

Subject: August 2017 Prior Approval Request		DoD Serial Number: FY 17-25 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	
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This prior approval reprogramming action is submitted for approval because these actions use general and special transfer authority, exceed established reprogramming thresholds, or affect special interest items. 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.

Part I of this reprogramming action transfers \$132.0 million among Fiscal Year (FY) 2017 Defense appropriations. This reprogramming action uses \$132.0 million of general transfer authority pursuant to section 8005 of division C of Public Law 115-31, the Department of Defense (DoD) Appropriations Act, 2017; and section 1001 of Public Law 114-328, the National Defense Authorization Act for FY 2017.

Part II of this reprogramming action transfers \$9.1 million among FY 2017 Title IX Overseas Contingency Operations (OCO) Defense appropriations. This reprogramming action uses \$9.1 million of special transfer authority pursuant to section 9002 of Title IX OCO of division C of Public Law 115-31, the DoD Appropriations Act, 2017.

Part III of this reprogramming action realigns \$24.693 million within the Missile Procurement, Army, 17/19, appropriation as a result of a foreign military sale to France.

Part IV of this reprogramming action transfers \$247.672 million among FY 2016 Title IX OCO Defense appropriations. This reprogramming action uses \$247.672 million of special transfer authority pursuant to section 9002 of Title IX OCO of division C of Public Law 114-113, the DoD Appropriations Act, 2016.

Approved (Signature and Date)

9/7/17

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PART I – FY 2017 GENERAL TRANSFER AUTHORITY (Section 8005)

FY 2017 REPROGRAMMING INCREASES: **+132,000**

NAVY INCREASE: **+24,000**

Weapons Procurement, Navy, 17/19 **+24,000**

Budget Activity 02: Other Missiles

LRASM	10	29,643	10	29,643	+5	+24,000	15	53,643
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Explanation: Funds are required to procure seven additional Long Range Anti-Ship Missiles (LRASMs). Due to price growth above budgeted values, the Lot 1 Fixed Price Incentive Fee contract for the procurement of eight of the planned 10 LRASM, was awarded on July 24, 2017. The contract included an option to procure additional missiles. In order to fully support a critical U.S. Pacific Command Fleet's Enabler Priority, the procurement of seven additional LRASM can be obtained by exercising the contract option, thus enabling the program to procure a total quantity of 15 missiles. Additional missiles are required to enable Fleet introduction in 2019. Further, the additional five missiles above the original 10 required will bring Anti-Surface Warfare capacity to the warfighter sooner. This is a base budget requirement.

AIR FORCE INCREASES: **+108,000**

Other Procurement, Air Force, 17/19 **+100,000**

Budget Activity 04: Other Base Maintenance and Support Equipment

Special Update Program	577,710	577,710	+100,000	677,710
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Explanation: Funds are required for a classified effort. Additional classified details will be provided under separate cover. This is a base budget requirement.

Missile Procurement, Air Force, 17/19 **+8,000**

Budget Activity 02: Other Missiles

Small Diameter Bomb	243,361	243,361	+8,000	251,361
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Explanation: Funds are required to maximize the Lot 4 missile procurement expected to award in December 2017. Pricing for Small Diameter Bomb (SDB) II Production Lots 1-5 was competed and awarded as part of the development contract, and is tiered based on order quantity. Weapon prices are projected to increase significantly starting in Lot 6. This request will cover 63 units to almost maximize the Lot 4 quantity ceiling (660 units/Navy is procuring 90 units). Maximizing quantities will result in a savings of approximately \$3.9 thousand per weapon. SDB II is projected to meet initial operational capability on F-15Es in January 2019. The requested increase will ensure weapons are available at the lowest available price per unit. This is a base budget requirement.

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FY 2017 REPROGRAMMING DECREASES: **-132,000**

NAVY DECREASES: **-24,000**

Aircraft Procurement, Navy, 17/19 **-24,000**

Budget Activity 05: Modification of Aircraft
 Common Avionics Changes 159,839 159,839 -15,000 144,839

Explanation: Funds are available due to the cancellation of avionics efforts on MH-53E, reduction of Combined Interrogator Transponder procurements for Legacy Hornets, and cancellation of H-1 APX-123 modification. This is base budget funding.

