

DEPARTMENT OF THE NAVY
FY 1998/1999 BUDGET ESTIMATES



JUSTIFICATION OF ESTIMATES

OTHER PROCUREMENT, NAVY
BUDGET ACTIVITY 7

FEBRUARY 1997

UNCLASSIFIED

EXHIBIT P-1

DEPARTMENT OF THE NAVY
FY 1998/FY 1999 PROCUREMENT PROGRAMS

APPROPRIATION: 1810N Other Procurement, Navy

DATE: 02/04/97

LINE NO	ITEM NOMENCLATURE	IDENT CODE	DOLLARS				MILLIONS OF DOLLARS				
			FY 1998	FY 1996	FY 1997	FY 1998	FY 1999	FY 1998	FY 1999		
			UNIT COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
BUDGET ACTIVITY 07: Personnel and Command Support Equipment											
Training Devices											
197	8081 Training Support Equipment	A			2.6	-		2.1		2.2	U
198	8089 Training Device Modifications	A			22.3	-		-		-	U
Command Support Equipment											
199	8106 Command Support Equipment	A			41.1	-		15.9		26.1	U
200	8108 Education Support Equipment	A			1.0	-		-		-	U
201	8109 Medical Support Equipment	A			6.6	-		-		-	U
202	8115 Intelligence Support Equipmen	A			18.2	-		22.4		20.4	U
203	8118 Operating Forces Support Equi	A			1.8	-		4.7		4.8	U
204	8124 Naval Reserve Support Equipme	A			0.6	-		-		-	U
205	8126 Environmental Support Equipme	A			4.5	-		15.7		17.1	U
206	8128 Physical Security Equipment	A			4.5	-		-		-	U
207	8134 Industrial Depot Maintenance	A			6.8	-		-		-	U
Other											
208	8150 Cancelled Account Adjustments	A			2.4	-		-		-	U
209	8152 Cancelled Account Adjustment				3.0	-		-		-	U
TOTAL	Personnel and Command Support Equipment				115.4	-		60.9		70.6	

Other Procurement, Navy
Program and Financing (in Thousands of dollars) SUMMARY

Identification code	17-1810-0-1-051	Budget Plan (amounts for PROCUREMENT actions programed)			
		1996 actual	1997 est.	1998 est.	1999 est.

Program by activities:					
Direct program:					
00.0101	Ships support equipment	617,796	815,611	771,120	1,070,756
00.0201	Communications and electronics equipment	781,611	1,044,672	925,763	1,583,978
00.0301	Aviation support equipment	192,128	249,793	169,250	255,932
00.0401	Ordnance support equipment	396,264	468,410	539,662	692,543
00.0501	Civil engineering support equipment	46,716	43,943	53,610	81,860
00.0601	Supply support equipment	93,966	67,709	56,528	127,373
00.0701	Personnel and command support equipment	115,439		60,850	70,615
00.0801	Spares and repair parts	183,379	202,217	248,717	302,318
00.9101 Total direct program		2,427,299	2,892,355	2,825,500	4,185,375
01.0101	Reimbursable program	70,033	42,000	42,000	42,000
10.0001	Total	2,497,332	2,934,355	2,867,500	4,227,375

Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)	-1,918	-42,000	-42,000	-42,000
14.0001	Non-Federal sources(-)	-68,115			
17.0001	Recovery of prior year obligations				
Unobligated balance available, start of year:					
21.4002	For completion of prior year budget plans				
21.4003	Available to finance new budget plans	-27,495	-14,200		
21.4009	Reprogramming from/to prior year budget plans	-14,000			
22.1001	Unobligated balance transferred to other accounts		4,200		
Unobligated balance available, end of year:					
24.4002	For completion of prior year budget plans				
24.4003	Available to finance subsequent year budget plans	14,200			
39.0001	Budget authority	2,400,004	2,882,355	2,825,500	4,185,375

Budget authority:					
40.0001	Appropriation	2,455,442	3,067,944	2,825,500	4,185,375
40.3601	Appropriation rescinded (unob bal)	-8,828	-10,000		
40.7501	Reduction pursuant to P.L. 104-208 (-), 8037(e)		-6,439		
41.0001	Transferred to other accounts (-)	-76,948	-169,150		
42.0001	Transferred from other accounts	30,338			
43.0001	Appropriation (adjusted)	2,400,004	2,882,355	2,825,500	4,185,375

Other Procurement, Navy
Program and Financing (in Thousands of dollars) SUMMARY

		Obligations			
Identification code	17-1810-0-1-051	1996 actual	1997 est.	1998 est.	1999 est.

