

Subject: Omnibus 2014 Military Intelligence Program (MIP) Prior Approval		DoD Serial Number: FY 14-10 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 reprogramming action is submitted for prior approval because these actions use 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.

Part I of this reprogramming action transfers or realigns \$109.460 million among Fiscal Year (FY) 2014 Defense appropriations. This reprogramming action uses \$52.5 million of general transfer authority pursuant to section 8005 of division C of Public Law 113-76, the Department of Defense (DoD) Appropriations Act, 2014; and section 1001 of Public Law 113-66, the National Defense Authorization Act for FY 2014.

Part II of this reprogramming action transfers \$170.749 million among FY 2014 Title IX Overseas Contingence Operations (OCO) Defense appropriations. This reprogramming action uses \$170.749 million of special transfer authority pursuant to section 9002 of Title IX OCO of division C of Public Law 113-76, the DoD Appropriations Act, 2014.

Part III of this reprogramming action transfers \$16.659 million among FY 2013 Army appropriations. This reprogramming action uses \$16.659 million of general transfer authority pursuant to section 8005 of division C of Public Law 113-6, the DoD Appropriations Act, 2013 and section 1001 of Public Law 112-239, the National Defense Authorization Act for FY 2013.

Part IV of this reprogramming action transfers or realigns \$24.542 million among FY 2013 Title IX OCO Army appropriations. This reprogramming action uses \$21.510 million of special transfer authority pursuant to section 9002 of Title IX of division C of Public Law 113-6, the DoD Appropriations Act, 2013.

Part V of this reprogramming action realigns \$27.0 million within the Aircraft Procurement, Air Force, 12/14, appropriation.

Approved (Signature and Date)

Michael McCord July 2, 2014

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PART I – FY 2014 GENERAL TRANSFER AUTHORITY (Section 8005)

FY 2014 REPROGRAMMING INCREASES: **+109,460** **+64,460**

ARMY INCREASES: **+14,100**

Research, Development, Test, and Evaluation, Army, 14/15 **+14,100**

Budget Activity 04: Advanced Component Development and Prototypes

PE 0603766A Tactical Electronic Surveillance System - Adv Dev
6,890 6,890 **+3,500** 10,390

Explanation: Funds are required to develop and modernize technologies to advance intelligence collection, processing, and dissemination capabilities. The Army must modernize its own equipment in synchronization with National Technical Means (NTM) modernization in order to ensure continued connectivity with NTM to maintain the ability to process, forward, relay, and exploit classified overhead data. This funding will modernize and complete upgrades of Corps-level subsystems including antenna feeds, receivers, transmitters, communications security and routing devices, and software to remain compatible with modernized NTM communications systems. The planned NTM changes are critical to Army operations from strategic to tactical levels as conducted by Army Corps. The Army Corps’ ground systems and classified subsystems rely on NTM systems and the associated National architectures to provide ensured delivery and timely receipt of communications and data to support Corps-level planning, early entry operations, and warfighting operations on a continuous basis throughout all phases of operations. This is a **MIP project**. This is a base budget requirement.

Budget Activity 07: Operational System Development

PE 0208053A Joint Tactical Ground System
7,104 7,104 **+7,400** 14,504

Explanation: Funds are required to support critical development and testing of Joint Tactical Ground System (JTAGS) Pre-Planned Product Improvements (P3I) Block 2 Phase 2. The Phase 2 capabilities have been identified by United States Strategic Command (USSTRATCOM) as already late to need. The Joint Requirements Oversight Council (JROC) validated the requirement for JTAGS to deliver improved theater missile detection Phase 2 capability by FY 2017 to address existing threats. The JROC directed the synchronization of JTAGS upgrades with the United States Air Force Space Based Infrared System (SBIRS) capabilities. To meet these required fielding dates, Phase 2 development must start by 4th quarter of FY 2014. This is a **MIP project**. This is a base budget requirement.

