DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

IN REPLY REFER TO

16 FEB 2005

Dear Congressman Skelton,

Thank you for your letter of February 2, 2005 providing me the opportunity to address Navy programs that would benefit from additional funding. While the recent increases and supplemental funding initiatives provided by the President and the Congress have given some budgetary relief, the attached list details additional shortfalls the Department is facing.

The resources contained in the Department's Fiscal Year 2006 (FY06) Budget help us to maintain heightened readiness, further invest in transformational programs, and provide high quality of service for our Sailors and their families. This budget was prepared in the midst of many of the same budgetary challenges we have faced in previous years. As the Department continues to focus on our new defense strategy and on the emergent challenges of the 21st century, fiscal reality forces choices to be made which result in some important programs being under funded.

As I testified to the SASC last week, attaining our shipbuilding and aircraft procurement program goals remains one of our greatest challenges. To assist us in achieving these goals, I ask for your support of a request which the Department submitted as part of the FY06 Budget, for $100M in Special Transfer Authority for ship construction accounts. This authority would enhance our ability to fund ship cost changes experienced during the construction program by enabling us to transfer funds into SCN accounts from other available DoN appropriations.

For FY06, Naval unfunded programs total $3.7 billion. These unfunded items are listed in enclosure (1).

As always, if I may be of any further assistance, please let me know. A copy of this letter is also being provided to Chairman Hunter and the attached list of unfunded programs is being provided to Chairman Warner and Senator Levin.

Sincerely,

VERN CLARK
Admiral, U.S. Navy

The Honorable Ike Skelton
Ranking Member, Committee on Armed Services
United States House of Representatives
Washington, DC 20515

Enclosure: (1) FY2006 Unfunded Program Requirements List

Copy to:
The Honorable Duncan Hunter
Chairman, Committee on Armed Services

Navy FY06
Unfunded Priority List Executive Summary

ITEM	[illegible]	[illegible]	[illegible]
1	LHA-R	Accelerates delivery by 6 months.	$ 417.0
2	HELLFIRE Missile	Addresses gap resulting from Joint Common Missile cancellation. Procures ~1300 missiles.	$ 122.0
3	Low Band Transmitter (Jammer) Quantity	Buys 11 additional Low Band Transmitter (LBT) pods. Counters specific GWOT target sets.	$ 16.4
4	Aircraft Survivability Equipment	Detects radio frequency threats and defends against infrared man portable air defense and tactical surface to air missles. Platforms include (5) MH-53E; (18) HH/MH-60; (37) P-3AIP	$ 22.1
5	EOD/NCW Small Arms	EOD/NCW requirements for GWOT. Fleet and Joint force protection requirements exceed programmed WPN funding and inventory. Emerging GWOT requirement.	$ 36.8
6	UH-1Y Helicopter	Procures 18 sets of Government Furnished Equipment to eliminate cannibalization of legacy UH-1Y to meet new production requirements.	$ 10.8
7	AH-1Z Helicopter	Funds non-recurring expenses (drawings, tooling, engineering support for production line) to support new build.	$ 50.0
8	SH-60B/H Armed Helo Kits	Procures 28 Armed Helo Kits to outfit deployed naval helicopter units for armed reconnaissance.	$ 58.3
9	CENTRIXS PR NOC FUNDING	Fully funds CENTRIXS Network Operations Center (NOC) in Hawaii for FY06.	$ 3.0
10	Expanded MIO Outfitting (Non-Compliant maritime interdiction)	Funds personal protection, secure comms and cargo access equipment.	$ 10.5
11	EOD/NCW Equipment Allowance	Procures additional cargo trucks, generators, forklifts, and water trailers for Naval Coastal Warfare (NCW).	$ 15.3
12	Repair/replace weaponry - mission fielding and training weapons	Accelerates throughput of small arms repair facilities to address theater requirements.	$ 24.0
13	Joint Mission Planning System (JMPS) - Restore Joint Program and Develop USN-USAF Common Capabilities	Funds software updates for Navy mission planning capability for F/A-18, F-35 Joint Strike Fighter and all E-2 Hawkeye variants.	$ 8.7
14	PANMC (ammunition) inventory and training requirements.	Funds NCW / MSF and EOD ammo shortfalls to 100% of requirement.	$ 16.0
15	PIONEER Unmanned Aerial Vehicle (UAV)	Procures 12 additional engines and avionics systems to address high usage rates in GWOT.	$ 6.7
16	Bell H-1Y/Z Helicopters	Procures 4 additional aircraft in FY06 to address GWOT losses	$ 74.0
17	National Telecommunications Information Agency (NTIA) - Spectrum UFR	Pays Navy's NTIA bill for use of radio frequency spectrum. Requirement unfunded during POM due to NTIA's late calculations.	$ 0.5
18	SURTASS Thin Line Towed Arrays	Procures two additional TB-29A twinline array ship sets required to provide in-theater spares and allow proper rotation of arrays for preventative maintenance while maintaining OPTEMPO. Increases A(o) from 0.68 to the required 0.88.	$ 14.9
19	Sea Warrior ILE	Funds conversion of training courses to PC based simulation for eventual web enabled delivery.	$ 23.8
20	T-45C	Increases production above MSR by buying 9 vice 6 aircraft (MSR = 8). Lowers unit cost and level loads production facility (Saves approx. $40M across aircraft buy).	$ 58.6