Program by activities:					
Direct program:					
00.0101	Ships support equipment	596,593	684,724	792,152	953,019
00.0201	Communications and electronics equipment	871,323	1,097,955	899,167	1,533,267
00.0301	Aviation support equipment	176,903	238,046	177,033	240,993
00.0401	Ordnance support equipment	398,426	404,965	474,729	654,593
00.0501	Civil engineering support equipment	65,939	42,457	51,387	73,857
00.0601	Supply support equipment	100,513	77,535	61,691	110,693
00.0701	Personnel and command support equipment	193,184	29,539	60,175	65,619
00.0801	Spares and repair parts	215,400	179,567	216,931	284,702
00.9101	Total direct program	2,618,281	2,754,788	2,733,265	3,916,743
01.0101	Reimbursable program	62,124	50,930	42,000	42,000
10.0001	Total	2,680,405	2,805,718	2,775,265	3,958,743

Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)	-4,591	-42,000	-42,000	-42,000
14.0001	Non-Federal sources(-)	-66,891			
17.0001	Recovery of prior year obligations	-21,397			
Unobligated balance available, start of year:					
21.4002	For completion of prior year budget plans	-673,573	-499,346	-627,983	-720,218
21.4003	Available to finance new budget plans	-27,495	-14,200		
21.4009	Reprogramming from/to prior year budget plans				
22.1001	Unobligated balance transferred to other accounts		4,200		
Unobligated balance available, end of year:					
24.4002	For completion of prior year budget plans	499,346	627,983	720,218	988,850
24.4003	Available to finance subsequent year budget plans	14,200			
39.0001	Budget authority	2,400,004	2,882,355	2,825,500	4,185,375

Budget authority:					
40.0001	Appropriation	2,455,442	3,067,944	2,825,500	4,185,375
40.3601	Appropriation rescinded (unob bal)	-8,828	-10,000		
40.7501	Reduction pursuant to P.L. 104-208 (-), 8037(e)		-6,439		
41.0001	Transferred to other accounts (-)	-76,948	-169,150		
42.0001	Transferred from other accounts	30,338			
43.0001	Appropriation (adjusted)	2,400,004	2,882,355	2,825,500	4,185,375

Other Procurement, Navy
 Program and Financing (in Thousands of dollars) SUMMARY

		Obligations			
Identification code	17-1810-0-1-051	1996 actual	1997 est.	1998 est.	1999 est.
Relation of obligations to outlays:					
71.0001	Obligations incurred	2,608,923	2,763,718	2,733,265	3,916,743
72.1001	Orders on hand, SOY	-30,569	-86,326	-86,326	-86,326
72.4001	Obligated balance, start of year	4,671,807	3,793,123	3,694,860	3,679,591
74.1001	Orders on hand, EOY	86,326	86,326	86,326	86,326
74.4001	Obligated balance, end of year	-3,793,123	-3,694,860	-3,679,591	-4,506,636
77.0001	Adjustments in expired accounts (net)	70,950			
78.0001	Adjustments in unexpired accounts	-21,397			
90.0001	Outlays (net)	3,592,917	2,861,981	2,748,534	3,089,698

Other Procurement, Navy
Object Classification (in Thousands of dollars) SUMMARY

Identification code	17-1810-0-1-051	1996 actual	1997 est.	1998 est.	1999 est.

