

FY 2008  
PERFORMANCE PLAN  
FY 2007/2008 Government Performance  
and Results Act (GPR) Plan



Department of Defense  
July 2007



*I am pleased to present the Department of Defense FY 2007/2008 Performance Budget.*

*The FY 2007/2008 Performance Budget identifies a select number of performance measures for assessing success among a limited number of high priority strategic objectives. The performance goals and measures for this submission are intended to be at the DoD enterprise-level. During the coming year, some of these measures and goals will undergo reevaluation to ensure that they are of a cross-cutting nature and can be cascaded to multiple DoD components. In addition, the Department will determine the best process for aligning the Department's budget among its strategic goals and objectives over the next fiscal year. Such efforts reflect the evolutionary nature of DoD's performance budget and our continuing efforts to ensure performance assessment is linked to identifiable and measurable strategic outcomes.*

*This plan constitutes the basis against which performance results for FY 2007 and FY 2008 will be assessed in subsequent DoD performance reports that will be provided in conjunction with the President's Budget.*

*Gordon England  
Deputy Secretary of Defense*

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## Performance Budget – FY 2007-2008 GPRA Plan

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### I. INTRODUCTION

A performance budget provides a framework for associating resources with performance. It fulfills the requirements of the Government Performance and Results Act of 1993 (GPRA) and Office of Management and Budget Circular A-11 -- both of which call for submission of annual performance plans by Federal agencies. In so doing, a performance budget complements the appropriation-specific information that is submitted to the Congress by providing:

- A performance-focused articulation of the Defense Department's strategic goals and objectives for senior-level management direction and focus; and
- A vehicle for communicating a limited number of high priority enterprise-level performance improvement targets that provide a basis for select organizational, program, and individual assessment.

Chapter II provides a summary of the Department's mission, organization, and major functions.

Chapter III discusses the Department's strategic goals, pursuant to its 2006 Quadrennial Defense Review.

Chapter IV summarizes the Department's performance plans for FY 2007 and FY 2008, against which results will be reported in subsequent annual performance reports. Chapter IV also discusses the relationship of the Department's strategic objectives to the President's Management Agenda initiatives. The Department's performance plan, in terms of its strategic goals, objectives, and performance targets, is subject to annual updates with each President's Budget. The next update will be provided with the DoD's FY 2009 President's Budget.

Chapter V discusses the Department's challenge in presenting a budget among strategic goals and objectives.

Currently, the Department is pursuing an Integrated Capability Portfolio (ICP) management concept that will align the DoD budget into a number of ICPs. As capability areas evolve, the Department will review the enterprise-wide objectives and performance targets, contained in this submission, align these to the new framework and ensure that these are clearly communicated. The Department will also continue to evaluate and refine the measures it employs to ensure that useful and relevant information is provided to senior leadership for effective decision-making.



Deputy Secretary of Defense Gordon England meets with "Why We Serve" military speakers at the Pentagon March 30, 2007, prior to their 90-day tour.

*DoD photo by Helene C. Stikkel – March 30, 2007*

## **II. DOD MISSION, ORGANIZATION, AND MAJOR FUNCTIONS**

### **II.1 DoD Mission**

The mission of the Department of Defense is to provide the military forces needed to deter war and to protect the security of the United States. Since the creation of America's first army in 1775, the Department and its predecessor organizations have evolved into a global presence of 3 million individuals, stationed in more than 140 countries, that are dedicated to defending the United States by deterring and defeating aggression and coercion in critical regions.

The Department embraces the core values of leadership, professionalism, and technical knowledge. Its employees are dedicated to duty, integrity, ethics, honor, courage, and loyalty.

### **II.2 Organization and Major Functions**

Figure II.1 illustrates how the Department of Defense is organized. A detailed listing of DoD major organizational components is at Appendix A.

#### ***The Office of the Secretary of Defense (OSD)***

The Secretary of Defense and his principal staff are responsible for the formulation and oversight of defense strategy and policy. The Office of the Secretary of Defense (OSD) supports the Secretary in policy development, planning, resource management, acquisition, and fiscal and program evaluation. Figure II.2 depicts the immediate Office of the Secretary of Defense, comprised of several Under Secretaries of Defense (USDs) and Assistant Secretaries of Defense (ASDs) for various functional areas.

Select OSD Principals also oversee the activities of various defense agencies, DoD field activities, and centrally manage select other organizations and activities that fall under their functional purview.

#### ***Military Departments***

The Military Departments consist of the Army, Navy (of which the Marine Corps is a component), and the Air Force, per Figure II.3. In wartime, the U.S. Coast Guard becomes a special component of the Navy; otherwise, it is part of the Department of Homeland Security. The Military Departments organize, staff, train, equip, and sustain America's military forces. When the President and Secretary of Defense determine that military action is required, these trained and ready forces are assigned to a Combatant Command responsible for conducting military operations.

The Military Departments include Active Duty, Reserve, and National Guard forces. Active Duty forces are full-time military Service members. The Reserve, when ordered to active duty by the Congress, supports the Active forces. Reserve forces are an extension of the Active Duty personnel and perform similar jobs when called to active duty. The National Guard has a unique dual mission with both Federal and state responsibilities. The Guard is commanded by the governor of each state or territory, who can call the Guard into action during local or statewide emergencies such as storms, drought, or civil disturbances. When ordered to active duty for mobilization or called into Federal service for national emergencies, units of the Guard are placed under operational control of the appropriate Military Department. The Guard and Reserve forces are recognized as an indispensable and integral part of the nation's defense.

## Department of Defense Organizational Structure

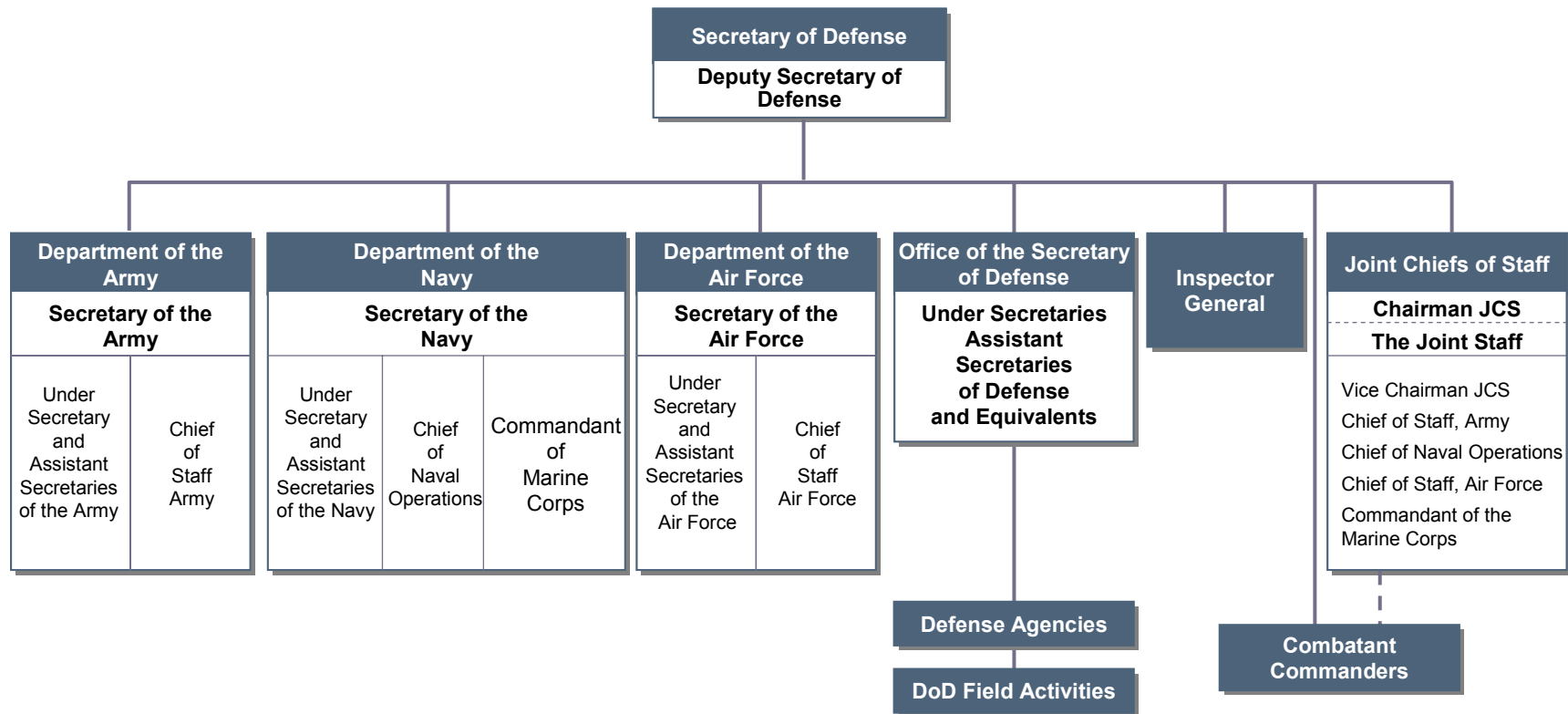
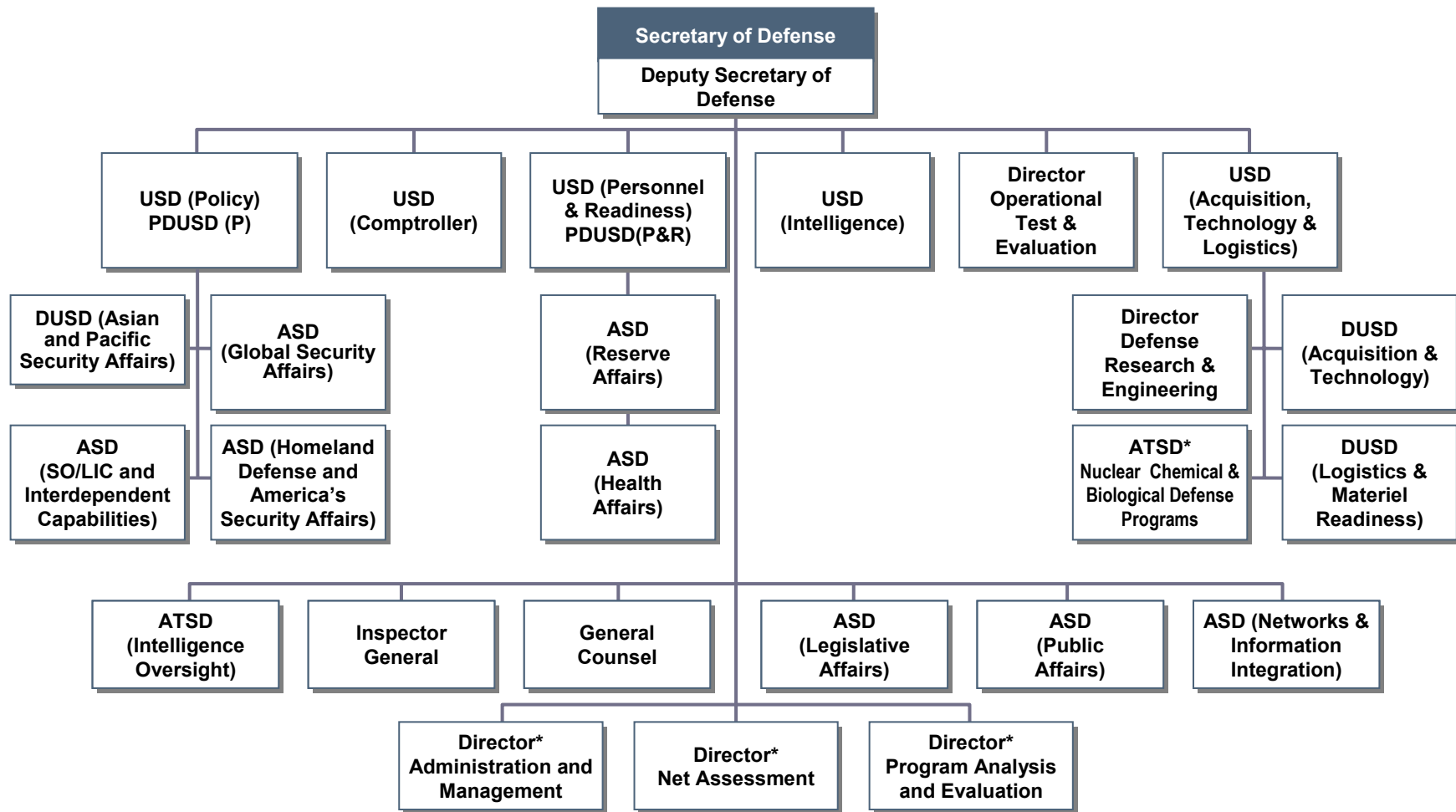


Figure II.1 – Department of Defense Organizational Structure

## Office of the Secretary of Defense



Organization Reflects Presidentially-Appointed/Senate-Confirmed Officials plus four positions (\*) who report directly to the Secretary of Defense

**Figure II.2 – The Office of the Secretary of Defense**

## Military Departments

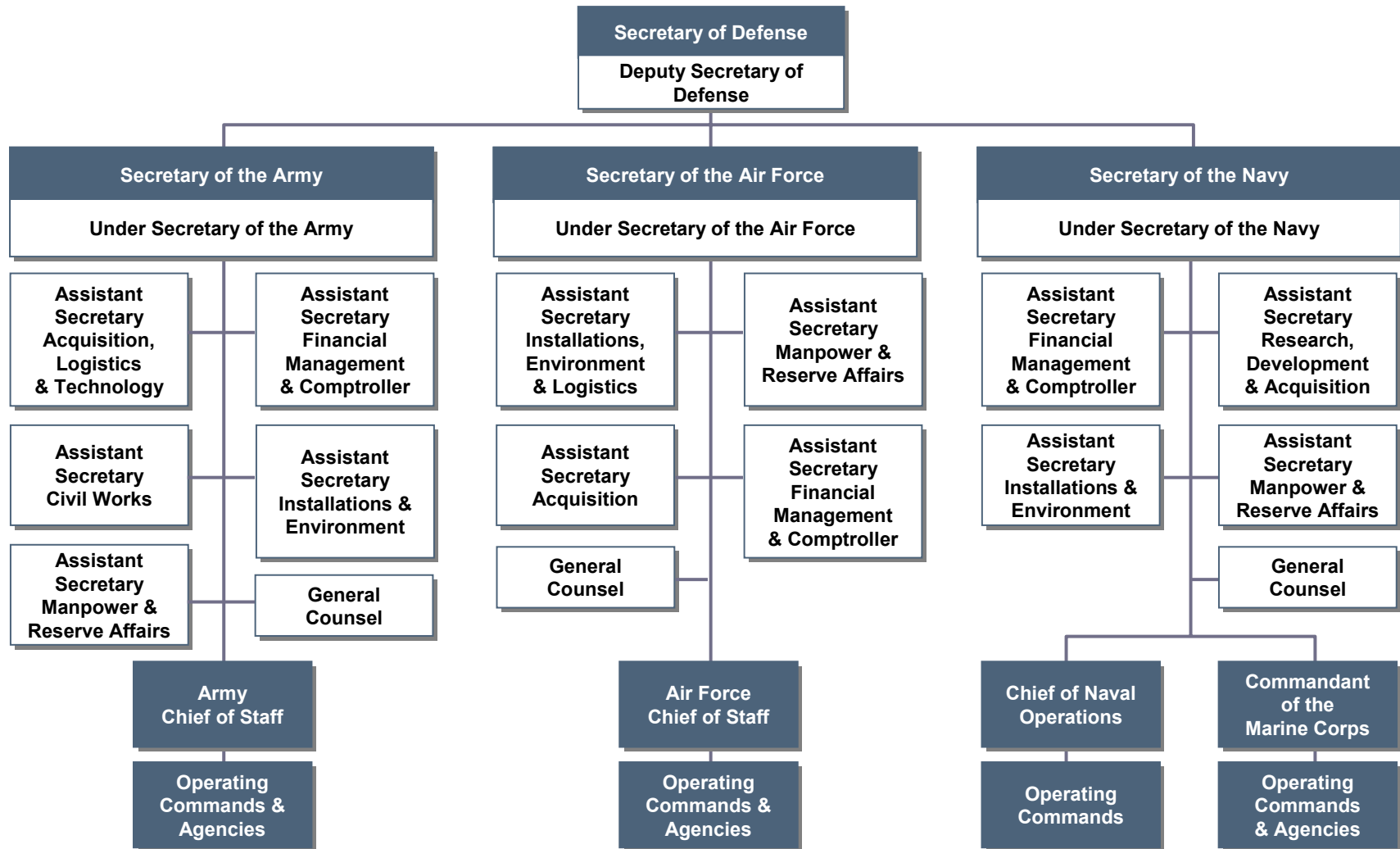


Figure II.3 Military Departments



## Defense Agencies

Eighteen defense agencies have evolved over time as a result of DoD-wide functional consolidation initiatives, per Figure II.4 (below). Defense agencies provide a variety of support services commonly used throughout the Department. For instance, the



Defense Finance and Accounting Service provides accounting services, contractor and vendor payments, and payroll services; and the Defense Logistics Agency provides logistics support and supplies to all Department activities.

### ***Department of Defense (DoD) Field Activities***

Eleven DoD field activities have also evolved over time as a result of DoD-wide functional consolidation initiatives, per Figure II.5. DoD field activities perform missions more limited in scope than defense agencies, such as the American Forces Information Service (AFIS) that serves as the DoD focal point for all Armed Forces Information Programs.

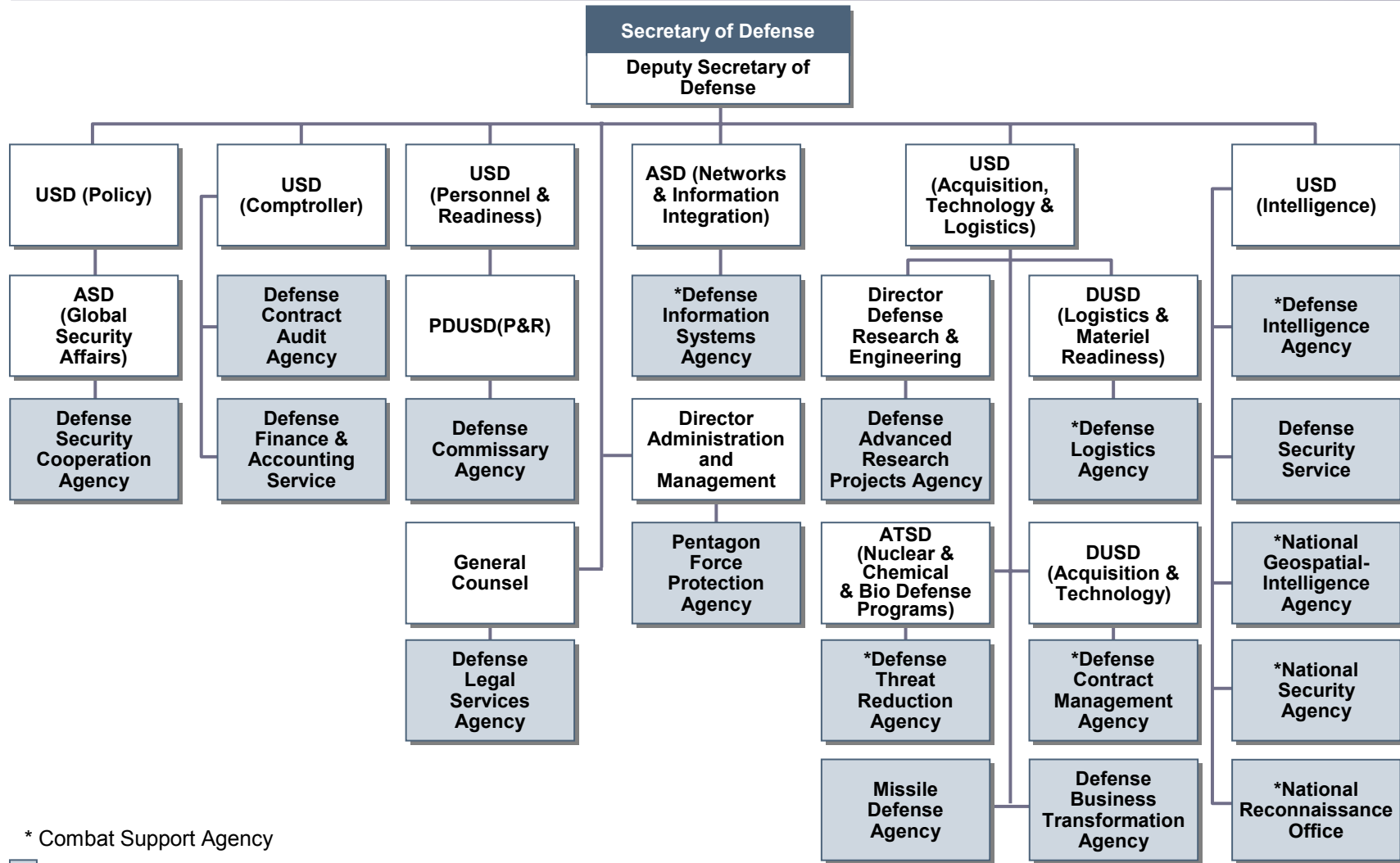
### ***Other Organizations and Centrally-Managed Accounts:***

Several other organizations and activities, of particular OSD focus, receive their own budget allocation. The largest of these is the Defense Health Program (DHP), which is managed by the Office of the Under Secretary of Defense for Personnel Readiness.

