

Subject: March 2008 Prior Approval	DoD Serial Number: FY 08-11 PA
Appropriation Title: Various Appropriations	Includes Transfer? Yes

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 prior approval reprogramming action is submitted for prior approval because these actions use general and special transfer authority, exceed thresholds, and initiate new starts.

Part I of this reprogramming action transfers \$974.643 million among various Defense appropriations. This reprogramming action uses no general transfer authority pursuant to section 8005 of Public Law 110-116, the Department of Defense (DoD) Appropriations Act, 2008; and section 1001 of Public Law 110-181, the National Defense Authorization Act for Fiscal Year (FY) 2008.

Part II of this reprogramming action realigns \$155.977 million among various Defense appropriations. This reprogramming action uses \$77.977 million of general transfer authority pursuant to section 8005 of Public Law 109-289, the Department of Defense (DoD) Appropriations Act, 2007; and section 1001 of Public Law 109-364, the John Warner National Defense Authorization Act for FY 2007.

These actions reprogram funding in support of higher priority items, based on unforeseen military requirements, than those for which originally appropriated; and are determined to be necessary in the national interest. They meet all administrative and legal requirements and none of the items has been previously denied by the Congress.

Approved (Signature and Date)

Andrew England

5-13-08

Subject: March 2008 Prior Approval		DoD Serial Number: FY 08-11 PA
Appropriation Title: Various Appropriations		
		Includes Transfer? Yes

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

PART I

FY 2008 REPROGRAMMING INCREASES: **+974,643**

NAVY INCREASES **+27,956**

Other Procurement, Navy, 08/10 **+5,434**

Budget Activity 7: Personnel and Command Support Equipment

Operating Forces Support Equipment

	13,208	13,208	+5,434	18,642
--	--------	--------	--------	--------

Explanation: Congress appropriated \$5.434 million in the Other Procurement, Navy, 08/10, appropriation for collateral equipment. This funding was appropriated to procure initial outfitting of collateral equipment such as camels, cranes, boat hoists, fender systems, browns, platforms, ramps and gangways. These efforts are more appropriately funded in the Operating Forces Support Equipment line item.

Research, Development, Test, and Evaluation, Navy, 08/09 **+22,522**

Budget Activity 4: Advanced Component Development & Prototypes

PE 0603787N Special Processes

	40,940	40,940	+10,922	51,862
--	--------	--------	---------	--------

Explanation: Funding is required for development of modernization upgrades to VH-3D and VH-60N aircraft. Details are of a higher classification. This is a **new start** and must be undertaken immediately in the interest of national security.

Budget Activity 7: Operational Systems Development

PE 0205601N HARM Improvement

	44,262	44,262	+11,600	55,862
--	--------	--------	---------	--------

Explanation: The AGM-88E Advanced Anti-Radiation Guided Missile (AARGM) is an ACAT-1C acquisition program currently in system development and demonstration to upgrade the legacy AGM-88 High Speed Anti-Radiation Missile (HARM) with multi-mode guidance (passive Anti-Radiation Homing/active Millimeter Wave Radar/Global Positioning

Subject: March 2008 Prior Approval	DoD Serial Number: FY 08-11 PA
Appropriation Title: Various Appropriations	
Includes Transfer? Yes	

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
a	b	c	d	e	f	g	h	i

System/Inertial Navigation System) and targeting capability. As a major upgrade to the legacy HARM, AARGM replaces the HARM guidance section and will modify the HARM control section while maintaining the legacy HARM warhead and rocket motor, adding significant new capabilities. AARGM units will possess the capability to engage and destroy non-traditional enemy air defenses and Global War on Terrorism targets. Capabilities include: suppression/destruction of enemy air defenses, geo-specificity, enhanced pilot situational awareness, and missile hit indication. AARGM is an International Cooperative Development Program with the Italian Air Force.

<u>DEFENSE-WIDE INCREASES</u>	<u>+946,687</u>
<u>Defense Health Program, 08/08</u>	<u>+946,687</u>
<u>Budget Activity 1: Operation and Maintenance</u>	
22,559,501	21,573,862
Private Sector Care	<u>+716,487</u>

Explanation: Although the FY 2008 Department of Defense Appropriations Act (P.L. 110-116) includes total funding of \$12,341.286 million for the Private Sector Care budget activity group, the Act sets a limit of \$11,424.799 million on spending for TRICARE program Private Sector Care contracts. The conference report accompanying the Act (Report 110-434) requires a prior approval reprogramming action to increase the funding available for TRICARE contracts above the established ceiling. This action increases the TRICARE contracts funding ceiling in Private Sector Care budget activity group by \$716.487 million from \$11,424.799 million to \$12.141.286 million. The increase is necessary to fund projected full year TRICARE contract costs based on actual billings to-date.

Consolidated Health Support	+43,700
Information Management/Information Technology	+14,200
Education and Training	+10,800
Base Operations	+161,500

Explanation: The conference report (Report 110-434) accompanying the FY 2008 Department of Defense (DoD) Appropriations Act (P.L. 110-116), designates the funding for the Direct Care System as a special interest item. Any transfer of funds from the Direct (or In-House) Care budget activity

Subject: March 2008 Prior Approval		DoD Serial Number: FY 08-11 PA
Appropriation Title: Various Appropriations		
		Includes Transfer? Yes

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

into any other budget activity will requires the DoD to follow prior approval reprogramming procedures.

