

# **EXHIBIT 11**

Subject: National Guard Border Security Shortfalls Appropriation Title: Operation and Maintenance, Defense-Wide, 06/07; Operation and Maintenance, Air Force, 06/06; and Operation and Maintenance, Navy Reserve, 06/06	DoD Serial Number: FY 06-31 PA
	Includes Transfer? Yes

Component Serial Number:	<i>(Amounts in Thousands of Dollars)</i>							
	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

This reprogramming action is submitted for approval because it uses \$415.0 million of general transfer authority pursuant to section 8005 of Public Law 109-148, the Department of Defense (DoD) Appropriations, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006; and section 1001 of Public Law 109-163, the National Defense Authorization Act for Fiscal Year (FY) 2006. This reprogramming action provides funding in support of higher priority items, based on unforeseen military requirements, than those for which originally appropriated; and are determined to be necessary in the national interest. It meets all administrative and legal requirements, and none of the items have previously been denied by the Congress. Specifically, this reprogramming action transfers \$415.0 million from the Operation and Maintenance, Air Force, 06/06, (\$200.0 million) and the Operation and Maintenance, Navy Reserve, 06/06, (\$215.0 million) appropriations to the Operation and Maintenance, Defense-Wide, 06/07, appropriation to support the National Guard in its border security mission.

<b><u>FY 2006 REPROGRAMMING INCREASE:</u></b>	<b><u>+415,000</u></b>
<b><u>Operation and Maintenance, Defense-Wide, 06/07</u></b>	<b><u>+415,000</u></b>
<u>Border Security</u>	
708,000	392,700
	<b>+415,000</b>
	807,700

Explanation: Funds are required to support critical Operation Jump Start efforts for the National Guard during FY 2007.

<b><u>FY 2006 REPROGRAMMING DECREASES:</u></b>	<b><u>-415,000</u></b>
<b><u>Operation and Maintenance, Air Force, 06/06</u></b>	<b><u>-200,000</u></b>
<u>Budget Activity 1: Operating Forces</u>	
17,672,772	17,786,655
	<b>-200,000</b>
	17,586,655
<b><u>Operation and Maintenance, Navy Reserve, 06/06</u></b>	<b><u>-215,000</u></b>
<u>Budget Activity 1: Operating Forces</u>	
1,702,889	1,691,467
	<b>-215,000</b>
	1,476,467

Explanation: Funds appropriated in Division B, Title I, Chapter 2 of Public Law 109-148 are excess.

Approved (Signature and Date)  SEP 22 2006

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# United States Senate

COMMITTEE ON ARMED SERVICES  
WASHINGTON, DC 20510-6050

September 28, 2006

The Honorable Tina W. Jonas  
Under Secretary of Defense (Comptroller)  
3E822 Pentagon  
Washington, D.C. 20301-1100

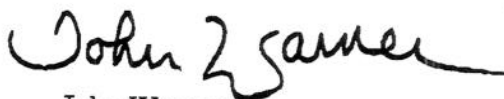
Dear Secretary Jonas:

The Committee on Armed Services has reviewed reprogramming request FY 06-31 PA. The Committee is disappointed that the revised plan for Operation Jump Start that was briefed to the committee staff to justify this reprogramming has changed from the plan briefed to the Congress when the supplemental request for this operation was submitted just four months ago. The plan was submitted to Congress with the assurance that at least two-thirds of the National Guard manpower for Operation Jump Start would be provided by personnel as part of their Annual Training (AT). The Committee is also disappointed that no attempt was made to brief Congress on these changes until the Department decided, at the last moment, to capture expiring funds to cover this substantial cost increase, leaving the committees very little time to obtain information on these proposed changes before acting. With respect to the funding source, while the statutory language can be read to provide the required authority to transfer these funds, we believe that such transfers go beyond the original congressional intent of providing separate funding for specific emergency purposes and should not become a standard practice.

The Committee does not object to these transfers, subject to the following condition. When the supplemental was submitted to the Congress in May, we were assured that no additional funding would be needed for fiscal year 2007. Before this \$415 million in additional funding for fiscal year 2007 is obligated, the committee directs the Department to provide the congressional defense committees with a fiscal year 2007 plan for this operation that specifies the new projected breakout of AT and Active Duty Special Work manyears for fiscal year 2007, and the projected cost of this revised plan.