### ***The Joint Staff (JS)***

The Chairman of the Joint Chiefs of Staff (CJCS) is the principal military advisor to the President, the National Security Council, and the Secretary of Defense. The Chairman and his principal staff assist the President and the Secretary in providing for the strategic direction of the Armed Forces, including operations conducted by the Commanders of the Combatant Commands. As part of this responsibility, the Chairman also assists in the preparation of strategic plans and helps to ensure that plans conform to available resource levels projected by the Secretary of Defense. (See Figure II.6.)

## Department of Defense Agencies

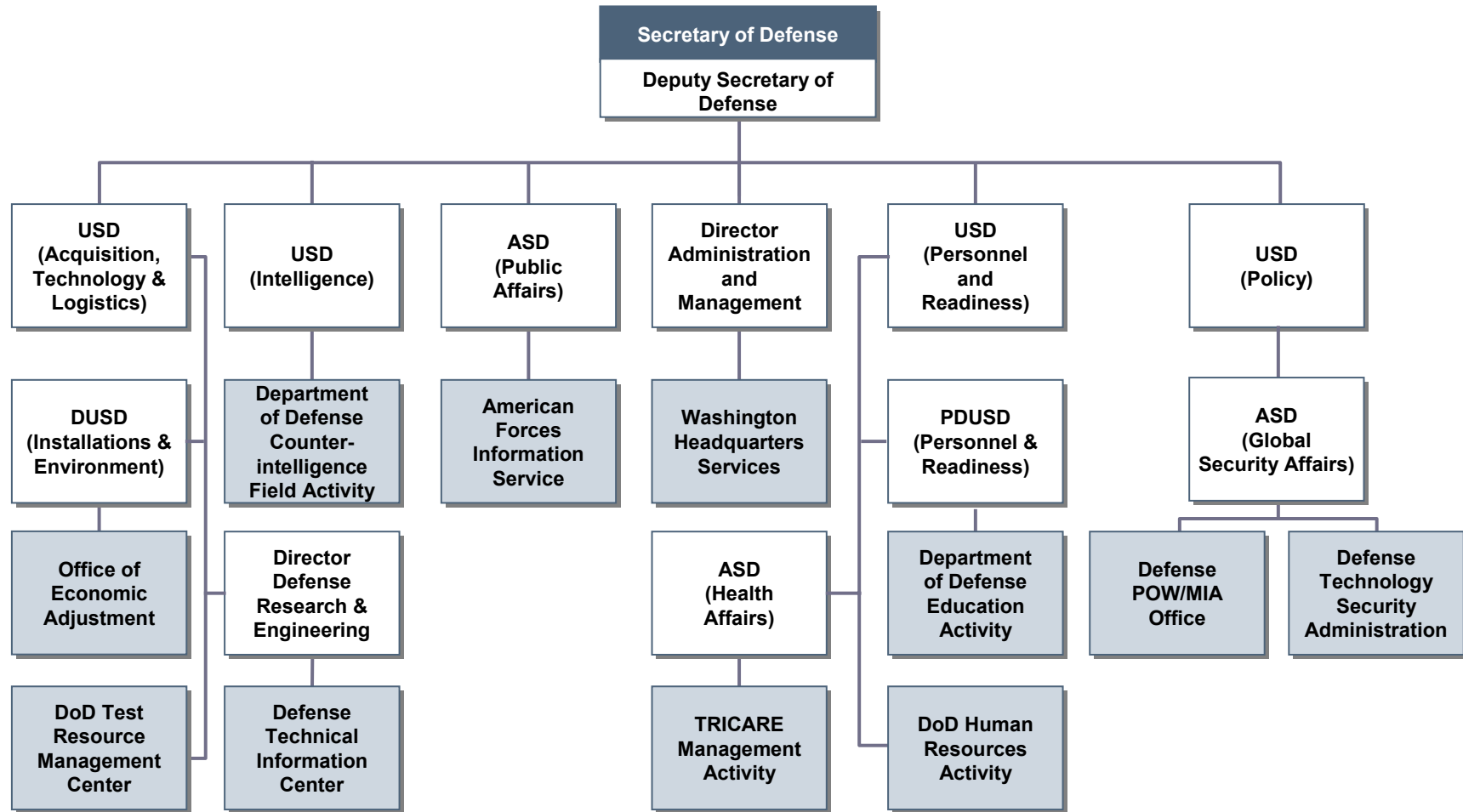


\* Combat Support Agency

■ Defense Agencies

Figure II.4 – Department of Defense Agencies

## Department of Defense Field Activities



 Defense Field Activities

*Figure II.5 – The Department of Defense Field Activities*

## Joint Chiefs of Staff

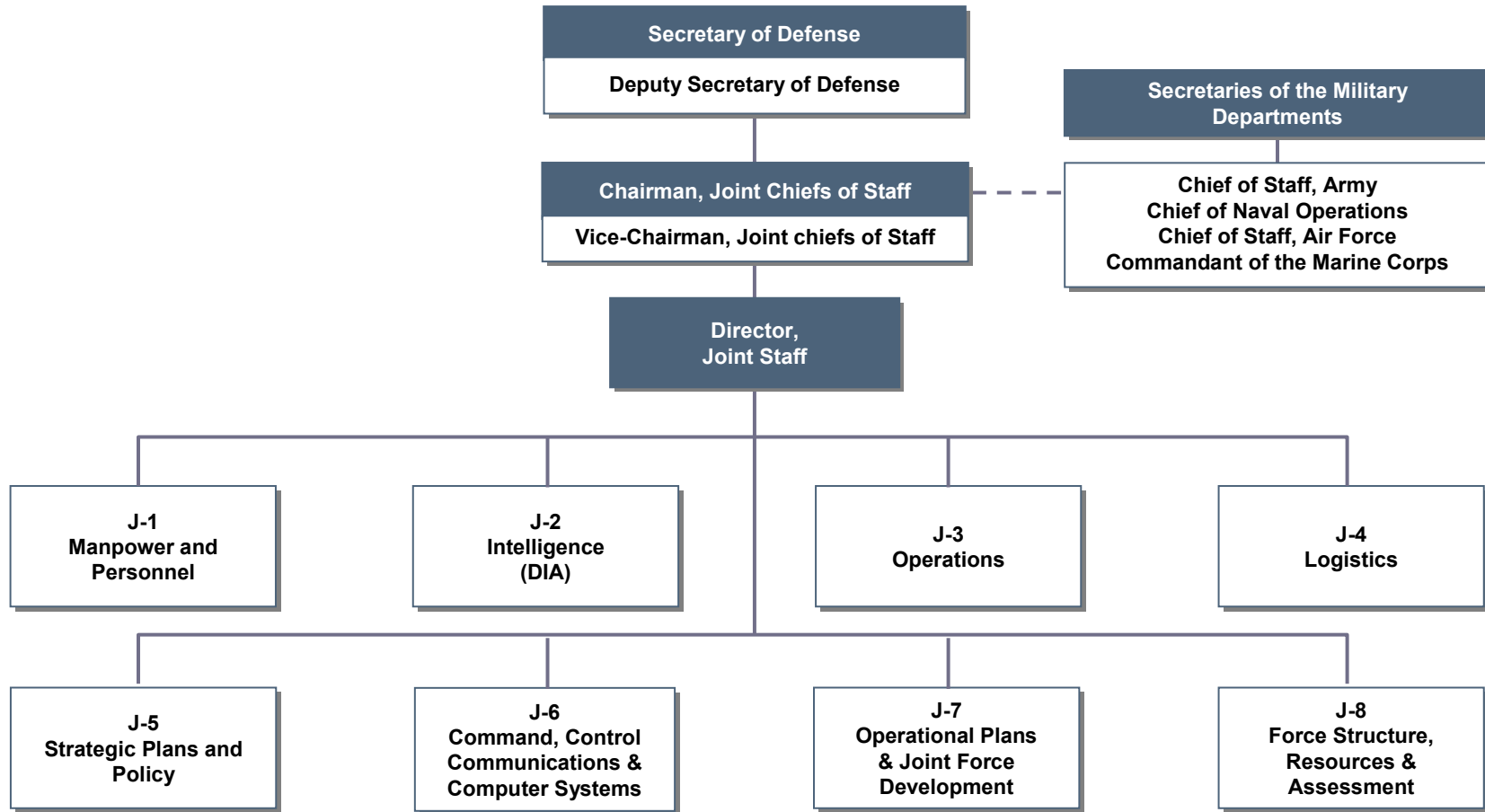


Figure II.6 – The Joints Chiefs of Staff

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### Combatant Commands

Nine Combatant Commands are responsible for conducting the Department's military operational missions around the world.

Five commands have specific military operational mission objectives for geographic areas of responsibility, as shown in Figure II-7.

- U.S. European Command (USEUCOM) is responsible for activities in Europe, Greenland, Russia, and most of Africa.
- U.S. Central Command (USCENTCOM) is responsible for the Middle East and several of the former Soviet republics. This Command is primarily responsible for conducting Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom.
- U.S. Pacific Command (USPACOM) is responsible for China, South and Southeast Asia, Australia, and the Pacific Ocean.
- U.S. Southern Command (USSOUTHCOM) is responsible for Central and South America and the Caribbean.
- U.S. Northern Command (USNORTHCOM) is responsible for North America, including Canada and Mexico.

In addition, the Department is planning to establish a sixth Unified Command for Africa not later than the end of FY 2008.

In addition, four Commands have specified worldwide mission responsibilities focused on a particular function(s):

- U.S. Strategic Command (USSTRATCOM) provides global deterrence capabilities, direction of Global Information Grid operations, and defense, and synchronizes Department efforts to combat weapons of mass destruction worldwide.
- U.S. Special Operations Command (USSOCOM) leads, plans, synchronizes, and as directed, executes global operations against terrorist networks.

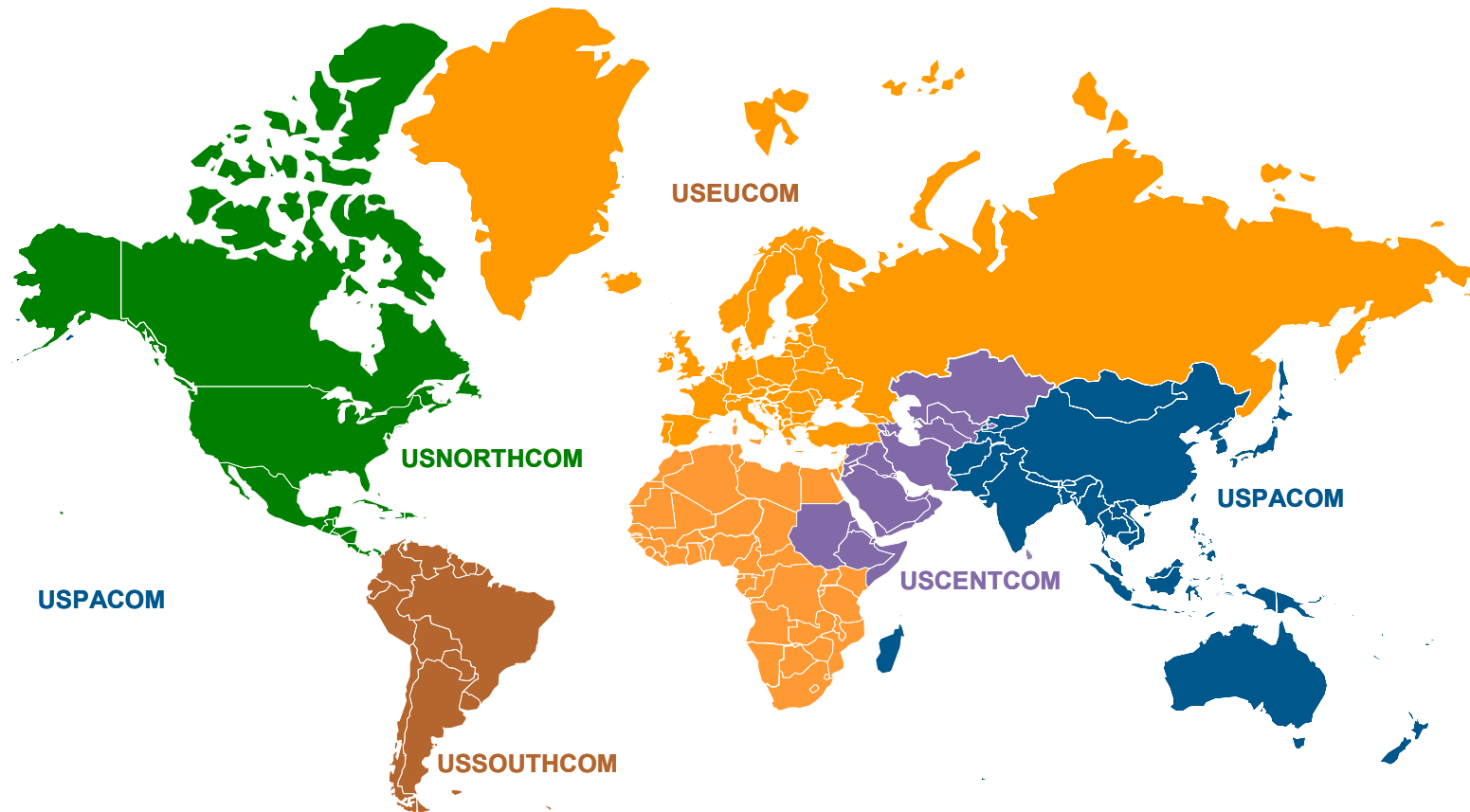
- U.S. Transportation Command (USTRANSCOM) moves military equipment, supplies, and personnel around the world in support of operations.
- U.S. Joint Forces Command (USJFCOM) leads joint innovation and experimentation, integrates joint force capabilities, trains joint forces, leads development of joint force readiness standards, and provides trained and ready joint forces to other combatant commanders.

The Military Departments supply the necessary capabilities to these Commands. As such, the operating costs of these commands (except the USSOCOM) is subsumed within each Military Department's total FY 2008 budget request. The USSOCOM is the only Combatant Command that has budget authority that resides outside of the control of the Military Departments and is reflected in the Department's Defense-wide accounts.



## US Combatant Commands

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*Figure II.7 – US Combatant Commands*

### III. DOD STRATEGIC PLAN

#### III.1 The Quadrennial Defense Review (QDR)

The Quadrennial Defense Review (QDR) constitutes the DoD's strategic plan. The Secretary of Defense submits the QDR to the President and the Committees on Armed Services of the U.S. Senate and the U.S. House of Representatives.

Subsection 118 of Chapter 2, United States Code requires that the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, conduct a comprehensive examination of the United States defense strategy and establish a defense program for the next 20 years. This review examines national defense strategy, force structure, force modernization plans, infrastructure, budget plans, and other elements of the defense program and policies of the United States, consistent with the most recent National Security Strategy and National Military Strategy prescribed by the President. The review calls for a budget plan that would be required to provide sufficient resources to execute successfully the full range of missions called for in the national defense strategy at a low-to-moderate level of risk.

#### III.2 The 2006 QDR

On February 3, 2006, the Defense Department unveiled its most recent Quadrennial Defense Review (QDR), charting the way ahead for the next 20 years. The 2006 QDR report acknowledged that the Defense Department has been and is transforming along a continuum that shifts emphasis from the 20th century to the 21st century. The foundation of the 2006 QDR are the National Military Strategy, published in May 2004 and the National Defense Strategy, published in March 2005.

The 2006 QDR reflects a process of change that has gathered momentum since the release of its predecessor QDR in 2001. The 2006 QDR identifies two fundamental imperatives for the

Department of Defense:

- Continuing to reorient the Department capabilities and forces to be more agile in this time of war, to prepare for wider asymmetric challenges and to hedge against uncertainty over the next 20 years.
- Implementing enterprise-wide changes to ensure that organizational structures, processes and procedures effectively support its strategic direction.

The QDR acknowledged that everything done in the Defense Department must contribute to joint warfighting capability. The report represents the Department's strategy for defense of the nation and the capabilities needed to effectively execute that defense. Its purpose is to provide the United States of America with strong, sound, and effective warfighting capabilities.

#### III.3 DoD Strategic (General Outcome) Goals

The 2006 QDR review required a judicious balance between present needs and future capabilities, as depicted by the following overarching DoD strategic goals:

- Goal 1: Fight the Long War on Terrorism
- Goal 2: Reorient Capabilities and Forces
- Goal 3: Reshape the Defense Enterprise
- Goal 4: Develop a 21st Century Total Force
- Goal 5: Achieve Unity of Effort

The 2006 QDR was the first contemporary defense review to coincide with an ongoing major conflict. Consequently, strategic goal 1 is focused on the ongoing major conflict and extended stabilization campaign in Iraq and Afghanistan. At the same time, the 2006 QDR recognized that the Department needed to recast its view of future warfare through the lens of a long duration and globally-distributed conflict. Therefore, strategic goal 2 focuses on reorienting the Armed Forces to deter and

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defend against transnational terrorists around the world. Strategic goal 5 recognizes that the DoD cannot meet today's complex challenges alone. This goal recognizes integrated security cooperation and strategic communication as additional tool sets the Combatant Commanders may use to fight wars. Together, these three goals encompass the Department's warfighting missions.

Strategic goals 3 and 4 focus on developing a Total Force and reshaping the defense infrastructure, respectively, in ways that better support the warfighter. Therefore, these goals are seen as supporting goals that enable accomplishment of the Department's primary strategic goals 1, 2, and 5. See Figure III.1. A summary discussion of each overarching strategic goal is addressed below.

