

Subject: June 2018 MIP Prior Approval Request (Omnibus 2018 MIP)		DoD Serial Number: FY 18-18 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 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. Some adjustments in this reprogramming impact the **Military Intelligence Program (MIP)**.

Part I of this reprogramming action transfers \$398.876 million among Fiscal Year (FY) 2018 Defense appropriations. This reprogramming action uses \$225.878 million of general transfer authority pursuant to section 8005 of division C of Public Law 115-141, the Department of Defense (DoD) Appropriations Act, 2018; and section 1001 of Public Law 115-91, the National Defense Authorization Act for FY 2018.

Part II of this reprogramming realigns funds within the Aircraft Procurement, Army, 18/20, appropriation.


Part III of this reprogramming action transfers \$4.1 million among FY 2017 Air Force appropriations. This reprogramming action uses \$3.281 million of general transfer authority pursuant to section 8005 of division C of Public Law 115-31, the DoD Appropriations Act, 2017; and section 1001 of Public Law 114-328, the National Defense Authorization Act for FY 2017.

PART I – FY 2018 GENERAL TRANSFER AUTHORITY (Section 8005)

<u>FY 2018 REPROGRAMMING INCREASES:</u>	<u>+398,876</u>	<u>+157,175</u>
<u>ARMY INCREASES:</u>	<u>+20,500</u>	<u>+10,500</u>
<u>Aircraft Procurement, Army, 18/20</u>	<u>+10,000</u>	
<u>Budget Activity 02: Modification of Aircraft</u>		
MQ-1 Payload (MIP)	70,510	80,510
	+10,000	

~~Explanation: Funds are required for the procurement of two Common Sensor Payloads to support sparing requirements and to retrofit the remaining 16 standard definition payloads to high definition, thereby achieving full fleet high definition capability. This is a MIP project. This is a congressional interest item. This is a base budget requirement.~~

OUS(D) adjusted to balance to approved sources

Approved (Signature and Date)  3 July 2018

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<u>Research, Development, Test, and Evaluation, Army, 18/19</u>						<u>+10,500</u>		
<u>Budget Activity 07: Operational System Development</u>								
PE 0305232A RQ-11 UAV		2,191		2,191		+10,500		12,691

Explanation: Funds are required for the following efforts:

- \$+7.5 million is required to accelerate Short Range Reconnaissance (SRR) Unmanned Aircraft System (UAS) development from 2nd Quarter FY 2019 to 4th Quarter FY 2018. The SRR was formally called the Short Range Micro (SRM). The SRR UAS will provide organic, small UAS at the platoon and company tactical levels. This is a **MIP project**. This is a base budget requirement.
- \$+3.0 million is required to accelerate Long Range Reconnaissance (LRR) Unmanned Aircraft System (UAS) development from 1st Quarter FY 2020 to 4th Quarter FY 2018. The LRR UAS will provide battle space awareness, force application, mission command and control capabilities at the battalion level. This is a **new start**. The total estimated cost of this new start program is \$14.250 million (FY 2018, \$3.0 million; FY 2019, \$0.0 million; FY 2020, \$3.05 million; FY 2021, \$2.05 million; FY 2022, \$2.05 million; FY 2023, \$2.05 million; FY 2024, \$2.05 million). The remaining required funding will be addressed in future President’s Budget requests. This is a **MIP project**. This is a base budget requirement.

<u>AIR FORCE INCREASES:</u>						<u>+378,376</u>		<u>+146,675</u>
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<u>Other Procurement, Air Force, 18/20</u>						<u>+2,600</u>		
<u>Budget Activity 04: Other Base Maintenance and Support Equipment</u>								
DCGS-AF		257,334		257,334		+2,600		259,934

Explanation: Funds are required to modernize and to transition the Signals Intelligence (SIGINT) data to a National Mission Partner environment. This includes designated National Mission Partner workstations, ONEROOF (repository server), routers, and crypto. The installation will correct a current deficiency. This will ensure critical data is reaching the greater intelligence community and integrated into analysis and assessments to aid warfighter decision making. This is a **MIP project**. This is a base budget requirement.

