

Subject: May 2013 Military Intelligence Program (MIP) Prior Approval		DoD Serial Number: FY 13-10 PA
Appropriation Title: Various Appropriations		Includes Transfer? Yes

Component Serial Number:	(Amounts in Thousands of Dollars)							
	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 this action uses general transfer authority, and exceed established reprogramming thresholds. This action reprograms funds in support of higher priority items, based on unforeseen military requirements, than those for which funds were originally appropriated; and is determined to be necessary in the national interest. Some adjustments in this reprogramming impact the **Military Intelligence Program (MIP)**. They meet all administrative and legal requirements, and none of the items has been denied previously by the Congress.

This reprogramming action realigns \$617.481 million among Fiscal Year (FY) 2013 Defense appropriations. This reprogramming action uses \$374.505 million of general transfer authority pursuant to section 8005 of Division A of Public Law 113-6, the Department of Defense (DoD) Appropriations Act, 2013; and section 1001 of Public Law 112-239, the National Defense Authorization Act for FY 2013.

<u>FY 2013 REPROGRAMMING INCREASES:</u>		<u>+617,481</u>	<u>+334,096</u>
<u>ARMY INCREASES:</u>		<u>+261,270</u>	<u>+14,885</u>
<u>Operation and Maintenance, Army, 13/13</u>		<u>+261,270</u>	<u>+14,885</u>
<u>Budget Activity 04: Administration and Servicewide Activities</u>			
	13,755,944	14,657,807	
		<u>+261,270</u>	14,919,077
		<u>+14,885</u>	14,672,692

Explanation: Funds are required for the following requirements:

- ~~\$+190.770 million~~ to support funding shortfalls in contractor logistics support for the Persistent Ground Surveillance Sensor System. PGSS provides support of aerostats and sensor capabilities to USAFORA. These are being utilized for persistent surveillance to FOBs for security, threat targeting, and near to close force protection capabilities. Funding requested allows for 24/7 surveillance coverage as well as facilities operations, sustainment, logistics, safe handling of aerostat system through weather, helium, maintenance, and kinetic events. This requirement has been decreased to align with the current CENTCOM approved drawdown plan and supports contract requirements to December 31, 2013, for periods of performance. This is a **MIP project**. This is an OCO budget requirement.

OUSD(C) adjustment to balance to approved sources

Approved (Signature and Date)

Robert F. Hale 5/17/2013

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<ul style="list-style-type: none"> • \$+70.5 million to support funding shortfalls in VADER system support. Provides for continued operational sustainment of two Contractor-Owned and Contractor-Operated (COCO) VADER-equipped Twin Otter Multi-INT aircraft in OEF in support of Task Force ODIN. The VADER (Vehicle and Dismount Exploitation Radar) capability on the Twin Otter is a VADER radar combined with a Full Motion Video (FMV) Electro-optic / Infrared (EO/IR) sensor. The funding provides for three missions per aircraft per day, to include aircraft operation, flight crews, maintenance crews, intel analysts, etc, for a complete operational package. (Each mission lasts approximately 4.5 hours.) The unique ISR capability provided by the VADER platforms is not anticipated to drawdown in FY 2013 in order to increase critical ISR capability and enhance force protection during the drawdown. This is a MIP project. This is an OCO budget requirement. 									
<u>OUSD(C) adjustment to balance to approved sources</u>									
<u>AIR FORCE INCREASES:</u>						<u>+184,723</u>	<u>+147,723</u>		
<u>Operation and Maintenance, Air Force, 13/13</u>						<u>+113,235</u>	<u>+76,235</u>		
<u>Budget Activity 01: Operating Forces</u>									
		24,253,055		25,179,536		<u>+113,235</u>	<u>25,292,771</u>		
						<u>+76,235</u>	<u>25,255,771</u>		
<u>Explanation:</u> Funds are required to support shortfalls for base communications throughout the U.S. Central Command Area of Responsibility for network operations, satellite communication bandwidth and transmissions, air traffic control landing system support, and teleconferencing. Failure to provide these funds will degrade theater communications support and endanger pilots and aircraft during landing operations. This \$113.235 million request is just a portion of the total requirement (\$549.996 million) and the balance is requested in FY 13-09 PA. This is an OCO budget requirement.									
<u>OUSD(C) adjustment to balance to approved sources</u>									
<u>Research, Development, Test, and Evaluation, Air Force, 13/14</u>						<u>+71,488</u>			
<u>Budget Activity 05: System Development and Demonstration</u>									
PE 0604800F F-35 EMD		1,177,999		1,181,511		<u>+71,488</u>	<u>1,252,999</u>		
<u>Explanation:</u> Funding is required to maintain mission systems development and flight test. Funds will preserve Block 2B delivery date, Block 2B capability, and minimizes deferral of Block 3I/3F capabilities. Preservation of mission systems software Block schedule and content is critical to prevent delayed fielding of U.S. and International Partner warfighting capability. This \$71.488 million request is just a portion of the total requirement (\$75.0 million) and the balance (\$3.512 million) is requested in FY 13-09 PA. This is a base budget requirement.									