### 2006 QDR Strategic Goals

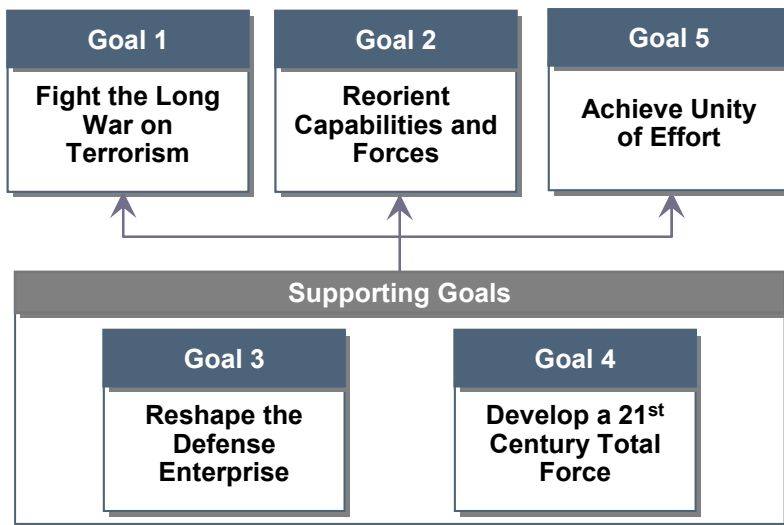


Figure III.1 – QDR Strategic Goals

#### Strategic Goal 1:

#### Fight The Long War On Terrorism

Strategic goal 1 recognizes the current struggles centered in Iraq and Afghanistan as one of two major warfare campaigns the Defense Department must remain postured to conduct. The Department has requested approximately \$141.7 billion in fiscal year (FY) 2008 to continue operations in Iraq and Afghanistan. The goal of U.S. engagement in Iraq (Operation Iraqi Freedom) and Afghanistan (Operation Enduring Freedom) is to establish stable, democratic and secure nations, with the institutions and resources of each nation providing for its own security.

#### Iraq

Iraq is a central front in the Global War on Terror (GWOT). Success in Iraq is an essential element in the long war against the extremist ideology that breeds international terrorism. Since March 2003, Iraq has made significant progress in overcoming the brutal dictatorship of Saddam Hussein, in reviving Iraqi society, and establishing democratic rule. Specifically, in FY 2006:

- Iraqis assumed responsibility from Multi-National Force-Iraq (MNF-I) for the security of Muthanna province, the first to be transferred to Iraqi civilian control;
- The Government of Iraq (GoI) stood up the military Joint Headquarters and the Ground Forces Command, which assumed command and control of a portion of its armed forces;
- The Coalition has trained and equipped 328,500 Iraqi Security Forces (ISF) to varying levels of readiness, which include the Army, local and national police, border guards and specialized units;
- Eight division headquarters, 31 brigade headquarters, and 94 Iraqi Army battalions have assumed the lead for counterinsurgency operations in their areas of operation. In



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September 2006, the Ministry of Defense (MoD) assumed control of the Iraqi Ground Forces Command (IGFC), the Iraqi Air Force, the Iraqi Navy, and three of 10 Iraqi Army divisions. (The other divisions are scheduled to come under the IGFC in 2007). In total, 106 Iraqi Army combat battalions and 12 Strategic Infrastructure Battalions are “in the fight.”

Success in Iraq is critical to U.S. national security. The President’s new way forward is rooted in six fundamental elements: first, let the Iraqis lead; second, help the Iraqis protect the population; third, isolate the extremists; fourth, create space for political progress; fifth, diversify the political and economic efforts; and sixth, employ a regional approach to the problem.

The goal of the United States and its Coalition partners, in support of the Government of Iraq (GoI), is the establishment of conditions that will enable the Iraqi people to achieve stability and national unity. The U.S. bilateral relationship with Iraq is evolving as the GoI and Iraqi security forces become increasingly capable of providing the security needs of their country. The U.S. and Coalition are working to increase Iraqi security force capacity—both size and effectiveness and expanding and increasing the Provincial Reconstruction Teams (PRTs) at the local level to serve all of Iraqi communities on an impartial basis. The number of infrastructure attacks continues to decrease, but lack of recovery from the cumulative effects of these attacks, combined with ineffective repair and maintenance of the infrastructure, impede the delivery of essential services and undermine the legitimacy of the GoI among the Iraqi people. Stability in Iraq requires coordinated efforts in political and economic development, as well as development of more capable security forces. While longing for independence and self-determination, the Iraqi people do not want the U.S. and Coalition forces to leave before the job is complete.

The security plan is designed to have Iraqi forces lead a campaign, with U.S. and Coalition forces in support, to protect

the population of Baghdad from intimidation and violence instigated by Sunni and Shi’a extremist groups. Under the revised strategy, both the Iraqi Ministry of Defense (MoD) forces and Iraqi Ministry of Interior (MoI) forces will be trained and equipped to be principally responsible for quelling sectarian violence. Coalition forces, with Iraqi forces in support, will be responsible for operations to defeat Al Qaeda and associated movements. The program accelerates the hand-over of responsibility, while at the same time it continues training and equipping of MoD and MoI forces. Ultimately, success in these efforts lies with the government and the people of Iraq.

### ***Afghanistan***

When the United States and its Coalition partners began Operation Enduring Freedom (OEF) in October 2001, we started with two missions: defeat Al Qaeda and their Taliban allies in Afghanistan, and—with the Afghan people and the international community—create a stable, moderate democracy that will never again provide sanctuary for terrorists. Significant progress has been made toward accomplishment of those two missions, including the following:

- Five years later, Afghanistan is no longer an open sanctuary for Al Qaeda, and the Taliban regime is no longer in power. While Afghanistan remains a central front in the war on terror, on October 5, 2006, the UN-mandated International Security Assistance Force (ISAF), led by NATO, took the lead for international forces in the country. ISAF now accounts for more than two-thirds of the international forces providing stability and security in Afghanistan.
- Afghanistan now has a democratically elected and representative government, an Afghani constitution, and a National Assembly of 20 confirmed ministers and two Supreme Court justices. At least five million students are enrolled in schools—a 500 percent increase since 2001, of

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which 40 percent are women and girls. Over 80 percent of the population now has access to at least basic healthcare.

- The Afghan economy has been growing steadily—from \$2.2 billion in 2002 to an estimated \$7.3 billion for FY 2006. Per capita income has doubled since 2001, and agricultural opportunities are increasing.
- In May 2005, President Bush and President Karzai reaffirmed their commitment and signed the Joint Declaration of the United States-Afghanistan Strategic Partnership.

However, Afghanistan remains a haven of terrorist groups and drug traffickers. Last year, a resurgent Taliban focused on testing the ISAF forces, but ISAF and ANAF demonstrated that they will stand, fight, and defeat the Taliban attacks. A significant increase in narcotics production in 2006 threatens to corrupt and undermine the new institutions of the Afghan state. Taliban presence and strength have grown in some southern areas. As a result, the United States, in cooperation with ISAF partners, must accelerate and increase our efforts if Afghanistan is to succeed. Commander's Emergency Response Program (CERP) funds are a key element of our military strategy in Afghanistan. CERP provides the commander the funds to bring quick assistance and reconstruction with immediate benefits to the Afghanistan people.

The shift in the strategic environment also highlighted the need to expand the size and capabilities of the ANAF to respond to the resurgent Taliban. Under the revised program:

- The Afghan National Army (ANA) will be trained and equipped to provide for internal security and to assume leadership for counterinsurgency and internal operations. Soldiers will be armed with reliable and more capable weapons, armored vehicles, body armor, and advanced first aid kits. Six battalions will receive specialized training to

become rapid response commando battalions, and the final ANA will include a small, capable air corps. In addition, the army will include combat support units, consisting of engineering units, military intelligence companies, and military police.

- The Afghan National Police (ANP) Counter-narcotics Police (CNP) program will be accelerated to develop a force modeled on the U.S. Drug Enforcement Agency to improve Afghanistan's interdiction capabilities. The Afghan Border Police (ABP) will also receive additional capabilities and equipment. Additionally, a new Civil Order Police (COP) specialized unit will be established to fill a rapid response force gap for civil emergencies like the May 2006 Kabul riots.

The GoA has committed to providing the manpower to meet these objectives and to ensuring that the Afghanistan National Security Force (ANSF) is responsible and a lasting institution. Guided by the National Military Strategic Plan for the War on Terror (NMSP-WOT), the Defense Department applies lessons learned from these campaigns to make continued progress toward its strategic objectives.

### **Strategic Goal 2: Reorient Capabilities and Forces**

While strategic goal 1 recognizes a major warfare campaign currently performed by our Armed Forces, strategic goal 2 encompasses the balance of military missions conducted around the globe. On any given day, nearly 350,000 men and women of the U.S. Armed Forces are deployed or stationed in approximately 130 countries, fighting enemies of freedom. They maintain the Nation's treaty obligations and international commitments, protect and advance U.S. interests, and provide relief. The 2006 QDR acknowledged that the Department has been and is transforming along a continuum. Although U.S.

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military forces maintain their predominance in traditional warfare, they must also be improved to address the non-traditional, asymmetric challenges of this new century. The terrorist attacks on September 11, 2001 imposed a powerful sense of urgency to transforming the Department. Much has been accomplished since that tragic day, including the following:

- Reorganized the operational forces, creating Northern Command, with important responsibilities for homeland defense, and merged Space and Strategic Commands into a single Strategic Command;
- Supported the Department of Homeland Security in natural disaster relief for Hurricanes Katrina and Rita;
- Initiated a post-9/11 Global Military Force Posture Plan to rearrange U.S. forces around the world, resulting in more expeditionary and deployable forces with the ability to surge quickly to trouble spots across the globe;
- Initiated a new concept for Army organization, including integrating Active, Guard, and Reserve forces around a new modular Brigade Combat Team structure;
- Strengthened U.S. Special Forces by increasing manpower, integrating new technologies, procuring new aircraft, and including the U.S. Marines in Special Operations Forces;
- Invested in new equipment, technology and platforms for the forces, including advanced combat capabilities: Stryker Brigades, Littoral Combat Ships, converted cruise-missile firing submarines, unmanned vehicles and advanced tactical aircraft—all linked by Net-Centric Warfare systems;
- Brought on-line an initial Missile Defense System, providing a nascent defensive capability; and
- Undertook massive disaster relief efforts for the South Asia tsunami and recent earthquakes in Pakistan.

The 2006 QDR provided direction for accelerating transformation by developing flexible portfolios of joint capabilities that improve the Department's ability to meet the needs of the President and the Combatant Commanders. Based on the above considerations, the Department refined its Force Planning Construct, dividing its military activities into three areas: Homeland Defense, War on Terror/Irregular (Asymmetric) Warfare, and Conventional Campaigns. This wartime force planning construct calls for accomplishing the following steady-state objectives:

- Detect, deter, and if necessary, defeat external threats to the U.S. homeland, and enable partners to contribute to U.S. national security;
- Deter and defend against external transnational terrorist attacks, enable partners through integrated security cooperation programs, and conduct multiple, globally distributed irregular operations of varying duration; and
- Deter inter-state coercion or aggression through forward deployed forces, enable partners through theater security cooperation, and conduct presence missions.

In addition, U.S. forces need to be able to surge to:

- Contribute to the Nation's response to and management of the consequences of Weapons of Mass Destruction (WMD) attacks or a catastrophic event;
- Conduct a large-scale, potentially long-duration irregular warfare campaign including counterinsurgency and security, stability, transition, and reconstruction operations; and
- Wage two nearly simultaneous conventional campaigns (or one conventional campaign if already engaged in a large-scale, long-duration irregular campaign), while selectively reinforcing deterrence against opportunistic acts of aggression.

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Currently, the struggle is centered in Iraq and Afghanistan, but the United States will need to be prepared to successfully defend our Nation and its interests around the globe for years to come. The enemies in this war are not traditional conventional military forces but rather dispersed, global terrorist networks that exploit Islam to advance radical political aims. These enemies have the avowed aim of acquiring and using nuclear and biological weapons to murder hundreds of thousands of Americans and others around the world. Al Qaeda and its associated movements operate in more than 80 countries. This requires providing legitimate governments with the capacity to police themselves and to deny terrorists the sanctuary and the resources they need to survive. To operationalize the strategy, the Department will focus on defeating terrorist networks, defending the homeland in depth, shaping the choices of countries at strategic crossroads; and preventing hostile states and non-state actors from acquiring or using WMD.

The United States, its allies and partners must maintain the offensive by relentlessly finding, attacking, and disrupting terrorist networks worldwide by denying them sanctuary in both the physical and information domains. It will be necessary to maintain a long-term, low-visibility presence in many areas of the world where U.S. forces do not traditionally operate. Highly distributed global operations in the Pacific and Indian Oceans, Central Asia, the Middle East, the Caucasus, the Balkans, Africa, and Latin America demonstrate the importance of small teams conducting missions uniquely tailored to local conditions.

The long war has also seen U.S. forces taking on greater roles at home—reinforcing the Nation’s land borders, shipping lanes, harbors, and critical infrastructure. At the state level, the National Guard is fielding 55 WMD Civil Support Teams (CSTs) in each state, territory and the District of Columbia. These 22-member teams can provide critical communications links, quick assessment of damage from any WMD attack, and

consequence management support to local, state, and Federal agencies. The National Guard is also creating Enhanced Response Force Packages for chemical, biological, radiological, nuclear, and high-yield explosive attacks. To improve command and control functions for emergencies and major public events, the National Guard is creating a Joint Force Headquarters in each state.

The United States will attempt to shape the choices of major and emerging powers in ways that foster cooperation and mutual security interests. Beyond Europe and the Asia-Pacific region, the Middle East, Central Asia, and Latin America are in flux and represent geo-strategic crossroads. The pursuit of weapons of mass destruction by Iran is a destabilizing factor in the Middle East. The countries of Central Asia have a long way to go toward adopting basic political liberties and free markets. In Latin America, slow economic growth, weak democratic institutions, and stark economic inequality have led to a resurgence of populist authoritarian political movements in some countries, such as Venezuela. The United States remains concerned about the erosion of democracy in Russia, the curtailment of freedom of the press, the centralization of political power, and limits on economic freedom. China has the greatest potential to compete militarily with the United States and to field disruptive military technologies that could, over time, offset traditional U.S. military advantages.

Today, the United States faces a great danger from an expanding number of hostile regimes and terrorist groups that seek to acquire and use WMD. The lack of effective governance in many parts of the world contributes to the WMD danger. The prevalence of dual-use technologies means nuclear, chemical and biological research efforts are easy to conceal and difficult to detect and monitor. To address such threats, the United States must be prepared to deter attacks, locate, tag, and track WMD materials; act in cases where a state that possesses

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WMD loses control of its weapons, especially nuclear devices; detect WMD across all domains; sustain operations even while under WMD attack; help mitigate the consequences of WMD attacks at home or overseas; and eliminate WMD materials in peacetime, during combat, and after conflict.

Long-duration, complex operations waged simultaneously in multiple countries around the world require persistent surveillance and better intelligence to locate enemy capabilities and personnel. One of the greatest challenges facing U.S. forces is finding the enemy and then rapidly acting on that information. Intelligence functions will be fully integrated with operations down to the tactical level, with far greater ability to reach back to intelligence collection systems and analytic capabilities outside the theater. To address this challenge in Iraq, the Department established in the theater the Joint Intelligence Operations Center (JIOC) – Iraq. This Center integrates intelligence from all sources—imagery, signals intelligence, and human intelligence – and then fuses that information with planning and execution functions to support operations that are often conducted within hours or even minutes of receiving an intelligence tip. Additional JIOCs will be established over the next decade to address this challenge in other regions.

### **Strategic Goal 3:**

#### **Reshape the Defense Enterprise**

To win the long war, the Department of Defense must reshape the defense enterprise in ways that better support the warfighter and are appropriate for the threat environment. Today, the Armed Forces are often hampered by inefficient business practices that are handicaps in the protracted fight against agile and networked foes. Over the past twenty years, the Department has increasingly integrated its warfighting doctrine, organization, training, and operations to create the world's most formidable

joint force. The Department's organizations, processes, and enabling authorities urgently require a similar transformation.

The Department's approach is to improve significantly organizational effectiveness, and in so doing, to reap the rewards of improved efficiencies. Recent operational experiences have demonstrated the need to bring further agility, flexibility, and horizontal integration to the defense support infrastructure. The Department's enterprise reforms are guided by a three-part vision:

- First, the Department must be responsive to its stakeholders. Not only must the Department's support functions enhance the U.S. military's ability to serve the President and provide a strong voice for the joint warfighter, it must also provide the best possible value to the American taxpayer.
- Second, the Department must provide information and analysis necessary to make timely and well-reasoned decisions. The Department's culture, authorities, organizations, and information systems must be aligned in a manner that facilitates effective decision-making and enables response mission execution, while maintaining accountability.
- Third, the Department must undertake reforms to reduce redundancies and ensure the efficient flow of business practices by evaluating support systems and processes to optimize their responsiveness. To do this, common authoritative databases will be identified, Department-level financial databases will be combined, and common analytical methods will be adopted.

The Defense Business Systems Management Committee (DBSMC) was chartered by the DoD in February 2005 to oversee transformation in Business Mission Areas (BMAs) and to ensure that it meets the needs and priorities of the warfighter. The DBSMC is the DoD's senior-most governing body for

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business system management, and it convenes under the personal direction of the Deputy Secretary of Defense to review capability requirements, set business priorities, and monitor progress to plan. The DBSMC recommends policies and procedures required to integrate DoD business transformation and attain cross-Department, end-to-end interoperability of business systems and process. The DBSMC reviews and approves the Defense Department's Business Enterprise Architecture (BEA) and Enterprise Transition Plans (ETPs). The BEA defines, from a technical perspective, the Department business transformation priorities, the business capabilities and improvements required to support priorities, and the related combinations of systems and initiatives that enable the capability improvements. System initiatives that are critical to transformation are discussed, in detail, in the Department's ETP and identified under the strategies section for each strategic objective identified in Chapter V of this document. The DBSMC approves system investment decisions and continually monitors schedule and milestone completeness, costs and resources, performance measures, and risks.

The Under Secretaries of Defense, also referred to as Principal Staff Assistants (PSAs), support the DBSMC in the top level management of enterprise business information technology (IT) investments associated with improving core business areas. Each PSA serves as the Certification Authority (CA) accountable to obligate funds for business system investments. Leading their respective Investment Review Boards (IRBs), the CAs review, approve, and oversee the design, acquisition, deployment, operation, maintenance, and modernization of specific systems. All DoD components are represented in the IRBs. DoD components are accountable to the DBSMC to provide program oversight, status reports, portfolio management of respective systems, and pre-certification of systems at the local level. Key component investments and initiatives are aligned with Business Enterprise Priorities within the ETP.

The DBSMC approved the establishment of a defense agency to coordinate the following four key business transformation efforts across the Defense Department:

- Provide support for joint warfighting capability;
- Enable rapid access to information for strategic decisions;
- Reduce the cost of Defense business operations; and
- Improve financial stewardship to the American people.

The Defense Business Transformation Agency (BTA) was established, effective October 7, 2005. The BTA enables business transformation by ensuring consistency, consolidation and coordination of enterprise-level business systems and by reducing redundancies in business systems and costs. The BTA is the primary link to DoD Principal Staff Assistants (functional business owners) within the Office of the Secretary of Defense, as well as DoD operating component heads (Joint Staff, Combatant Commanders, and Service representatives) in the areas of business process re-engineering and investment matters. The BTA is responsible for integrating work across the Department in areas such as human resources, financial management, acquisition, and logistics.

### **Strategic Goal 4: Develop a 21st Century Total Force**

The Department of Defense is the world's largest employer, directly employing more than three million people. The Department's Total Force—its Active and Reserve military components, its civil servants, and its contractors—constitutes its warfighting capability and capacity.

Strategic goal 4 recognizes that the Total Force must continue to adapt to different operating environments, develop new skills, and rebalance its capabilities and people if it is to remain

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prepared for the new challenges of an uncertain future. The Department plans to rebalance an additional 55,000 military personnel by 2010. U.S. Joint Forces Command (USJFCOM), as the joint force provider, is aiding the effort by ensuring the appropriate global distribution of ready forces and competencies. The future force must be more finely tailored, more accessible to the joint commander, and better configured to operate with other agencies and international partners in complex operations. It must be trained in traditionally non-military areas, such as disaster response and stabilization. Increasing the adaptability of the Total Force, while also reducing stress on military personnel and their families, is a top priority.