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a		b	c	d	e	f	g	h	i
PE 0305232A RQ-11 UAV			2,320		2,320		+3,200		5,520
<p><u>Explanation:</u> Funds are required to complete the development and testing of a Government-owned, open service-oriented architecture mobile ground control station. The current Small Unmanned Aircraft System (SUAS) controller's proprietary interface provides limited interoperability and operates in Windows XP. The Army has extended Microsoft support for XP through April 2015, but after that date the current controller software will not be supportable. A limited migration strategy from XP will be in place by April 2015; however, the Tactical Open Government-Owned Architecture Controller (TOGA) is the long-term solution for a compliant operating system. This controller will be: Common Operating Environment/ Universal Control Station/Future Airborne Capabilities Environment conformant and operate on a Real Time Operating System meeting both Real Time Safety Critical Embedded (RTSCE) and airworthiness qualifications; streamlined and have a simple user interface; and hardware agnostic. Additionally, TOGA will reduce the cognitive load of the SUAS operator so the focus can be on combat tactics, streamlined training, and reduced weight to be carried by the operator. This is a MIP project. This is a base budget requirement.</p>									
<u>AIR FORCE INCREASES:</u>							<u>+38,960</u>		
<u>Research, Development, Test, and Evaluation, Air Force, 14/15</u>							<u>+38,960</u>		
<u>Budget Activity 07: Operational System Development</u>									
PE 0207247F Air Force TENCAP		89,816		89,816			+25,000		114,816
<p><u>Explanation:</u> Funds are required for the Talon Hate effort and to evaluate the military utility of a next-generation capability providing multi-domain information to tactical users specifically in U. S. Pacific Command (PACOM) to deal with the Anti-Access/Anti-Denial (A2/AD) environment. Talon Hate provides enhanced targeting, situational awareness, multi-domain fused information to tactical users, and an enhanced decisionmaker Common Operational Picture. The Talon Hate effort also increases the military utility by providing counter jamming capability for the Hate pod on the F-15C aircraft, specifically in a contested environment. The Common Operational Picture formed by Talon Hate will increase joint Air Force/Navy interoperability, provide warfighters with a capability to more efficiently engage and defend against next-generation threats in contested environments and reduce kill chain timelines. Pacific Air Forces (PACAF) has requested that Talon Hate field in FY 2015 to address the requirement. Without these funds, a stop work will occur in January 2015. This is a MIP project. This is a base budget requirement.</p>									
PE 0207431F Combat Air Intelligence Systems Activities			4,471		4,471		+1,460		5,931
<p><u>Explanation:</u> Funds are required to upgrade Joint Targeting Toolbox capabilities. Specific capabilities requiring funding include Public Key Infrastructure (PKI) and database updates to maintain interoperability</p>									

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with DoD and National Geospatial-Intelligence Agency (NGA) systems and to maintain the security and integrity of sensitive data. This is a **MIP project**. This is a base budget requirement.

Classified Program **+12,500**

Explanation: Funding is required for a classified program. Additional details will be provided under a classified cover. This is a congressional special interest item. This is a **MIP project** and a **new start**. This is a base budget requirement.

DEFENSE-WIDE INCREASES: **+56,400** **+11,400**

Operation and Maintenance, Defense-Wide, 14/14 **+11,400**

Classified Program **+11,400**

Explanation: Funds are required for classified projects. Additional details will be provided under a classified cover. These are **MIP projects**. This is a base budget requirement.

Research, Development, Test, and Evaluation, Defense-Wide, 14/15 **+45,000**

~~Budget Activity 07: Operational System Development~~

~~PE 0304210BB Special Applications for Contingencies~~

~~15,652~~ ~~15,652~~ **+45,000** ~~60,652~~

~~Explanation: Funds are required for the development and integration of Unmanned Aerial System (UAS) sensors for U.S. Special Operations Command. Additional details will be provided under a classified cover. This is a **MIP project** and a **new start**. This is a base budget requirement.~~

HAC Denied

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PART I – FY 2014 GENERAL TRANSFER AUTHORITY (Section 8005)

FY 2014 REPROGRAMMING DECREASES: **-109,460** **-64,460**

ARMY DECREASES: **-14,100**

Research, Development, Test, and Evaluation, Army, 14/15 **-14,100**

Budget Activity 05: System Development and Demonstration

PE 0605018A Integrated Personnel and Pay System-Army (IPPS-A)

	67,100	67,100	-14,100	53,000
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Explanation: Funds are available due to a 12-month schedule slip in the projected Milestone B decision for IPSS-A Increment 2. Technical challenges are causing the program to be re-baselined. There will be no impact to the program as a result of reducing the available FY 2014 funding. Part I of the non-MIP Omnibus reprogramming action (FY 14-11 PA) includes an additional reduction of \$12.644 million for a total reduction to IPPS-A of \$26.744 million. This is a congressional special interest item. This is base budget funding.

NAVY DECREASE: **-13,600** **-11,400**

Research, Development, Test, and Evaluation, Navy, 14/15 **-13,600** **-11,400**

Budget Activity 05: System Development and Demonstration

PE0305124N Special Application Program

	22,800	22,800	-13,600	9,200
			-11,400	11,400

Explanation: Funds are available due to requirement definition delays for materiel acquisitions that can be deferred to FY 2015 with minimal programmatic impact. Additional details will be provided under a classified cover. This is a **MIP project**. This is base budget funding.