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DEFENSE-WIDE INCREASES: **+171,488**

Operation and Maintenance, Defense-Wide, 13/13 **+121,488**
National Security Agency (NSA) **+75,488**

Explanation: Funds are required for NSA to establish a trained and ready cyber workforce in direct support of U.S. Cyber Command, Cyber Mission Force requirements. The total requirement is \$89.327 million, and the balance (\$13.839 million) is requested in FY 13-09 PA and supports non-MIP requirements. The requested funds (\$75.488 million) include \$74.333 million for **MIP projects**; and \$1.155 million for non-MIP projects. The classified details will be provided under separate cover. This is a base budget requirement.

National Geospatial Intelligence Agency (NGA) **+46,000**

Explanation: Funding is required for a classified program. The details are classified and will be provided under separate cover. This is a **MIP project**. This is a base budget requirement.

Research, Development, Test, and Evaluation, Defense-Wide, 13/14 **+50,000**

Budget Activity 04: Advanced Component Development and Prototypes

PE 0603882C Ballistic Missile Defense Midcourse Defense Segment

978,172 978,172 **+34,584** 1,012,756

Explanation: Funds are required for the following requirements in support of the Ground Based Midcourse Defense System (GMD):

- \$+30.984 million is required for flight testing. The Department is committed to increasing the defense of the Homeland from missile attack. This commitment requires a successful return to flight testing of the GMD program. The Secretary of Defense announced on March 15, 2013, that the Department is making a series of improvements to Homeland Defense in order to better address the evolving threat, including a CE-I flight test, FTG-07, and another CE-II flight test, FTG-06b, by the Fall of 2013. The FTG-06b was not in the Integrated Master Test Plan (IMTP) signed on March 4, 2013. This funding supports test planning and execution of the FTG-06b intercept flight test. These are key flight tests in support of the Homeland Hedge strategy. Funds are required by May 31, 2013, to ensure FTG-06b is executed by the Fall 2013. This is base budget requirement.
- \$+3.6 million is required to conduct a study to evaluate at least three possible additional US interceptor locations for homeland defense in CY 2013; at least two for East Coast sites as directed by section 227 of the FY 2013 National Defense Authorization Act (NDAA). This is a congressional special interest item. This is base budget requirement.

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PE 0603914C Ballistic Missile Defense Test	454,400	458,532	+15,416	473,948
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Explanation: Funds are required for test planning and execution for the FTG-06b intercept flight test. Funding is necessary for successful implementation of the Homeland Hedge strategy. Funds are required by May 31, 2013. This \$15.416 million request is just a portion of the total requirement (\$19.548 million) and the balance is requested in FY 13-09 PA. This is base budget requirement.

<u>FY 2013 REPROGRAMMING DECREASES:</u>	<u>-617,481</u>	<u>-334,096</u>
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<u>ARMY DECREASES:</u>	<u>-92,270</u>
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<u>Aircraft Procurement, Army, 13/15</u>	<u>-5,000</u>
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Budget Activity 01: Aircraft

RQ 11 (RAVEN)	25,798	25,798	-5,000	20,798
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Explanation: Funds are available to support a near-term critical theater based higher priority OCO requirement due to a combination of Better Buying Power initiatives and a FY 2012 \$15.3 million congressional add, which sufficiently increased quantities such that a significant quantity discount was realized on the initial production incorporation of the gimbaled payload to the Raven air vehicle. This is a **MIP project**. This is base budget funding.