In particular, the Reserve Component must be operationalized, so that select Reservists and units are more accessible and more readily deployable than today. As a result, the Department will:

- Pursue authorities for increased access to the Reserve Component by increasing the period authorized for Presidential Call-up from 270 to 365 days;
- Better focus the use of the Reserve for homeland defense and civil support operations;
- Achieve revision of Presidential Reserve Call-up for natural disasters;
- Allow individuals who volunteer for activation on short notice to serve for long periods on major headquarters staffs, as individual augmentees;
- Develop select Reserve units that train more intensively and require shorter notice for deployment; and
- Explore the creation of all-volunteer Reserve units with high-demand capabilities and the concept of contracted volunteers.

These imperatives required a new strategy for shaping the Department's Total Force. The Department and Military Services must carefully distribute skills among the four elements of the Total Force (Active Component, Reserve Component, civilians and contractors) to optimize their contributions. Both uniformed and civilian personnel must be readily available to joint commanders. This operational Total Force must remain prepared for complex operations at home or abroad, including working with other U.S. agencies, allies, partners and non-governmental organizations. Routine integration with foreign and domestic counterparts require new forms of advanced joint training and education. The combination of joint, combined and interagency capabilities in modern warfare represents the next step in the evolution of joint warfighting and places new demands on the Department's training and education processes. Toward this end, the Department will:

- Develop a Joint Training Strategy to address new mission areas, gaps, and continuous training transformation;
- Revise its Training Transformation Plan to incorporate irregular warfare, complex stabilization operations, combating WMD and information operations;
- Expand the Training Transformation Business Model to consolidate joint training, prioritize new and emerging missions and exploit virtual and constructive technologies;
- Develop broader linguistics capability and cultural understanding by increasing the number of personnel proficient in key languages such as Arabic, Farsi, and Chinese, and make these languages available at all levels of action and decision—from strategic to tactical;
- Increase the importance of Foreign Area Officers, who provide Combatant Commanders with political-military analysis, critical language skills, and cultural adeptness;

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- Support creation of a National Security Officer (NSO) corps—an interagency cadre of senior military and civilian personnel to integrate large national security interests;
- Transform the National Defense University into a National Security University, tailored to support the educational needs of the broader U.S. national security profession; and
- Integrate contractors in the Total Force contingency operations and Combatant Commander operational plans and orders.

Finally, the Department must effectively compete with the civilian sector for high-quality personnel. Two key enablers of this transformation will be a new Human Capital Strategy and the application of the new National Security Personnel System to manage the Department's civilian personnel.

The Department's Human Capital Strategy may be considered "competency-focused" and "performance-based." It is based on an in-depth study of the competencies U.S. forces require and the performance standards to which they must be developed. Advancements, awards and compensation will be linked to an individual's performance rather than to longevity or time-in-grade. This will better align incentives to outputs and reward excellence.

The new National Security Personnel System (NSPS) is designed to facilitate the effective management of the Department's 650,000 civilian personnel. The NSPS addresses three major personnel issues: staffing the enterprise to support 21st century missions; using compensation to compete more effectively in the broader labor market; and providing civilian support to contingency operations.

Taken together, these measures reconfigure a Total Force that is better able to meet the different challenges the United States will face in coming years.

### **Strategic Goal 5: Achieve Unity of Effort**

Strategic goal 5 recognizes that the DoD cannot meet today's complex challenges alone. Success in the war on terror requires that all facets of the U.S. government bring to bear their unique capabilities, and that all elements of national power work in unison to protect our national interests. It requires more than mere coordination; it necessitates close cooperation with allies and partners at home and abroad.

Interagency and international combined operations truly are the new joint operations. Supporting and enabling other agencies, working toward common objectives, and building the capacity of partners are indispensable elements of the Department's new missions. Traditional mechanisms for creating and sustaining international cooperation are not sufficiently agile to disaggregate and defeat adversary networks at the global, regional, and local levels simultaneously. Supporting the rule of law and building civil societies where they do not exist today, or where they are in their infancy, is fundamental to winning the long war. This challenge requires major shifts in strategic concepts for national security and the role of military power. Therefore, the United States needs to develop new concepts and methods for interagency and international partnership.

Unity of effort requires that strategies, plans, and operations be closely coordinated with partners. At the operational level, the United States must be able to prevent or disrupt adversaries' ability to plan and execute operations rather than being forced to respond to attacks after they have occurred. Analyses, decisions, and actions must also be swift. Authorities, procedures, and practices must permit the seamless integration of Federal, state, tribal, and local capabilities at home and among allies, partners, and non-governmental organizations abroad. To address more effectively the security challenges, the Department is continuing



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to shift its emphasis from Department-centric approaches toward interagency solutions. Cooperation across the Federal Government begins in the field with the development of shared perspectives and a better understanding of each agency's role, missions, and capabilities.

For the Department, joint warfighters—the Combatant Commanders and leaders of deployed joint task forces—are the primary level at which unity of effort develops. One objective is to create opportunities to help enable Combatant Commanders (whose purview extends across many countries) to work more collaboratively with Chiefs of Mission (who focus on only one country). Wherever possible, the United States works with or through others, enabling allied and partner capabilities to address common security challenges. The QDR supports efforts to expand the expeditionary capacity of agency partners and supports legislation to enable other agencies to strengthen their capabilities. These new authorities will enable the U.S. Government to capitalize on inherent competencies of individual agencies to tailor a more effective immediate response. The Department has recommended a number of legislative changes to enable better alignment of the Foreign Assistance Act and the Arms Export Control Act. In addition, the Department seeks to institutionalize OIF/OEF authorities to conduct humanitarian assistance and stability operations and expand the Regional Defense Combating Terrorism Fellowship Program to improve regional counter-terrorism campaigns and crisis response at the operational level. Full integration of allied and coalition capabilities ensures unity of effort for rapidly evolving counterinsurgency operations. Similarly, foreign leaders who receive U.S. education and training help their governments understand U.S. values and interests, fostering willingness to unite in a common cause.

Unified interagency efforts are no less important at home. The Department must work as part of a unified interagency effort with the Department of Homeland Security and other Federal, state,

and local agencies to address threats to the U.S. homeland. To this end, the Department will, in partnership with the Department of Homeland Security, develop a National Homeland Security Plan, expand training programs to accommodate planners from other agencies, and design and facilitate civil support exercises with civilian and military participation from national, state, tribal, and local government agencies.

Victory in the long war ultimately depends on strategic communications by the United States and its international partners. Effective communication must build and maintain credibility and trust through an emphasis on consistency, veracity, and transparency both in words and deeds. Such credibility is essential to building trusted networks that counter ideological support for terrorism. To this end, the Department will work to integrate communications efforts horizontally across the enterprise to link information and communication issues with broader policies, plans, and actions. The QDR identified capability gaps in each of the primary supporting capabilities of public affairs, Defense support to public diplomacy, military diplomacy, and information operations, including psychological operations. To close these gaps, the Department will focus on properly organizing, training, equipping, and resourcing these key communications capabilities.

### III.4 DoD Strategic Objectives

Based on the above over-arching QDR goals, a task force and Senior Review Group (SRG) were established, in January 2007 to develop a limited number of strategic objectives for management focus over the next decade. The task force and SRG included representatives from each OSD Principal Staff, the Joint Staff, and the Military Departments. As a result of their efforts, seventeen strategic objectives were developed (Figure III.2). Chapter V addresses each strategic objective in detail.

## 2006 QDR Strategic Goals and Objectives

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### Strategic Goal 1: Fight the Long War on Terrorism

- 1.1: Conduct a large-scale, potentially long-duration irregular warfare campaign that includes counterinsurgency, security, stability, transition, and reconstruction operations.

### Strategic Goal 2: Reorient Capabilities and Forces

- 2.1: Deter or defeat direct attacks to the U.S. homeland and its territories and contribute toward the nation's response to and management of the consequences of Weapons of Mass Destruction (WMD) or other catastrophic event; improve ability to respond to Chemical, Radiological, Biological, Nuclear, and Explosive (CRBNE) attacks and improve the capability of interagency partners to contribute to our nation's security.
- 2.2: Deter and defend against transnational terrorists attacks and globally distributed aggressors and shape the choices of countries at strategic crossroads, while postured for a second, nearly simultaneous campaign.
- 2.3: Operationalize and strengthen intelligence.
- 2.4: Enhance security and reduce vulnerabilities.

### Strategic Goal 3: Reshape the Defense Enterprise

- 3.1: Improve acquisition processes and execution to support warfighter requirements.
- 3.2: Focus research and development to address warfighting requirements.
- 3.3: Implement improved logistics operations to support joint warfighting.
- 3.4: Maintain capable, efficient, and cost-effective installations to support the DoD workforce.
- 3.5: Improve financial management and budget and performance integration to support strategic decisions and improve financial stewardship to the taxpayer.
- 3.6: Make information available on a network that people depend on and trust.

### Strategic Goal 4: Develop a 21st Century Total Force

- 4.1: The "All Volunteer" military force is available and ready to meet the steady-state and surge activities of the DoD.
- 4.2: DoD remains competitive for needed talent by sustaining workforce satisfaction.
- 4.3: Provide effective and efficient human resources management to DoD customers.
- 4.4: Improve workforce skills to meet mission requirements.

### Strategic Goal 5: Achieve Unity of Effort

- 5.1: Build capacity of international partners in fighting the war on terrorism.
- 5.2: Improve strategic communications process to link information issues with policies, plans, and actions and improve primary communications supporting capabilities.

*Figure III.2*

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In addition, the Deputy Secretary of Defense (DEPSECDEF) issued guidance, on December 6, 2006, that senior employee performance ratings for FY 2007 would also take into account the following priorities:

- Win the Global War on Terror;
- Strengthen U.S. Combined and Joint Warfighting Capabilities;
- Meet the Challenge of Improvised Explosive Devices;
- Continue Transforming the Joint Force;

- Significantly Improve Military Intelligence Capabilities;
- Continue Transforming Enterprise Management;
- Focus on People—Military and Civilian; and
- Improve Effectiveness and Efficiency Across the Board.

Figure III.3 relates the Department’s strategic objectives to both QDR Goals and the DEPSECDEF’s priorities for FY 2007.

**DoD Strategic Objectives to QDR Goals and DEPSECDEF Priorities**

Priorities	Fight the Long War	Reorient Capabilities and Forces	Reshape the Defense Enterprise	Develop a 21 <sup>st</sup> Century Total Force	Achieve Unity of Effort
Win the Global War on Terror	1.1	2.1, 2.2, 2.3, 2.4	3.1, 3.2, 3.3	4.1, 4.2, 4.3, 4.4	5.1, 5.2
Strengthen U.S. Combined and Joint War-Fighting Capabilities	1.1	2.1, 2.2, 2.3, 2.4	3.3	4.4	5.1
Meet the Challenge of Improvised Explosive Devices	1.1	2.1, 2.2	3.2		
Continue Transforming the Joint Force		2.1, 2.2, 2.4	3.3	4.1, 4.4	
Significantly Improve Military Intelligence Capabilities	1.1	2.1, 2.2, 2.3, 2.4		4.3, 4.4	
Continue Transforming Enterprise Management		2.1, 2.2	3.1, 3.5, 3.6	4.4	
Focus on People – Military and Civilian	1.1	2.1, 2.2	3.4	4.1, 4.2, 4.3	
Improve Effectiveness and Efficiency Across the Board	1.1	2.1, 2.2, 2.4	3.1, 3.3, 3.4, 3.5, 3.6	4.3, 4.4	5.1

**Figure III.3 – DoD Strategic Objectives to QDR Goals and DEPSECDEF Priorities**

## IV. DOD PERFORMANCE PLAN BY STRATEGIC GOAL AND OBJECTIVE

### IV.1 The DoD Performance Budget Hierarchy

OMB Circular A-11, Part 6 addresses preparation and submission of agency annual performance plans/budgets that link strategic goals and objectives with costs for achieving a targeted levels of performance. In general, a performance budget links strategic (general outcome) goals to strategic (outcome) objectives with related long-term and annual performance (outcome) targets. A performance budget also links strategic objectives to the costs of specific program activities that influence and contribute toward the achievement of those objectives.

Section 220 of OMB Circular A-11 characterizes a performance budget as a hierarchy of goals, structured like an agency's strategic plan. At the top of the pyramid is the agency's mission statement followed by strategic goals, or statements of aim or purpose, as outlined in the agency's strategic plan. For each strategic goal, there are a limited number of high priority strategic objectives that add greater specificity to the general goal in terms of outcomes. For each strategic objective, there are a limited number of performance targets that indicate progress and represent interim steps toward accomplishing the objective.

Each strategic goal and objective represents an aggregation of many different budget activities, program elements, projects, and, ultimately, individual personnel tasks that contribute to accomplishment. Under a performance budget concept, these lower-level contributing activities also have performance targets and measures. Performance targets and measures (by DoD budget activity, program element, and project-level) are identified throughout the various appropriation-specific budget justification exhibits that were transmitted to the Congress in

February 2007. Consequently, substantive resource reductions to any contributing component of a strategic objective may compromise achievement of the DoD's annual and long-term performance targets.

The Department's performance budget hierarchy is depicted in Figure IV.1. This hierarchy indicates that every level of the DoD is accountable for measuring performance and delivering results at multiple tiers of the organization that support the

## Department of Defense Performance Budget Hierarchy



Figure IV.1 – Performance Budget Hierarchy

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Department's strategic objectives. DoD investments in systems and other initiatives are aggregated to support strategic objectives at the enterprise or highest DoD echelon level. Performance accountability cascades to the appropriate management level (DoD Enterprise to DoD Component to individual personnel at the bottom of the pyramid) with performance measures and targets advocated at all echelons.

The performance measures and targets for the Department's Performance Budget are intended to be at the DoD enterprise-level. However, some of the FY 2008 performance measures will undergo reevaluation for FY 2009 to ensure that they are of a cross-cutting nature and can be cascaded to multiple DoD components. Such efforts reflect the evolutionary nature of DoD's performance budget and our continuing efforts to ensure performance assessment is linked to identifiable and measurable strategic outcomes.

### IV.2 FY 2007 and FY 2008 Performance Plans

This chapter provides a detailed performance plan for each DoD strategic objective to include identification of:

- Long-term and annual performance targets;
- Relevant performance measures;
- Implementing strategies;
- Associated program assessments;
- External DoD factors affecting objective accomplishment; and
- Senior-level accountability.

The following performance plans were developed by representatives from DoD Principal Staff Assistants within the Office of the Secretary of Defense and the Joint Staff. This chapter does not address performance plans associated with the National Intelligence Program (NIP) since responsibility for NIP falls under the purview of the Director for National Intelligence (DNI).

All DoD Principal Staff were asked to determine the outcome measures that they deem most relevant for assessing performance in their respective objective areas. In some cases, it was not possible to utilize more relevant measures if these could not be supported by data measurement processes that could be verified and validated. Consequently, some measures represent currently collected performance information that may be subject to change in future performance budget iterations.

Once appropriate measures were selected, each organization was asked to establish both long-term and annual performance targets associated with each measure and to identify their primary strategies for effective implementation. Appendix B provides a summary of the DoD's five strategic goals, 17 objectives, and 42 performance measures and targets. In addition, the Department will also monitor five performance targets, of a classified nature, that are not identified in this submission.

This chapter constitutes the Department's performance plans for FY 2007 and FY 2008, against which results will be reported in the Department's annual performance report. The Department's performance plan, in terms of its strategic goals, objectives, and performance targets is subject to annual updates with each President's Budget. Our next update will be provided with the FY 2009 President's Budget.

### IV.3 DoD President Management Agenda (PMA) Initiatives

The President's Management Agenda (PMA) is an aggressive strategy for improving the management of the Federal government that focuses on the following five select areas of management weakness across the government:

- Electronic government (E-Gov)
- Strategic management of human capital
- Competitive sourcing

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- Improved financial performance
- Budget and performance integration

In addition, the PMA includes three program initiatives that are DoD exclusive:

- Eliminating improper payments;
- Real property management; and
- Privatization of military housing.




















Each quarter, Federal departments and agencies receive “stoplight” scores of green, yellow, or red from the Office of Management and Budget (OMB) on both their current status and progress toward meeting the standards for success established for each area. Figure IV-2 depicts the DoD scores as of September 30, 2006.

The PMA initiatives provide added emphasis to accomplishing several of the Department’s strategic objectives associated with the following over-arching DoD strategic goals:

**Strategic Goal 3: Reshape the Defense Enterprise**

- 3.4: Maintain capable, efficient, and cost-effective installations to support the DoD workforce:
  - Competitive sourcing
  - Real Property Management
  - Privatization of Military Housing
- 3.5: Improve financial management and budget and performance integration to support strategic decisions and improve financial stewardship to the taxpayer:
  - Improved Financial Performance
  - Budget and Performance Integration
  - Eliminating Improper Payments
- 3.6: Make information available on a network that people depend on and trust:

**DoD PMA Scores**

Initiative	Status Score	Progress Score
<b>Government-wide Initiatives:</b>		
Electronic Government (e-Gov)		
Strategic Management of Human Capital		
Competitive Sourcing		
Improved Financial Performance		
Budget and Performance Integration		
<b>Program Initiatives:</b>		
Eliminating Improper Payments Initiative		
Real Property Management Initiative		
Privatization of Military Housing		
 = Success  = Mixed Results  = Failure ↑↓ = Change in score since FY 2005		

\* = Results as of June 30, 2006

**Figure IV.2 – DoD PMA Scores**

- Electronic Government (E-Gov)
- Strategic Goal 4: Develop a 21st Century Total Force**
- 4.2: DoD remains competitive for needed talent by sustaining workforce satisfaction
  - 4.3: Provide effective and efficient human resources management to DoD customers.
  - 4.4: Improve workforce skills to meet Combatant Commander language, operational, and contingency requirements.
    - Strategic Management of Human Capital

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**GOAL 1 – FIGHT THE LONG WAR ON TERRORISM**

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**Strategic Objective 1.1:**

***Conduct a large-scale, potentially long-duration irregular warfare campaign that includes counterinsurgency, security, stability, transition, and reconstruction operations.***

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective area is focused on Iraq and Afghanistan as one of two major warfare campaigns the Defense Department must remain postured to conduct. The goal of U.S. engagement in Iraq (Operation Iraqi Freedom) and Afghanistan (Operation Enduring Freedom) is to establish stable, democratic and secure nations, with institutions and resources for each nation to provide for its own security. This objective relies on other related strategic objectives to a) provide the right mix of affordable capabilities and capacity to the warfighters on time, with medium to low risk of failure; b) strengthen the use of coalition, multinational, and interagency partner capabilities to reduce demand on the future force; c) support security cooperation objectives; and d) provide emergency supplemental funding, as required.

**B. Performance Targets:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified at Figure V.1.1-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures, for assessing the effectiveness and efficiency of this objective, are depicted below:

- Number of Iraqi and Afghan security forces (ISFs and ASFs) trained

- Rationale for Measure: This measure is a primary indicator of each nation’s ability to provide for its own security and stability.
- Data Source for Calculation Methodology: Trainee data sources are derived from DoD Combatant Commander after action reports and country assessments.
- Percent DoD personnel contribution to coalition partners’ forces supporting Operation Enduring Freedom (OEF) and International Security Assistance Forces (ISAFs)
  - Rationale for Measure: This measure is a primary indicator of transitioning each nation to provide for its own security and stability.
  - Data Source for Calculation Methodology: Data sources for this measure are derived from CENTCOM reports to the Joint Staff.