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21	LCS	Restore funding in FY06 for flight 0 LCS seaframe removed by Congress.	$ 220.0
22	MH-60R	Procures 2 additional aircraft to restore FRS inventory to levels required to meet pilot/aircrew production training throughput for MH-60R transition timeline.	$ 47.6
23	Swimmer Defense	Research to protect ships from subsurface and swimmer attacks	$ 15.0
24	Twin Line Thin Line Towed Array	Funds Research and Development of Thin Line Twin Line Towed Array ($15M) and Field Programmable Gate Arrays ($4M). Will provide improved detection capability and tactical control against next generation submarines.	$ 19.0
25	Submarine Advanced Deployable System (ADS)	Funds ForceNet integration ($3M), program risk reduction ($22M) and Platform Development ($1M). Will procure additional 12 arrays allowing full 24 array demonstration and provide a 2-string barrier system for extended inwater survivability demonstration.	$ 26.0
26	Fire Scout VTUAV	Funds 6 additional VTUAV airframes for LCS Mission Packages.	$ 39.0
27	ASW Maritime Improvement Program (AMIP)	Modifies P-3 acoustic processor to increase power and replaces less capable sonobouy receiver. Improves ASW in the littorals.	$ 17.9
28	Procures Shipfill and one year 57mm ammunition for LCS ships	Procures ammo to meet LCS and USCG Deep Water requirement.	$ 8.3
29	Expansion of Low Frequency (LF) Awase, Japan Helix House (sole SSBN LF Broadcast Station for WESTPAC and IO)	Improves reliability of SSBN LF Broadcast site for IO and WESTPAC region.	$ 2.5
30	MPF(F)	Funds development of Integrated Landing Platform, Skin-to-Skin Transfer, and Automated Cargo Handling.	$ 15.0
31	Distributed Common Ground System-Navy (DCGS-N)	Supports intelligence data processing, exploitation and targeting capability on Carriers / Large Deck Amphibs.	$ 9.8
32	AIM-9X Captive Air Training Missile (CATM) Quantity Increase	Procures 46 AIM-9X CATMs to support three F/A-18 E/F squadrons.	$ 7.6
33	Fixed Surveillance System	Corrects backlog of cable damage to restore three fixed undersea surveillance systems. Procures three additional Clusters for a high priority Fleet system, increasing system coverage by 10% and improving Pd from 0.81 to the desired value of 0.9.	$ 8.7
34	Electronic Navigation (ECDIS-N)	Accelerates deployment of EDCIS-N on all submarines by FY06. Enhances safety of ship through improved automated navigation tools with the potential to prevent grounding accidents.	$ 25.6
35	Trusted Information Systems	Centralized funding of the only Joint system that allows track data to be shared between SECRET-level and TS/SCI-level domains.	$ 7.1

