

Subject: October 2018 Military Intelligence Program (MIP) Request		DoD Serial Number: FY 19-01 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 prior approval reprogramming action is submitted for 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. They meet all administrative and legal requirements, and none of the items have previously been denied by the Congress.

This reprogramming action transfers or realigns \$54.973 million among Fiscal Year (FY) 2018 Air Force appropriations. This reprogramming action uses \$15.035 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.

<u>FY 2018 REPROGRAMMING INCREASE:</u>	<u>+54,973</u>
<u>Research, Development, Test, and Evaluation, Air Force, 18/19</u>	<u>+54,973</u>
<u>Budget Activity 07: Operational System Development</u>	
PE 0305238F NATO AGS	44,729 44,729 +54,973 99,702

Explanation: Funds are required to develop airworthiness documentation for the North Atlantic Treaty Organization Alliance Ground Surveillance (NATO AGS) aircraft based on the Air Force Global Hawk Block 40. This is a United States (U.S.) contribution towards a contract rebaselining agreement between NATO and the contractor worth \$210.0 million that was signed in May 2018. The \$210.0 million program rebaseline includes additional airworthiness engineering documentation as well as a revised test program, increased contractor field support, and increased development activities following the favorable resolution of a dispute regarding the interpretation of the sensor performance requirements while preserving a shorter delivery schedule. Per this final negotiated agreement, all five aircraft are scheduled to be delivered to Sigonella Air Base in Italy. Prior to the original contract signature in 2012, the Air Force agreed to provide adequate Global Hawk Block 40 airworthiness documentation to enable a Military Type Certificate for the NATO AGS aircraft in order to reduce costs on the overall Direct Commercial Sale contract between NATO and the contractor. The data originally provided by the Air Force, while sufficient for U.S. certification of the Global Hawk Block 40, was not sufficient to issue a certification for the NATO AGS due to Italian airworthiness authorities requirements for registering and stationing the aircraft in Italy. This request will fund: a review air segment software, previously-identified safety hazards, design work on the Air Vehicle Mission Command and Control software, delivery of airworthiness Criteria Verification Forms (CVF), Component Validation and Verification (CVV) testing of the AGS airframe, Air Vehicle Mission Command & Control, and Deployable Air Vehicle Mission Command and Control units. The cost to the U.S. of this work represents approximately 26.2% towards the cost of NATO's rebaselining effort. This is significantly less than the approximately 37.1% U.S. cost-share negotiated as part of the NATO AGS Program

Approved (Signature and Date)

Oct 26 2018

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Memorandum of Understanding in 2009. Once NATO AGS is operational, its ability to execute intelligence, surveillance, and reconnaissance (ISR) missions in the U.S. European Command (EUCOM) area of responsibility (AOR) will reduce requirements on EUCOM, increasing U.S. ISR capacity. The U.S. failure to provide the funding would result in the U.S. not meeting its international commitments to NATO. This is a **MIP project**. This is a base budget requirement.

FY 2018 REPROGRAMMING DECREASES: **-54,973**

Aircraft Procurement, Air Force, 18/20 **-12,186**

Budget Activity 05: Modification of Inservice Aircraft

B-2A	94,552	94,552	-3,193	91,359
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Explanation: Funds for this effort are available due to the requirement being fulfilled organically as opposed to by a contractor as initially intended. The organic effort cost estimate is significantly less than the quote received from the vendor. There are no other known requirements for funding at this time and no major impacts to the program. This is base budget funding.

Increment 3.2.B	105,756	102,907	-1,478	101,429
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Explanation: Funds are available because the F-22 Increment 3.2B contract negotiations resulted in lower kit costs. There are no other known requirements for funding at this time and no major impacts to the program. This is base budget funding.

C-32A	79,449	79,449	-1,728	77,721
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Explanation: Funds are available because projected installation time for the C-32 Communications, Navigation and Surveillance Systems for Air Traffic Management (CNS/ATM) has been reduced and installation will be accomplished with the use of a contract field team. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.

C-37A	15,423	15,423	-1,200	14,223
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Explanation: Funds are available because the negotiated cost for the remaining nine C-37 aircraft production installations is less than budget estimates. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.