The conference report added \$379.040 million to the DHP In-House Care budget activity to restore an Efficiency Wedge. However, within the original budget submission, the Medical Services spread the Efficiency Wedge into other budget activities to reduce the potential impact of the reductions. This reprogramming transfers a portion of the added Efficiency Wedge funding from the In-House Care budget activity to the Consolidated Health Support, Information Management/Information Technology, Education and Training, and Base Operations budget activity groups where the actual reductions were taken.

FY 2008 REPROGRAMMING DECREASES: **-974,643**

NAVY DECREASES **-27,956**

Other Procurement, Navy, 08/10 **-5,434**

Budget Activity 5: Civil Engineering Support Equipment

Collateral Equipment	5,434	5,434	-5,434	-
----------------------	-------	-------	--------	---

Explanation: Congress appropriated \$5.434 million in the Other Procurement, Navy, 08/10, appropriation for collateral equipment. This funding was appropriated to procure initial outfitting of collateral equipment such as camels, cranes, boat hoists, fender systems, browns, platforms, ramps and gangways. These efforts are more appropriately funded in the Operating Forces Support Equipment line item and this action will terminate the Collateral Equipment line item.

Research, Development, Test, and Evaluation, Navy, 08/09 **-22,522**

Budget Activity 5: System Development and Demonstration

PE 0604269N EA-18 Squadrons	274,299	274,299	-2,822	271,477
-----------------------------	---------	---------	--------	---------

Explanation: Funds are available for higher priorities based on current execution and can be reprogrammed with minimal risk to the Operational Evaluation starting in the fourth quarter of FY 2008.

Subject: March 2008 Prior Approval		DoD Serial Number: FY 08-11 PA
Appropriation Title: Various Appropriations		
		Includes Transfer? Yes

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

Budget Activity 7: Operational Systems Development

PE 0204136N F/A-18 Squadrons

52,891 52,891 -2,000 50,891

Explanation: Funds are available for higher priorities based on current execution and can be reprogrammed with minimal risk to the F/A-18 A-F Test Wing Aircraft.

PE 0204152N E-2 Squadrons

22,691 22,691 -3,100 19,591

Explanation: Funds are available for higher priorities based on current execution and can be reprogrammed with minimal risk. The reduction will delay the procurement of Cooperative Engagement Capability (CEC) and Electronic Surveillance Measure (ESM) test equipment for the Systems Integration Laboratory by 8 months.

PE 0604402N Unmanned Combat Air Vehicle (UCAV)

161,665 161,665 -3,000 158,665

Explanation: Funds are available for higher priorities based on current execution and can be reprogrammed with minimal risk to the UCAV demonstration project. Several early activities related to concept development and refinement will be delayed until FY 2009.

PE 0205633N Aviation Improvements

116,784 116,784 -11,600 105,184

Explanation: Funds are available due to delays in approval of acquisition and capability documentation for the Multipurpose Bomb Rack.

Subject: March 2008 Prior Approval		DoD Serial Number: FY 08-11 PA
Appropriation Title: Various Appropriations		
		Includes Transfer? Yes

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

<u>DEFENSE-WIDE DECREASES</u>						<u>-946,687</u>		
<u>Defense Health Program, 08/08</u>						<u>-946,687</u>		
<u>Budget Activity 1: Operation and Maintenance</u>								
	22,559,501		22,520,549			<u>-946,687</u>		21,573,862
In House Care						<u>-230,200</u>		

Explanation: The conference report (Report 110-434) accompanying the FY 2008 DoD Appropriations Act (P.L. 110-116), designates the funding for the Direct Care System as a special interest item. Any transfer of funds from the Direct (or In-House) Care budget activity into any other budget activity will requires the DoD to follow prior approval reprogramming procedures.

The conference report added \$379.040 million to the DHP In-House Care budget activity to restore an Efficiency Wedge. However, within the original budget submission, the Medical Services spread the Efficiency Wedge into other budget activities to reduce the potential impact of the reductions. This reprogramming transfers a portion of the added Efficiency Wedge funding from the In-House Care budget activity to the Consolidated Health Support, Information Management/Information Technology, Education and Training, and Base Operations budget activity groups where the actual reductions were taken.

Private Sector Care						<u>-716,487</u>		
---------------------	--	--	--	--	--	------------------------	--	--

Explanation: Although the FY 2008 DoD Appropriations Act (P.L. 110-116) includes total funding of \$12,341.286 million for the Private Sector Care budget activity group, the Act sets a limit of \$11,424.799 million on spending for TRICARE program Private Sector Care contracts. The conference report accompanying the Act (Report 110-434) requires a prior approval reprogramming action to increase the funding available for TRICARE contracts above the established ceiling. This action increases the TRICARE contacts funding ceiling in Private Sector Care budget activity group by \$716.487 million from \$11,424.799 million to \$12.141.286 million. Increase is necessary to fund projected full year TRICARE contract costs based on actual billings to-date.