With kind regards, I am

Sincerely,



John Warner  
Chairman

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September 26, 2006

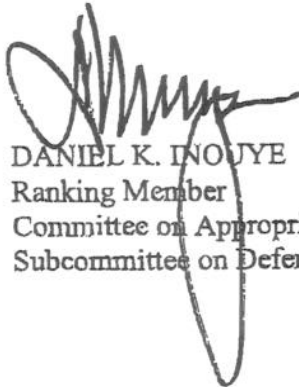
The Honorable Tina W. Jonas  
Under Secretary of Defense (Comptroller)  
The Pentagon  
Washington DC 20301

Dear Ms. Jonas:

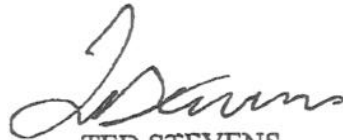
The Committee has reviewed your fiscal year 2006 reprogramming action  
FY 06-31 PA, dated September 22, 2006, and will interpose no objection.

With best wishes,

Cordially,



DANIEL K. INOUE  
Ranking Member  
Committee on Appropriations  
Subcommittee on Defense



TED STEVENS  
Chairman  
Committee on Appropriations  
Subcommittee on Defense

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U.S. House of Representatives

Washington, DC 20515-6035

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September 28, 2006

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Honorable Tina W. Jonas  
 Under Secretary of Defense, Comptroller  
 3E822 Defense, Pentagon  
 Washington, D.C. 20301

Dear Secretary Jonas:

The House Committee on Armed Services has completed its review of the proposed reprogramming FY06-31 PA, dated September 22, 2006. The request seeks approval to transfer \$200.0 million from Air Force Operation and Maintenance Accounts and \$215.0 million from Navy Reserve Operation and Maintenance Accounts to Defense-Wide Operation and Maintenance Accounts. This transfer will support Operation Jump Start efforts for the National Guard during fiscal year 2007.

The committee interposes no objections to the proposed reprogramming, however, this approval is based on the understanding that no additional funding will be required for Operation Jump Start during fiscal year 2007. In addition, the committee understands that the reprogrammed funds are excess to both the Air Force Operation and Maintenance Account and the Navy Reserve Operation and Maintenance Account and that all requirements related to Hurricane Katrina relief are met.

In conclusion, the committee is greatly disturbed by the late notice provided for this reprogramming action but will grant approval of the request due to its strong support for Operation Jump Start. Furthermore, the committee is displeased by the Department's gross underestimation of costs related to the mission, based on faulty assumptions regarding the availability of Army National Guard Military Personnel funds. These assumptions were at best overly optimistic, reflecting poor planning and communication between the National Guard Bureau and the states' adjutant generals. In the future, the committee expects earlier notice and greater detail in connection with these reprogramming requests.

Sincerely,

  
 Duncan Hunter  
 Chairman

  
 Ike Skelton  
 Ranking Member

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Congress of the United States  
 House of Representatives  
 Committee on Appropriations  
 Washington, DC 20515-6015

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CLERK AND STAFF DIRECTOR  
 FRANK M. CUSHING  
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 (202) 225-2771

September 25, 2006

Received  
 Sep 26, 2006

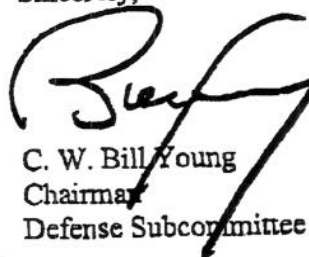
The Honorable Tina W. Jonas  
 Under Secretary of Defense, Comptroller  
 Department of Defense  
 Washington, DC 20301

Dear Madam Secretary:

The Committee has received and reviewed your request to reprogram \$415,000,000 within Operation and Maintenance, Defense-Wide, 06/07; Operation and Maintenance, Air Force, 06/06; and Operation and Maintenance, Navy Reserve, 06/06 (FY 06-31 PA).

The Committee interposes no objection to the proposed reprogramming.

Sincerely,

  
 C. W. Bill Young  
 Chairman  
 Defense Subcommittee