E-2 Series 30,949 30,949 -4,127 26,822

Explanation: Funds are available due to negotiated contract savings on the Automated Information System and Dual Satellite Communications contracts and a decrease in required network file server kits than planned. This is base budget funding.

JPATS Series 13,414 13,414 -2,682 10,732

Explanation: Funds are available due to negotiated contract savings on the T-6B Automatic Dependent Surveillance-Broadcast Out contract. This is base budget funding.

Common ECM Equipment 239,013 239,013 -2,191 236,822

Explanation: Funds are available due to negotiated contract savings largely driven by combined Service procurements enabling economic order quantity for the Department of Navy Large Aircraft Infrared Countermeasure (DoN LAIRCM) AN/AAQ-24 system. This is base budget funding.

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<u>AIR FORCE DECREASE:</u>						<u>-108,000</u>		
<u>Military Personnel, Air Force, 17/17</u>						<u>-108,000</u>		
<u>Budget Activity 02: Pay and Allowances of Enlisted Personnel</u>								
	17,234,475		17,234,475			<u>-20,000</u>		17,214,475

Explanation: Funds are available due to fewer than previously projected number of Selective Retention Bonus (SRB) payments. In FY17, the Air Force budgeted for 19,609 SRB payments; however, end of year estimates project 18,351 payments resulting in 1,258 fewer payments than budgeted. This is base budget funding.

<u>Budget Activity 05: Permanent Change of Station Travel</u>								
	1,209,149		1,209,149			<u>-88,000</u>		1,121,149

- Explanation: Funds are available from the following programs:
- \$-9.0 million in Training Travel due to longer security clearance processing times in Cyber, Nuclear, Intel and Space career fields - all areas that require a Secret or higher clearance prior to attending training. This delay resulted in 1,028 fewer moves than budgeted (7,872 vice 8,900). This is base budget funding.
 - \$-76.0 million due to a lower-than-budgeted number of Rotational Permanent Change of Station (PCS) moves. The Air Force currently projects approximately 34,531 rotational moves compared to the budget request of 36,403 moves, resulting in 1,872 fewer payments. Additionally, there was a pricing change made after analyzing actual PCS costs resulting in a lower cost per move. This is base budget funding.
 - \$-3.0 million in Travel of Organized Units due to a decrease in price per move coupled with 388 fewer than projected Unit moves (612 vice 1,000). This is base budget funding.

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PART II – FY 2017 SPECIAL TRANSFER AUTHORITY (Section 9002)

FY 2017 REPROGRAMMING INCREASES: **+9,100**

ARMY INCREASES: **+9,100**

Procurement of Ammunition, Army, 17/19 **+9,100**

Budget Activity 01: Ammunition

Rocket, Hydra 70, All Types	140,064	140,064	+4,731	144,795
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Explanation: Funds are required to support the procurement of 2,492 unguided rockets and 50 Advanced Precision Kill Weapon System (APKWS) rockets to replace and replenish rockets expended in wartime operations. This is an OCO budget requirement.

Shoulder Launched Munitions, All Types

	96,210	96,210	+2,836	99,046
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Explanation: Funds are required to support the procurement of 874 Shoulder Launched Munitions to replace and replenish missiles expended in wartime operations. This is an OCO budget requirement.

Artillery Propellants, Fuzes and Primers All Types

	80,024	80,024	+1,533	81,557
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Explanation: Funds are required to support the procurement of 118 Artillery Fuze Precision Guidance Kits (PGKs) to replace and replenish kits expended in wartime operations. This is an OCO budget requirement.

FY 2017 REPROGRAMMING DECREASE: **-9,100**

DEFENSE-WIDE DECREASE: **-9,100**

Operation and Maintenance, Defense-Wide, 17/17 **-9,100**

Defense Security Cooperation Agency (DSCA)

Budget Activity 04: Administration and Servicewide Activities

	807,958	841,958	-9,100	832,858
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Explanation: Funds are available because no additional Lift & Sustain support is anticipated for the remainder of the fiscal year. This is Title IX OCO budget funding.