<u>Research, Development, Test, and Evaluation, Air Force, 18/19</u>						<u>+375,776</u>		<u>+144,075</u>
<u>Budget Activity 05: System Development and Demonstration</u>								
PE 1206442F Next-Generation OPIR		327,022		327,022		+344,176		671,198
						+112,475		439,497

Explanation: Funds are required to accelerate two years, from FY 2025, the development of the Next-Generation Overhead Persistent Infrared (OPIR) Space Segment by purchasing critical-path parts and materials for the Next-Gen satellites. The acceleration will allow for implementation of a streamlined acquisition strategy to meet the Secretary of the Air Force's goal of a 5-year delivery and ensure a capable, defendable, resilient missile warning capability to counter adversary advances by the mid-2020s. This is **MIP project**. This is a base budget requirement. **OUSD(C) adjusted to balance to approved sources.**

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MQ-1 Payload (MIP)		70,510	70,510			-10,000		60,510	
<p><u>Explanation:</u> Funds are available because the Target Location Accuracy (TLA) project is currently in the development phase; thus the \$10.0 million procurement congressional add will not be obligated. Instead, the program office would like to repurpose the \$10.0 million TLA add and combine to the MQ-1 Payload (MIP) \$13.2 million Common Sensor Program (CSP) project congressional add. This funding was intended for common sensor payloads. This is a MIP project. This is a congressional interest item. This is base budget funding.</p> <p style="text-align: center;"><u>HAC Denied</u></p>									
<u>Research, Development, Test, and Evaluation, Army, 18/19</u>						<u>-10,500</u>			
<u>Budget Activity 03: Advanced Technology Development</u>									
PE 0603009A TRACTOR HIKE		40,552		40,552		-1,250		39,302	
<p><u>Explanation:</u> Funds are available because the program has met its planned objectives. This is base budget funding.</p>									
<u>Budget Activity 07: Operational System Development</u>									
PE 0203735A Combat Vehicle Improvement Programs		320,924		320,924		-9,250		311,674	
<p><u>Explanation:</u> Funds are available because the M113 improvement program has been canceled. This is a congressional interest item. This is base budget funding.</p>									
<u>NAVY DECREASE:</u>						<u>-7,000</u>			
<u>Operation and Maintenance, Navy, 18/18</u>						<u>-7,000</u>			
<u>Budget Activity 04: Administration and Servicewide Activities</u>									
		4,092,142		4,082,142		-7,000		4,066,642	
<p><u>Explanation:</u> Funds are available due to delays across multiple lines of effort within the Maritime Intelligence Support project as a result of extended continuing resolutions and increased personnel hire lags, which is executing significantly below the Department's goals. Current rephased spend plan is still obligating and executing below benchmarks making funds available for higher Department requirements. This is a MIP project. This is base budget funding.</p>									

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<u>AIR FORCE DECREASES:</u>						<u>-364,376</u>	<u>-136,675</u>		
<u>Aircraft Procurement, Air Force, 18/20</u>						<u>-59,270</u>	<u>-39,270</u>		
<u>Budget Activity 05: Modification of Inservice Aircraft</u>									
B-52		109,295		109,295	-11,170			98,125	
<u>Explanation:</u> Funds are available due to contract negotiation savings within the Combat Network Communication Technology (CONNECT) project. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.									
F-16		243,864		243,864	-20,000			223,864	
<u>Explanation:</u> Funds are available because of delays in the F-16 Communications Suite Upgrade program. Funds were originally planned for the purchase of the ARC-210 Generation 6 radio. The procurement program has slipped one year due to delays in the ARC-210 Gen 6 radio development to align with the Operational Flight Program software release. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.									
<u>SAC Denied</u>									
T-6		35,706		35,706	-21,100			14,606	
<u>Explanation:</u> Funds are available due to a competitive source selection for the T-6A Automatic Dependent Surveillance-Broadcast (ADS-B) Out Mod program, which resulted in cost savings. The contractor schedule shifted kit procurement to FY 2019; no additional funding is required due to reduced costs. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.									
E-3		176,692		131,992	-5,000			126,992	
<u>Explanation:</u> Funds are available because they are early to need. The U.S. Air Force requested divestiture of 7 of 31 E-3 Airborne Warning and Control System (AWACS) aircraft in FY 2015. The U.S. Air Force added funding to modify the full 31 aircraft fleet after the divestiture was denied by Congress. These funds are early to need after validating the executable modification schedule for the fleet without impacting aircraft availability for operations, which extends through FY 2027. There is a decrease of funding of \$-44.7 million in Part I of the Omnibus (FY 18-17 PA), which brings the total to \$126.992 million. This is a congressional special interest item. This is base budget funding.									
<u>Budget Activity 07: Aircraft Support Equipment and Facilities</u>									
RQ-4 Post Production Charges		86,695		86,695	-2,000			84,693	
<u>Explanation:</u> Funds are available due to underexecution resulting from MS-177 sensor engineering and manufacturing development (EMD) delays, which caused a slip in the Milestone C decision from June to									