HASC Denied

<u>Other Procurement, Army, 13/15</u>	<u>-87,270</u>
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Budget Activity 02: Communications and Electronics Equipment

CI Humint Auto Reprinting and Collection (CHARCS)

	13,593	13,593	-6,400	7,193
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Explanation: Funds available to support a near-term critical theater based higher priority OCO requirement. CHARCS procurement can be deferred without impacting the immediate war fight. This is **MIP project**. This is Title IX OCO budget funding.

Counterintelligence/Security Countermeasures

	161,929	161,929	-80,870	81,059
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Explanation: Funds available to support a near-term critical theater based higher priority OCO requirement due to new projections for reduction in forces for OPERATION ENDURING FREEDOM (OEF), resulting in a lower number of procurement requirements for these projects. Vigilant Pursuit Vehicle and Company Intel Support to next deployed efforts have been de-scoped to align with new drawdown guidance. This is a **MIP project**. This is Title IX OCO budget funding.

OUS(D) adjustment to balance to approved requirements

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<u>NAVY DECREASE:</u>						<u>-47,200</u>		
<u>Aircraft Procurement, Navy, 13/15</u>						<u>-47,200</u>		
<u>Budget Activity 04: Other Aircraft</u>								
MQ-4 Triton AP	51,124		51,124		47,200		3,924	
<u>Explanation:</u> Funds are available due to being excess to need. In the FY 2014 President's Budget (PB) request, the planned FY 2014 MQ-4C Triton procurement associated with these Advanced Procurement (AP) funds was delayed until FY 2015. The FY 2014 PB request includes \$52.0 million for AP for the FY 2015 Procurement. This is a MIP project . This is base budget funding.								
<u>HAC and HASC Denied</u>								
<u>AIR FORCE DECREASES:</u>						<u>-306,523</u>		<u>-24,225</u>
<u>Aircraft Procurement, Air Force, 13/15</u>						<u>-115,035</u>		<u>-11,735</u>
<u>Budget Activity 05: Modification of In-service Aircraft</u>								
RQ-4 Mods	7,757		7,757		-750		7,007	
<u>Explanation:</u> Funds are available due to slow execution making them available for higher priorities in the Operation and Maintenance readiness accounts. This is a MIP project . This is base budget funding.								
MQ-1 Mods	30,861		30,861		-2,985		27,876	
<u>Explanation:</u> Funds are available due to slow execution making them available for higher priorities in the Operation and Maintenance readiness accounts. This is a MIP project . This is base budget funding.								
MQ-9 UAS Payloads	93,461		93,461		-56,500		36,961	
<u>Explanation:</u> Funds are available due to Air Force decision to freeze requirements for Gorgon Stare Increment 2 production at six (6) pod sets. This is a MIP project . This is base budget funding.								
<u>HASC Denied and HAC Deferred</u>								
RC-135 Rivet Joint DARP	189,237		189,237		-8,000		181,237	
<u>Explanation:</u> Funds are excess to need due to changes in investment priorities driven by the current fiscal environment, drawdown of military operations in Afghanistan, and the requirement to fund shortfalls in the Operation and Maintenance OCO readiness accounts. This is a MIP project . This is Title IX OCO budget funding.								