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PART III

FY 2017 REPROGRAMMING INCREASE: **+24,693**

Missile Procurement, Army, 17/19 **+24,693**

Budget Activity 02: Other Missiles

Guided MLRS Rocket (GMLRS)

-	402,579	-	402,579	-	+24,693	-	427,272
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Explanation: Funds are required to support the procurement of 21 Guided Multiple Launch Rocket System (GMLRS) Alternate Warhead (AW) Pods. The Army sold 21 GMLRS Unitary Rocket Pods from inventory to France and collected \$24,692,535 from that sale. The Army intends to use those proceeds to purchase GMLRS (AW) Pods to replace the items sold from Army inventory. These items are an improved version of the items sold. This is a base budget requirement.

FY 2017 REPROGRAMMING DECREASE: **-24,693**

Missile Procurement, Army, 17/19 **-24,693**

Budget Activity 02: Other Missiles

Proceeds from Sale

-24,693

Explanation: Funds are available from the sale of 21 GMLRS Unitary Rocket Pods from inventory to France and collected \$24,692,535 from that sale. The Army intends to use those proceeds to purchase GMLRS (AW) Pods to replace the items sold from Army inventory. These items are an improved version of the items sold. This is a base budget funding.

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<u>AIR FORCE INCREASE:</u>						<u>+153,247</u>		
<u>Procurement of Ammunition, Air Force, 16/18</u>						<u>+153,247</u>		
<u>Budget Activity 01: Ammunition</u>								
Joint Direct Attack Munition		533,975		533,975		+153,247		687,222

Explanation: Funds are required to increase the production capacity with the vendor and purchase additional tail kits at the earliest opportunity (Lot 22: February 2018). This emerging requirement increases Boeing Corporation's production capacity to 45,000 JDAM tail kits per year (for all customers). In addition to increasing the total Boeing Corporation's production capacity, these funds will cover the cost to procure ~6,500 more Air Force tail kits and the cost of contractor facilitation. The remaining production capacity is expected to be procured with U.S. Navy and Foreign Military Sales funding. This is an OCO budget requirement.

<u>DEFENSE-WIDE INCREASE:</u>						<u>+24,700</u>		<u>+15,400</u>
<u>Procurement, Defense-Wide, 16/18</u>						<u>+24,700</u>		<u>+15,400</u>
<u>Budget Activity 02: Special Operations Command</u>								
Ordnance Items < \$5M		209,884		209,884		+24,700		234,584
						+15,400		225,284

Explanation: Funds are required for a classified effort. Additional classified details will be provided under separate cover. This is an OCO budget requirement.

SASC Deferred, Source Funds Expired

<u>FY 2016 REPROGRAMMING DECREASES:</u>						<u>-247,672</u>		<u>-238,372</u>
<u>DEFENSE-WIDE DECREASES:</u>						<u>-247,672</u>		<u>-238,372</u>
<u>Operation and Maintenance, Defense-Wide, 16/17</u>						<u>-198,000</u>		
<u>Defense Security Cooperation Agency (DSCA)</u>								
<u>Budget Activity 04: Administration and Servicewide Activities</u>								
		860,000		860,000		-198,000		662,000

Explanation: Funds are available from the Coalition Support Fund due to (1) Policy not being able to meet contract deadlines to obligate \$100.0 million for Pakistan Stability Operations, and (2) new legislation (section 1226 of the NDAA for 2017, as amended) restricted using FY 2016 and prior year funds for border security claims to be paid in FY 2017, which leaves \$98.0 million unexecutable. This is Title IX OCO budget funding.

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Counterterrorism Partnerships Fund, 16/17						-49,672	-40,372
<u>Public Law 114-113</u>	1,100,000		49,672			-49,672	-
						-40,372	

Explanation: Funding is available from the Counterterrorism Partnerships Fund (CTPF) because of a legislative limitation that prohibits the use of CTPF funding to provide support and assistance to foreign security forces or other groups or individuals to conduct, support, or facilitate counterterrorism and crisis response activities. This limitation precludes the use of the remaining CTPF funds for planned support and assistance programs. The Department of Defense sought additional courses of action to notify and implement remaining funds under the allowable purpose for CTPF funds, but the implementation of such activities was not feasible before the end of FY 2017. This is Title IX OCO budget funding.

SASC Deferred Requirement, Source Funds Expired