

Subject: CVN-69		DoD Serial Number: FY 03-28 PA
Appropriation Title: Shipbuilding and Conversion, Navy, 02/06: Research, Development, Test, and Evaluation, Navy, 02/03; Shipbuilding and Conversion, Navy, 01/05		Includes Transfer? Yes

Component Serial Number: FY 03-11 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 transfers \$22.139 million from Research, Development, Test, and Evaluation, Navy, 02/03 to Shipbuilding and Conversion, Navy, 02/06, \$9.336 million within Shipbuilding and Conversion, Navy, 02/06, and \$3.835 million within Shipbuilding and Conversion, Navy, 01/05. This action is for higher priority items, based on unforeseen requirements, than that for which the funds were originally appropriated, meets all administrative and legal requirements of the Congress, and has not been denied by Congress. This action uses general transfer authority pursuant to section 8005 of Public Law 107-117, the DoD Appropriations Act, 2002, section 1001 of Public Law 107-107, the National Defense Authorization Act for FY 2002; section 8005 of Public Law 106-259, the DoD Appropriations Act, 2001; and section 1001 of Public Law 106-398, the Floyd D. Spence National Defense Authorization Act for FY 2001. This action was not included in the FY 2004 President's Budget.

Part 1 REPROGRAMMING INCREASE: +31,475

Shipbuilding and Conversion, Navy, 02/06 +31,475

Budget Activity 2: Other Warships

CVN Refueling Overhauls	1	1,142,557	1	1,230,557	+31,475	1	1,262,032
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Explanation: Funds are required to cover cost increases associated with a 10-week schedule slip in the CVN 69 RCOH. This reprogramming action provides \$35.3 million of services to partially offset the increased costs. The balance will be financed by deferring some of the scope items requested in reprogramming action FY03-10PA. FY03-10PA reprogrammed \$29 million for several efforts that, at contract award, were deferred into the post shakedown availability (PSA) due to fiscal constraints. Although all these items are still valid requirements; the focus needs to be completion and funding of work under contract. Therefore, the cost increase is a higher priority bill. There is one item, the EA-6B hard site installation for \$10 million, which does require immediate funding. Delaying this action until the PSA will result in an extension of the PSA and additional increased costs. In summary, between reprogramming actions FY03-10PA and this current action, a total increase of \$64.3 million will have been reprogrammed for the CVN-69. The \$64.3 million is comprised of \$10 million of scope increase for EA-6B and \$54.3 million to fund cost increases.

Approved (Signature and Date)

AUG 28 2003

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Part 1 REPROGRAMMING DECREASES: -31,475

Research, Development, Test, & Evaluation, Navy, 02/03 -22,139

Budget Activity 3: Advanced Technology Development
 PE 0603123N Force Protection Advanced Technology
135,431 135,431 -462 134,969

Explanation: Funds are excess to requirements and will have no program impact.

Budget Activity 4: Advanced Component Development & Prototypes
 PE 0603795N Land Attack Technology
149,292 149,292 -2,440 146,852

Explanation: Funds are available after covering all Land Attack Standard Missile (LASM) program termination costs. LASM was terminated in the FY 2003 President’s Budget Submission.

PE 0604272N TADIRCM 22,255 9,916 -1,959 7,957

Explanation: The Department of the Navy terminated the Tactical Aircraft Directed Infrared Countermeasures (TADIRCM) program with the FY 2003 President’s Budget Submission.

Budget Activity 5: System Development & Demonstration
 PE 0604262N V-22 439,891 422,830 -7,966 414,864

Explanation: The FY 2001 Supplemental Appropriations Act added \$80 million in FY 2001 Research, Development, Test, and Evaluation, Navy (RDT&E,N) to forward finance the V-22 program. These funds were to accelerate the V-22 RDT&E,N program. Due to the amount appropriated in the FY 2001 Supplemental Appropriations Act, all of the funds could not be executed in FY 2002. This forward financing has limited FY 2002 expenditures and would cause an additional \$8.0 million to carry over into FY 2003. The \$8.0 million, which would carry over to FY 2003, is available for the CVN-69 RCOH.

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Budget Activity 6: <u>RDT&E Management Support</u>									
PE 0605862N RDT&E Instrumentation Modernization									
		11,450		11,450		-227		11,223	
<u>Explanation:</u> Funds are excess to requirements and will have no program impact.									
Budget Activity 7: <u>Operational Systems Development</u>									
PE 0204413N Amphibious Tactical Support Units									
		26,572		26,572		-1,222		25,350	
<u>Explanation:</u> Funds are available as a result of the cancellation of the Joint Modular Lighterage System.									
Inflation Savings							-7,863		
<u>Explanation:</u> Funds are available as a result of lower inflation than was assumed in the budget.									
<u>Shipbuilding and Conversion, Navy, 02/06</u>							<u>-9,336</u>		
Budget Activity 5: <u>Auxiliaries, Craft and Prior Year Program Costs</u>									
Outfitting		294,834		294,834		-9,336		285,498	
<u>Explanation:</u> Funds are available as a result of outfitting requirements that were deferred.									
Part 2 REPROGRAMMING INCREASE:							<u>+3,835</u>		
<u>Shipbuilding and Conversion, Navy, 01/05</u>							<u>+3,835</u>		
Budget Activity 2: <u>Other Warships</u>									
CVN Refueling Overhauls		692,029		692,029		+3,835		695,864	
<u>Explanation:</u> Funds are required to cover cost increases associated with a 10-week schedule slip in the CVN 69 RCOH. This reprogramming action provides \$35.3 million of services to partially offset the increased costs. The balance will be financed by deferring some of the scope items requested in reprogramming action FY03-10PA. FY03-10PA reprogrammed \$29 million for several efforts that, at contract award, were deferred into the post shakedown availability (PSA) due to fiscal constraints. Although									

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Part 2 REPROGRAMMING DECREASE:	<u>-3,835</u>
<u>Shipbuilding and Conversion, Navy, 01/05</u>	<u>-3,835</u>
<u>Budget Activity 5: Auxiliaries, Craft and Prior Year Program Costs</u>	
Outfitting	288,404 288,404 -3,835 284,569

Explanation: Funds are available as a result of outfitting requirements that were deferred.