Iraqi police officers shoot their pistols during training at a range on Forward Operating Base Marez in Mosul, Iraq. The police officers are training with International Police Liaison Officers and the Civilian Police Assistance Training Team.  
*U.S. Air Force Photo by Staff Sgt. Vanessa Valentine – May 1, 2007*

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<b>Strategic Objective 1.1: Conduct a large-scale, potentially long-duration irregular warfare campaign that includes counterinsurgency, security stability, transition, and reconstruction operations.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
1.1-1: Number of Iraqi Security Forces (ISFs) and Afghan Security Forces (ASFs) trained	1.1-1a: By FY 2009, the DoD will train 370,000 Iraqi Security Forces (ISFs).	FY 06 (baseline): 362k ISFs trained FY 07: 365k ISFs trained FY 08: 367k ISFs trained
	1.1-1b: By FY 2009, the DoD will train 152,000 Afghan Security Forces (ASFs).	FY 06 (baseline): 78k ASFs trained FY 07: 112k ASFs trained FY 08: 142k ASFs trained
1.1-2: Percent DoD personnel contribution to coalition partners' forces supporting Operation Enduring Freedom (OEF) and International Security Assistance Forces (ISAFs)	1.1-2: By FY 2009, the DoD will reduce their personnel contribution to coalition partners' forces supporting Operation Enduring Freedom (OEF) and International Security Assistance Forces (ISAFs) to 51 percent.	FY 06 (baseline): 54% contribution FY 07: 53% personnel contribution FY 08: 51% personnel contribution
1.1-3: Percent of DoD reconstruction projects in Iraq and Afghanistan completed	1.1-3: By FY 2009, 50 percent of DoD reconstruction projects in Iraq and Afghanistan will be completed.	FY 06 (baseline): 20% projects completed FY 07: 30% projects completed FY 08: 40% projects completed

**Figure 1.1-1 Strategic Objective 1.1 Performance Measures and Targets**

- Percent of DoD reconstruction projects in Iraq and Afghanistan completed
    - Rationale for Measure: The percent of DoD projects completed is a primary indicator of reconstruction.
    - Data Source for Calculation Methodology: Data sources are derived from DoD Combatant Commander after action reports, country assessments, and U.S. Army reports.
  - The Government Performance and Results Act (GPRA)—Requires the development and submission of an annual performance plan that describes an Agency’s budget in terms of strategic goals and objectives.
  - OMB Circular A-11—Requires development of an annual performance budget that satisfies all the provisions of an annual GPRA performance plan.
  - The National Security Strategy (NSS)--The National Security Strategy of the United States of America is a document prepared periodically by the executive branch of the government of the United States for the Congress which
- D. Strategic Objective Driver(s):**
- This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:



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outlines the major national security concerns of the United States and how the Administration plans to deal with them. The legal foundation for the document is spelled out in the Goldwater-Nichols Act. The document is purposely general in content and its implementation relies on elaborating guidance provided in supporting documents (including the United States National Military Strategy).

- The National Military Strategy (NMS)--The National Military Strategy of the United States is issued by the Chairman of the Joint Chiefs of Staff as a deliverable to the Secretary of Defense that briefly outlines the strategic aims of the Armed Services. The NMS's chief source of guidance is the United States NSS document.
- The DoD Strategic Planning Guidance--The Strategic Planning Guidance (SPG) is a fiscally informed document that replaced the policy/strategy sections of the Defense Planning Guidance. The SPG provides DoD components with direction on defense policy, strategy, force and resource planning, and fiscal matters for use in developing their Program Objective Memorandums (POMs).
- Joint Planning Guidance (JPG)--The JPG is the final document of the planning process that contains fiscally constrained programmatic guidance. The document drives the development of the DoD POM and Budget Estimates Submission (BES).

### ***E. Strategies for Achieving Objective:***

The following primary strategies are identified for achieving this strategic objective:

- Legislative Initiatives/Proposals: See Congressional justification detail by appropriation for FY 2008.
- Policy and/or Process Improvement Initiatives: See Congressional justification detail by appropriation for FY 2008.

- Structure and Organizational Initiatives: See Congressional justification detail by appropriation for FY 2008.
- Information Technology (IT) Investments: See Congressional justification detail by appropriation for FY 2008.
- Other Investments: See Congressional justification detail by appropriation for FY 2008.

### ***F. Associated Program Assessment Rating Tool (PART) Evaluations:***

The QDR acknowledged that everything done in the Defense Department must contribute to joint warfighting capability. Therefore, all DoD PARTs, either directly or indirectly, inform accomplishment of this strategic objective.

### ***G. External DoD Factors Affecting Objective Accomplishment:***

The international community has had to remain engaged in developing the capacity of the Afghan National Police more than expected and the reconstituted enemy capabilities has not been completely neutralized. In Iraq, governance capacity shortfalls have resulted from inadequate training resources and the Government of Iraq's slow execution to obligate and spend a large majority of ministerial budgets. The development of civil institutions has been challenging due to lack of devoted Iraqi resources and attention. For democracy to gain a strong footing in both Afghanistan and Iraq, the responsibility has to be shouldered predominately by the Government of Iraq and the Government of Afghanistan.

### ***H. DoD Accountable Official:***

Secretary of Defense

**GOAL 2 – REORIENT CAPABILITIES AND FORCES**

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**Strategic Objective 2.1:**

***Deter or defeat direct attacks to the U.S. homeland and its territories and contribute toward the Nation’s response to and management of Weapons of Mass Destruction (WMD) or catastrophic event; Improve ability to respond to Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) attacks and improve the capability of interagency partners to contribute to our Nation’s security.***

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective consists of nuclear deterrent forces, continental air defense assets, and homeland defense activities. It includes operating forces designed primarily to deter or defeat direct attacks on the United States and its territories. In addition to counterterrorism, homeland defense includes, among other activities, the DoD’s commitment to aid the interdiction of drug shipments to the United States and guard against computer attacks on the national information infrastructure. This objective includes initiatives to reduce nuclear weapons and to diminish the risks of proliferation from weapons of mass destruction (WMD). This objective relies on other related strategic objectives:

- To provide the right mix of affordable capabilities and capacity to the warfighters on time, with medium to low risk of failure; and
- To strengthen the use of coalition, multinational, and interagency partner capabilities to reduce demand on the future force, and to support security cooperation objectives.

This objective relies on other related strategic objectives of an infrastructure nature for successful accomplishment.

**B. Performance Targets:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified at Figure 2.1-1. The Department will also monitor one additional performance target of a classified nature, that is not identified in this submission.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures, for assessing the effectiveness and efficiency of this objective are depicted below:

- Number of National Guard Weapons of Mass Destruction-Civil Support Teams (WMD-CSTs) certified
  - Rationale for Measure: The number of trained WMD-CSTs is a primary indicator of DoD capability to contribute toward the nation’s response to and management of WMD or other catastrophic event.
  - Data Source for Calculation Methodology: The OSD and the Department of the U.S. Army, Chemical and Biological Defense Joint Program Executive Office.
- Number of National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Enhanced Response Force Packages (CERFPs) trained
  - Rationale for Measure: The number of trained CERFPs is a primary indicator of DoD capability to contribute toward the Nation’s response to and management of WMD or other catastrophic event.
  - Data Source for Calculation Methodology: The OSD and the Department of the U.S. Army, Chemical and Biological Defense Joint Program Executive Office.

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<b>Strategic Objective 2.1: Deter or defeat direct attacks to the U.S. homeland and its territories and contribute toward the Nation’s response to and management of Weapons of Mass Destruction (WMD) or catastrophic event; Improve ability to respond to Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) attacks and improve the capability of interagency partners to contribute to our Nation’s security.</b>		
<b>Performance Measures</b>	<b>Performance Targets 1/</b>	<b>Annual Performance Targets</b>
2.1-1: Number of National Guard Weapons of Mass Destruction –Civil Support Teams (WMD-CSTs) certified	2.1-1: By FY 2008, 55 National Guard Weapons of Mass Destruction-Civil Support Teams (WMD-CSTs) will be certified.	FY 06 (baseline): non-applicable FY 07: 49 WMD-CSTs certified FY 08: 55 WMD-CSTs certified
2.1-2: Number of National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Enhanced Response Force Packages (CERFPs) trained	2.1-2: By FY 2008, 17 National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Enhanced Response Force Packages (CERFPs) will be trained for WMD or other catastrophic responses.	FY 06 (baseline): non-applicable FY 07: 12 CERFPs trained FY 08: 17 CERFPs trained
1/ One additional performance goal, of a classified nature, is not identified in this submission.		

**Figure 2.1-1 Strategic Objective 2.1 Performance Measures and Targets**

**D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- The Government Performance and Results Act (GPRA)— Requires the development and submission of an annual performance plan.
- OMB Circular A-11—Requires development of an annual performance budget that satisfies all the provisions of an annual GPRA performance plan.
- The National Security Strategy (NSS)—The National Security Strategy of the United States of America is prepared periodically by the executive branch of the government of the United States for the Congress. It outlines the major national security concerns of the United States and how the

Administration plans to deal with them. The legal foundation for the document is spelled out in the Goldwater-Nichols Act. The document is purposely general in content and its implementation relies on elaborating guidance provided in supporting documents (including the United States National Military Strategy).

- National Military Strategy (NMS)— The National Military Strategy of the United States is issued by the Chairman of the Joint Chiefs of Staff as a deliverable to the Secretary of Defense that briefly outlines the strategic aims of the Armed Services. The NMS’s chief source of guidance is the United States National Security Strategy document.
- DOD Strategic Planning Guidance—The Strategic Planning Guidance (SPG) is a fiscally informed document that

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replaced the policy/strategy sections of the Defense Planning Guidance. The SPG provides DoD components with direction on defense policy, strategy, force and resource planning, and fiscal matters for use in developing their Program Objective Memoranda (POMs).

- Joint Programming Guidance (JPG)--The JPG is the final document of the planning process that contains fiscally constrained programmatic guidance. The document drives the development of the DoD POM and Budget Estimates Submission (BES).

### **E. Strategies for Achieving Objective:**

The following primary strategies are identified for achieving this Strategic Objective:

- Legislative Initiatives/Proposals: See Congressional justification detail by appropriation for FY 2008.
- Policy and/or Process Improvement Initiatives: See Congressional justification detail by appropriation for FY 2008.
- Structure and Organizational Initiatives: See Congressional justification detail by appropriation for FY 2008.
- Information Technology (IT) Investments: See Congressional justification detail by appropriation for FY 2008.
- Other Investments: See Congressional justification detail by appropriation for FY 2008.

### **F. Associated Program Assessment Rating Tool (PART) Evaluations:**

The QDR acknowledged that everything done in the Defense Department must contribute to joint warfighting capability. Therefore, all DoD PARTs, either directly or indirectly, inform accomplishment of this strategic objective.

### **G. External DoD Factors Affecting Objective Accomplishment:**

Accomplishment of this objective may be adversely affected if assumptions regarding the degree of interagency support does not materialize.

### **H. DoD Accountable Official(s):**

Under Secretary of Defense (Policy)



**GOAL 2: REORIENT CAPABILITIES AND FORCES**

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**Strategic Objective 2.2:**

*Deter and defend against transnational terrorists attacks and globally distributed aggressors and shape the choices of countries at strategic crossroads, while postured for a second, nearly simultaneous campaign.*

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective includes all DoD operating forces designed for deployed operations outside the U.S., except for the incremental capabilities and forces identified for the current Iraq and Afghanistan campaign (DoD strategic objective 1.1) and homeland defense (DoD strategic objective 2.1). The Combatant Commanders receive their missions from the President through the Secretary of Defense and their forces from the Departments of the Army, Navy, Air Force, and the Marine Corps. Each of the Military Departments is responsible for organizing, training, equipping, and providing forces to fulfill certain specific roles for administering and supporting these forces. These specific force roles include requirements for land, sea, air, and space operations, along with numerous supporting functions. Force organizations are the warfighting ships, squadrons, and battalions (and their organic support) assigned to the Combatant Commanders, as well as senior-level command and control operational headquarters. Taken together, these warfighting units and their organic support constitute most of DoD's military force structure that satisfies a range of warfighting roles. This objective relies on other related strategic objectives:

- To provide the right mix of affordable capabilities and capacity to the warfighters on time, with medium to low risk of failure; and

- To strengthen the use of coalition, multinational, and interagency partner capabilities to reduce demand on the future force, and to support security cooperation objectives.

**B. Performance Targets:**

Annual performance targets, for each of fiscal years 2007 (baseline) through 2008, are identified at Figure V.2.2-1. The Department will also monitor four additional performance targets, of a classified nature, that are not identified in this submission.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures, for assessing the effectiveness and efficiency of this objective are depicted below:

- Percent of DoD reduction in deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) achieved
  - Rationale for Measure: The percent reduction in deployed Minuteman III ICBMs is a primary indicator of progress being made in reorienting DoD forces and capabilities. Minute III ICBMs will be reduced from 500 to 450—an overall reduction of ten percent in the Minuteman III ICBM fleet.
  - Data Source and Calculation Methodology. U.S. Air Force reports.
- Percent increase in DoD Special Forces and Navy SEAL personnel
  - Rationale for Measure: The increase in DoD Special Forces and Navy SEAL personnel is a primary indicator of progress made in reorienting DoD capabilities and forces to address irregular warfare and counterinsurgency. The QDR provided the USSOCOM with a 13,119 manpower increase across all Services. In

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addition, the Navy is projected to receive an increase of 536 in manpower. Together, this represents a 14 percent increase and shift from DoD Reserve forces to Active forces (65 percent to 79 percent).

- Data Source and Calculation Methodology: U.S. Army, U.S. Marine Corps, U.S. Navy, and U.S. Air Force reports.
- Cumulative number of DoD Maritime Pre-position (MPF) ships procured
  - Rationale for Measure: Procurement of MPF ships is a primary indicator of DoD progress in reorienting forces to provide for a full balanced, joint maritime capability. In FY 2007, the Navy will procure four additional ships for a cumulative total of seven toward its long-term goal of owning all 13 in its current fleet.
  - Data Source and Calculation Methodology: U.S. Navy.
- Number of DoD Future Combat System/modular forces achieving full operational capability (FOC)
  - Rationale for Measure: The U.S. Army continues to rebalance the operational force while transforming to brigade-centric formations in order to provide high demand capabilities, reduce RC over structure, and shift weight to meet irregular challenges with a full spectrum capable force. In FY 2006, the Army completed the conversion of 31 active component BCTs and more than 130 multi-functional land functional (MFF) support brigades across all components. By FY 2013, the Army will complete the conversion of all its BCTs and MFF support brigades. The end strength increase of 74.2k allows the Army to build six BCTs increasing the available pool to 76 and to grow combat support (CS) and combat service support (CSS) enabling capabilities.

The growth will improve strategic and rotational depth, increase high demand and low density unit capabilities, and mitigate CS and CSS shortfalls.

- Data Source and Calculation Methodology. U.S. Army reports.

### ***D. Strategic Objective Driver(s):***

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- The Government Performance and Results Act (GPRA)—Requires the development and submission of an annual performance plan that articulates an Agency's budget in terms of strategic goals and objectives.
- OMB Circular A-11—Requires development of an annual performance budget that satisfies all the provisions of an annual GPRA performance plan.
- The National Security Strategy (NSS)—The National Security Strategy of the United States of America is a document prepared periodically by the executive branch of the government of the United States for the Congress which outlines the major national security concerns of the United States and how the Administration plans to deal with them. The legal foundation for the document is spelled out in the Goldwater-Nichols Act. The document is purposely general in content and its implementation relies on elaborating guidance provided in supporting documents (including the United States National Military Strategy).
- OMB Circular A-11—Requires development of an annual performance budget that satisfies all the provisions of an annual GPRA performance plan.

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<b>Strategic Objective 2.2: Deter and defend against transnational terrorists attacks and globally distributed aggressors and shape the choices of countries at strategic crossroads, while postured for a second, nearly simultaneous campaign.</b>		
<b>Performance Measures</b>	<b>Performance Targets 1/</b>	<b>Annual Performance Targets</b>
2.2-1: Percent of DoD reduction in deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) achieved	2.2-1: By FY 2009, the DoD will reduce the number of deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) by 50 (from 500 to 450).	FY 06 (baseline): non-applicable FY 07: 20% of the ICBM reduction achieved FY 08: 90% of the ICBM reduction achieved
2.2-2: Percent increase in DoD Special Forces and Navy SEAL personnel achieved	2.2-2: By FY 2009, the DoD will increase its Special Forces and Navy SEAL personnel by 14 percent.	FY 06 (baseline): non-applicable FY 07: 5% personnel increase FY 08: 10% personnel increase
2.2-3: Cumulative number of DoD Maritime Pre-position Force (MPF) ships procured	2.2-3: By FY 2008, the DoD will have procured seven Maritime Pre-position Force (MPF) ships	FY 06 (baseline): 3 MPF ships procured FY 07: 7 MPF ships procured FY 08: 7 MPF ships procured
2.2-4: Number of Future Combat System modular forces achieving full operational capability (FOC)	2.2-4a: By FY 2009, the DoD will have achieved full operational capability (FOC) for 50 Brigade Combat Teams (BCTs).	FY 06 (baseline): non-applicable FY 07: 37 BCTs at FOC FY 08: 43 BCTs at FOC
	2.2-4b: By FY 2009, the DoD will have achieved full operational capability (FOC) for 172 Multi-functional and Functional Support (MFF) brigades.	FY 06 (baseline): non-applicable FY 07: 146 MFFs brigades at FOC FY 08: 159 MFFs brigades at FOC
1/ Four additional performance goals, of a classified nature, are not identified in this submission.		

**Figure 2.2-1 Strategic Objective 2.2 Performanc Measures and Targets**

- The National Security Strategy (NSS)--The National Security Strategy of the United States of America is a document prepared periodically by the executive branch of the government of the Unites States for the Congress which outlines the major national security concerns of the United States and how the Administration plans to deal with them. The legal foundation for the document is spelled out in the Goldwater-Nichols Act. The document is purposely general in content and its implementation relies on elaborating guidance provided in supporting documents (including the United States National Military Strategy).
- National Military Strategy (NMS)--The National Military Strategy of the United States is issued by the Chairman of

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the Joint Chiefs of Staff as a deliverable to the Secretary of Defense that briefly outlines the strategic aims of the Armed Services. The NMS's chief source of guidance is the United States National Security Strategy document.

- DOD Strategic Planning Guidance--The Strategic Planning Guidance (SPG) is a fiscally-informed document that replaced the policy/strategy sections of the Defense Planning Guidance. The draft is issued early in the planning process to provide overall policy and strategy guidance to be used in developing the defense program. The SPG provides DoD components with direction on defense policy, strategy, force and resource planning, and fiscal matters for use in developing their Program Objective Memoranda (POMs).
- Joint Programming Guidance (JPG)--The JPG is the final document of the planning process. The JPG contains fiscally constrained programmatic guidance. The document drives the development of the DoD POM and Budget Estimates Submission (BES).

### ***E. Strategies for Achieving Objective:***

The following primary strategies are identified for achieving this Strategic Objective performance goal:

- Legislative Initiatives/Proposals: See Congressional justification detail by appropriation for FY 2008.
- Policy and/or Process Improvement Initiatives: See Congressional justification detail by appropriation for FY 2008.
- Structure and Organizational Initiatives: See Congressional justification detail by appropriation for FY 2008.
- Information Technology (IT) Investments: See Congressional justification detail by appropriation for FY 2008.

- Other Investments: See Congressional justification detail by appropriation for FY 2008.

### ***F. Associated Program Assessment Rating Tool (PART) Evaluations:***

The QDR acknowledged that everything done in the Defense Department must contribute to joint warfighting capability. Therefore, all DoD PARTs, either directly or indirectly, inform accomplishment of this strategic objective.

### ***H. External DoD Factors Affecting Objective Performance Goal Accomplishment:***

Success in this objective requires that all facets of the U.S. government bring to bear their unique capabilities, and that all elements of national power work in unison to protect our national interests abroad. Supporting and enabling other agencies, working toward common objectives, and building the capacity of partners are indispensable elements. One objective is to create opportunities to help enable Combatant Commanders (whose purview extends across many countries) to work more collaboratively with Chiefs of Mission (who focus on only one country). The QDR supports efforts to expand the expeditionary capacity of agency partners. In addition, the Department seeks to institutionalize OIF/OEF authorities to conduct humanitarian assistance and stability operations and expand the Regional Defense Combating Terrorism Fellowship Program to improve regional counter-terrorism campaigns and crisis response at the operational level.

