

Subject: Defense Modernization Account	DoW Serial Number:
Appropriation Title: Various Appropriations	FY 26-44 IR
	Includes Transfer? Yes

Component Serial Number:	(Amounts in Thousands of Dollars)							
	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

Pursuant to 10 U.S.C. § 3136(c), this reprogramming action transfers \$109.592 million from various Army, Navy, Air Force, and Defense-Wide appropriations to the Defense Modernization Account. These amounts and sources have been determined to be available for transfer as excess to the requirements of their respective programs as a result of efficiencies, economies, and other cost savings achieved in carrying out an acquisition program, consistent with 10 U.S.C. § 3136(c)(1)(B)(i). Amounts transferred to the Defense Modernization Account will remain available for transfer and obligation until the end of the third fiscal year that follows the fiscal year in which the amounts are deposited into the account. This reprogramming action will not cause the balance of the Defense Modernization Account to exceed \$1 billion. This reprogramming action impacts Military Intelligence Programs.

FY 2026 REPROGRAMMING INCREASES: **+109,592**

DEFENSE-WIDE INCREASES **+109,592**

Defense Modernization Account, 26/29 **+109,592**

<u>Budget Activity 01: Army</u>	+30,425	30,425
<u>Budget Activity 02: Navy</u>	+14,323	14,323
<u>Budget Activity 04: Air Force</u>	+44,844	44,844
<u>Budget Activity 06: Defense-Wide</u>	+20,000	20,000

Explanation: Pursuant to 10 U.S.C. § 3136(c)(1)(B)(i), unexpired funds in appropriations accounts that are available for new obligations and that, as a result of economies, efficiencies, and other savings achieved in carrying out an acquisition program, are excess to the requirements of that program may be transferred to Defense Modernization Account.

FY 2026 REPROGRAMMING DECREASES: **-109,592**

ARMY DECREASES **-30,425**

Missile Procurement, Army, 24/26 **-232**

Budget Activity 03: Modification of missiles
Stinger Mods

Approved (Signature and Date)

Julia W. Hawk III

9/30/26

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		55,448		55,448		-232		55,216
<u>Explanation:</u> Funds are available to transfer to the Defense Modernization Account, Defense-Wide, due to lower negotiated unit cost associated with increased quantities procured by combining FY 2024 supplemental and discretionary funding on contract.								
<u>Procurement of Weapons and Tracked Combat Vehicles, Army , 24/26</u>						<u>-28,936</u>		
<u>Budget Activity 01: Tracked combat vehicles</u>								
Paladin Integrated Management (PIM)								
	30	742,349	30	742,349		-15,000	30	727,349
<u>Explanation:</u> Funds are available to transfer to the Defense Modernization Account, Defense-Wide, due to lower negotiated unit cost associated with increased quantities procured by combining FY 2024 supplemental and discretionary funding on contract.								
Mobile Protected Firepower								
	33	386,635	33	360,699		-13,936	33	346,763
<u>Explanation:</u> Funds are available to transfer to the Defense Modernization Account, Defense-Wide, due to favorable contract closeout negotiations, resulting from cancellation of the M10 Booker program and fulfillment of all contract and PM closeout commitments.								
<u>Other Procurement, Army, 24/26</u>						<u>-179</u>		
<u>Budget Activity 02: Communications and Electronics Equipment</u>								
Global Combat Support System-Army (GCSS-A)								
		1,987		1,987		-179		1,808
<u>Explanation:</u> Funds are available to transfer to the Defense Modernization Account, Defense-Wide, due to negotiated contract cost savings.								
<u>Research, Development, Test, and Evaluation, Army, 25/26</u>						<u>-1,078</u>		
<u>Budget Activity 04: Advanced Component Development and Prototypes</u>								
0604117A Maneuver - Short Range Air Defense (M-SHORAD)								
		274,542		274,542		-783		273,759
<u>Explanation:</u> Funds available to transfer to the Defense Modernization Account, Defense-Wide, due to efficiencies realized during the execution of development and testing activities. Streamlined testing and lower test support costs allowed the program to meet all required performance objectives, and with fewer resources in less time than originally planned.								

