~~ ~~37,000~~

~~Explanation: This new start effort and associated sources are classified; further details will be provided through appropriate channels.~~

HAC Denied

Research, Development, Test, and Evaluation, Defense-Wide, 07/08 +17,550
Budget Activity 4: Advanced Component Development and Prototypes
 PE 0603892C BMD – Aegis
 1,127,434 1,031,874 +17,550 1,149,424

Explanation: The Near-term Sea-based Terminal (SBT) program was initiated at the request of the Strategic Command due to the increased proliferation of short-range ballistic missiles. The Near-term SBT program is a joint Missile Defense Agency / Navy effort. Key objectives include the modification of 95 Standard Missile 2 Block IV missiles and their integration on 18 Aegis warships. These ships will be capable of defending sea-base and near-shore assets against short-range ballistic missiles.

FY 2007 REPROGRAMMING DECREASES: -89,550

Research, Development, Test, and Evaluation, Air Force, 07/08 -72,000
Budget Activity 6: RDT&E Management Support
 PE 0605807F Test and Evaluation Support
 740,134 740,134 -35,000 705,134

Explanation: Funds are excess to need due to lower than projected indirect costs being realized within Air Force Major Range and Test Facility Base (MRTFB) facilities and can be reprogrammed with minimal impact to the program. The Air Force increased its FY 2006/2007 budget requests for Test and Evaluation Support in order to comply with the FY 2003 National Defense Authorization Act (NDAA), which directed T&E centers to budget for all indirect costs starting in FY 2006. Based on analysis of actuals to date, the Air Force has determined that institutional costs incurred by the MRTFB facilities were lower than projected and that FY 2007 funding can be reduced without adverse impacts. The Air Force will continue to refine future submissions based on analysis of additional execution data.

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Budget Activity 7: Operational Systems Development

PE 0205791F Advanced Program Evaluation Classified Project	437,057	437,057	-37,000	400,057
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Explanation: The specific sources for this reduction are classified. Further details will be provided through appropriate channels.

Research, Development, Test, and Evaluation, Defense-Wide, 07/08 -17,550

Budget Activity 4: Advanced Component Development and Prototypes

PE 0603890C BMD System Core	431,237	473,077	-6,980	466,097
PE 0603882C BMD Mid-Course Defense	3,055,972	2,876,972	-2,890	2,874,082
PE 0603888C BMD Test and Targets	596,711	591,911	-2,710	589,201
PE 0603881C BMD Terminal Defense	1,096,710	1,038,310	-2,400	1,035,910
PE 0603175C BMD Technology	194,100	206,700	-780	205,920
PE 0603896C BMD C2BMC	247,896	272,896	-710	272,186

Budget Activity 6: RDT & E Management Support

PE 0901598C Management HQ	87,389	87,389	-1,080	86,309
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Explanation: Funds are available due to improved efficiencies in utilization of contractor support services.

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PART II

FY 2006 REPROGRAMMING INCREASES: **+13,276**

Missile Procurement, Air Force, 06/08 **+13,276**

Budget Activity 4: Missile Spares and Repair Parts

	30,800	30,800	+4,625	35,425
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Explanation: Funds Minuteman III Initial Spares requirements.

Budget Activity 5: Other Support

Defense Meteorological Satellite Program (DMSP) (Space)

	66,275	66,275	+3,851	70,126
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Explanation: Funds are required for DMSP Northrup Grumman Flight 17 launch delay (\$0.636 million); Operational Line Scanner 18/F20 Photo Multiplier Tube Repair/Spares (\$1.3 million); and Special Sensor Microwave Imager/Sounder (SSMIS) Low Noise Amplifier/Pentaplexer Anomaly Investigation Repairs (\$1.915 million).

Budget Activity 5: Other Support

Wideband Gapfiller Satellite (WGS) (Space)

	22,001	22,001	+4,800	26,801
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Explanation: Funds are required for WGS Military Standard requirements and interoperability testing.

FY 2006 REPROGRAMMING DECREASE: **-13,276**

Missile Procurement, Air Force, 06/08 **-13,276**

Budget Activity 5: Other Support

Evolved Expendable Launch Vehicle (Space)

	603,173	603,173	-13,276	589,897
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Explanation: These funds were credited to this account as a result of the settlement of claims against Boeing for Procurement Integrity Act violations. They are not necessary to the EELV program, and are available for higher Air Force priorities.