### ***I. DoD Accountable Official(s):***

Secretary of Defense



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**GOAL 2 – REORIENT CAPABILITIES AND FORCES**

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**Strategic Objective 2.3:**  
*Operationalize and Strengthen Intelligence*

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective includes defense intelligence capabilities that operate apart from those intelligence resources dedicated to the Department's operating forces and included under DoD strategic objectives 1.1, 2.1, and 2.2. This objective includes Defense-wide activities providing support to multiple DoD customers. This objective excludes performance objectives and goals associated with the National Intelligence Program (NIP) that fall under the purview of the Director, NIP.

**B. Performance Targets:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified at Figure V.2.3-1.

**C. Strategic (Enterprise-level) Performance Measures:**

- Percent of Joint Intelligence Operations Centers (JIOCs) at initial operating capability (IOC) and at full operating capability (FOC)
  - Rationale for Measure: This measure was selected because it conforms to SECDEF-approved JIOC Execute Order concerning IOC standup completion and FOC end state. Preliminary IOC funding was acquired via FY 2006 and FY 2007 supplementals; FY 2008 and beyond funding is the responsibility of individual COCOMs.
  - Data Source and Calculation Methodology: JIOC implementation lines of operation have been established and are monitored at least monthly by the USD(I).

COCOM JIOCs are the principal data sources for calculating measure percentages. Percent complete is based on the total number of JIOCs (nine COCOM/theater-level JIOCs and one Defense-level JIOC) completing IOC standup and FOC end state.

- Percent of Intelligence Campaign Planning (ICP) completed for top priority Joint Strategic Capability Plans (JSCPs)
  - Rationale for Measure: This measure was selected because it measures progress against the ICP prioritization tied to the Defense Planning Guidance.
  - Data Source and Calculation Methodology: ICP planning follows the Defense Planning Guidance as to threat and priority. Of the potential 124 plans that could be developed, 12 have been identified as top priority. Plans are complete when signed by Director, DIA and validated by the USD(I).



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<b>Strategic Objective 2.3: Operationalize and Strengthen Intelligence</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
2.3-1: Percent of Joint Intelligence Operations Centers (JIOCs) at initial operating capability (IOC) and at full operating capability (FOC)	2.3-1a: By FY 2008, the DoD will establish 100 percent of Joint Intelligence Operations Centers (JIOCs) at initial operating capability (IOC).	FY 06 (baseline): non-applicable FY 07: 90% of JIOCs at IOC FY 08: 100% of JIOCs at IOC
	2.3-1b: By FY 2010, the DoD will realize 100 percent of JIOCs at full operating capability (FOC).	FY 06 (baseline): non-applicable FY 07: 33% of JIOCs at FOC FY 08: 50% of JIOCs at FOC
2.3-2: Percent of Intelligence Campaign Planning (ICP) completed for top priority Joint Strategic Capability Plans (JSCPs)	2.3-2: By FY 2008, the DoD will complete Intelligence Campaign Planning (ICP) efforts for 50 percent (6 of 12) top priority Joint Strategic Capability Plans (JSCPs).	FY 06 (baseline): non-applicable FY 07: 33% of JSCPs completed FY 08: 50% of JSCPs completed
2.3-3: Percent reduction in known impediments to intelligence access	2.3-3: By FY 2009, the DoD will reduce 90 percent of 12 known impediments to intelligence access.	FY 06 (baseline): non-applicable FY 07: 25% reduction in known impediments FY 08: 50% reduction in known impediments

**Figure 2.3-1 Strategic Objective 2.3 Performance Measures and Targets**

- Percent reduction in known impediments to intelligence access
  - Rationale for Measure: This measure focuses on the challenges that external organizations (North Atlantic Treaty Organization, Department of State, etc.) face concerning influencing desired outcomes. Major intelligence access impediments include on the following 12 areas:
    - Policy:
      - Authority and governance;
      - Guidelines for disclosure/release and sanitization;
      - Production criteria and reporting
    - Classification, handling, and dissemination;
    - Education and Training:
      - Insufficient
      - Lacks standardization
      - Culture
    - Information Technology:
      - Shared databases
      - Accreditation authority
      - Cross-domain solutions
      - Data management

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- Resources (insufficient to meet requirements)
- Data Source and Calculation Methodology: The data sources include the results of a customer satisfaction index (derived from a survey), the number of classified websites no longer blacklisted, and the number of coalition personnel authorized access to classified websites.

### **D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- FY 2003 Remodeling Defense Intelligence Initiative;
- The Intelligence Reform and Terrorism Prevention Act of 2004;
- The Government Performance and Results Act;
- The DoD 2006 Quadrennial Defense Review;
- The JIOC Execute Order 031640Z, dated April 2006;
- Defense Intelligence Guidance for FY 2008–2013;
- The Joint Strategic Capability Plan and Contingency Planning Guidance; and
- The Defense Strategic Planning Guidance.

### **E. Strategies for Achieving Objective:**

- Legislative Initiatives/Proposals: Non-applicable
- Policy and/or Process Improvement Initiatives:
  - Assess annually the COCOM JIOCs to identify shortfalls and deficiencies for correction and identify best practices for export across the enterprise.
  - Codify the ICP process in a Chairman, Joint Chiefs of Staff manual, now in final coordination.

- Establish a DoD intelligence community working group to address reducing/eliminating the number of intelligence access impediments.
- Develop an intelligence access strategy with the Office of the Director, National Intelligence (ODNI).
- Structure and Organizational Initiatives:
  - Put in place procedures to monitor and evaluate the execution of ICP-directed intelligence support.
  - Work in tandem with the ASD (NII), the Joint Staff, the ASD/HD, and the ODNI to meet strategic objectives.
  - Develop a template for JIOC organizational structure that addresses all intelligence disciplines.
  - Establish a NATO working group to address a plan on how to convince NATO members to adopt a new process based on new world order.
- Information Technology (IT) Investments:
  - Develop a DoD Intelligence Information System compliant ICP planning tool. A prototype will be fielded in FY 2007 with additional capabilities added in follow-on spirals. ICP will also be integrated into the DoD adaptive planning and execution technology capabilities and embedded in network enabled command and control programs.
  - Participate in a working group, under the ASD (NII), to determine if additional investments are required or existing investments should be enhanced.
  - Include information sharing/intelligence access requirements in all new information technology investments.



- Continue development and support of the JIOC enterprise tool set to improve horizontal integration across the JIOC enterprise and defense intelligence community.

- Other Investments: Non-applicable

**F. Associated Program Assessment Rating Tool (PART) Evaluations:**

Non-applicable

**G. External DoD Factors Affecting Objective Accomplishment:**

- Director of National Intelligence National Intelligence Strategy of the U.S., dated October 2005
- Director of National Intelligence program guidance for FY 2008-2013, dated February 2006
- State/Local/Tribunal information sharing legislative proposals

**H. DoD Accountable Official:**

Under Secretary of Defense (Intelligence)

**GOAL 2 – REORIENT CAPABILITIES AND FORCES**

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**Strategic Objective 2.4:**  
***Enhance Security & Reduce Vulnerabilities***

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***A. Scope of Strategic (Enterprise-level) Objective:***

The scope of this objective includes counterintelligence (CI) and security activities across the Department of Defense. It includes the Department-wide system for obtaining and maintaining security clearances for personnel, as well as Service security and investigative activities that are not part of the National Intelligence Program (NIP) foreign counterintelligence program.

***B. Performance Targets:***

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified at Figure 2.4-1.

***C. Strategic (Enterprise-level) Performance Measures:***

- Percent of DoD counterintelligence mission-focused priority Technical Surveillance Countermeasure (TSCM) requirements satisfied
  - Rationale for Measure: This measure was selected because it focuses on the DoD's ability to prevent, detect, and neutralize foreign access to classified information. In FY 2006, a baseline of 80 percent was achieved, and the DoD TSCM community is on-track to achieve 90 percent in FY 2007. This measure challenges the community to improve performance by two percent each subsequent fiscal year.
  - Data Source and Calculation Methodology: The DoD TSCM program manager is the data source. The

individual TSCM managers at each of the 13 DoD components, who conduct this type of work, will each track this measure using their internal management systems. They report their results quarterly to the DoD TSCM program manager at the DoD Counterintelligence Field Activity, who then compiles a Department-wide aggregate report.

***D. Strategic Objective Driver(s):***

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- The FY 2003 Remodeling Defense Intelligence Initiative;
- The Intelligence Reform and Terrorism Prevention Act of 2004;
- The Government Performance and Results Act;
- The DoD 2006 Quadrennial Defense Review; and
- Defense Intelligence Guidance FY 2008–2013

***E. Strategies for Achieving Objective:***

- Legislative Initiatives/Proposals: Propose changes to Code of Federal Regulations to match policies in a new DoD instruction and TSCM manual (5240.05-M).
- Policy and/or Process Improvement Initiatives:
  - Implement a new DoD instruction and DoD TSCM manual;
  - Establish standardized guidance across the DoD for prioritization of TSCM requirements; and
  - Apply analysis of current and projected foreign technical threats into continuous improvements in TSCM policies, processes, procedures and equipment.

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<b>Strategic Objective 2.4: Enhance Security &amp; Reduce Vulnerabilities</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
2.4.1: Percent of DoD counterintelligence mission-focused Technical Surveillance Countermeasure (TSCM) requirements satisfied	2-4.1: By 2009, the DoD will satisfy 94 percent of counterintelligence mission-focused Technical Surveillance Countermeasure (TSCM) requirements.	FY 06 (baseline): Non-applicable FY 07: 90% of TSCM requirements satisfied FY 08: 92% of TSCM requirements satisfied

**Figure 2.4-1 Strategic Objective 2.4 Performance Measures and Targets**

- Structure and Organizational Initiatives: Non-applicable
- Information Technology (IT) Investments: Develop and integrate Portico Module 5 TSCM under the Defense CI information system program, with IOC scheduled for December 2007.
- Other Investments: Non-applicable

**F. Associated Program Assessment Rating Tool (PART) Evaluations:**

Non-applicable

**G. External DoD Factors Affecting Objective Accomplishment:**

Access and funding

**H. DoD Accountable Official:**

Under Secretary of Defense (Intelligence)



Special Agent Daniel Livingston, USAF, Air Force Office of Special Investigations (AFOSI) Detachment 512, Royal Air Force Lakenheath, U.K. "lifts" a finger print from a compact disk during a training session. The primary responsibilities of the AFOSI Detachment 512 are criminal investigative and counterintelligence services. The AFOSI seeks to identify, investigate and neutralize espionage, terrorism, fraud and other major criminal activities that may threaten US Air Force and Department of Defense resources.

*DoD photo by: SRA JAMES L. HARPER JR., USAF – September 4, 2001*

**GOAL 3 – RESHAPE THE DEFENSE ENTERPRISE**

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**Strategic Objective 3.1:**  
*Improve acquisition processes and execution to support warfighter requirements.*

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective area includes all DoD acquisition infrastructure activities that develop, test, evaluate, and manage the procurement of military equipment and supporting systems from private industry. These activities provide technical oversight throughout each system's life. This objective contains the major research, development, and acquisition organizations of the Military Departments and the Defense Agencies, except those that are part of the formal Science and Technology Program (strategic objective 3.2). Individual program managers are assisted by the major contract managers and auditors in the DoD who oversee these industry contracts. This objective area includes activities providing acquisition, contract management services and auditing, activities that provide technical oversight throughout each system's useful life, acquisition-related studies and analysis, and operational and developmental test and evaluation organizations.

**B. Performance Targets:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified in Figure 3.1-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures, for assessing the effectiveness and efficiency of this objective are depicted below:

- Average acquisition cycle time for Major Defense Acquisition Programs (MDAPs)

- Rationale for Measure: Average cycle time is an indicator showing how fast the Department can develop new acquisition programs with the latest technologies and provide initial operational capability to combat units. The intent of this metric is to measure how well the Department is doing in decreasing the time to get new programs into the hands of the warfighter, developing methodologies to streamline the system acquisition process, and reducing acquisition costs.
- Data Source and Calculation Methodology: Data EW collected from the Selected Acquisition Reports (SARs) based on each year's President's Budget for MDAPs. Average acquisition cycle time is computed using schedule estimates from the SARs and the underlying data, which are maintained in the reflected in the Defense Acquisition Management Information Retrieval (DAMIR) application, are used to verify and validate the measured values
- Average rate of acquisition cost growth for Major Defense Acquisition Programs (MDAPs)
  - Rationale for Measure: The acquisition cost growth metric helps focus management attention on controlling costs. Minimizing acquisition cost growth in MDAPs frees up more resources for modernization or operating and support of DoD's weapon systems. This helps ensure the Department is putting the best available weapons in the hands of the warfighters.
  - Data Source and Calculation Methodology: Data are collected from the SARs based on each year's President's Budget for MDAPs. Annual rate of cost growth is calculated by taking the difference between the acquisition costs in the current year and previous year President's Budget, divided by the previous year's

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<b>Strategic Objective 3.1: Improve acquisition processes and execution to support warfighter requirements.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.1-1: Average acquisition cycle time for Major Defense Acquisition Programs (MDAPs)	3.1-1a: By FY 2008, the DoD will reduce average acquisition cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 1992 and later to less than 99 months.	FY 06 (baseline): <99 months acquisition cycle time FY 07: <99 months acquisition cycle time FY 08: <99 months acquisition cycle time
	3.1-1b: By FY 2008, the DoD will reduce average acquisition cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and later to less than 66 months.	FY 06 (baseline): <66 months acquisition cycle time FY 07: <66 months acquisition cycle time FY 08: <66 months acquisition cycle time
3.2-2: Average annual rate of acquisition cost growth for Major Defense Acquisition Program (MDAPs)	3.1-2: By FY 2008, the DoD will reduce the annual rate of acquisition cost growth for Major Defense Acquisition Programs (MDAPs) to zero percent.	FY 06 (baseline): 0% acquisition cost growth FY 07: 0% acquisition cost growth FY 08: 0% acquisition cost growth

**Figure 3.1-1 Strategic Objective 3.1 Performance Measures, Goals, and Annual Targets**

President's Budget, expressed as a percentage. A dollar-weighted average is calculated for the common MDAPs and adjusted for changes in quantity or inflation.

**D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory, and DoD strategic planning guidance:

- The Government Performance and Results Act (GPRA) of 1993--requires the development and submission of an annual Performance Plan that articulates an Agency's budget in terms of strategic goals and objectives;
- OMB Circular A-11--requires development of an annual Performance Budget that satisfies all the provisions for an annual GPRA Performance Plan;

- DoD 2006 Quadrennial Defense Review--calls for improving acquisition management processes and procedures; and
- The FY 2007 USD (AT&L) Strategic Goals Implementation Plan--continues the process of aligning planned activities to national and Defense objectives.

**E. Strategies for Achieving Objective:**

The following primary strategies are identified for achieving this Strategic Objective:

- Legislative Initiatives/Proposals: Non-applicable
- Policy and/or Process Improvement Initiatives: Pilot programs for:



## Performance Budget – FY 2007-2008 GPRA Plan

- Concept Decision/Time Defined Acquisition Process – Develop a process that brings together the acquisition, requirements, and program/budget communities to ensure that the Department starts affordable programs at the right time, for the right capability with predictable performance.
- Capital Accounts – Evaluate the potential benefits of stabilizing funding and requirements for acquisition programs through the system development and demonstration phase.

PART Name	Year Last Evaluated	Rating
Army Acquisition Systems	2007	Moderately Effective
Naval Acquisition Systems	2007	Adequate
Air Combat Program	2006	Moderately Effective
Navy Shipbuilding	2006	Adequate
Airlift Program	2006	Moderately Effective
Missile Defense	2006	Adequate
DoD Unmanned Aircraft Systems	2006	Moderately Effective
Future Combat Systems/Modularity Land Warfare	2006	Moderately Effective
Marine Corps Expeditionary Warfare	2006	Moderately Effective
Rotary Wing Programs	2006	Adequate
Air Force Acquisition Systems	2006	Moderately Effective
Precision Weapons Programs	2006	Moderately Effective
Strategic Offensive Capabilities	2006	Effective
Test and Evaluation Programs	2006	Results not Demonstrated

**Figure 3.1-2 Strategic Objective 3.1 PART Evaluations**

- Structure and Organizational Initiatives: Non-applicable
- Information Technology (IT) Investments: In FY 2007 and FY 2008, the BTA is spending close to \$7.3 billion and \$7.5 billion, respectively, on IT investments to help *Reshape the Defense Enterprise*; of that, \$310 million and \$321 million, respectively, is being spent on investments to improve weapons systems lifecycle management, improve acquisition processes, and focus research and development on warfighter requirements. As reported in DoD's Enterprise Transition Plan (ETP), one of the priorities of the Department is to improve acquisition visibility. The Department's strategy to achieve this priority is to implement four IT investments (Defense Acquisition Management Information Retrieval, Military Equipment Valuation, Capital Asset Management System for Military Equipment, and the U.S. Export Systems)—all managed by the AT&L and the BTA. In addition, the Department will implement 15 IT investments managed by the DoD components. The most significant of these are the Enterprise Business System, Future Combat Systems Advanced Collaborative Environment, and Future Business System.
- Other Investments: Non-applicable

**F. Associated Program Assessment Rating Tool (PART) Evaluations:**

See Figure 3.1-2.

**G. External DoD Factors Affecting Objective Accomplishment:**

Non-applicable

**H. DoD Accountable Official:**

Under Secretary of Defense (Acquisition, Technology & Logistics)

**GOAL 3 – RESHAPE THE DEFENSE ENTERPRISE**

**Strategic Objective 3.2:**  
*Focus research and development to address warfighting requirements.*

**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective area includes the Department’s Science & Technology program, as defined by those program elements containing resources from budget activities 1, 2, or 3 of the DoD’s Research, Development, Test, and Evaluation (RDT&E) appropriations. These three budget activities constitute the Defense Department’s program of scientific research and experimentation for military application that includes basic research, applied research, and advanced technology development.

**B. Performance Targets:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified Figure 3.2-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures, for assessing the effectiveness and efficiency of this objective are depicted below:

- Percent of demonstration programs transitioning per year

- Rationale for Measure: This is a new measure for FY 2008. In FY 2008, the Department will develop guidance and begin measuring the percentage of formal demonstration programs that transition to the field or to acquisition programs of record. The ultimate aim of research and development is to deliver innovative, product-ready technology to the warfighter. The Department uses demonstrations, prototypes and testing to reduce technological risk, thereby reducing acquisition cost.
- Data Source and Calculation Methodology: Data will be requested from Service and agency research and development organizations through a formal submission process. This information will be used to calculate the percent of formal demonstration programs completed in the past year that have transitioned to the field and/or to acquisition programs of record.

**D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- The Government Performance and Results Act (GPRA) of 1993--requires the development and submission of an annual Performance Plan that describes an Agency’s budget in terms of strategic goals and objectives;

Strategic Objective 3.2: Focus research and development to address warfighting requirements.		
Performance Measures	Performance Targets	Annual Performance Targets
3.2-1: Percent of demonstration programs transitioning per year	3.2-1: By FY 2008, the DoD will transition 30 percent of demonstration programs per year.	FY 06 (baseline): Non-applicable FY 07: Non-applicable FY 08: 30% of programs transitioning

**Figure 3.2-1 Strategic Objective 3.2 Performance Measures and Targets**

**Performance Budget – FY 2007-2008 GPRA Plan**

- OMB Circular A-11--requires development of an annual Performance Budget that satisfies all the provisions for an annual GPRA Performance Plan;
- DoD 2006 Quadrennial Defense Review--calls for development of increased/enhanced military operational and support capabilities and capacity; and
- The FY 2007 USD(AT&L) Strategic Goals Implementation Plan--continues the process of aligning planned activities to national and Defense objectives.