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36	Nuclear Weapons Security MCON	Includes six MILCON projects at our Special Weapons Security installations. Limited Area Production and Storage Addition, Kings Bay, P-581 ($55.9M), provides secure, underground facilities for the receipt/shipment, inspection, assembly, checkout and maintenance and storage of TRIDENT II missiles. RFF (Reaction Force Facility) Auxiliary Support Complex Kings Bay (P-596, $14.1M) and Silverdale (P-598, $13.9M) provide Security Force Support Complexes to ensure security of the Strategic Weapons Facility's Limited Areas. Waterfront Security Force Facility Kings Bay, P-980 ($6.7M), provides a Security Force Support Complex to ensure security of the Strategic Weapons Facility's Waterfront Restricted Areas. HUMMWV Support Facilities Kings Bay (P-599, $3.5M) and Silverdale (P-982, $3.5M) provide security vehicle support facilities for the Strategic Weapons Facilities.	$ 97.6
37	Operational Facility MCON	Includes three MILCON projects to improve fleet support: Harden Electrical Systems COMNAVMARIANAS Guam ($24.93/25.0M); Waterfront Command & Control Facility NAVPHIBASE Coronado ($23M); VAQ Hangar Recap Whidbey Island($54.35M).	$ 102.4
38	Advanced Tactical Data Links / Air Defense System Integrator (ATDLS / ADSI) Support	Procures and supports 30 ADSI systems for use on large-decks and command ships. Integrates tactical data link tracks with GCCS-M common operational picture.	$ 3.2
39	MILPERS BAH and BAS	Emergent, fact of life MPN increases -- BAH expenses 3.2% greater than projected. BAS .2% higher than expected.	$ 81.5
40	Mk 54 Vertical Launch ASROC (VLA)	Funds 58 additional torpedos to accelerate Mk 54 VLA conversion program.	$ 31.9
41	Refuel SSN 709	Funds refueling of SSN 709 at Portsmouth Naval Shipyard. Adds additional SSN asset in near term.	$ 276.6
42	ATFP Training Range Equipment and VBSS Trainer	Procures small arms firing ranges, training simulators and visit, board, search & seizure trainer for Navy Center for Anti-Terrorism.	$ 11.2
43	GWOT Active Duty Rqmnts	Special Pays, Family Separation Allowance, Unemployment, SGLI for GWOT A/D	$ 153.6
44	Comms at Speed and Depth	Accelerates program by 2yrs. Procures four types of expendable communication buoys.	$ 11.0
45	Common Aircraft Displays Program Acceleration	Accelerates introduction of improved tactical cockpit and mission console displays for FA-18, E-2 and Naval Helicopters. Enhances pilot situational awareness.	$ 7.9
46	LPD-17	Purchases $100M GFE in FY06 precluding expeditures of $110M for same equipment in FY07 (Net savings of $10M).	$ 100.0
47	Remote Minehunting System (RMS)	Accelerates fielding to meet FY07 Strike Group Deployment goal and restores funding for Experimental Development Model (EDM) 3 and 4.	$ 41.0
48	EA-6B ICAP III	Funds seven additional ICAP IIIs installed with MIDS/LINK-16 kits to increase total aircraft inventory to 21 to meet CNAF minimum requirement. ICAP III is a risk reduction step and bridge to EA-18G replacement aircraft.	$ 73.0
49	ADNS - Common Submarine Radio Room (CSRR)	Funds repriced requirement to implement ADNS into the Common Submarine Radio Room (CSRR).	$ 2.7
50	Advanced Digital Recorders (ADR)	Funds 29 additional hard drive variant ADR's required to replace legacy systems on AIP and BMUP aircraft.	$ 6.3
51	Mobile Acoustic Sensor System (MASS)	Procures follow-on Fast Time Analysis System (FTAS) for MPA post flight analysis of ASW data.	$ 10.4
52	Multi-static Localization Sonobuoy Requirement	Funds additional multi-static localization sonobuoy inventory.	$ 4.0

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53	Joint Helmet Mounted Cueing System Aft Seat Integration	Develops software and corrects deficiencies. Full funding would synchronize equipment production and software development/testing in FY06 and mitigate schedule risk during the first year of fielding.	$ 7.5
54	F/A-18 AT-FLIR	Funds 21 additional AT-FLIR Pods.	$ 55.6
55	EA-18G Active Electronically Scanned Array (AESA) integration	Implements interoperability features between the airborne electronic attack system and active electronically scanned array radar in the EA-18G aircraft.	$ 15.0
56	National Shipbuilding Research Program (NSRP)	Shipbuilding research and investment initiative	$ 10.0
57	Advanced EHF satellite Navy Multiband Terminal (AEHF/NMT) - Software Compliant Architecture (SCA) Compliance	Makes future SATCOM terminals software programmable.	$ 14.5
58	IFF Mk XIIA / Mode 5 Reply Protection	Funds new NSA requirement to encrypt both the Mode 5 IFF interogation and response.	$ 0.8
59	Amphib Tactical Support	Funds 4 landing craft (LCU) overhauls and improved maintenance facilities.	$ 19.9
60	SM2 Blk IV missile conversion to BMD	Funds completion of SECDEF directed study to determine whether conversion of SM2 Blk 4 missiles is feasible for BMD ops and converts 100 missiles.	$ 21.0
61	AN/SPS-73 Installations	Accelerates SPS-73 Surface Search Radar installs	$ 6.3
62	SSN/SSGN IO Modernization	Establishes advanced IO capability on SSGN/SSN. Provides (26) Multifunction Modular Mast (MMM) Payloads, weaponized Electronic Attack (EA) IO capability and LPI Receiver technology insertion for SSN/SSGN modernization.	$ 45.7
63	TCOMMS INSTALLATION (TLAM TACTOM Mission Planning)	Provides Tactical Tomahawk (TACTOM) strike execution capability for TACTOM Weapon Control System (TTWCS). Some planned FY06 TTWCS installations are unfunded for command and control capability preventing use of advanced TACTOM features.	$ 3.0
64	Common Submarine Radio Room (CSRR)	Develops the Multiple Legacy Crypto System (part of CSRR) and software upgrades for all classes of subs.	$ 9.5
65	Personal Computer Mission Distribution System (PC MDS) for TLAM mission planning	Gives TLAM Launch Area Coordinator (LAC) Tactical Control System (TCS) capability to ESG Flagships	$ 0.5
66	F/A-18F SHARPS Integrated Logistics Support (ILS)	Funds ILS for SHARPS Recon Pods.	$ 3.2
67	T-AGS Military Survey Ships	Funds increased operating costs for Special Mission Ships. Rates have risen above inflation.	$ 4.2
68	Over The Horizon Tactical Data Link (TCDL)	Provides Intelligence Surveillance & Reconnaissance information from aircraft to Force Commanders in near real time.	$ 6.3
69	NSSMS (NATO SeaSparrow Missile upgrade)	Funds solid-state transmitter upgrade for 3 LHDs	$ 9.0
70	Naval Expeditonary Engineering Force (NEEF) SATCOM	Provides SATCOM capability for Naval Beach Group	$ 13.7
71	SSN Combat Control System Modernization	Procures and installs three AN/BYG-1 Combat Control Systems for SSNs in FY06 and returns BYG-1 installation plan to pre-PB05 schedule.	$ 33.0