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October, 2018. The EMD delay was primarily caused by three factors: (1) the RQ-4 MS-177 sensor encountered electromagnetic interference during flight testing, which had to be (and was) resolved, (2) competition for test aircraft and subsequent limited availability, and (3) and unusual number of test flight weather cancellations. This is a **MIP project**. This is base budget funding.

<u>Space Procurement, Air Force, 18/20</u>						<u>-2,600</u>		
<u>Budget Activity 01: Space Procurement, Air Force</u>								
GPS III Space Segment		84,981		84,981		<u>-2,600</u>		82,381

~~Explanation: Funds are available due to the change in Global Positioning System (GPS) Follow On Production strategy to integrate enhanced capabilities into the next space vehicles starting in FY 2019. The procurement funds for GPS III follow on production are early to need in FY 2018. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.~~

HAC and SAC Denied

<u>Other Procurement, Air Force, 18/20</u>						<u>-1,858</u>		
<u>Budget Activity 03: Electronics and Telecommunications Equipment</u>								
Base Information Transport Infrastructure (BITI) Wired		28,159		28,159		<u>-1,858</u>		26,301

~~Explanation: Funds are available due to a change in the acquisition strategy for equipment recapitalization of Base Information Transport Infrastructure (BITI) sites. Previously, the same fiscal year funds were used for site survey, equipment, and installation. The change in strategy was based on redefining the site surveys as direct mission support. This change requires funds to be realigned to the fiscal year in which installation funds are required. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.~~

<u>Research, Development, Test and Evaluation, Air Force, 18/19</u>						<u>-150,648</u>		<u>-95,547</u>
<u>Budget Activity 05: System Development and Demonstration (SDD)</u>								
PE 0604735F Combat Training Ranges		83,850		83,850		<u>-23,801</u>		60,049

~~Explanation: Funds are available due to rephrasing the Advanced Radar Threat System Variant (ARTS V2) development program based on the delayed initiation in late FY 2017. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.~~

HASC Denied

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PE 0605223F Advanced Pilot Training									
		86,199		86,100		-31,300		54,800	
<p>Explanation: Funds are available because the contract award has slipped from December 2017 to 4th quarter of FY2018. The funds were originally planned to support Advanced Pilot Training Engineering and Manufacturing Development (EMD) contract activities to include System Requirements (SRR)/System Functional Review (SFR), Preliminary Design Review (PDR), and documentation updates post Milestone B. The program manager determined there is an excess of \$31.3 million that will not be executed. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.</p> <p style="text-align: center;"><u>HASC Denied</u></p>									
<u>Budget Activity 07: Operational System Development</u>									
PE 0305221F Network-Centric Collaborative Targeting (TIARA)									
		18,842		18,842		-3,500		15,342	
<p><u>Explanation:</u> Funds are available due to late obligation of prior year funding. The program was delayed until completion of a study. There are no other known requirements for the funding at this time and no major impacts to the program. This is MIP project. This is base budget funding.</p>									
Classified Program						-83,047			
<p><u>Explanation:</u> Funds are available from a classified effort. Additional classified details will be provided under separate cover. This is base budget funding.</p>									
Classified Program						-9,000			
<p><u>Explanation:</u> Funds are available from a classified effort. Additional classified details will be provided under separate cover. This is MIP project. This is base budget funding.</p>									
Defense Working Capital Fund, Air Force, X						-150,000			
<p>Explanation: Funds are available because accrued reimbursements in the Working Capital Fund are sufficient to sustain expenditures. Approval of this reprogramming action will not negatively impact the yearend cash balance. The account will retain a healthy cash balance through September 2018.</p> <p style="text-align: center;"><u>HAC Denied \$150.0 million and HASC Denied \$50.0 million</u></p>									

