

Subject: November 2016 Military Intelligence Program (MIP) Prior Approval		DoD Serial Number: FY 17-07 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 this action uses general transfer authority and exceeds established reprogramming 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. 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)**.

This reprogramming action transfers \$116.7 million between Fiscal Year (FY) 2016 Navy appropriations. This reprogramming action uses \$116.7 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 FY 2016.

<b><u>FY 2016 REPROGRAMMING INCREASE:</u></b>				<b><u>+116,700</u></b>	
<b><u>Research, Development, Test, and Evaluation, Navy, 16/17</u></b>				<b><u>+116,700</u></b>	
<b><u>Budget Activity 07: Operational System Development</u></b>					
PE 0305220N RQ-4 UAV	227,118		227,118	<b>+116,700</b>	343,818

Explanation: Funds are required to complete the MQ-4C Triton System Development and Demonstration (SDD) and System Demonstration Test Article (SDTA) contract and to maintain the Navy's Maritime Intelligence, Surveillance, Reconnaissance, and Targeting Transition Plan schedule. As part of the renegotiated contract, the prime contractor will supply the Federal government with a developmental test article (air vehicle), which will enable the conversion of the Navy's developmental air vehicle (B-2) as a Low Rate Initial Production (LRIP) Lot 2 air vehicle substitute and repurposes it as a third SDTA to support Initial Operational Test and Evaluation. This realignment supports the completion of the SDD/SDTA contract and is required in order to maintain schedule and preserve the air vehicle quantity. This is a **MIP project**. This is a base budget requirement.

Approved (Signature and Date)  
 Dec 19, 2016

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<b><u>FY 2016 REPROGRAMMING DECREASE:</u></b>						<b><u>-116,700</u></b>		
<b><u>Aircraft Procurement, Navy, 16/18</u></b>						<b><u>-116,700</u></b>		
<b><u>Budget Activity 04: Other Aircraft</u></b>								
MQ-4 Triton	4	565,085	4	565,085	-1	-116,700	3	448,385

Explanation: Funds are available due to schedule delays and cost growth on MQ-4C Triton's prime SDD and SDTA contract, which necessitated a restructure and a revised program plan to preserve Navy's Maritime Intelligence, Surveillance, Reconnaissance, and Targeting Transition Plan. The Milestone C decision slipped from March 2016 to September 2016. The MQ-4C Triton funds are available due to the prime contractor providing an air vehicle to the Federal government as part of the SDD/SDTA contract convergence agreement. This reduction does not necessitate any changes to the FY 2017 President's Budget request. This is a **MIP project**. This is a congressional special interest item. This is base budget funding.