OUSD(C) adjustment to balance to approved requirements

AIR FORCE DECREASES: **-51,160** **-30,960**

Operation and Maintenance, Air Force, 14/14 **-23,300** **-13,360**

Budget Activity 01: Operating Forces

	26,784,148	27,020,879	-23,300	26,997,579
			-13,360	27,007,519

Explanation: Funds are available from the following programs:

- \$-20.0 \$-13.360 million is available due to lower demand for MC-12 Contractor Logistics Support (CLS). This is a **MIP project**. This is base budget funding.

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a	b	c	d	e	f	g	h	i

- ~~• \$ 3.3 million is available due to a freeze in government hiring, reduced contractor support, and reduced operational costs. Additional details will be provided under a classified cover. This is base budget funding.~~

OUSD(C) adjustment to balance to approved requirements

<u>Aircraft Procurement, Air Force, 14/16</u>	<u>-1,400</u>	
<u>Budget Activity 05: Modification of Inservice Aircraft</u>		
MQ-1 Mods	7,926	7,926 -1,400 6,526

Explanation: Funds are available and excess to need due to a program baseline freeze. The Air Force does not plan to further modify the MQ-1 inventory. This is a congressional special interest item. This is a **MIP project**. This is base budget funding.

<u>Research, Development, Test, and Evaluation, Air Force 14/15</u>	<u>-26,460</u>	<u>-16,200</u>
<u>Budget Activity 05: System Development and Demonstration</u>		
PE 0605931F B-2 Defensive Management System	248,971	248,971 -8,299 240,672

Explanation: Funds are available due to a rephrasing of the program. This is a congressional special interest item. This is base budget funding.

OUSD(C) adjustment to balance to approved requirements

<u>Budget Activity 07: Operational System Development</u>		
PE 0101127F B-2 Squadrons	84,925	84,925 -1,961 82,964

Explanation: Funds are available due to the B-2 Flex Strike effort ramping up slower than initially expected. This is a congressional special interest item. This is base budget funding.

HAC Denied

PE 0304260F Airborne SIGINT Enterprise	100,172	100,172 -16,200 88,972
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Explanation: Funds are available due to efficiencies and contract negotiations associated with the various Signals Intelligence (SIGINT) projects. This is a congressional special interest item. This is a **MIP project**. This is base budget funding.

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DEFENSE-WIDE DECREASES: **-30,600** **-8,000**

Operation and Maintenance, Defense-Wide, 14/14 **-25,600** **-8,000**
Classified Programs **-25,600**
-8,000

Explanation: Funds are available from classified programs. Additional details will be provided under a classified cover. Of this total funding adjustment, \$13.6 million is from **MIP projects**. This is base budget funding.

OUSD(C) adjustment to balance to approved requirements

~~**Research, Development, Test, and Evaluation, Defense-Wide, 14/15** **-5,000**~~
~~Budget Activity 06: Management Support~~
~~PE 0605117D8Z Foreign Materiel Acquisition and Exploitation~~
~~48,911 48,911 **-2,000** 46,911~~

HAC Denied

~~Explanation: Funds are available due to a delay in contracting. Additional details will be provided under a classified cover. This is a congressional special interest item. This is a **MIP project**. This is base budget funding.~~

~~Budget Activity 07: Operational System Development~~
~~Classified Program~~ **-3,000**

~~Explanation: Funds are available because the period of performance for metadata implementation specification can be deferred to FY 2015 with minimal programmatic impact. Additional details will be provided under a classified cover. This is a **MIP project**. This is base budget funding.~~

HAC Denied

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a	b	c	d	e	f	g	h	i

PART II – FY 2014 SPECIAL TRANSFER AUTHORITY (Section 9002)

<u>FY 2014 REPROGRAMMING INCREASES:</u>	<u>+170,749</u>	<u>+162,749</u>
<u>ARMY INCREASES:</u>	<u>+139,404</u>	<u>+131,404</u>
<u>Aircraft Procurement, Army, 14/16</u>	<u>+139,404</u>	<u>+131,404</u>
<u>Budget Activity 01: Aircraft</u>		
Saturn Arch (MIP)	2 24,000	2 24,000 +4 +48,000
		6 72,000 +40,000 64,000

Explanation: Funds are required to procure two Saturn Arch and two Desert Owl Intelligence, Surveillance and Reconnaissance aircraft in support of Operation ENDURING FREEDOM (OEF). These aircraft are Contractor Owned/Contractor Operated and currently supporting operations in Afghanistan. Procurement of these assets will change the ownership of these four existing aircraft from contractor to government. This preserves the Army's ability to use these systems in post-OEF operations. The OCO investment will be leveraged, as the Airborne Reconnaissance Low-Enhanced (ARL-E) program will incorporate the sensors and platforms. This is supported by the March 2014 Saturn Arch/Desert Owl Directed Requirement and the ARL-E Capability Production Document (CPD). This is a congressional special interest item. This is a **MIP project**. This is an OCO budget requirement.