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72	C-40 Procurement	Procures 1 additional C-40 in FY06. Legacy C-9 aircraft cannot meet operational requirement for range/payload without significant modernization investment.	$ 77.8
73	CH-53E	Procures Integrated Maintenance Data System (IMDS) which tracks and monitors drivetrain components.	$ 9.2
74	Bell UH-1 Helicopters	Funds 20 Night Thermal Imaging System upgrades to Generation III Forward Looking Infrared (adds laser designation/ rangefinder capability, and daylight TV).	$ 18.0
75	H-53D/E	Procures 222 crash-attenuating seats and funds installs for Crew Chief position on all DoN H-53s	$ 6.5
76	CH-53E	Procures 42 additional T-64 Engine Reliability Improvement Program (ERIP) kits to cover maximum FY06 depot inductions	$ 21.4
77	Submarine Acoustic Modernization ARCI Installation	Funds increased costs to install Acoustic Rapid COTS Insertion (ARCI) and maintain program of record installation schedule. This precludes delaying the retirement of MK-48 Analog Torpedo saving $17M in FY07.	$ 36.0
78	SCI-LAN Upgrade (Secure network upgrade)	Upgrades secure shipboard LAN .	$ 0.4
79	LCS Modules - Airborne Communications Package	Develops Comms/Data relay system for unmanned offboard vehicles operating with LCS	$ 8.0
80	Towed Array Handler	Improves reliability of TB-29 Towed Array Handling System.	$ 9.1
81	NULKA to MSR (Electronic Warfare)	Funds 36 additional NULKA rounds, increases production to MSR and lowers unit cost from $450K to under $250K (ROI $7.2M).	$ 9.0
82	Helicopter Night Vision System (HNVS)	Procures 16 Q-29 turreted Forward Looking Infared (FLIR) to address shortfalls for fleet, training, and reserve squadrons. Fullfills operational requirement for GWOT nightime capability	$ 9.6
83	AV-8B Open Systems Core Avionics requirement (OSCAR) 1760 A-kit accel	Procures 15 additional OSCAR 1760 A-kits. Completes JDAM employment capability for AV-8B Fleet one year early with a net $4.5M saved.	$ 5.0
84	T64 Engine Air Particle Separator (EAPS) Barrier Filter	Funds non-recurring engineering to improve H-53 engine air particle separators.	$ 5.0
85	H-53E Nacelle Replacement	Funds NRE for and procurement of 30 sets of improved fiberglass engine nacelle panels. Addresses frequent occurences of panels unlatching or coming off in flight.	$ 5.0
86	OCONUS Network (ONE-net)	Establishes OCONUS Network Security Operations Center.	$ 1.4
87	Mobilized Reserve Rqmnts	Funds additional work years and associated requirements for Reservists mobilized for GWOT.	$ 712.2
88	Navy Recruiting Advertisting	Additional funding improves brand recognition and attracts higher quality recruits	$ 20.0
			$ 3,705.0