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| Subject: Future Combat System Reprogramming | | DoD Serial Number: FY 08-35 PA |
| Appropriation Title: Procurement of Weapons and Tracked Combat Vehicles, Army, 08/10; Other Procurement Army 07/09; and Research, Development, Test, and Evaluation, Army, 08/09 | | Includes Transfer? Yes |

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|---|--|--------|--|--------|----------------------|--------|-----------------|--------|
| Component Serial Number: FY 08-26 PA | <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 |

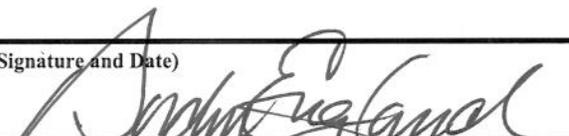
This reprogramming action is submitted for prior approval because it exceeds thresholds and involves congressional special interest items. Part I uses general transfer authority pursuant to section 8005 of Public Law 110-116, the Department of Defense (DoD) Appropriations Act, 2008; and section 1001 of Public Law 110-181, the National Defense Authorization Act for Fiscal Year (FY) 2008. Part II uses 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 Fiscal Year 2007.

The Army changed the focus of the Spin Out program from Heavy Brigade Combat Teams (HBCTs) to Infantry Brigade Combat Teams (IBCTs) because there is a greater need for current force enhancement in the Infantry. Also, the Army included the SUGV (Block 1) and Class 1 UAV accelerated versions in the IBCT Spin Out and as a result, the Milestone C for Spin Outs is delayed from 7 to 10 months to incorporate all these new requirements.

PART I – FY 2008 GENERAL TRANSFER AUTHORITY

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| <u>FY 2008 REPROGRAMMING INCREASES:</u> | <u>+34,469</u> |
| <u>Research, Development, Test and Evaluation, Army 08/09</u> | <u>+34,469</u> |
| <u>Budget Activity 5: System Development and Demonstration</u> | |
| <u>PE 0604660A FCS Manned Ground Vehicle & Common Ground Vehicle</u> | |
| 596,033 | 623,207 |
| | +29,000 |
| | 652,207 |

Explanation: This action provides the necessary funding under FCS Manned Ground Vehicles (MGVs) and Common Ground Vehicle program to design and procure the 27.4 ton Configuration Common Chassis Hardware (i.e., engines, traction/suspension, crew systems, structure, vehicle subsystems) for the Non Line of Sight Cannon (NLOS-C) prototype cannons to be delivered in FY 2009. To help offset the cost to keep NLOS-C on schedule, the remainder of the MGV activities will slip another 2 months. Without approval of this action, significant slow downs and stop work actions will occur for the Lead Systems Integrator (LSI).

Approved (Signature and Date)  7-29-08

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| a | | b | c | d | e | f | g | h | i |

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|--|--|--------|--|--------|--|--------|--|--------|--|
| PE 0604666A Spin Out Technology/Capability Insertion | | | | | | | | | |
| | | 64,796 | | 80,827 | | +5,469 | | 86,296 | |

Explanation: This action realigns Future Combat Systems (FCS) funding to pay for the Small Unmanned Ground Vehicles (SUGV) (Block1) acceleration and Class 1 Unmanned Aerial Vehicles (UAV) (Block 0) prototypes acceleration to the Army Evaluation Task Force (AETF) and adapt software to take sensor data and integrate it into the Spin Out 1 Network, and then experiment with these platforms in the IBCT configuration. Due to the reduction and shifting of test requirements and savings due to terminating the Abrams and Bradley A-Kit testing, there is enough savings and deferrals to offset the remaining cost of the SUGV and Class 1 UAV accelerations. Without approval of this action, significant slowdowns and stop work actions will occur for the Lead Systems Integrator (LSI).

FY 2008 REPROGRAMMING DECREASES: -34,469

Procurement of Weapons & Tracked Combat Vehicles, Army, 08/10 -14,015

Budget Activity 1: Tracked Combat Vehicles

FCS Spin Outs (Advance Procurement – Current Year)

| | | | | | | | | | |
|--|--|--------|--|--------|--|---------|--|-------|--|
| | | 19,987 | | 19,987 | | -14,015 | | 5,972 | |
|--|--|--------|--|--------|--|---------|--|-------|--|

Explanation: With the recent decision by the Army Chief of Staff to field FCS technologies to the IBCT as opposed to the HBCT, thus delaying the Milestone C decision, there is no requirement for the FY 2008 Advance Procurement to procure the necessary long lead items for the HBCT. As a result, the program will delay/terminate the long lead contracts and thus provide \$14 million to be utilized by the program for other higher program priorities.

Research, Development, Test, and Evaluation, Army, 08/09 -20,454

Budget Activity 5: System Development and Demonstration

PE 0604661A FCS Systems of Systems Engineer & Program Mgmt

| | | | | | | | | | |
|--|--|-----------|--|-----------|--|--------|--|-----------|--|
| | | 1,507,466 | | 1,349,467 | | -5,399 | | 1,344,068 | |
|--|--|-----------|--|-----------|--|--------|--|-----------|--|

PE 0604662A FCS Reconnaissance (UAV) Platforms

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|--|--|--------|--|--------|--|--------|--|--------|--|
| | | 41,164 | | 48,219 | | -4,055 | | 44,164 | |
|--|--|--------|--|--------|--|--------|--|--------|--|

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|---|--|--------|--|--------|--|---------|--|--------|
| PE 0604664A FCS Unattended Ground Sensors | | 10,999 | | 33,376 | | -11,000 | | 22,376 |
|---|--|--------|--|--------|--|---------|--|--------|

Explanation: Due to the program behind schedule 1 to 2 months and delaying the implementation of the Unmanned Ground Sensors (UGS) improvements, these funds can be used to offset the requirements for the MGV and Spin Out lines.

PART II – FY 2007 GENERAL TRANSFER AUTHORITY

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|--|--|---------|--|---------|--|-----------------------|--|---------|
| <u>FY 2007 REPROGRAMMING INCREASE:</u> | | | | | | <u>+19,000</u> | | |
| <u>Research, Development, Test and Evaluation, Army 07/08</u> | | | | | | <u>+19,000</u> | | |
| PE 0604646A Non-Line of Sight Launch System (NLOS-LS) | | 313,981 | | 313,981 | | <u>+19,000</u> | | 332,981 |

Explanation: This funding is required to fully fund the new National Security Agency (NSA) Unified INFOSEC Criteria (UIC) requirements for the Single Channel Radio and the Radio Storage Device. This funding completes the design, integration, and testing to ensure compliance with both NSA UIC requirements and the ability to handle cryptographic keying material.

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|---|--|---------|--|---------|--|-----------------------|--|---------|
| <u>FY 2007 REPROGRAMMING DECREASE:</u> | | | | | | <u>-19,000</u> | | |
| <u>Other Procurement, Army, 07/09</u> | | | | | | <u>-19,000</u> | | |
| <u>Budget Activity 2: Communications and Electronics Equipment</u> | | | | | | <u>-19,000</u> | | |
| Radio, Improved High Frequency Family | | 605,335 | | 605,335 | | <u>-19,000</u> | | 586,335 |

Explanation: Funding is available due to contract award savings in FY 2007. The cost to procure item was less than budgeted and can be reprogrammed to support higher priority requirements.