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Budget Activity 05: System Development and Demonstration

0605041A Defensive CYBER Tool Development

4,176 4,176 -138 4,038

Explanation: Funds are available to transfer to the Defense Modernization Account, Defense-Wide, due to contract efficiencies associated with a reduction in required efforts to meet existing program requirements.

0605052A Indirect Fire Protection Capability Inc 2 - Block 1

140,912 140,912 -157 140,755

Explanation: Funds available to transfer to the Defense Modernization Account, Defense-Wide, due to meeting all development and test objectives at a cost below original estimates, reducing overall execution costs.

NAVY DECREASES -14,323

Other Procurement, Navy, 24/26 -14,323

Budget Activity 07: Personnel and command support equipment

Training and Education Equipment

102,565 102,565 -14,323 88,242

Explanation: Funds are available to transfer to the Defense Modernization Account, Defense-Wide, from the Training and Education Equipment due to realized economies and efficiencies associated with the revised scope of fleet requirements for multi-domain training support vessels. These changes reduced projected program costs while preserving required training capability.

AIR FORCE DECREASES -44,844

Aircraft Procurement, Air Force, 24/26 -4,230

Budget Activity 05: Modification of inservice aircraft

B-1B

9,782 9,782 -132 9,650

Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the B-1B Budget Line Item. Favorable negotiations across multiple B-1B production contracts resulted in fulfillment of approved production requirements at costs below those originally budgeted. The resulting contract savings constitute economies and efficiencies achieved in executing the acquisition program.

F-35 Modifications

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a	b	c	d	e	f	g	h	i
		329,398		329,398		-2,828		326,570
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the F-35 Modifications line. The savings are the result of negotiated costs lower than the original estimate for F-35 Engineering Change Proposal 1609, Delivery Order 0002, Block 4 40Px kits. The resulting contract savings constitute economies achieved in executing the acquisition program.								
CV-22 Mods		153,006		153,006		-507		152,499
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the CV-22 modification budget line item. Favorable contract award pricing for Department of the Navy Large Aircraft Infrared Countermeasures Processor Upgrade CV-22 B-kit components enabled the program to fulfill the requirement at a cost below the original estimate. The resulting contract savings constitute economies achieved in executing the acquisition program.								
<u>Budget Activity 06: Aircraft spares and repair parts</u>								
Initial Spares/Repair Parts		857,933		857,933		-67		857,866
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Initial Spares/Repair Parts budget line item. The Undergraduate Pilot Training program realized savings through lower-than-anticipated unit costs, enabling the approved requirement to be fulfilled at less than the amount originally budgeted. These savings constitute economies achieved in executing the acquisition program.								
<u>Budget Activity 07: Aircraft support equipment and facilities</u>								
War Consumables		18,146		18,146		-10		18,136
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the War Consumables (RATO) budget line item. Asset procurements were consolidated across participating Services and Foreign Military Sales partners to maximize purchasing volume and obtain the lowest available pricing. This procurement approach generated savings through economies of scale.								
Other Production Charges		1,195,693		1,195,693		-686		1,195,007

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a	b	c	d	e	f	g	h	i

Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Other Production Charges budget line item for Combat Training Ranges Equipment. Funding is available due to negotiated savings on the Engineering Professional and Administrative Support Services contract.

Missile Procurement, Air Force, 24/26 **-102**

Budget Activity 02: Other missiles

Joint Air-Surface Standoff Missile

520	1,959,580	520	1,959,580	-101	520	1,959,479
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Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Joint Air Surface Standoff Missile budget line item. The funding is available due to negotiation savings for the Resistor Divider Obsolescence Case.