Direct obligations:					
125.101	Advisory and assistance services	39,841	40,866	36,534	43,623
	Purchases goods/services (inter/intra) Fed accounts				
125.303	Purchases from revolving funds	699,254	677,669	787,453	868,016
126.001	Supplies and materials	655,400	795,655	634,436	959,263
131.001	Equipment	1,223,786	1,240,598	1,274,842	2,045,841
		-----	-----	-----	-----
199.001	Total Direct obligations	2,618,281	2,754,788	2,733,265	3,916,743
Reimbursable obligations:					
225.201	Other services with the private sector	33,363			
231.001	Equipment	28,761	50,930	42,000	42,000
		-----	-----	-----	-----
299.001	Total Reimbursable obligations	62,124	50,930	42,000	42,000
		-----	-----	-----	-----
999.901	Total obligations	2,680,405	2,805,718	2,775,265	3,958,743

Comparison of FY 1996 Financing as reflected
in FY 1997 Budget with 1996 Financing as
Shown in the FY 1998 Budget

(\$ in Thousands)

	Financing per FY 1997 Budget	Financing Per FY 1998 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	\$2,457,431	\$2,497,332	+\$39,901
Program Requirements (Service Account)	(\$2,421,431)	(\$2,427,299)	(+)\$5,868
Program Requirements (Reimbursable)	\$36,000	\$70,033	+\$34,033
Appropriation (Adjusted)	\$2,399,131	\$2,400,004	+\$873

Explanation of Changes in Financing

The Fiscal Year 1996 program has changed since the presentation of the FY 1997 budget as noted below:

1. Program Requirements increased by \$39,901K, \$5,868K for direct service and \$34,033 reflecting increased reimbursable requirements.
2. Appropriation (Adjusted). There has been a minor net increase to the appropriation of \$873K reflecting transfers from other accounts for the Drug Interdiction Program.

Comparison of FY 1996 program requirements as reflected
in the FY 1997 Budget with FY 1996 program requirements
as shown in the FY 1998 Budget

Summary of Requirements (\$ In Thousands)

	Total Program Requirements per FY 1997 Budget	Total Program Requirements per FY 1998 Budget	Increase (+) or Decrease (-)
Ship Support Equipment	\$610,985	\$617,796	+\$6,811
Communications & Electronic Equipment	783,792	781,611	-2,181
Aviation Support Equipment	197,039	192,128	-4,911
Ordnance Support Equipment	399,451	396,264	-3,187
Civil Engineering Support Equipment	46,442	46,716	+274
Supply Support Equipment	96,277	93,966	-2,311
Personnel & Command Support Equip	96,196	115,439	+19,243
Spares & Repair Parts	191,249	183,379	-7,870
Total Fiscal Year Program	\$2,421,431	\$2,427,299	+\$5,868

Explanation by Budget Activity
(\$ In Thousands)

1. SHIP SUPPORT EQUIPMENT (+\$6,811) - Net mid-year review increases for the Acquisition Center of Excellence (ACE), Other Navigation Equipment, and Hull, Mechanical, & Electrical Items under \$2 Million.
2. COMMUNICATIONS & ELECTRONIC EQUIPMENT (-\$2,181) - Net reduction used for unfunded Investment/Expense items and the Acquisition Center of Excellence (ACE).
3. AVIATION SUPPORT EQUIPMENT (-\$4,911) - Net reduction used for unfunded Investment/Expense items and the Acquisition Center of Excellence (ACE).
4. ORDNANCE SUPPORT EQUIPMENT (-\$3,187) - Net reduction used for unfunded Investment/Expense items and the Acquisition Center of Excellence (ACE).
5. CIVIL ENGINEERING SUPPORT (+\$274) - Net minor adjustment.
6. SUPPLY SUPPORT EQUIPMENT (-\$2,311) - Net reduction used for unfunded Investment/Expense items and the Acquisition Center of Excellence (ACE).
7. PERSONNEL & COMMAND SUPPORT (+\$19,243) - Net increase for unfunded Investment/Expense items.
8. SPARES & REPAIR PARTS (-\$7,870) - Net reduction used for unfunded Investment/Expense items and the Acquisition Center of Excellence (ACE).