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U-2 Mods			33,406		33,406		-2,600		30,806
<p><u>Explanation:</u> Funds are available because of contract negotiation savings of \$0.8 million on the Beyond Line of Sight (BLOS) Tech Refresh and \$1.8 million on Administrative and Assistance Services (A&AS) contract. There are no other known requirements for FY 2018 funding at this time and no majors impacts to the program. This is a MIP project. This is base budget funding.</p>									
E-4			25,914		25,914		-1,000		24,914
<p><u>Explanation:</u> Funds are available because the negotiated cost for the remaining production installs are lower than estimated for the E-4B Communications, Navigation and Surveillance Systems for Air Traffic Management (CNS/ATM). 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>									
<u>Budget Activity 07: Aircraft Support Equipment and Facilities</u>									
Other Production Charges			1,158,160		1,158,160		-987		1,157,173
<p><u>Explanation:</u> Funds are available because of Global Hawk MSG-3 contract negotiation savings. Excess funds are identified based on the General Services Administration (GSA) support agreement. There are no other known requirements for funding at this time and no major impacts to the program. This is a MIP project. This is base budget funding.</p>									
<u>Other Procurement, Air Force, 18/20</u>							<u>-2,849</u>		
<u>Budget Activity 03: Electronics and Telecommunications Equipment</u>									
AFNET			186,427		186,427		-2,849		183,578
<p><u>Explanation:</u> Funds are available due to Cyberspace Security and Control System (CSCS) contract award delay until FY 2019. Funds are not required and there is no impact to the program. There are no other known requirements for the funding at this time and no major impacts to the program. This is a congressional special interest item. This is base budget funding.</p>									

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Research, Development, Test, and Evaluation, Air Force, 18/19						-39,938			
<u>Budget Activity 04: Advanced Component Development and Prototypes</u>									
PE 0604201F Integrated Avionics Planning and Development									
		65,458		65,458		-4,854		60,604	
<u>Explanation:</u> Funds are available due to a change of strategy for the Universal Navigation Interface (UNI). Funds were originally established for development of standardized software interfaces between Aircraft and Embedded GPS/Inertial Navigation System (INS) Modernization (EGI-M) receiver boxes, but are no longer required. There are no other known requirements for the funding and no major impacts to the program at this time. This is base budget funding.									
PE 0604257F Advanced Technology and Sensors									
		78,122		78,122		-10,700		67,422	
<u>Explanation:</u> Funds are available because of a change in the acquisition strategy for the Common-Airborne Sense and Avoid (C-ABSAA) program from traditional acquisition Milestone B entry to an information system (software only) acquisition Milestone A entry. The Analysis of Alternatives (AoA) and Capabilities Development Document (CDD) have been completed. There are no other known requirements for funding at this time and no major impacts to the program. This is a MIP project . This is base budget funding.									
PE 0604201F Integrated Avionics Planning and Development									
		101,203		101,203		-3,631		97,572	
<u>Explanation:</u> Funds are available due to the Embedded Global Positioning System (GPS)/Inertial Navigation System (INS) Modernization (EGI-M) Milestone B Engineering Manufacturing and Development contract award slipping from the first quarter of FY 2018 to the first quarter of FY 2019. There are no other known requirements for the funding and no major impacts to the program at this time. Funding for this program will be addressed in a future budget submission. This is base budget funding.									
<u>Budget Activity 05: System Development and Demonstration</u>									
PE 0605221F KC-46 Aerial Refueling ACFT									
		81,298		81,298		-4,328		76,970	
<u>Explanation:</u> Funds are available due to delays in the KC-46 development program. The program has realized fact-of-life schedule changes, attributed to delays in aircraft testing. There are no other know requirements for the funding at this time and no major impacts to the program. This is base budget funding.									

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PE 0708610F Logistics Information Technology (LOGIT)	30,152	30,152	-1,027	29,125
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Explanation: Funds are available due to the decision to halt the Air Force Equipment Management System (AFEMS) development effort. The decision to halt the development effort has left excess funding within the Logistics Information Technology program line. There are no other known requirements for the funding at this time and no major impacts to the program. This is base budget funding.