

<b>Subject:</b> December 2016 Military Intelligence Program (MIP) Prior Approval		DoD Serial Number: FY 17-08 PA
<b>Appropriation Title:</b> 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 prior approval reprogramming action is submitted for approval because this action uses special 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. They meet 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 transfers or realigns \$11.9 million among Fiscal Year (FY) 2015 Air Force appropriations. This reprogramming action uses \$2.817 million of general transfer authority pursuant to section 8005 of division C of Public Law 113-235, the Department of Defense (DoD) Appropriations Act, 2015; and section 1001 of Public Law 113-291, the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for FY 2015.

**Part II** of this reprogramming action transfers or realigns \$30.6 million among FY 2015 Title IX Overseas Contingency Operations (OCO) Air Force appropriations. This reprogramming action uses \$27.5 million of special transfer authority pursuant to section 9002 of Title IX of division C of Public Law 113-235, the DoD Appropriations Act, 2015.

**PART I – FY 2015 GENERAL TRANSFER AUTHORITY (Section 8005)**

<b><u>FY 2015 REPROGRAMMING INCREASE:</u></b>	<b><u>+11,900</u></b>
<b><u>Aircraft Procurement, Air Force, 15/17</u></b>	<b><u>+11,900</u></b>
<b><u>Budget Activity 05: Modification of Inservice Aircraft</u></b>	
RQ-4 Mods	21,354                      21,354                      +11,900                      33,254

**Explanation:** Funds are required to satisfy the need for an additional Battlefield Airborne Communications Node (BACN) equipped Global Hawk (EQ-4B) aircraft. The original Urgent Operational Need (UON) was expanded (UON #002-16) and validated by Air Force Requirements Decision Memorandum (AFRDM 10-16-01) signed on October 16, 2016. Specifically, a total of \$42.5 million is required to modify an existing Global Hawk (GH) RQ-4 Block 20 aircraft as follows:

- \$+3.5 million to remove existing mission equipment off GH RQ-4 Block 20 aircraft,
- \$+6.6 million to accomplish non-recurring engineering for the reconfiguration,
- \$+8.1 million to procure additional BACN payload equipment and conduct preliminary testing, and
- \$+24.3 million to integrate the BACN payload on to the existing GH RQ-4 Block 20 aircraft and complete necessary aircraft modifications to generate a fourth EQ-4B BACN aircraft.

Approved (Signature and Date)

*Mark McCord January 19, 2017*

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The balance (\$30.6 million) of the \$42.5 million required is included in Part II of this reprogramming. If not funded, UON #002-16 will not be fulfilled for the warfighter and the EQ-4B BACN fleet will not meet the required mission reliability and/or surge capacity in theater. This is a **new start**. The last BACN modifications were executed in this same line using FY 2011 funds. The estimated total cost of the new start effort is the \$42.5 million requested. This is a **MIP project**. This is an OCO budget requirement.

<b><u>FY 2015 REPROGRAMMING DECREASES:</u></b>								
								<b><u>-11,900</u></b>
<b><u>Aircraft Procurement, Air Force, 15/17</u></b>								<b><u>-9,083</u></b>
<u>Budget Activity 05: Modification of Inservice Aircraft</u>								
T-1 Mods		7,650		7,650		-3,629		4,021

Explanation: Funds are available due to a 10-month delay in the contract award for T-1 aircraft modifications. The program office received significantly more proposals than expected, necessitating additional time for source selection evaluations, which extended the contract award beyond FY 2017 and prevented the use of FY 2015 funds. All other FY 2015 requirements have been met. This is base budget funding.

<u>Budget Activity 06: Aircraft Spares and Repair Parts</u>								
Spares and Repair Parts		522,650		522,650		-2,576		520,074

Explanation: Funds are available due to a reduction in Global Hawk FY 2015 spares requirements. Revised spares models, informed with more accurate/historical data, indicate a requirement lower than initially forecasted, making these FY 2015 funds excess to requirements. All other FY 2015 spares requirements have been met. This is a **MIP project**. This is base budget funding.

<u>Budget Activity 07: Aircraft Support Equipment and Facilities</u>								
Other Production Charges		895,151		895,151		-2,878		892,273

Explanation: Funds are available because of changing depot stand-up requirements for the MQ-9 Reaper, and the late award of the Honeywell Engine Depot Activation contract. The remaining program requirements are being rephased to FY 2017. No work has been terminated or delayed. All other FY 2015 program requirements have been met. This is base budget funding.