SAC Denied \$8.0 million

Aerial Common Sensor (ACS) (MIP)	2 84,700	2 84,700 +1 +28,000	3 112,700
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Explanation: Funds are required to procure one Vehicle and Dismount Exploitation Radar (VADER) Pod and integrate government furnished equipment into an Army-owned Beechcraft 350ER aircraft. This will complete the VADER Systems requirement providing sufficient airframes to meet future training requirements, anticipated Operation ENDURING FREEDOM (OEF)/Resolute Support Mission support, while allowing flexibility to accomplish modifications in accordance with the Enhanced Medium Altitude Reconnaissance Surveillance System (EMARSS) Capabilities Production Document (CPD) and schedule. The requirement for the VADER capability resides in the EMARSS CPD. This is a congressional special interest item. This is a **MIP project**. This is an OCO budget requirement.

MQ-1 UAV	15 437,143	15 437,143 +8 +63,404	23 500,547
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Explanation: Funds are required to procure eight MQ-1C Gray Eagle battle loss air vehicles to replace those destroyed in Afghanistan. This is a congressional special interest item. This is a **MIP project**. This is an OCO budget requirement.

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a	b	c	d	e	f	g	h	i

<u>NAVY INCREASES:</u>	<u>+31,345</u>	
<u>Aircraft Procurement, Navy, 14/16</u>	<u>+31,345</u>	
<u>Budget Activity 05: Modification of Aircraft</u>		
EP-3 Series	74,047	74,047
		+31,345
		105,392

Explanation: Funds are required to modify 12 EP-3 aircraft with APS-148 radars integrated into the Minotaur mission management system (\$26.6 million), and to conduct non-recurring engineering for installing a High Definition (HD) Video and Targeting system to be integrated into Minotaur for 2 aircraft (\$4.7 million). The APS-148 radar will provide the foundational data needed for multi-sensor mission management of the Common Operating Picture (COP) onboard the EP-3, as well as automatic tracking and automated Inverse Synthetic Aperture Radar (ISAR) imaging of targets within the Minotaur system. This is a congressional special interest item. This is a **MIP project**. This is an OCO budget requirement.

PART II – FY 2014 SPECIAL TRANSFER AUTHORITY (Section 9002)

<u>FY 2014 REPROGRAMMING DECREASE:</u>	<u>-170,749</u>	<u>-162,749</u>
<u>ARMY DECREASE:</u>	<u>-170,749</u>	<u>-162,749</u>
<u>Operation and Maintenance, Army, 14/14</u>	<u>-170,749</u>	<u>-162,749</u>
<u>Budget Activity 04: Administration and Servicewide Activities</u>		
	15,302,766	15,302,766
		-170,749
		-162,749
		15,132,017
		15,140,017

Explanation: Funds are available due to lower than expected costs for retrograde and sustainment. Retrograde requirements are less than expected due to the decision to retrograde only a portion of Army’s equipment out of Afghanistan. Costs for sustainment transportation have decreased from the original estimate due to theater decision to reduce the levels of stocks on hand versus ordering new and to reduce the number of stock locations as the Army shrinks its footprint in theater. This is Title IX OCO budget funding.

OUSD(C) adjustment to balance to approved requirements

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PART III – FY 2013 GENERAL TRANSFER AUTHORITY (Section 8005)

FY 2013 REPROGRAMMING INCREASE: **+16,659**

ARMY INCREASE: **+16,659**

Other Procurement, Army, 13/15 **+16,659**

Budget Activity 02: Communications and Electronics Equipment

DCGS-A (MIP)	2,703	274,119	2,703	274,119	+1,604	+16,659	4,307	290,778
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Explanation: Funds are required to provide tactical units with upgraded Distributed Common Ground System - Army (DCGS-A) hardware using the Windows 7 operating system. Microsoft no longer supports the Windows XP operating system creating a significant information assurance issue on the old equipment. This includes upgrades to 1,500 Portable Multi-Function Workstations, 24 Geospatial Intelligence (GEOINT) Workstations, and 80 Intelligence Fusion Servers. This is a congressional special interest item. This is a **MIP project**. This is a base budget requirement.