LRASM0

27	415,056	27	415,056	-1	27	415,055
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Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Long Range Anti-Ship Missile budget line item. The funding is available due to negotiation savings for the Resistor Divider Obsolescence Case.

Procurement, Space Force, 24/26 **-25,470**

Budget Activity 01: SPACE PROCUREMENT, SF

Spaceborne Equip (Comsec)

50,764	50,764	-11	50,753
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Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Spaceborne Equip (COMSEC) budget line. Finalized costs for Communications Security labor support were lower than originally estimated. The resulting cost reduction constitutes savings achieved in executing the acquisition program.

National Security Space Launch

10	1,932,248	10	1,932,248	-25,459	10	1,906,789
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Explanation: Funds are available to transfer to the Defense Modernization Account, Defense-Wide, from National Security Space Launch budget line item. Favorable mission swaps among launch service providers reduced program costs and generated savings in the execution of the acquisition program. The transfer of these funds will not affect planned launch requirements or mission execution.

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a	b	c	d	e	f	g	h	i

Other Procurement, Air Force, 24/26

-7,821

Budget Activity 02: Vehicular equipment

Joint Light Tactical Vehicle

42,615 42,615 -15 42,600

Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Joint Tactical Vehicles budget line item as a result of U.S. Army Tank-Automotive and Armaments Command (TACOM) contract savings. Economic-quantity purchasing and contract negotiations generated savings resulting in excess funding above requirements.

Budget Activity 03: Electronics and Telecommunications Equip

Comsec Equipment

86,828 86,828 -186 86,642

Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the COMSEC Equipment budget line as a result of COMSEC contract savings. Contract negotiations generated savings resulting in excess funding above requirements.

Strategic Command And Control

73,593 73,593 -218 73,375

Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Strategic Command and Control budget line item for All Domain Common Platform (ADCP). Negotiated quantity-discount pricing enabled the program to acquire required items at costs below the original program office estimate. The resulting cost reduction constitutes savings achieved in executing the Kessel Run ADCP program.

General Information Technology

174,126 174,126 -771 173,355

Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the General Information Technology budget line item for the following:

- \$-0.647 million for Command and Control, Intelligence, Surveillance, and Reconnaissance Tactical Data Link (C2ISR TDL) due to negotiated quantity-discount pricing enabled the program to acquire required items at costs below the original program office estimate. The resulting cost reduction constitutes savings achieved in executing the acquisition program.
- \$-0.124 million for Joint Simulator Environment (JSE) due to quantity discounts obtained through the JSE Battlespace hardware procurement at Joint Integrated Test and Training Center Nellis (JITTC-N) reduced acquisition costs below the amounts originally budgeted. The resulting cost reduction constitutes savings achieved in executing the acquisition program.

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a	b	c	d	e	f	g	h	i
Wide Area Surveillance (WAS)								
		11,571		11,571		-21		11,550
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Wide Area Surveillance budget line item as a result of contract savings. Contract negotiations generated savings resulting in excess funding above requirements.								
Base Information Transpt Infrast (BITI) Wired								
		322,704		322,704		-5,750		316,954
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Base Information Transpt Infrast (BITI) Wired budget line item. Negotiated savings on Base Area Modernization task orders 1, 3, and 4 resulted in contract awards below original cost estimates. The resulting cost reductions constitute economies achieved in executing the acquisition program.								
Comm Elect Mods								
		115,224		115,224		-436		114,788
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Comm-Electronic Modification budget line item. The Homeland Defense-Over the Horizon Radar (HLD-OTHR) program acquired the required capability at a cost below the original program office estimate, resulting in contract savings. These savings constitute economies achieved in executing the acquisition program.								
<u>Budget Activity 04: Other base maintenance and support equipment</u>								
Personal Safety and Rescue Equipment								
		61,771		61,771		-7		61,764
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Personal Safety and Rescue Equipment budget line item. This funding is available due to economic order quantity savings on Night Vision Goggle units.								
Engineering and EOD Equipment								
		293,968		293,968		-64		293,904
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Engineering and Explosive Ordnance Disposal (EOD) Equipment budget line item for the following:								

