



DEPARTMENT OF THE NAVY
CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON DC 20350-2000

IN REPLY REFER TO

FEB 12 2007

The Honorable Duncan Hunter
House of Representatives
Washington, DC 20515

Dear Mr. Hunter:

Thank you for your letter of January 17, 2007, concerning Navy's Fiscal Year 2008 (FY-08) Unfunded Program Requirements. While recent increases and supplemental funding initiatives provided by the President of the United States and members of Congress have given some budgetary relief, the enclosed list details additional shortfalls Department of the Navy is facing.

The resources contained in Navy's FY-08 Budget help us support the joint war on terrorism, sustain our combat readiness, and provide quality services and benefits for our Sailors and their families. However, persistent operations related to the Global War on Terrorism and attaining our shipbuilding and aircraft procurement objectives continue to stretch the Navy's resources. As Navy continues to focus on our new defense strategy and on the emerging challenges of the 21st century, fiscal choices have resulted in some important programs being under funded.

For FY-08, Navy unfunded programs total approximately \$5.6 billion. These unfunded items are listed at enclosure (1). If I may be of any further assistance, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "M. G. Mullen", with a long horizontal flourish extending to the right.

M. G. MULLEN
Admiral, U.S. Navy

Enclosure: 1. FY-08 Unfunded Program Requirements

Copy to:
The Honorable Ike Skelton
The Honorable Carl Levin
The Honorable John McCain

POM-08 Unfunded Programs List

ITEM	TITLE (Program/ Issue)	FY08 (\$M)	Justification
1	LPD-17	~1,700	Funds procurement of an additional LPD-17, with Advance Procurement (AP), in support of Expeditionary Warfare.
2	T-AKE	~1,200	Funds procurement of 2 additional T-AKE to accelerate required CLF/Seabasing requirements.
3	Joint Improvised Explosive Device Defeat (JIEDDO) Sustainment	9	Funds critical gap in Field Office Subject Matter Experts, World-wide In-Service Engineering Agent liaison Reps, and Joint CREW configuration management and software support.
4	Critical ASW Enhancements	96	Funds critical ASW enhancements including: SURTASS, Anti-Torpedo Defense capabilities, SQQ-89 procurement acceleration, MK-48 CBASS conversions and ARPDD integration into MH-60R
5	F/A-18E/F/G	720	12 airframes requested (6 F/A-18E/F, 6 F/A-18G and ancillary equipment). Provides replacement for aircraft over designed service-life
6	MH-60R	140	4 airframes requested, plus ancillary equipment. Provides needed replacement for critical ASW aircraft (SH-60B/S-3B). Increases production line capacity to maximum efficient production rate.
7	MH-60S	200	9 airframes requested, plus ancillary equipment. Provides needed replacement for critical mine-warfare and logistics aircraft (HH-60H/H-3H).
8	C-40A	330	4 airframes requested. Replacement for C-9 aircraft critical to Navy intra-theatre lift requirements ISO CENTCOM, PACOM and EUCOM.
9	T-6B	24	4 airframes requested. Accelerates replacement of training aircraft.
10	Facility Sustainment	240	Current Navy-wide Sustainment is budgeted at 83%. Funds restore Navy-wide Sustainment to goal of 100%.
11	Coronado Homeport Ashore Bachelor Quarters	75	Provides necessary berthing for 3rd CVN planned for North Island, CA. Provides 2 modules of 200 rooms 800 spaces of market style spaces for junior Sailors homeported at NB Coronado.
12	Japan Homeport Ashore Bachelor Quarters	150	Funds necessary berthing for 2,248 personnel in Sasebo and Yokosuka Japan IAW DoD standard.
13	Fitness Center, Pearl Harbor, HI	45	Project is in support of CNO's goal to promote a culture of fitness and recapitalizes a sub-standard fitness facility.
14	MK XII / MKXIIA IFF	69	Accelerates MKXII IFF. MKXII IFF provides Mode 5 for positive friend identification. Improves combat effectiveness by enabling weapons employment while minimizing fratricide. Funding will provide integration of the following quantities: F/A-18 E/F/G 7, E-2D 4, MH-60R 3.
15	LCAC Sustainment and Personnel Transport Modules (PTMs)	28	Funds availability to resolve two critical material deficiencies for 9 LCACs awaiting SLEP; provides C4I upgrades and an improved technology Deep-Skirt; procures 11 PTMs to replace aging inventory.
16	Transit Protection System	22	Funds 2 large escort vessels supporting the SSBN Transit Protection System in FY08.
17	MPS Lease Buyout	430	NDSF costs to buy 9 remaining leased ships.
18	AMRAAM (AIM-120D) Inventory	73	Funds 72 additional missiles in FY08. Helps remedy critical inventory shortfalls at maximum production capacity.
19	Aircraft Depot Maintenance	77	Funds aircraft maintenance to goal (90%) for non-deployed squadrons and engine spares.
20	Navy Recruiting Advertising	29	Supports increased Navy accession mission. Provides focused marketing campaign targeted toward high demand GWOT skills - SEALs, Seabees - and Diversity objectives. Funds Navy Recruiting PRIDE IT system.
Total		5,657	