Comparison of FY 1997 Financing as reflected
in FY 1997 Budget with 1997 Financing as
Shown in the FY 1998 Budget

(\$ In Thousands)

	Financing per FY 1997 Budget	Financing Per FY 1998 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	\$2,750,195	\$2,934,355	+\$184,160
Program Requirements (Service Account)	(2,714,195)	(\$2,892,355)	(+178,160)
Program Requirements (Reimbursable)	\$36,000	\$42,000	+6,000
Appropriation (Adjusted)	\$2,714,195	\$2,882,355	+\$168,160

Explanation of Changes in Financing

The Fiscal Year 1996 program has changed since the presentation of the FY 1997 budget as noted below:

1. Program Requirements. There has been a net increase to the appropriation (adjusted) of \$168,160. This net change is comprised of an increase in program requirements (+\$178,160), less rescissions of (-\$10,000).

Comparison of FY 1997 program requirements as reflected
in the FY 1997 Budget with FY 1997 program requirements
as shown in the FY 1998 Budget

Summary of Requirements (\$ in Thousands)

	Total Program Requirements per FY 1997 Budget	Total Program Requirements per FY 1998 Budget	Increase (+) or Decrease (-)
Ships Support Equipment	\$868,175	\$815,611	-\$52,564
Communications and Electronic Equip	865,974	1,044,672	+178,698
Aviation Support Equipment	199,105	249,793	+50,688
Ordnance Support Equipment	464,903	468,410	+3,507
Civil Engineering Support Equip	38,057	43,943	+5,886
Supply Support Equipment	69,153	67,709	-1,444
Personnel and Command Support Equip	0	0	0
Spares and Repair Parts	208,828	202,217	-6,611
Total Fiscal Year Program	\$2,714,195	\$2,892,355	+\$178,160

Explanation by Budget Activity
(\$ in Thousands)

1. Ships Support Equipment (-\$52,564) - Changes reflects FY 1997 Congressional reductions (-\$63,747), Congressional increases (+10,000), and below threshold reprogramming (BTR) actions (-\$1,183).
2. Communications and Electronics Equipment (+\$178,698) - Changes reflects FY 1997 Congressional reductions (-\$28,253), Congressional increases(+204,674), and below threshold reprogramming (BTR) actions (+\$2,277).
3. Aviation Support Equipment (+\$50,688) - Changes reflects FY 1997 Congressional reductions (-\$8,079), Congressional increases(+166,558), and transfers to the Air Force (-\$107,791).
- 4.) Ordnance Support Equipment (+\$3,507) - Changes reflects FY 1997 Congressional reductions (-\$17,033), Congressional increases(+22,000), and below threshold reprogramming (BTR) actions (-\$1,460).
5. Civil Engineering Support Equipment (+\$5,886) - Changes reflects FY 1997 Congressional reductions (-\$931) and Congressional increases(+6,817).
6. Supply Support Equipment (-\$1,444) - Changes reflects FY 1997 Congressional reductions (-\$1,444).
8. Spare and Repair Parts (-\$6,611) - Changes reflects FY 1997 Congressional reductions (-\$4,611) and below threshold reprogramming (BTR) actions (-\$2,000).

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BUDGET ITEM JUSTIFICATION SHEET					DATE			
APPROPRIATION/BUDGET ACTIVITY OTHER PROCUREMENT, NAVY/BA-7					P-1 Nomenclature FY 1998 President's Budget BLI: 8081 TRAINING SUPPORT EQUIPMENT			
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
QUANTITY								
COST (in millions)	\$2.6	\$0.0	\$2.1	\$2.2	\$2.3	\$2.4	\$2.4	\$2.4
<p>PROGRAM COVERAGE/JUSTIFICATION FOR BUDGET YEAR REQUIREMENTS: This line provides for the procurement of minor training aids and devices and logistic support equipment for Naval Air Warfare Center Training Systems Division (formerly the Naval Training Systems Center (NTSC)) programs to ensure that trained personnel are supplied to the fleet. The minor training aids and devices include a variety of training equipment (per unit value less than \$900K) for surface and submarine schools. Representative devices include, but are not limited to: Ship Characteristics Demonstrators/Models, CTR/CTT Morse Code Trainers, ESM Radar Signal Simulators, Graphics Displays, etc.</p> <p>This line also provides for the procurement of the Authoring Instructional Materials (AIM) System for surface schools. AIM is a computer based system that supports the development and maintenance of instructional materials and provides for the systematic support and management of the overall curriculum development process to ensure that the fleet is supplied with effectively trained personnel.</p>								

