

Subject: March 2016 Military Intelligence Program (MIP) Request		DoD Serial Number: FY 16-12 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 action is being submitted for prior approval because this action exceeds established reprogramming thresholds and initiates a new start. 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. This reprogramming action meets all administrative and legal requirements, and none of the items have previously been denied by the Congress. This impacts the **Military Intelligence Program (MIP)**.

Part I of this reprogramming action transfers or realigns \$41.577 million among FY 2016 Defense appropriations. This reprogramming action uses \$15.927 million of general transfer authority pursuant to section 8005 of division C of Public Law 114-113, the Department of Defense (DoD) Appropriations Act, 2016 and section 1001 of Public Law 114-92, the National Defense Authorization Act for Fiscal Year (FY) 2016.

Part II of this reprogramming action realigns \$34.380 million within Aircraft Procurement, Air Force, 15/17, appropriation.

PART I

<u>FY 2016 REPROGRAMMING INCREASES:</u>	<u>+41,577</u>	<u>+39,077</u>
<u>NAVY INCREASE:</u>	<u>+2,500</u>	
<u>Research, Development, Test, and Evaluation, Navy, 16/17</u>	<u>+2,500</u>	
<u>Budget Activity 04: Advanced Component Development and Prototypes</u>		
<u>PE 0304270N Electronic Warfare Development – MIP</u>		
580	580	+2,500
		3,080

Explanation: Funds are required for the rapid prototype development and demonstration of the Towed Airborne Lift of Naval Systems (TALONS), which will be used by Navy surface vessels to address a capability gap identified by multiple Fleet commanders. The TALONS will provide persistent intelligence, surveillance, and reconnaissance (ISR) and electronic warfare (EW) defense capability and significantly increase a vessel's optical and radar horizons. The requested funding would enable the Navy to demonstrate platform flight profiles and an ISR/EW payload in FY 2017. Additional classified details will be provided under separate cover. This is a **new start**. The total cost of this new start is \$4.5 million (FY 2016, \$2.5 million; and FY 2017, \$2.0 million) and the Navy intends to fund the FY 2017 requirement via a reprogramming action in FY 2017. Rapid prototyping efforts are designed as 1- to 2-year projects with no additional funding requirements. Upon project completion, the test and evaluation results will be

Approved (Signature and Date)

Kurt McCool April 4, 2016

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~~considered and a decision will be made whether to move forward via a new or existing program of record. This is a MIP project. This is a base budget requirement.~~

HAC Denied

<u>AIR FORCE INCREASES:</u>						<u>+39,077</u>		
<u>Operation and Maintenance, Air Force, 16/16</u>						<u>+13,427</u>		
<u>Budget Activity 01: Operating Forces</u>								
	26,634,148		26,634,148			<u>+13,427</u>		26,647,575

Explanation: Funds are required for the operational maintenance and sustainment of the Battlefield Information Collection and Exploitation System - Extended (BICES-X) enterprise in order to sustain system capabilities in support of daily operations of forward deployed warfighters. Funds will be used for the lifecycle replacement of existing information technologies, which is critical to mission performance. Additionally, the BICES program office will conduct studies to assess impacts of new intelligence architectures to support the Combatant Commanders and the Services. If BICES-X is not maintained and sustained, there is a risk of system failure, which impacts the capability of sharing time sensitive intelligence and operations data quickly and securely across the North Atlantic Treaty Organization (NATO) alliance, and other partner nations supporting all geographic combatant commands, and U.S. Special Operations Command. This is a MIP project. This is a base budget requirement.

Implemented 8/5/2016

<u>Aircraft Procurement, Air Force, 16/18</u>						<u>+25,650</u>		
<u>Budget Activity 07: Aircraft Support Equipment and Facilities</u>								
<u>RQ-4 Post Production Support</u>	-		-			<u>+25,650</u>		25,650

Explanation: Funds are required to support the procurement of one MS-177A multispectral sensor, two Sensor Interface Modules (SIMs), and Interim Contractor Support. This is an Air Combat Command (ACC) requirement directed by the Air Force Requirements Oversight Council (AFROC) on March 19, 2015, and subsequently by the Joint Requirements Oversight Council (JROC) on September 28, 2015. In accordance with the High Altitude Intelligence, Surveillance, and Reconnaissance (HAISR) Mixed Fleet Study submitted to the Congress on August 14, 2015, this reprogramming will support a MS-177A sensor Full Operational Capability (FOC) in December 2019, which in turn, will support the divestiture of the U-2 ISR aircraft. If this reprogramming is not approved, then ACC's FOC date will not be met, and a delay in the U 2 divestiture will occur. This is a **new start**. The total cost of this new start is \$177.15 million (FY 2015, \$34.380 million for three MS-177A sensors in Part II of this reprogramming; FY 2016, \$25.650 million in this request; FY 2017, \$0.1 million; FY 2018, \$58.55 million; FY 2019, \$32.89 million; FY 2020, \$25.26 million). The FY 2017 – FY 2020 requirement is funded in the FY 2017 President's Budget request. This is a MIP project. This is a base budget requirement.

