

Subject: Navy Military Personnel and Operational Requirements Appropriation Title: Various Appropriations	DoD Serial Number: FY 08-36 PA
	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 approval because these actions use general transfer authority and exceed established thresholds. This reprogramming action provides 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 previously been denied by the Congress.

**Part I** transfers \$344.268 million among various Navy appropriations. This action uses \$257.668 million of 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** transfers \$80.0 million from the Defense Working Capital Fund, Navy appropriation to the Operation and Maintenance, Navy, 08/08, appropriation. This action is pursuant to section 8008 of Public Law 110-116, the Department of Defense Appropriations Act, 2008.

**PART I**

<b><u>FY 2008 REPROGRAMMING INCREASE:</u></b>						<b><u>+344,268</u></b>	
<b><u>Military Personnel, Navy, 08/08</u></b>						<b><u>+344,268</u></b>	
<u>Budget Activity 1: Pay and Allowances of Officers</u>							
	6,430,171		6,454,630		+17,722		6,472,352
<u>Budget Activity 2: Pay and Allowances of Enlisted</u>							
	15,839,040		15,905,105		+280,546		16,185,651
<u>Budget Activity 4: Subsistence of Enlisted Personnel</u>							
	937,115		937,115		+19,200		956,315

Explanation: Funds are required to support pay and allowances for an additional 162 officer and 5,501 enlisted workyears due to higher than planned end strength levels. The FY 2008 Military Personnel, Navy budget reflects the continued drawdown of military end strength tied to the Navy's efforts to reduce legacy force structure and achieve productivity efficiencies through technology, altering the workforce mix, and new manning practices.

Approved (Signature and Date)



JUL 31 2008

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From the beginning of FY 2005 to the end of June 2008, the Navy has reduced end strength from 373,197 to 331,785 with a goal of reaching approximately 328,000 at the end of FY 2008. However, the Navy has experienced significantly fewer losses as more personnel chose to remain in the Navy vice separate or retire and fewer are separated due to adverse conditions resulting in the higher than planned strength levels.

Operationally, the Navy has experienced an increase in the demand for Individual Augmentees (IAs) to perform in-lieu-of taskings for the Army in support of Operation Iraqi Freedom and Operation Enduring Freedom. The demand for Navy Active IAs has grown from an average of 1,000 in FY 2005 to approximately 7,500 today. Maintaining the higher strength levels has enabled the Navy to meet the increasing demand for additional IAs.

Budget Activity 5: Permanent Change of Station Travel

771,801	771,801	<b>+19,698</b>	791,499
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Explanation: Funds are required to finance an additional 3,230 Permanent Change of Station (PCS) moves. The additional moves support officer and enlisted accessions, attendance in formal courses of instruction to maintain or acquire mission critical skills and operational moves to maintain fleet readiness and a balanced sea/shore rotation.

Budget Activity 6: Other Military Personnel Costs

268,508	268,508	<b>+7,102</b>	275,610
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Explanation: Funds are required to fund unemployment compensation to a higher level than budgeted.

**FY 2008 REPROGRAMMING DECREASES:** **-344,268**

**Military Personnel, Marine Corps, 08/08** **-86,600**

Budget Activity 1: Pay and Allowances of Officers

366,392	366,392	<b>-13,916</b>	354,476
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Explanation: Funds are available due to a reduction in the number of mobilized reservists (-133 officer workyears).

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<b>Budget Activity 2: Pay and Allowances of Enlisted</b>								
		1,307,854		1,307,854		-72,684		1,235,170

Explanation: Funds in the amount of \$6.586 million are available due to a reduction of the number of mobilized reservists (-140 enlisted workyears). In addition, \$62.612 million in Enlistment Bonuses and \$3.486 million Assignment Incentive Pay will not be obligated in FY 2008 due to underexecution.

<b><u>Operation and Maintenance, Navy, 08/08</u></b>						<b><u>-230,868</u></b>		
<b><u>Budget Activity 1: Operating Forces</u></b>								
		31,751,287		32,064,045		-230,868		31,833,177

Explanation: Supplemental funding is made available due, in part, to savings associated with transportation of heavy equipment to theater by sea rather than by air. In addition, non-critical equipment repairs supporting maintenance of combat support ground equipment, electronic warfare equipment, as well as command and control equipment, will be delayed until next fiscal year.

<b><u>Other Procurement, Navy, 08/10</u></b>						<b><u>-26,800</u></b>		
<b><u>Budget Activity 3: Aviation Support Equipment</u></b>								
Airborne Mine Countermeasures	82,773		82,773		-26,800			55,973

Explanation: These funds can be made available for other higher priority requirements due to the decision to decertify the AQS-20A during Operational Evaluation Testing on board the MH60-S helicopter in Panama City, Florida on April 14, 2008.

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**PART II**

**FY 2008 REPROGRAMMING INCREASE:** **+80,000**

**Operation and Maintenance, Navy, 08/08** **+80,000**

Budget Activity 1: Operating Forces

	31,751,287	31,833,177	<b><u>+80,000</u></b>	31,913,177
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**FY 2008 REPROGRAMMING DECREASE:** **-80,000**

**Defense Working Capital Fund, Navy, X** **-80,000**

Explanation: Section 8008 of Public Law 110-116, the Department of Defense Appropriations Act, 2008, allows the Department to transfer excess Defense Working Capital Fund cash balances to Operation and Maintenance appropriation accounts as determined by the Secretary. This action transfers excess cash balances from the Defense Working Capital Fund, Navy appropriation to the Operation and Maintenance, Navy appropriation. This transfer of working capital fund cash balances is consistent with reductions that Congress made in the FY 2008 DoD Appropriations Act to the Operation and Maintenance Navy appropriation based on excess cash balances in the Navy Working Capital Fund.