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BUDGET ITEM JUSTIFICATION SHEET				DATE				
APPROPRIATION/BUDGET ACTIVITY Other Procurement, Navy/BA-7				P-1 Nomenclature FY 1998 President's Budget BLI: 8106 Command Support Equipment				
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
QUANTITY								
COST (in millions)	\$41.1	\$0.0	\$15.9	\$26.1	\$16.8	\$18.4	\$18.8	\$18.6
PROGRAM COVERAGE/JUSTIFICATION FOR BUDGET YEAR REQUIREMENTS: The command support equipment line item procures assorted support equipment for various Naval organizations in an effort to upgrade and assist the groups in fulfilling their goals, duties, and responsibilities. Chief of Naval Operations CNO (OP 09BF) This funding is provided for such things as: the purchase of hardware, software, and other related ADP networks for the Naval Space Command; the Navy Legal Service Command which provides legal services and counsel in a given geographical area. Naval Computers and Telecommunications Command (NCTC) These funds provide, operate and maintain adequate, secure Naval Telecommunications for the Department of the Navy, ensuring their readiness and operating efficiency to support requirements for Command, Control and Information transfer systems for the operating forces and shore establishments.								

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BUDGET ITEM JUSTIFICATION SHEET		Date:	Feb-97
Appropriation/Budget Activity	P-1 Nomenclature FY 1998 President's Budget		
Other Procurement, Navy/BA-7	BLI: 8106 Command Support Equipment		
<u>Assistant for Administration/Under Secretary of the Navy (AA/USN)</u>			
<p>The Department of the Navy, Information Network Program Office (DoNINPO) is a SECNAV directed program tasked to consolidate the disparate DoN HQ Local Area Networks (LANs) and resources within the Pentagon, interconnect the major Navy Wide Area Networks (WANs) in the National Capitol Region (NCR), and to facilitate the development of DoN Information Technology (IT) standards. Included in this effort are the architectures, technologies, standards, policies, and profiles necessary to provide or direct the acquisition and installation of the plethora of common information infrastructure tools and E-apps including those listed here as well as those emergent in the future to include: local area networks (LAN), remote and mobile network connectivity, palm-top and Personal Digital Assistant (PDA) technologies, wireless networking, wide area networks (WAN), network management, E-desktop applications, file standards, groupware applications, E-tools, E-data and repositories, telephony and telephone switching, cellular, Personal Communications Systems (PCS), television, desktop video teleconferencing technology (DT-VTC), low bit rate video (LBRV) and theater or conference room video teleconferencing technologies (VTC) used in support of connectivity and communications between Headquarters elements within the Washington region. In conjunction with the Defense Messaging System (DMS) architecture, an electronic mail system supporting both the X.400 and X.500 messaging protocols will be implemented on both the Classified and Unclassified LANs. Desktop and network hardware and software updates will be accomplished over a four year refresh cycle.</p>			
<u>Bureau of Naval Personnel (BUPERS)</u>			
<p>BUPERS has the responsibility of providing the quantitative and qualitative manpower requirements of the United States Navy. Programs include Navy recruiting command, the Human Resource Management Support System, the Navy Family Allowance Activity, the United States Navy Bands and Enlisted Personnel Management Center. The funds requested in this submission provide necessary equipment for the Military Personnel Record Data Management Program and the Fleet/Shore Recreation and Fitness program.</p>			