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U-2 Mods		91,277		91,277		46,800		44,477
<p><u>Explanation:</u> Funds are excess to need due to changes in investment priorities driven by the current fiscal environment, drawdown of military operations in Afghanistan, and the requirement to fund shortfalls in the Operation and Maintenance OCO readiness accounts. This is a MIP project. This is Title IX OCO budget funding.</p> <p style="text-align: center;"><u>SAC Denied \$23.4 million and SASC Deferred</u></p> <p><u>Missile Procurement, Air Force, 13/15</u> <u>-120,000</u></p> <p><u>Budget Activity 05: Other Support</u></p> <p>SBIRS High (Space) 2 394,251 2 394,251 - 120,000 2 274,251</p> <p><u>Explanation:</u> Funds are available due to a 6-month slip (2QFY 2013 to 4QFY 2013) in the production contract award for Space-Based Infrared System (SBIRS) Global Environment Outlook (GEO) 5&6. This is a MIP project. This is base budget funding.</p> <p style="text-align: center;"><u>OUS(D) adjustment to balance to approved requirements</u></p> <p><u>Research, Development, Test, and Evaluation, Air Force, 13/14</u> <u>-71,488</u> <u>-12,490</u></p> <p><u>Budget Activity 05: System Development and Demonstration</u></p> <p>PE-0604441F Space-Based Infrared System (SBIRS) High EMD</p> <p>531,594 531,594 40,688 490,906</p> <p><u>Explanation:</u> Funds are available due to delayed execution of the Space Modernization Initiative (SMI) efforts to include architecture and component studies and data exploitation. This is a MIP project. This is base budget funding.</p> <p style="text-align: center;"><u>HAC Denied \$29.7 million and HASC Denied \$14.888 million</u></p> <p style="text-align: center;"><u>OUS(D) adjustment to balance to approved requirements</u></p> <p>PE-0305230F MC-12 19,949 19,949 18,310 1,639</p> <p><u>Explanation:</u> Funds are available in ISR Irregular Warfare due to the Air Force terminating the procurement of the Full Crew Simulator. Pilot training will continue at commercial facilities. This is a MIP project. This is base budget funding.</p> <p style="text-align: center;"><u>OUS(D) adjustment to balance to approved requirements</u></p>								

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<u>Budget Activity 07: Operational System Development</u> PE 0304260F Airborne SIGINT Enterprise (JMIP) <div style="display: flex; justify-content: space-between;"> 129,106 129,106 -12,490 116,616 </div>								
<u>Explanation:</u> Funds are being made available by delaying the Baseline Airborne Signal Intelligence Payload (ASIP) Increment 2 upgrade program. This sensor is on the U-2 and Global Hawk Block 30. Additionally, the RC-135 will delay some upgrades. This is a MIP project . This is base budget funding.								
<u>DEFENSE-WIDE DECREASES:</u>						<u>-171,488</u>		
<u>Operation and Maintenance, Defense-Wide, 13/13</u>						<u>-121,488</u>		
<u>Missile Defense Agency (MDA)</u>		235,653		227,895		-1,988		225,907
<u>Explanation:</u> Funding is available as a result of efficiencies realized on the radar sustainment contract. . This \$1.988 million source is just a portion of the total (\$9.946 million) and the balance is in FY 13-09 PA. This is base budget funding.								
<u>Office of Economic Adjustment (OEA)</u>						<u>-119,500</u>		
<u>Explanation:</u> Funds are available because no specific legal authority was provided to carry out grants, cooperative agreements, or supplement other Federal funds, to develop Guam civilian infrastructure in response to the military buildup of Guam. Further, the funds will expire at the end of FY 2013. This is base budget funding.								
<u>Research, Development, Test, and Evaluation, Defense-Wide, 13/14</u>						<u>-50,000</u>		
<u>Budget Activity 07: Operational System Development</u> PE 0303786BQ Defense Geospatial-Intelligence Program ISR Systems <div style="display: flex; justify-content: space-between;"> -46,000 - </div>								
<u>Explanation:</u> Funds are available to be realigned to properly execute a Service Level Agreement contract. Additional details will be provided under separate cover. This is a MIP project . This is base budget funding.								
PE 0307207G Aerial Common Sensor						<u>-1,039</u>		
<u>Explanation:</u> Funds are available due to lower than expected execution rates. Additional details will be provided under separate cover. This is a MIP project . This is base funding.								

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PE 0305885G Tactical Cryptologic Activities						-2,961			
<u>Explanation:</u> Funds are available due to lower than expected execution rates. Additional details will be provided under separate cover. This is a MIP project . This is base funding.									
<u>National Guard Personnel, Army, 13/13</u>						<u>-125,492</u>			
<u>Budget Activity 01: Reserve Component Training and Support</u>									
		8,720,065		8,493,635		-125,492		8,368,143	
<u>Asset of \$125.492 million from 13-14 PA, Part I</u>									
<u>Operation and Maintenance, Defense-Wide 13/13</u>						<u>-12,891</u>			
Defense Intelligence Agency						-8,950			
National Geospatial-Intelligence Agency						-3,450			
National Security Agency						-491			
<u>Asset of \$12.894 million from 13-15 PA</u>									