FY 2013 REPROGRAMMING DECREASE: **-16,659**

ARMY DECREASE: **-16,659**

Research, Development, Test, and Evaluation, Army, 13/14 **-16,659**

Budget Activity 05: System Development and Demonstration

PE 0605018A Integrated Personnel and Pay System-Army (IPPS-A)	122,168	122,168	-16,659	105,509
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Explanation: Funds are available due to a 12-month schedule slippage in the Milestone B decision for IPPS-A Increment 2. These funds cannot be executed before they expire. The Non-MIP Omnibus reprogramming action (FY 14-11 PA) includes a reduction of \$8.341 million for a total reduction of \$25.0 million to the FY 2013 IPPS-A program. This is a congressional special interest item. This is base budget funding.

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PART IV – FY 2013 SPECIAL TRANSFER AUTHORITY (Section 9002)

<u>FY 2013 REPROGRAMMING INCREASE:</u>	<u>+24,542</u>
<u>ARMY INCREASE:</u>	<u>+24,542</u>
<u>Other Procurement, Army, 13/15</u>	<u>+24,542</u>
<u>Budget Activity 02: Communications and Electronics Equipment</u>	
DCGS-A (MIP)	2,703 274,119 2,703 274,119 +170 +24,542 2,873 298,661

Explanation: Funds are required to provide Operation ENDURING FREEDOM (OEF) units with upgraded Distributed Common Ground System-Army (DCGS-A) equipment using the Windows 7 operating system. Microsoft no longer supports the Windows XP operating system creating a significant information assurance issue on the old equipment. This includes upgrades to 1 Operational Intelligence Ground Station, 70 Geospatial Intelligence (GEOINT) Workstations, 37 Intelligence Fusion Servers and 62 Portable Multi-Function Workstations. This is a **MIP project**. This is an OCO budget requirement.

PART IV – FY 2013 SPECIAL TRANSFER AUTHORITY (Section 9002)

<u>FY 2013 REPROGRAMMING DECREASES:</u>	<u>-24,542</u>
<u>ARMY DECREASES:</u>	<u>-24,542</u>
<u>Aircraft Procurement, Army, 13/15</u>	<u>-21,510</u>
<u>Budget Activity 01: Aircraft</u>	
CH-47 Helicopter	47 1,311,973 47 1,311,973 - -21,510 47 1,290,463

Explanation: Funds are available due to additional savings in the Multiyear II (MY II) contract. Part V of the non-MIP Omnibus reprogramming action (FY 14-11 PA) includes an additional reduction of \$6.490 million for a total reduction of \$28.0 million to the FY 2013 CH-47 Helicopter program. The \$28.0 million of additional savings was generated from the exercise of the six FY 2013 OCO War Replacement Aircraft options and is over and above the original MY II savings of \$810.0 million. This excess FY 2013 Title IX OCO funding cannot be used to accelerate procurement because it would violate the quantity by year terms of the multiyear contract. This reduction does not impact the congressional special interest item. This is Title IX OCO budget funding.

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Other Procurement, Army, 13/15						-3,032		
<u>Budget Activity 02: Communications and Electronics Equipment</u>								
<u>Reserve Ca/Miso GPF Equipment</u>								
	1,540	24,843	1,540	24,843	-117	-3,032	1,423	21,811

Explanation: Funds are available due to a reduction in program requirements. The original request for this funding was made in anticipation of expected equipment losses in theater, but those losses did not materialize. Removing these funds from the program has no impact, as there is no requirement for replacement of battle losses. This is Title IX OCO budget funding.

PART V – FY 2012

FY 2012 REPROGRAMMING INCREASE: **+27,000**

<u>Aircraft Procurement, Air Force, 12/14</u>						<u>+27,000</u>		
<u>Budget Activity 05: Modification of Inservice Aircraft</u>								
<u>MQ-9 UAS Payloads</u>								
		74,866		74,866		+27,000		101,866

Explanation: Funds are required to procure the final Gorgon Stare pod set. This is a congressional special interest item. This is a **MIP project**. This is a base budget requirement.

SASC and HPSCI Denied

PART V – FY 2012

FY 2012 REPROGRAMMING DECREASE: **-27,000**

<u>Aircraft Procurement, Air Force, 12/14</u>						<u>-27,000</u>		
<u>Budget Activity 04: Other Aircraft</u>								
<u>RQ-4</u>								
	3	322,816	3	322,816		-27,000	3	295,816

Explanation: Funds are available due to Low Rate Initial Production Lot 11 contract savings. Requirements have been met, and these funds are excess to need. This is a congressional special interest item. This is a **MIP project**. This is base budget funding.

OUSD(C) adjustment to balance to approved requirement