PART Name	Year Last Evaluated	Rating
Defense Advanced Technology Development Program	2007	Effective
Defense Basic Research	2006	Effective
Defense Applied Research	2006	Moderately Effective

**Figure 3.2-2 Strategic Objective 3.2 PART Evaluations**

**E. Strategies for Achieving Objective:**

The following primary strategies are identified for achieving this Strategic Objective:

- Legislative Initiatives/Proposals: Non-applicable
- Policy and/or Process Improvement Initiatives: Non-applicable
- Structure and Organizational Initiatives: Non-applicable
- Information Technology (IT) Investments: Non-applicable
- Other Investments: Non-applicable

**F. Associated Program Assessment Rating Tool (PART) Evaluations:**

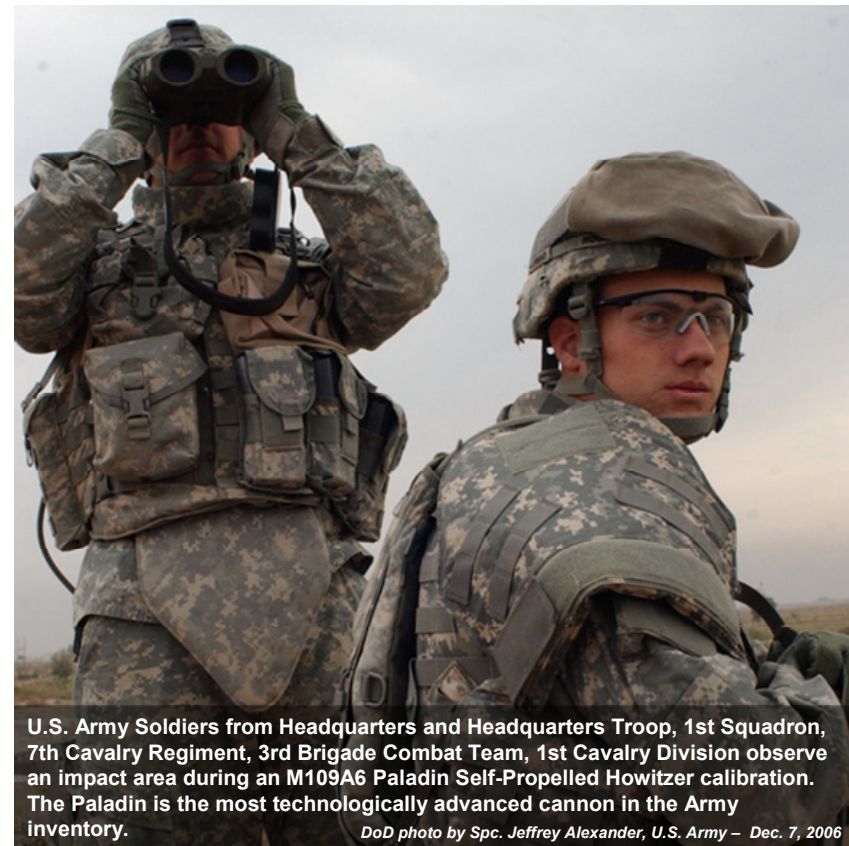
See Figure 3.2-2

**G. External DoD Factors Affecting Objective Accomplishment:**

Non-applicable

**H. DoD Accountable Official:**

Under Secretary of Defense (Acquisition, Technology & Logistics)



U.S. Army Soldiers from Headquarters and Headquarters Troop, 1st Squadron, 7th Cavalry Regiment, 3rd Brigade Combat Team, 1st Cavalry Division observe an impact area during an M109A6 Paladin Self-Propelled Howitzer calibration. The Paladin is the most technologically advanced cannon in the Army inventory.  
DoD photo by Spc. Jeffrey Alexander, U.S. Army – Dec. 7, 2006

**GOAL 3 – RESHAPE THE DEFENSE ENTERPRISE**

**Strategic Objective 3.3:**

***Implement improved logistics operations to support joint warfighting priorities.***

**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective area includes the wholesale supply and heavy maintenance activities operated by the Military Departments and defense agencies. Central logistics programs provide supplies, depot-level maintenance of military equipment and supporting systems, transportation of material, and other products and services to customers throughout the DoD. This includes logistical capabilities, external to the operating forces that, on a day-to-day basis, provide:

- Parts, fuel, and lubricants;
- Depot repairs;
- Secondary equipment items; and
- Supplies for organizations, individuals, and equipment.

The Department’s Central Logistics infrastructure maintains warehouses, supply depots, inventory control points and provides the depot-level heavy maintenance and repair activities for major equipment for the long-term material sustainment of the operating forces. Central Logistics products and services are generally financed through Defense Working Capital Funds.

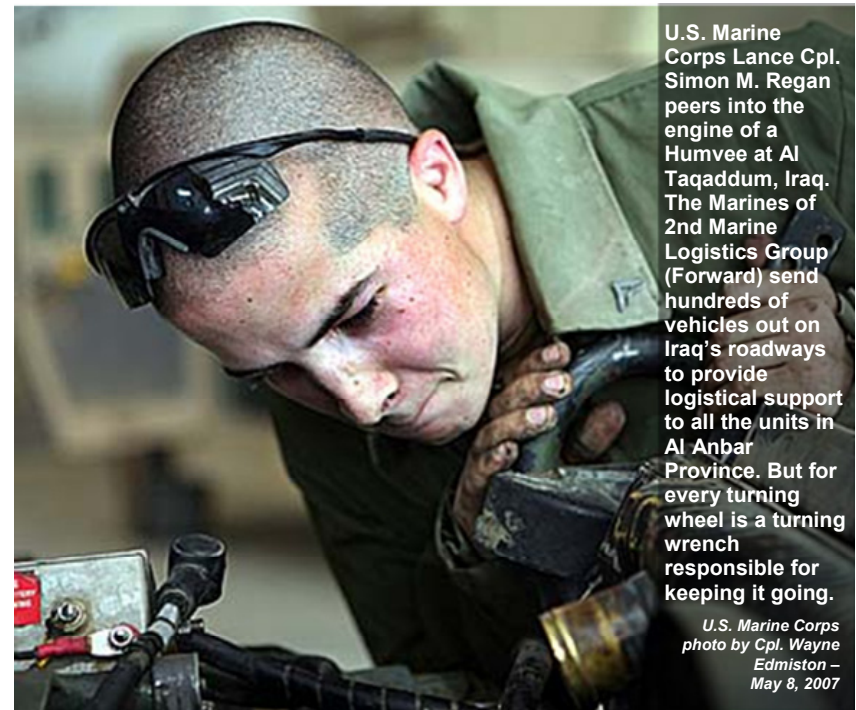
**B. Performance Targets:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified in Figure 3.3-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures, for assessing the effectiveness and efficiency of this objective are depicted below:

- Average customer wait time
  - Rationale for Measure: Customer wait time measures the elapsed time from order to receipt when a customer orders. It can be used to develop management practices and controls that assist in highlighting areas that will benefit from process improvements. Increased efficiency in this area will result in improved customer response and confidence in the DoD supply system.
  - Data Source and Calculation Methodology: Data on transaction volume and order-receipt times are collected monthly from various Military Service systems. The Services roll the inputs from their respective systems into a single Service report in spreadsheet format that they



U.S. Marine Corps Lance Cpl. Simon M. Regan peers into the engine of a Humvee at Al Taqaddum, Iraq. The Marines of 2nd Marine Logistics Group (Forward) send hundreds of vehicles out on Iraq’s roadways to provide logistical support to all the units in Al Anbar Province. But for every turning wheel is a turning wrench responsible for keeping it going.

U.S. Marine Corps photo by Cpl. Wayne Edmiston – May 8, 2007

**Performance Budget – FY 2007-2008 GPRA Plan**

<b>Strategic Objective 3.3: Implement improved logistics operations to support joint warfighting priorities</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.3-1: Average customer wait time	3.3-1: By FY 2008, the DoD will reduce average customer wait time to 15 days.	FY 06 (baseline): 17 days customer wait time FY 07: 15 days customer wait time FY 08: 15 days customer wait time
3.3-2: Average percent of materiel availability readiness goals achieved for major weapon systems	3.3-2: By FY 2008, the DoD will achieve the materiel availability readiness for MDAP weapon systems to within 10 percent of goal.	FY 06 (baseline): Non-applicable FY 07: Non-applicable FY 08: Within 10% of MDAP availability readiness goal

**Figure 3.3-1 Strategic Objective 3.3 Performance Measures and Targets**

submit to the Defense Automatic Addressing System (DAAS). DAAS then calculates a weighted average (based on the relative volume of transactions) for the entire DoD. All Military Service inputs are based on an agreed-upon set of business rules.

- Average percent of materiel availability readiness goals achieved for major weapon systems
  - Rationale for Measure: This is a new measure for FY 2008. The materiel readiness requirement must be maintained at the level necessary to meet mission requirements based on the DoD’s Strategic Planning Guidance. Materiel readiness is a reflection of the quality of the Department’s design and sustainment efforts.
  - Data Source and Calculation Methodology: Each Service has established materiel readiness standards for each weapon system. These readiness data are available in the Services’ logistics and readiness automated

information systems and can be supplemented with information from the quarterly readiness report to the Congress or the Defense readiness reporting system.

**D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- The Government Performance and Results Act (GPRA) of 1993--requires the development and submission of an annual Performance Plan that describes an Agency’s budget in terms of strategic goals and objectives;
- OMB Circular A-11--requires development of an annual Performance Budget that satisfies all the provisions for an annual GPRA Performance Plan;
- DoD 2006 Quadrennial Defense Review--calls for improving acquisition management processes and procedures; and

**Performance Budget – FY 2007-2008 GPRA Plan**

- The FY 2007 USD(AT&L) Strategic Goals Implementation Plan--continues the process of aligning planned activities to national and Defense objectives.

**E. Strategies for Achieving Objective:**

The following primary strategies are identified for achieving this Strategic Objective:

- Legislative Initiatives/Proposals: Non-applicable
- Policy and/or Process Improvement Initiatives: Non-applicable
- Structure and Organizational Initiatives: Non-applicable
- Information Technology (IT) Investments: In FY 2007 and FY 2008, the BTA is spending close to \$7.3 billion and \$7.5 billion, respectively, on IT investments to help *Reshape the Defense Enterprise*; of that, \$2.5 billion and \$2.4 billion, respectively, is being spent on investments that help improve logistics operations to support joint warfighting priorities. As reported in the DoD’s Enterprise Transition Plan, one of the priorities of the Department is to improve materiel visibility. The Department’s strategy to help achieve materiel supply and service visibility is to implement four IT investments (Radio Frequency Identification, Item Unique Identification Registry, Transition to modern interface standards, and Logistics Master Data.) In addition, the DoD will implement 38 IT investments that are managed by the DoD components. The most significant of these the 38 include the Expeditionary Combat Support System, Business Systems Modernization, Global Combat Support System – Army, Logistics Modernization Program, and Transportation Coordinators’ Automated Information for Movements System.

<b>PART Name</b>	<b>Year Last Evaluated</b>	<b>Rating</b>
Marine Corps Depot Maintenance	2006	Effective
Army Depot Maintenance	2006	Effective
Air Force Depot Maintenance	2006	Effective
Navy Aviation Depot Maintenance	2006	Effective
DoD Ship Depot Maintenance	2006	Effective

**Figure 3.3-2 Strategic Objective 3.3 PART Evaluations**

- Other Investments: Non-applicable

**F. Associated Program Assessment Rating Tool (PART) Evaluations:**

See Figure 3.3-2

**G. External DoD Factors Affecting Objective Accomplishment:**

Non-applicable

**H. DoD Accountable Official:**

Under Secretary of Defense (Acquisition, Technology & Logistics)

**GOAL 3 – RESHAPE THE DEFENSE ENTERPRISE**

**Strategic Objective 3-4:**  
*Maintain capable, efficient, and cost-effective installations to support the DoD workforce.*

**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective area includes installations at which units in the Operating Forces are based. It includes the services and organizations at these installations necessary to house and sustain the units and support their daily operations. It includes programs that sustain, restore, and modernize each installation's buildings and protect its environment. These installation services include housing, food services, utilities, waste disposal, recreation, repair facilities, grounds and building maintenance, installation equipment maintenance, and administration and technical support. This objective area also includes installations at which departmental management organizations are based and Base Realignment and Closure (BRAC) programs.

**B. Performance Targets:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified in Figure 3.4-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures, for assessing the effectiveness and efficiency of this objective are depicted below:

- Average percent reduction in building energy consumption
  - Rationale for Measure: DoD results reflect progress toward achieving the goals of the Energy Policy Act of 2005 and Executive Order 13423 *Strengthening Federal Environmental Energy and Transportation Management*.

- Data Source and Calculation Methodology: Data on energy consumption are reported by the Services for inclusion in DoD's Annual Energy Management Report. Total DoD site-delivered British Thermal Units (less appropriate renewable energy and Section 502(e) credits) are divided by the total square footage of DoD facilities to measure building energy consumption.
- Average facilities recapitalization rate
  - Rationale for Measure: The facilities recapitalization metric measures the rate at which an inventory of facilities is being recapitalized. The term,



U.S. Air Force Senior Airman Margaret Wilson connects two lengths of concertina wire together, on a wall to protect one of the compounds on Ali Air Base, Iraq. Wilson is assigned to the 407th Expeditionary Security Forces Squadron's Force Protection Flight. The flight is responsible for monitoring local and third country nationals to detect suspicious activity, augmenting security forces during increased threat levels, as well as monitoring and maintaining installation security measures.

U.S. Air Force photo by Master Sgt. Robert W. Valenca – June 8, 2001

**Performance Budget – FY 2007-2008 GPRA Plan**

<b>Strategic Objective 3-4: Maintain capable, efficient, and cost-effective installations to support the DoD workforce.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.4-1: Average percent reduction in building energy consumption	3.4-1: By FY 2009, the DoD will reduce average building energy consumption by 12 percent from the FY 2003 baseline.	FY 06 (baseline): 3% reduction from FY 2003 rate FY 07: 6% reduction from FY 2003 rate FY 08: 9% reduction from FY 2003 rate
3.4-2: Average facilities recapitalization rate	3.4-2: By FY 2008, the DoD will fund an average facilities recapitalization rate of 67 years.	FY 06 (baseline): 73 years FY 07: 72 years FY 08: 67 years
3.4-3: Average facilities sustainment rate	3.4-3: By FY 2008, the DoD will increase the average facilities sustainment rate to 100 percent.	FY 06 (baseline): 92% sustainment rate FY 07: 95% sustainment rate FY 08: 100% sustainment rate
3.4-4: Number of inadequate family housing units	3.4-4a: By FY 2008, the DoD will eliminate all inadequate family housing in the continental United States (CONUS).	FY 06 (baseline): 29,245 inadequate housing units FY 07: 0 inadequate housing units FY 08: 0 inadequate housing units
	3.4-4b: By FY 2009, the DoD will eliminate all inadequate family housing outside the continental United States (OCONUS).	FY 06 (baseline): 39,104 inadequate housing units FY 07: < FY 2006 number of inadequate units FY 08: < FY 2007 number of inadequate units

**Figure 3.4-1 Strategic Objective 3.4 Performance Measures and Targets**

“recapitalization,” means to restore or modernize facilities. The performance goal for recapitalization equals the expected service life of the facilities inventory, currently 67 years. The Facilities Recapitalization Model was designed to support senior leader decision-making in the resource allocation process. It is used to inform out-year planning as indicated by FYDP funding levels to optimize facilities investment.

- Data Source and Calculation Methodology: Recapitalization rates are computed according to set procedures as described in the August 2002 Facilities

Recapitalization Front End Assessment document. Data collection is derived from multiple sources to include several hundred program elements, multiple funding appropriations and resources from outside DoD, and thousands of real property records. The various data elements are summarized and merged in the Defense Programming Database (DPD) Warehouse, where the recapitalization rate is computed from the data.

- Average facilities sustainment rate
  - Rationale for Measure: “Sustainment” means the routine maintenance and repair necessary to achieve the



## Performance Budget – FY 2007-2008 GPRA Plan

expected service life for a facility. To compute a normal expected service life, full sustainment levels must be assumed. The Facilities Sustainment Model was designed to support senior leader decision-making in the resource allocation process. It is used to inform out-year planning as indicated by FYDP funding levels to optimize facilities investment.

- Data Source and Calculation Methodology: Sustainment rates are computed in a similar manner as the recapitalization rate. About 400 benchmarks for sustainment contained in the DoD Facilities Pricing Guide are combined with real property inventory databases by the DoD Facilities Sustainment Model (FSM). The FSM outputs are merged with programming and budget data contained in the DoD Future Years Defense Program. This merging is done in the DPD Warehouse, where sustainment rates are computed.
- Number of inadequate family housing units
  - Rationale for Measure: DoD's goal is to eliminate all inadequate family housing in CONUS by the end of FY 2007 and all inadequate family housing OCONUS by the end of FY 2009. This effort aims to improve the quality of life for Service members and their families.
  - Data Source and Calculation Methodology: The Military Construction and Family Housing program budget estimates provide Service details, including actual numbers of inadequate housing units eliminated during the past year. This number is subtracted from the beginning of the year inventory to compute the number of inadequate units remaining.

### **D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory,

DoD strategic planning guidance, audit, and/or program reviews:

- The Government Performance and Results Act (GPRA) of 1993--requires the development and submission of an annual Performance Plan that describes an Agency's budget in terms of strategic goals and objectives;



US Navy Petty Officer 2nd Class Rodney Rodriguez, a Seabee assigned to Naval Facilities Engineering Command Marianas, grinds a six-inch bolt at Naval Base Guam. The bolts will be used for a base renovation project at Naval Base Guam.

U.S. Navy photo by Mass Communication Specialist 2nd Class John F. Looney – August 11, 2006

**Performance Budget – FY 2007-2008 GPRA Plan**

- OMB Circular A-11--requires development of an annual Performance Budget that satisfies all the provisions for an annual GPRA Performance Plan;
- DoD 2006 Quadrennial Defense Review--calls for improving acquisition management processes and procedures; and shaping the Department’s investment to support the Nation’s objectives effectively; and
- The FY 2007 USD(AT&L) Strategic Goals Implementation Plan --continues the process of aligning planned activities to National and Defense objectives.

**E. Strategies for Achieving Objective:**

The following primary strategies are identified for achieving this Strategic Objective:

- Legislative Initiatives/Proposals: Non-applicable
- Policy and/or Process Improvement Initiatives: Non-applicable
- Structure and Organizational Initiatives: Non-applicable
- Information Technology (IT) Investments: In FY 2007 and FY 2008, the BTA is spending close to \$7.3 billion and \$7.5 billion, respectively, on IT investments to help *Reshape the Defense Enterprise*; of that, \$79 million and \$87 million, respectively, are being spent on real property and installation lifecycle management investments to maintain capable, efficient, and cost-effective installations. As reported in the DoD Enterprise Transition Plan, one of the priorities of the Department is to improve real property accountability. The Department’s strategy to help achieve real property accountability is to implement nine IT investments across the enterprise. The most significant of these are the Real Property Asset Database, the Hazardous Materials Information Resource System, and the Knowledge Based Corporate Reporting System. In addition, 11 related IT investments are managed by the DoD Components.

- Other Investments: Non-applicable

**F. Associated Program Assessment Rating Tool (PART) Evaluations:**

See Figure 3.4-2

**G. External DoD Factors Affecting Objective Accomplishment:**

Non-applicable

**H. DoD Accountable Official:**

Under Secretary of Defense (Acquisition, Technology & Logistics)

PART Name	Year Last Evaluated	Rating
Military Construction Programs	2006	Moderately Effective
Marine Corps Base Operations & Support	2006	Results not Demonstrated
Navy Base Operations & Support	2006	Adequate
Air Force Base Ops & Support	2006	Results not Demonstrated
Army Base Operations & Support	2006	Moderately Effective
DoD Facilities Sustainment, Restoration, Modernization & Demolition	2006	Adequate
Energy Conservation Investment	2006	Effective
Defense Housing	2006	Moderately Effective

**Figure 3.4-2 Strategic Objective 3.4 PART Evaluations**

**GOAL 3 – RESHAPE THE DEFENSE ENTERPRISE**

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**Strategic Objective 3-5:**

***Improve financial management and budget and performance integration to support strategic decisions and provide financial stewardship to the taxpayer.***

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective includes all financial management and budget activities across the DoD.