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PART II – FY 2018 SPECIAL TRANSFER AUTHORITY (Section 9002)

FY 2018 REPROGRAMMING INCREASE: **+19,000**

ARMY INCREASE: **+19,000**

Aircraft Procurement, Army, 18/20 **+19,000**

Budget Activity 02: Modification of Aircraft

MQ-1 Payload (MIP)	70,510		70,510	+19,000	89,510
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Explanation: Funds are required to address deficiencies in the Small Tactical Radar – Lightweight (STARLite) Line Replacement Units (LRUs). There are Diminishing Manufacturer Supply (DMS)/Obsolescence issues within four LRUs: Antenna Assembly, Electronics Assembly, Inertial Navigation System/Global Positioning System (GPS), and Power Supply. The funding will correct and maintain the existing radars, including those within the deployed Gray Eagle fleet. Funding will also facilitate transition of the radars to sustainment. This is a **MIP project**. This is a congressional interest item. This is an OCO budget requirement.

FY 2018 REPROGRAMMING DECREASE: **-19,000**

ARMY DECREASE: **-19,000**

Aircraft Procurement, Army, 18/20 **-19,000**

Budget Activity 02: Modification of Aircraft

MQ-1 Payload (MIP)	70,510		70,510	-19,000	51,510
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Explanation: Funds are available because the original equipment manufacturer is unable to manufacture the planned nine (9) replacement STARLite payloads to replace Battle Damage losses. There are multiple components within the radar antenna and electronics processing boards that are no longer produced or available, thus the engineering change needs to be conducted with replacement components within the subsystems prior to procurement of additional STARLite systems. This is a **MIP project**. This is a congressional interest item. This is Title IX OCO budget funding.

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

FY 2017 REPROGRAMMING INCREASE: **+4,100**

Aircraft Procurement, Air Force, 17/19 **+4,100**

Budget Activity 05: Modification of Inservice Aircraft

RC-135 Rivet Joint DARP	217,238	217,238	+4,100	221,338
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Explanation: Funds are required to ensure the RC-135 mission aircraft have the system capabilities needed to meet classified emerging high priority Combatant Commander requirements. There are insufficient Quick Reaction Capabilities (QRC) boxes to provide each RC-135 in the Pacific Air Force (PACAF) area of responsibility with adequate operational capabilities. Funding is required to acquire and install additional QRC boxes to support classified Pacific Command (PACOM) mission requirements. This is a **MIP project**. This is a base budget requirement.

FY 2017 REPROGRAMMING DECREASES: **-4,100**

Aircraft Procurement, Air Force, 17/19 **-819**

Budget Activity 05: Modification of Inservice Aircraft

CV-22 Mods	63,395	63,395	-819	62,576
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Explanation: Funds are available due to savings realized during negotiations of the Block 20 modification training system update contract option. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.

Other Procurement, Air Force, 17/19 **-3,281**

Budget Activity 03: Electronics and Telecommunications Equipment

Theater Battle Management C2 Systems	9,659	9,659	-1,270	8,389
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Explanation: Funds are available because capital equipment refresh requirements for the Theater Battle Management program were acquired at a cost less than estimated. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.

AFNET	129,704	129,704	-2,011	127,693
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Explanation: Funds are available because they were originally designated for an Intelligence, Surveillance, and Reconnaissance (ISR) Cyber Situational Awareness Weapon System (CSAWS) that is no longer required. The CSAWS was intended to provide ISR-based adversary cyber activity Indications and Warnings for Situational Awareness. This capability is now provided within the Air Force Intranet Control

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(AFINC) in the Joint Regional Security Stacks (JRSS) and is fully funded. This is a **MIP project**. This is base budget funding.