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a	b	c	d	e	f	g	h	i
\$-0.047 million as a result of General Services Agency contract savings for Expedient Small Asset Protection (ESAP). Contract negotiations generated savings resulting in excess funding above requirements. \$-0.017 million as a result of Defense Logistics Agency (DLA) contract savings for resilient adaptive basing Water and Fuel Expedient Repair System (WaFERS). Contract negotiations generated savings resulting in excess funding above requirements.								
Mobility Equipment		161,338		161,338		-16		161,322
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Mobility Equipment budget line item as a result of General Services Administration contract savings for Expeditionary Airfield Lighting Systems (EALS). Contract negotiations generated savings resulting in excess funding above requirements.								
Base Maintenance and Support Equipment		58,597		58,597		-261		58,336
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Base Maintenance and Support Equipment budget line item for the following: \$-0.259 million as a result of contract savings. Contract negotiations generated savings resulting in excess funding above requirements for the Base Logistics Support Equipment (BLSE) program. \$-0.002 million as a result of contract savings for flightline fire extinguishers. Contract negotiations generated savings resulting in excess funding above requirements.								
DCGS-AF		150,407		150,407		-56		150,351
<u>Explanation:</u> Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the DCGS-AF budget line item. Negotiated quantity-discount pricing in support of the Distributed Common Ground System (DCGS) Enterprise (ISR Transport) allowed the program to acquire required items at costs below the original program office estimate. The resulting cost reduction constitutes savings achieved in executing the acquisition program. This is a MIP PROJECT .								
<u>Budget Activity 05: Spare and repair parts</u>								
Spares And Repair Parts		12,628		12,628		-20		12,608

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Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Spares and Repair Parts budget line item. Favorable contract negotiations for the Wide Area Surveillance Initial Spares contract resulted in award costs below the original program office estimate. The resulting cost reduction constitutes savings achieved in executing the acquisition program.

Research, Development, Test, and Evaluation, Air Force, 25/26 **-7,221**

Budget Activity 04: Advanced component development and prototypes

1206415F U.S. Space Command Research and Development Support	24,446	24,446	-67	24,379
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Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the U.S. Space Command Research and Development Support budget line item. Federally funded research and development center projects were completed at costs below original estimates, resulting in savings during execution of the program. These savings constitute economies achieved in executing the acquisition program.

Budget Activity 07: Operational system development

0101316F Worldwide Joint Strategic Communications	13,690	13,690	-65	13,625
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Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Worldwide Joint Strategic Comm budget line item as a result of contract savings for Strategic Automated Command Control System Replacement. Contract negotiations generated savings resulting in excess funding above requirements.

0604283F Battle Mgmt Com & Ctrl Sensor Development	47,672	47,672	-7,086	40,586
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Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Battle Management Command and Control (BMC2) Sensor Development budget line for Hawaii Air Route Surveillance Radar Version 4 (ARSR-4). Non-recurring engineering contract negotiations generated savings resulting in excess funds above requirements.

0606018F NC3 Integration	21,864	21,864	-3	21,861
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Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, from the Nuclear Command and Control (NC3) Integration budget line item as a result of contract savings. Contract negotiations generated savings resulting in excess funding above requirements.

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DEFENSE-WIDE DECREASE

-20,000

Procurement, Defense-Wide, 24/26

DLA

-20,000

Budget Activity 01: Major equipment

Major Equipment

105,943

105,943

-20,000

85,943

Explanation: Funds are available for transfer to the Defense Modernization Account, Defense-Wide, due to efficiencies discovered in the acquisition of Hydrofluorocarbon (HFC) Gas, which yielded savings and excess funding to the program.