Implemented 9/14/2016

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<u>FY 2016 REPROGRAMMING DECREASES:</u>						<u>-41,577</u>		<u>-39,077</u>
<u>NAVY DECREASE:</u>						<u>-2,500</u>		
<u>Other Procurement, Navy, 16/18</u>						<u>-2,500</u>		
<u>Budget Activity 01: Ships Support Equipment</u>								
Remote Minehunting System		53,077		53,077		-2,500		50,577

Explanation: Funds are available because they are excess to need. After the review by the Independent Review Team, the Remote Multi-Mission Vehicle (RMMV) is under review for reliability issues. Therefore, funding is available since the RMMV's incorporation into the LCS Mine Countermeasures (MCM) Mission Package is halted until a more reliable vehicle can be fielded. This is base budget funding.

HAC and HASC Denied

<u>AIR FORCE DECREASES:</u>						<u>-39,077</u>		
<u>Aircraft Procurement, Air Force, 16/18</u>						<u>-25,650</u>		
<u>Budget Activity 04: Other Aircraft</u>								
RQ-4		29,900		29,900		-25,650		4,250

Explanation: Funds are available due to vigilant actions to fund the Ground Segment Launch Recovery Element (LRE), Diminishing Manufacturing Source (DMS) resolution, and certain other government costs with available prior year funding. Additionally, FY 2016 funds previously allocated for production shutdown activities are available because the production line will not require dispositioning until closer to final air vehicle delivery in FY 2017. Other funds are available for the production line shutdown activities. The FY 2016 funds previously allocated to these aforementioned efforts are now available to reprogram. This is a **MIP project**. This is base budget funding.

Implemented 9/14/2016

<u>Other Procurement, Air Force, 16/18</u>						<u>-13,427</u>		
<u>Budget Activity 04: Other Base Maintenance and Support Equipment</u>								
Classified Program						-13,427		

Explanation: Funds are available due to a change in operational needs and priorities for the Battlefield Information Collection and Exploitation System - Extended (BICES-X). The program has reached the point where additional resources are needed to refit aging equipment and information technology capabilities. Funds were originally programmed to continue expansion of the capability, but the procurement of additional capacity is being deferred until FY 2017 in favor of keeping the existing enterprise operational. This is a **MIP project**. This is base budget funding.

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PART II

<u>FY 2015 REPROGRAMMING INCREASE:</u>						<u>+34,380</u>		
<u>Aircraft Procurement, Air Force, 15/17</u>						<u>+34,380</u>		
<u>Budget Activity 07: Aircraft Support Equipment and Facilities</u>								
RQ-4 Post Production Support		-		-		<u>+34,380</u>		34,380

Explanation: Funds are required to support the procurement of three MS-177A multispectral sensors. This is an Air Combat Command (ACC) requirement directed by the Air Force Requirements Oversight Council (AFROC) on March 19, 2015, and subsequently by the Joint Requirements Oversight Council (JROC) on September 28, 2015. In accordance with the High Altitude Intelligence, Surveillance, and Reconnaissance (HAISR) Mixed Fleet Study submitted to the Congress on August 14, 2015, this reprogramming will support a MS-177A Sensor Full Operational Capability (FOC) in December 2019, which in turn, will support the divestiture of the U-2 ISR aircraft. If this reprogramming is not approved, then ACC's FOC date will not be met, and a delay in the U-2 divestiture will occur. This is a **new start**. The total cost of this new start is \$177.15 million (FY 2015, \$34.380 million in this request; FY 2016, \$25.650 million for an additional MS-177A sensor and two Sensor Interface Modules (SIMs) in Part I of this reprogramming; FY 2017, \$0.1 million; FY 2018, \$58.55 million; FY 2019, \$32.89 million; FY 2020, \$25.26 million). The FY 2017 – FY 2020 requirement is funded in the FY 2017 President’s Budget request. This is a **MIP project**. This is a base budget requirement.

Implemented 9/14/2016

<u>FY 2015 REPROGRAMMING DECREASES:</u>						<u>-34,380</u>		
<u>Aircraft Procurement, Air Force, 15/17</u>						<u>-34,380</u>		
<u>Budget Activity 04: Other Aircraft</u>								
RQ-4		54,475		54,475		<u>-26,140</u>		28,335

Explanation: Funds are available as a result of efforts to buy down Diminishing Manufacturing Source (DMS) resolution, International Maritime Satellite (INMARSAT)/Communications Security (COMSEC), and certain other government costs with available prior year funding. The FY 2015 funds previously allocated to these aforementioned efforts are now available to reprogram. This is a **MIP project**. This is base budget funding.

<u>Budget Activity 06: Aircraft Spares and Repair Parts</u>								
Spares and Repair Parts		539,972		539,972		<u>-8,240</u>		531,732

Explanation: Funds are available because prior year funds were utilized to procure initial spares for the RQ-4A/B Global Hawk program. The FY 2015 funds previously allocated to initial spares are now available to reprogram. This is a **MIP project**. This is base budget funding.

Implemented 9/14/2016