<b><u>Other Procurement, Air Force, 15/17</u></b>								<b><u>-2,817</u></b>
<u>Budget Activity 03: Electronics and Telecommunications Equipment</u>								
Cheyenne Mountain Complex		35,301		35,301		-2,817		32,484

Explanation: Funds are available due to a delay in the contract award and a requirements change for the Space Defense Operations Center Deconfliction system. Requirements are less than planned for the

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replacement of information systems hardware and associated systems software. All other FY 2015 requirements have been met. This is base budget funding.

**PART II – FY 2015 SPECIAL TRANSFER AUTHORITY (Section 9002)**

<b><u>FY 2015 REPROGRAMMING INCREASE:</u></b>	<b><u>+30,600</u></b>
<b><u>Aircraft Procurement, Air Force, 15/17</u></b>	<b><u>+30,600</u></b>
<b><u>Budget Activity 05: Modification of Inservice Aircraft</u></b>	
RQ-4 Mods	21,354                      33,254 <b>+30,600</b> 63,854

Explanation: Funds are required to satisfy the need for an additional Battlefield Airborne Communications Node (BACN) equipped Global Hawk (EQ-4B) aircraft. The original Urgent Operational Need (UON) was expanded (UON #002-16) and validated by Air Force Requirements Decision Memorandum (AFRDM 10-16-01) signed on October 16, 2016. Specifically, a total of \$42.5 million is required to modify an existing Global Hawk (GH) RQ-4 Block 20 aircraft as follows:

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- \$+24.3 million to integrate the BACN payload on to the existing GH RQ-4 Block 20 aircraft and complete necessary aircraft modifications to generate a fourth EQ-4B BACN aircraft.

The balance (\$11.9 million) of the \$42.5 million required is included in Part I of this reprogramming. If not funded, UON #002-16 will not be fulfilled for the warfighter and the EQ-4B BACN fleet will not meet the required mission reliability and/or surge capacity in theater. This is a **new start**. The last BACN modifications were executed in this same line using FY 2011 funds. The estimated total cost of the new start effort is the \$42.5 million requested. This is a **MIP project**. This is an OCO budget requirement.

<b><u>FY 2015 REPROGRAMMING DECREASES:</u></b>	<b><u>-30,600</u></b>
<b><u>Aircraft Procurement, Air Force, 15/17</u></b>	<b><u>-3,100</u></b>
<b><u>Budget Activity 06: Aircraft Spares and Repair Parts</u></b>	
Spares and Repair Parts	522,650                      520,074 <b>-3,100</b> 516,974

Explanation: Funds are available due to an updated engine spares analysis, which indicates existing engine spare quantities are sufficient to maintain the current E-11A aircraft fleet size. All other FY 2015 program requirements have been met, making this funding available for other higher priorities. This is Title IX OCO budget funding.

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<b>Other Procurement, Air Force, 15/17</b>					<b>-27,500</b>			
<b>Budget Activity 03: Electronics and Telecommunications Equipment</b>								
MILSATCOM Space		60,902		60,902		-4,000		56,902

Explanation: Funds are available due to negotiations that resulted in a reduced unit price for Global Broadcast System (GBS) Rucksack/Suitcase Terminals and the total Air Force requirement for Rucksacks decreased in quantity from 245 to 150. All other FY 2015 program requirements have been met, making this funding available for other higher priorities. This is Title IX OCO budget funding.

<b>Budget Activity 04: Other Base Maintenance and Support Equipment</b>								
Contingency Operations		110,234		110,234		-23,500		86,734

Explanation: Funds are available due to a delay in upgrading 14 Recovery of Airbase Denied by Ordnance (RADBO) vehicles as an Urgent Operational Need (UON). The RADBO allows combatant commanders to have the ability to rapidly assess and report explosive ordnance damage, remove or neutralize unexploded ordnance on damaged airfields and repair damage. At the end of Development Testing II, there were 16 separate configuration issues identified. These items are currently being addressed; however, this pushes the end of the next testing cycle to July 2017, with a production decision expected in August 2017. The contracting process will take approximately 6 months, which will prohibit the obligation of this funding before it expires in September 2017. All other FY 2015 program requirements have been met, making this funding available for other higher priorities. This is Title IX OCO budget funding.