Subject: March 2008 Prior Approval		DoD Serial Number: FY 08-11 PA
Appropriation Title: Various Appropriations		
		Includes Transfer? Yes

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

PART II

FY 2007 REPROGRAMMING INCREASES: **+155,977**

ARMY INCREASES **+85,518**

Research, Development, Test, and Evaluation, Army, 07/08 **+7,518**

Budget Activity 6: Management Support

PE 601104A University and Industry Research Centers

	96,816	96,816	+7,518	104,334
--	--------	--------	--------	---------

Explanation: Funding for this project (H53) will enable the Army High Performance Computing Research Center (AHPCRC) Consortium to investigate/pursue new technology developments as potential solutions to existing technology gaps/problem areas.

Procurement of Ammunition, Army, 07/09 **+78,000**

Budget Activity 1: Ammunition

Rocket, Hydra 70, All Types	164,121	164,121	+78,000	242,121
-----------------------------	---------	---------	---------	---------

Explanation: Funds are needed to procure additional 2.75 inch Hydra Rockets to support increased expenditures in OEF/OIF. Changes in Tactics, Techniques and Procedures as well as new requirements for pre-deployment familiarization training have resulted in increased Hydra Rocket expenditures. Rocket production has a 24-month lead time so funding is required now to preclude future shortages for operational use.

DEFENSE-WIDE INCREASES **+70,459**

Defense Health Program, 07/08 **+58,800**

Budget Activity 2: Research, Development, Test, and Evaluation

	348,000	772,322	+58,800	831,122
--	---------	---------	---------	---------

Subject: March 2008 Prior Approval		DoD Serial Number: FY 08-11 PA
Appropriation Title: Various Appropriations		Includes Transfer? Yes

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

<u>Defense Health Program, 07/09</u>						<u>+11,659</u>		
<u>Budget Activity 3: Procurement</u>								
		375,000		497,290		+11,659		508,949

Explanation: Reprograms \$70.459 million of Defense Health Program, Operation and Maintenance, 07/08, appropriation for Traumatic Brain Injury/Post Traumatic Stress Disorder, to Defense Health Program, Research, Development, Test and Evaluation, 07/08, appropriation (\$58.8 million), and to Defense Health Program, Procurement, 07/09, appropriation (\$11.659 million). DHP RDT&E funding will be used for Information Management/Information Technology (IM/IT) development to track, identify, and support the care and treatment of Wounded, Ill, and Injured (WII) personnel with Traumatic Brain Injury/Psychological Health (TBI/PH) problems. DHP Procurement funding will purchase needed IM/IT hardware (\$5.75 million) for TBI/PH and purchase state-of-the-art MRI equipment to aid in the diagnosis and treatment of WII personnel with mild to moderate TBI (\$5.909 million). The execution can be accomplished prior to expiration of the DHP RDT&E and DHP Procurement funding.

<u>FY 2007 REPROGRAMMING DECREASES:</u>						<u>-155,977</u>		
<u>ARMY DECREASES</u>						<u>-85,518</u>		
<u>Other Procurement, Army, 07/09</u>						<u>-7,518</u>		
<u>Budget Activity 2: Communications and Electronics</u>								
<u>Automated Data Processing Equipment</u>								
		168,677		168,677		-7,518		161,159

Explanation: The high performance computers currently available to the Consortium are less than 3 years old. Given the lifetime of high performance computing technology, purchasing new high performance computers would be premature. This reprogramming transfers \$7.518 million to the RDT&E, Army, 07/08, appropriation to enable the Army High Performance Computing Research Center (AHPARC) Consortium to better use existing high performance infrastructure to investigate and pursue potential research and development solutions to identified technology gaps. This is a congressional special interest item.

Subject: March 2008 Prior Approval		DoD Serial Number: FY 08-11 PA
Appropriation Title: Various Appropriations		
		Includes Transfer? Yes

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

<u>Procurement of Ammunition, Army, 07/09</u>						<u>-78,000</u>		
<u>Budget Activity 1: Ammunition</u>								
Signals, All Types	190,178		183,678			-78,000		105,678

Explanation: Funds are available due to decreased expenditures of aircraft flares in current operations because of software upgrades in the Common Missile Warning System (CMWS).

<u>DEFENSE-WIDE DECREASE</u>						<u>-70,459</u>		
<u>Defense Health Program, 07/08</u>						<u>-70,459</u>		
<u>Budget Activity 1: Operation and Maintenance</u>								
	600,000		600,000			-70,459		529,541

Explanation: Transfers \$70.459 million of Defense Health Program, Operation and Maintenance, 07/08, appropriation for Traumatic Brain Injury/Post Traumatic Stress Disorder (TBI/PTSD), to Defense Health Program, Research, Development, Test and Evaluation, 07/08, appropriation (\$58.8 million), and to Defense Health Program, Procurement, 07/09, appropriation (\$11.659 million). These funds are in the wrong budget activity to support information technology development and hardware and medical equipment for TBI/PTSD. Congress provided funding for treatment of TBI/PTSD. This transfer is needed for proper execution.