

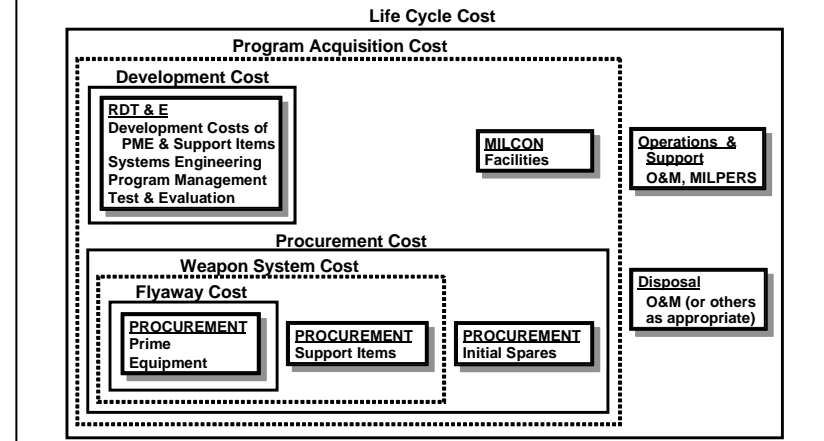
Below Threshold Reprogramming

Amounts are Cumulative Over Entire Period of Obligation Availability

APPRN	MAX INTO	MAX OUT	LEVEL OF CONTROL	OBL AVAIL
RDT & E	+ \$10 M	Lesser of - \$10 M or - 20%	Program Element	2 Years
PROC	+ \$20 M	Lesser of - \$20 M or - 20%	Line Item	3 Years SCN: 5 Years
O & M	+ \$15 M	None, unless otherwise specified	Budget Activity (or Defense Agency) Some BA 1 Sub-Activity Limitations on Decreases (Operating Forces)	1 Year
MILPERS	+ \$10 M	No Specific Congressional Restriction	Budget Activity	1 Year
MILCON	Lessor of + \$2 M + 25 %	No Specific Congressional Restriction	Project	5 Years

Reference Source: USD (C) Memo; SUBJECT: FY 2006 Below Threshold Reprogramming Authority Policy, 10 Feb 2006

Life Cycle Cost Composition



Cost Estimating Requirements

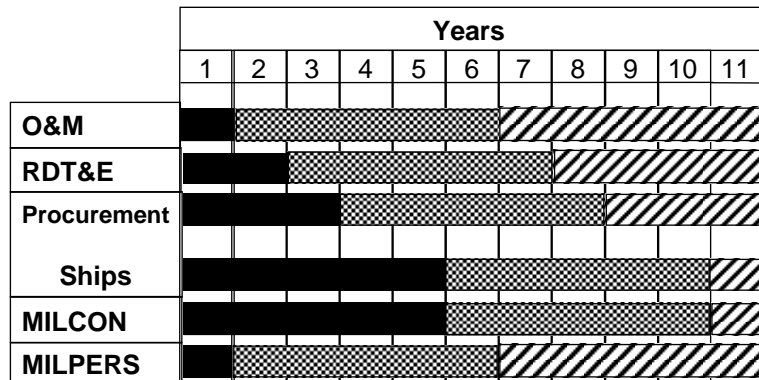
	ACAT IC & ID	ACAT IA
POE	Program initiation & all subsequent milestones, including FRP DR	Program initiation & all subsequent milestones - Includes Economic Analysis
CARD	Required same as ICE or CCA - Draft 180 days prior to OIPT/milestone - Final 45 days prior to OIPT/milestone	Required same as CCA - Draft 180 days prior to OIPT/milestone - Final 45 days prior to OIPT/milestone
CCA	Usually serves as ICE for ACAT IC programs - Prepared by component cost agency (AFCAA, DASA-CE, NCCA) - Program initiation & all subsequent milestones including FRP DR - Prepared at MDA discretion for other programs	Program initiation & whenever Economic Analysis is required
ICE	Required by law for all MDAP programs * - Prepared by OSD CAIG for ACAT ID and ACAT IC at discretion of USD (AT&L) - Program initiation & all subsequent milestones including FRP DR	

*ICE statutory requirement (Title 10, US Code, Sec 2434)
Source: DoDI 5000.2
As of: Jul 07

ACAT II & ACAT III: POE (and CCA at MDA discretion) at program initiation and all subsequent milestones

Acronym Legend		
AFCAA = Air Force Cost Analysis Agency	FRP DR = Full Rate Production Decision Review	OIPT = Overarching Integrated Product Team
CAIG = Cost Analysis Improvement Group	ICE = Independent Cost Estimate	POE = Program Office Estimate
CARD = Cost Analysis Requirements Description	MDA = Milestone Decision Authority	USD(AT&L) = Under Secretary of Defense (Acquisition, Technology, & Logistics)
CCA = Component Cost Analysis	MDAP = Major Defense Acquisition Program	
DASA-CE = Dep Asst Sec of Army (Cost & Economics)	NCCA = Naval Center for Cost Analysis	

Appropriation Life



- Current Period:** Available for new obligations, obligation adjustments, expenditures, and outlays
- Expired Period:** Available for obligation adjustments, expenditures, and outlays
- Cancelled:** Unavailable for obligations, obligation adjustments, expenditures, and outlays

Program Cost and Schedule Breach Parameters

	Applicable to Major Defense Acquisition Programs (MDAPs)		
	SAR (Title 10, US Code, Sec 2432)	Unit Cost Report (UCR) (Title 10, US Code, Sec 2433) (Nunn-McCurdy)	APB (Title 10, US Code, Sec 2435)
Schedule Milestones	6 Month Slip From Previous SAR	N/A	Slip beyond threshold date * Default threshold = objective plus 6 mon; MDA discretion
Cost	15%/30% PAUC Growth (Current/Original) 15%/30% APUC Growth (Current/Original)	15%/30% PAUC Growth (Current/Original) 15%/30% APUC Growth (Current/Original)	15%/30% PAUC Growth (Current/Original) 15%/30% APUC Growth (Current/Original) * RDT&E Growth * Procurement Growth * MilCon or O&M Growth * 10% default; MDA discretion
Reports Required If Breach Occurs	Quarterly SAR	Quarterly/Exception DAES Service notifies Congress (≥15/30%) SecDef Certification (≥25/50%)	Program Deviation Rpt (PM notifies MDA)

ACAT II & III: 15%/30% PAUC/APUC APB breach parameters are N/A; actual breach parameters at MDA discretion

Legend:	Critical Cost Growth (APB/SAR/UCR)
APUC = Average Procurement Unit Cost	PAUC or APUC increases of 25% of current baseline or 50% of original baseline requires Sec Def certification to Congress:
PAUC = Program Acquisition Unit Cost	-- Essential to National Defense
DAES = Defense Acquisition Executive Summary	-- No alternatives
Significant Cost Growth (APB/SAR/UCR)	-- Cost are under control
PAUC or APUC increases of 15% of current baseline or 30% of original baseline is "reportable" to Congress	-- Management is in place to keep costs under control