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PROGRAM COST BREAKDOWN											Date:	Feb-97
P-5												
Appropriation/Budget Activity				P-1 Nomenclature FY 1998 President's Budget								
Other Procurement, Navy/BA-7				BLI: 8106 Command Support Equipment								
TOTAL COST IN THOUSANDS OF DOLLARS												
COST CODE	ELEMENT OF COST	IDENT CODE	QTY	FY 1996		FY 1997		FY 1998		FY 1999		
				TOTAL COST		TOTAL COST	QTY	TOTAL COST	QTY	TOTAL COST		
VAR	CNO (N09BF)	8106		\$8.6		\$0.0		\$6.8		\$6.7		
VAR	AAUSN	8106		\$13.9		\$0.0		\$0.5		\$6.1		
VAR	BUPERS	8106		\$2.5		\$0.0		\$6.4		\$12.0		
VAR	NCTC	8106		<u>\$16.1</u>		<u>\$0.0</u>		<u>\$2.2</u>		<u>\$1.3</u>		
	TOTAL			\$41.1		\$0.0		\$15.9		\$26.1		

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BUDGET ITEM JUSTIFICATION SHEET				DATE Feb-97				
APPROPRIATION/BUDGET ACTIVITY Other Procurement, Navy/BA-7				P-1 Nomenclature FY 1998 President's Budget BLI: 8115 INTELLIGENCE SUPPORT EQUIPMENT				
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
QUANTITY								
COST (in millions)	\$18.2	\$0.0	\$22.4	\$20.4	\$11.9	\$15.8	\$11.8	\$12.7
<p>PROGRAM COVERAGE/JUSTIFICATION FOR BUDGET YEAR REQUIREMENTS: This program funds equipment needed for the Office of Naval Intelligence and intelligence activities of the Unified and Specified Commands. It is part of the General Defense Intelligence Program (GDIP) and National Foreign Intelligence Program (NFIP).</p> <p>Details are classified and provided under a separate cover.</p>								

P-1 SHOPPING LIST

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BUDGET ITEM JUSTIFICATION SHEET						DATE		
Other Procurement, Navy/BA-7						Feb-97		
APPROPRIATION/BUDGET ACTIVITY				P-1 ITEM NOMENCLATURE				
				BLI: 8118 OPERATING FORCES SUPPORT EQUIPMENT				
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
QUANTITY								
COST (in millions)	\$1.8	\$0.0	\$4.7	\$4.8	\$4.5	\$4.6	\$4.6	\$4.6
<p>PROGRAM COVERAGE/JUSTIFICATION FOR BUDGET YEAR REQUIREMENTS:This line item provides for procurement of various support equipment with a unit cost of \$100,000 or more, such as general office, accounting, reproduction and printing equipment, waterfront, buildings and grounds, maintenance and repair equipment, scientific and other peculiar equipment for shore activities and forces afloat.</p>								

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BUDGET ITEM JUSTIFICATION SHEET					DATE			
APPROPRIATION/BUDGET ACTIVITY					P-1 Nomenclature FY 1998 President's Budget			
Other Procurement, Navy/BA-7					BLI: 8126 ENVIRONMENTAL SUPPORT EQUIPMENT			
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
QUANTITY								
COST (in millions)	\$4.5	\$0.0	\$15.7	\$17.1	\$15.6	\$17.8	\$22.0	\$17.6
<p>PROGRAM COVERAGE/JUSTIFICATION FOR BUDGET YEAR REQUIREMENTS: The environmental support equipment line provides funding for equipment to support a large inventory of oceanographic, hydrographic, geodetic, meteorological and astronomical equipment, systems and instrumentation. This equipment is required by the Naval Oceanography to collect, process, analyze and disseminate environmental data to operating forces, DoD and other agency users. This data is critical for precise positioning, navigation and targeting of friendly and enemy air, surface, and sub surface weapons systems and space vehicles.</p> <p>Most equipment included sensitive instruments and electronics that have a short service life in the harsh marine environment. Cyclical replacement of these instruments is a large part of our equipment acquisition program. A significant portion of the program contains high speed computers and communications network required to run the complex geophysical models that predict the state of the atmosphere and oceans. Additionally, the Naval Observatory's astronomical equipment is a diverse and highly specialized suite of instruments supporting all DoD and U.S. Time and positioning requirements.</p>								

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