**B. Performance Goals:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified in Figure 3.5-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures, for assessing the effectiveness and efficiency of this objective are depicted below:

- Percent of audit-ready assets and liabilities
  - Rationale for Measure: The Financial Improvement and Audit Readiness Plan, published semi-annually, describes the road map for achieving audit readiness on DoD financial statements. The plan describes an incremental approach for achieving audit readiness—line items on the balance sheet. These measures are a means of documenting incremental progress.
  - Data Source and Calculation Methodology: DoD quarterly financial statement information. Line item(s) amount(s) for assets or liabilities ready for audit, divided by total assets or liabilities on the balance sheet.

**D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- The Federal Financial Management Improvement Act (FFMIA) of 1996--requires each Agency Head to determine substantial compliance with the Act and to submit a remediation plan to bring the Agency's financial management systems into substantial compliance with FFMIA;
- The Government Performance and Results Act (GPRA) of 1993--requires the development and submission of an annual Performance Plan that describes an Agency's budget in terms of strategic goals and objectives;
- FY 2002 President's Management Agenda (PMA)—includes two Federal-wide priority initiatives to improve financial management and budget and performance integration;
- OMB Circular A-127, Financial Management Systems--requires each Agency to prepare and maintain financial management system plans;
- OMB Circular A-11--requires development of an annual Performance Budget that satisfies all the provisions for an annual GPRA Performance Plan; and
- DoD 2006 Quadrennial Defense Review—emphasizes the needs of the Combatant Commanders as the basis for programs and budgetary priorities, promotes breaking out the budget by joint capability area, and promotes reevaluation of goals and metrics for measuring performance and ensuring strategic alignment.

**Performance Budget – FY 2007-2008 GPRA Plan**

<b>Strategic Objective 3-5: Improve financial management and budget and performance integration to support strategic decisions and provide financial stewardship to the taxpayer.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.5-1: Percent of audit-ready assets and liabilities	3.5-1a: By 2011, the DoD will demonstrate that 72 percent of assets have achieved audit readiness.	FY 06 (baseline): 15% assets audit ready FY 07: 18% assets audit ready FY 08: 29% assets ready
	3.5-1b: By 2011, the DoD will demonstrate that 79 percent of liabilities have achieved audit readiness.	FY 06 (baseline): 49% liabilities audit ready FY 07: 49% liabilities audit ready FY 08: 49% liabilities audit ready

**Figure 3.5-1 Strategic Objective 3.5 Performance Measures and Targets**

**E. Strategies for Achieving Objective:**

The following primary strategies are identified for achieving this Strategic Objective:

- Legislative Initiatives/Proposals: The following list identifies the FY 2008 legislative proposals without budgetary implications:
  - Authority to appoint an acting chair for the Cost Accounting Standards Board; and
  - Increase limitation on advance billing of working capital fund customers
- Policy and/or Process Improvement Initiatives:
  - Participant in Office of Management and Budget committees and interagency work groups for streamlining the Performance and Accountability Report (PAR) and various budget and performance integration reports.
  - Participant in Chief Financial Officer subcommittees to improve financial reporting and share best practices across the government; and
- Defense Departmental Reporting System (DDRS) releases to implement the standard financial information structure and a common DoD business language for budgeting, accounting, and external reporting.
- Structure and Organizational Initiatives: The Base Realignment and Closure (BRAC) serves as a key enabler to the Defense Finance and Accounting Service (DFAS) in its transformation process. DFAS accounting will be performed at fewer sites by reducing the current footprint from 30 to 10 sites over the next five years.
- Information Technology (IT) Investments: In FY 2007 and FY 2008, the BTA is spending close to \$7.3 billion and \$7.5 billion, respectively, on IT investments to help Reshape the Defense Enterprise; of that, \$521 million and \$618 million, respectively, is being spent on financial management-related investments. As reported in the DoD’s Enterprise Transition Plan, one of the priorities of the Department is to improve financial visibility. The Department’s strategy to help achieve financial visibility is to implement the following five IT investments that are managed by the BTA:

## Performance Budget – FY 2007-2008 GPRA Plan

- Business Enterprise Information Services;
- Defense Agencies Initiative;
- Electronic Funds Distribution;
- Intragovernmental Transactions/Intergovernmental Value Added Network; and
- Standard Financial Information Structure

In addition, 23 related IT investments are managed by the DoD components. The most significant of these are the Navy Enterprise Resource Planning, Defense Enterprise Accounting and Management System, and the General Fund Enterprise Business System.

- Other Investments:
  - Recruit and promote personnel with certifications and advanced degrees within the Comptroller organization.

### ***F. Associated Program Assessment Rating Tool (PART) Evaluations:***

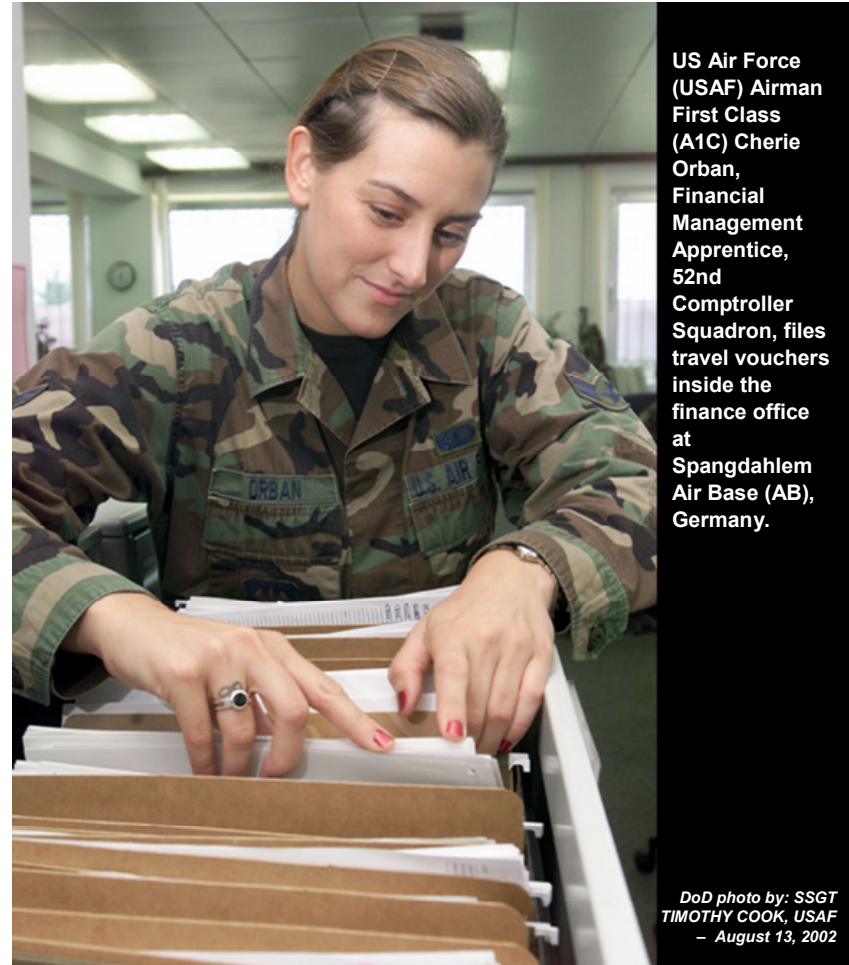
Non-Applicable

### ***G. External DoD Factors Affecting Objective Accomplishment:***

- Issuance of new Statement of Federal Financial Accounting Standards by the Federal Accounting Standards Board.
- Issuance of new legislation regarding financial management.
- Potential budget reductions impacting existing investment initiatives.

### ***H. DoD Accountable Official:***

Under Secretary of Defense (Comptroller)



US Air Force (USAF) Airman First Class (A1C) Cherie Orban, Financial Management Apprentice, 52nd Comptroller Squadron, files travel vouchers inside the finance office at Spangdahlem Air Base (AB), Germany.

DoD photo by: SSGT TIMOTHY COOK, USAF  
– August 13, 2002

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**GOAL 3 – RESHAPE THE DEFENSE ENTERPRISE**

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**Strategic Objective 3.6:**

*Make information available on a network that people depend on and trust.*

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective includes centralized programs that provide secure information distribution, processing, storage, and display. The major elements include long-haul communications systems, base computing systems, Defense enterprise computing centers and detachments, and information assurance programs. This objective area contains the centralized programs that enable the Department's distributed communications capabilities to operate as common resources available to DoD users. It also includes the specialized communications and information technology linking DoD infrastructure activities to their supported operating forces.

**B. Performance Goals:**

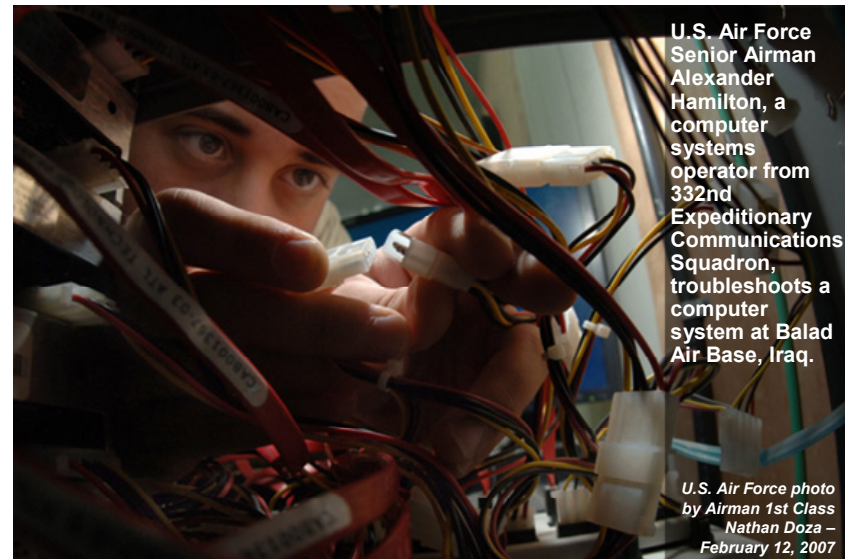
Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified in Figure 3.6-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures for assessing the effectiveness and efficiency of this objective are depicted below:

- Percent of information technology (IT) business cases (exhibit 300s) acceptable to the OMB
  - Rationale for Measure: This measure was selected because it shows how the Department is faring in response to Office of Management and Budget's requirements for fully documented information technology business cases (exhibit 300s).

- Data Source and Calculation Methodology: The data source for calculating this percentage is number of acceptable cases (cases not on the OMB watch list) divided by the number required. This is a per annum calculation.
- The cases per year are negotiated with OMB. Eligible cases are IT programs that exceed \$30 million per year. The calculation is done at the time the exhibit 300s are submitted along with the budget estimate submission.
- Percent of DoD accredited systems
  - Rationale for Measure: This measure was selected because it shows how the Department's inventory of systems is faring on information assurance standards. Systems that are considered accredited include those with authority to operate and those with interim authority to operate.



U.S. Air Force Senior Airman Alexander Hamilton, a computer systems operator from 332nd Expeditionary Communications Squadron, troubleshoots a computer system at Balad Air Base, Iraq.

U.S. Air Force photo by Airman 1st Class Nathan Doza – February 12, 2007

**Performance Budget – FY 2007-2008 GPRA Plan**

<b>Strategic Objective 3-6: Make information available on a network that people depend on and trust.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.6-1: Percent of IT business cases (exhibit 300s) acceptable to the OMB	3.6-1: For each fiscal year, the DoD will maintain the percent of IT business cases (exhibit 300s) acceptable to the OMB at 90 percent or higher.	FY 06 (baseline): 90% of IT business cases acceptable FY 07: 90% or higher of IT business cases acceptable FY 08: 90% or higher of IT business cases acceptable
3.6-2: Percent of DoD systems accredited	3.6-2 For each fiscal year, the DoD will increase the percent of systems accredited to 90 percent or higher. 1/	FY 06: 90% of systems accredited FY 07: 90% or higher of systems accredited FY 08: 90% or higher of systems accredited
<i>1/ A drop in the percentage is foreseeable in the next couple of years as improved Computer Network Defense standards and definitions are implemented.</i>		

**Figure 3.6-1 Strategic Objective 3.6 Performance Measures and Targets**

- Data Source and Calculation Methodology: The data are based on the reporting requirements of the Federal Information Security Management Act (FISMA) of 2002.
- Per FISMA, a quarterly query is done of the Defense Information Technology Portfolio Repository (DITPR) database. The denominator is the number of reported systems in the enterprise. “Systems” is not the same number as programs in the enterprise. As computer network defense standards are refined, the number of systems can be expected to grow in the near future and a commensurate decline in the percentage of accredited systems accredited is possible, which must be addressed by accelerated accreditation activities in the enterprise.

**D. Strategic Objective Driver:**

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- Federal Information Security Management Act of 2002 (44 U.S. C. 3541 *et seq*).
- The Government Performance and Results Act (GPRA) of 1993--requires the development and submission of an annual Performance Plan that describes an Agency’s budget in terms of strategic goals and objectives.
- FY 2005 National Defense Authorization Act (NDAA)—directs portfolio management.
- OMB Circular A-11--requires development of an annual Performance Budget that satisfies all the provisions for an annual GPRA Performance Plan.

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- DoD 2006 Quadrennial Defense Review—calls for reshaping the Defense enterprise in ways that better support the warfighter.

### **E. Strategies for Achieving Objective:**

The following primary strategies are identified for achieving this Strategic Objective:

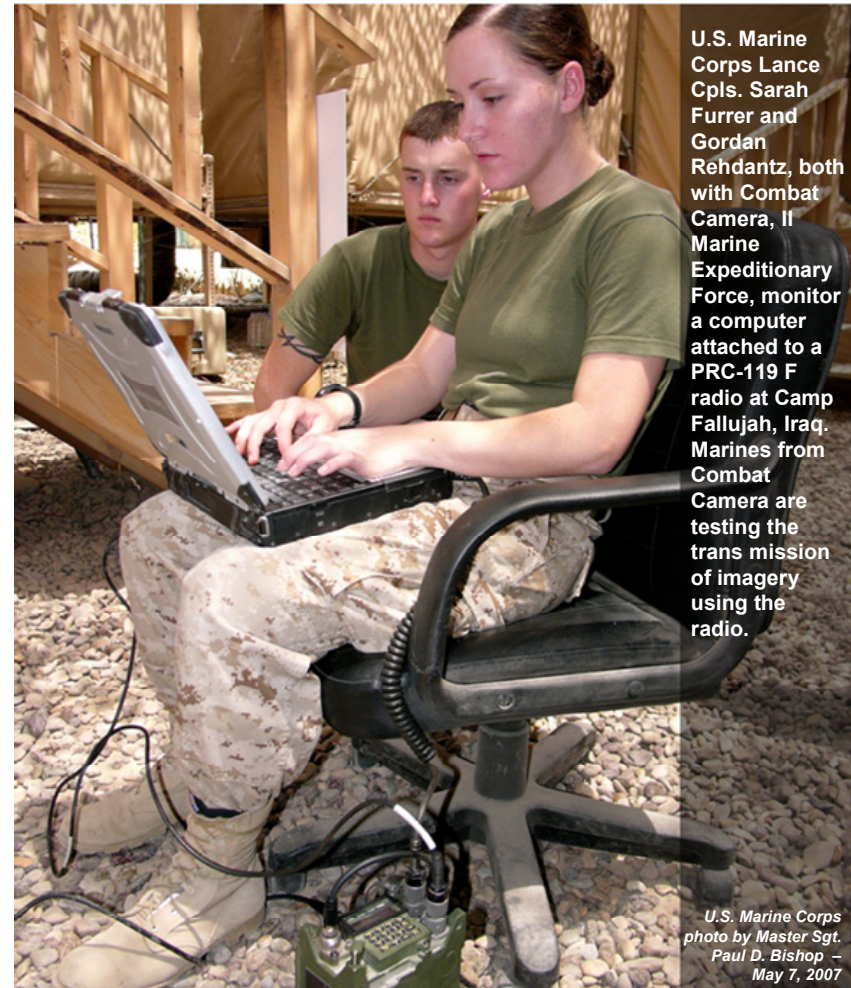
- Legislative Initiatives/Proposals: Non-applicable
- Policy and/or Process Improvement Initiatives:
  - Defense Business Systems Management Committee activities, resulting from the FY 2005 NDAA.
  - Joint network operations (one of four DoD test capability management portfolio test cases) as directed by the Deputy Secretary of Defense.
  - DoD CIO 2006 Strategic Plan.
- Structure and Organizational Initiatives: Non-applicable.
- Information Technology (IT) Investments: Non-applicable.
- Other Investments: Non-applicable.

### **F. Associated Program Assessment Rating Tool (PART) Evaluations:**

Non-applicable

### **G. External DoD Factors Affecting Objective Accomplishment:**

- Standards adjustments by the OMB;
- Congressional legislation;
- Inter-Agency Information Sharing Initiative; and
- Funding constraints.



U.S. Marine Corps Lance Cpls. Sarah Furrer and Gordan Rehdantz, both with Combat Camera, II Marine Expeditionary Force, monitor a computer attached to a PRC-119 F radio at Camp Fallujah, Iraq. Marines from Combat Camera are testing the transmission of imagery using the radio.

U.S. Marine Corps  
photo by Master Sgt.  
Paul D. Bishop –  
May 7, 2007

### **H. DoD Accountable Official:**

Assistant Secretary of Defense for Networks and Information Integration/Chief Information Officer



**GOAL 4 – DEVELOP A 21<sup>ST</sup> CENTURY TOTAL FORCE**

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**Strategic Objective 4.1:**  
*The “All Volunteer” military force is available and ready to meet the steady-state and surge activities of the DoD.*

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**A. Scope of Strategic (Enterprise-level) Objective**  
**Performance Measure:**

The scope of this objective area is limited to DoD recruiting organizations dedicating to acquiring new Service members into the Armed Forces. Major activities include recruiting, advertising, examining, and in-processing for new personnel. Incentives paid to military members are not included in the scope of this objective since these costs are reflected in military pay composite rates used to estimate the costs of military personnel supporting all other related Strategic Objective areas.

**B. Performance Targets:**

Annual performance targets for each of fiscal years 2006 (baseline) through 2008 are identified in Figure 4.1-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures for assessing the effectiveness and efficiency of this objective are depicted below:

- Percent variance in Active and Reserve component end strengths
  - Rationale for Measure: Service end strength authorizations are set forth in the National Defense Authorization Act (NDAA) each fiscal year. During a period of national emergency, when statutory limitations on end strength are waived, the Secretary of Defense (SECDEF) can establish end strength levels to ensure

that sufficient forces are available. Services are required to budget and execute to that end strength – either the SECDEF-established or NDAA-authorized which ever is appropriate. Quarterly reports to the USD (P&R) monitor Service adherence to the prescribed end-of-quarter and end of fiscal year strengths.

- Data Source and Calculation Methodology: Data are provided by the Defense Management Data Center (DMDC). The DMDC-provided data are divided by the prescribed strength level. The resulting percentage is used to determine Service adherence.
- Percent of Armed Forces without any deployment-limiting medical condition
  - Rationale for Measure: This measure was selected to measure how well the Military Health Service (MHS) identifies significant medical conditions that would affect the availability of Service members to deploy. This criterion provides commanders with a rough estimate of how many of the unit members should be available to deploy. It is an interim measure while the MHS works to define more exacting approaches that will clearly differentiate between mere availability and optimal health, fitness and performance. The latter requires a preventive approach to longitudinal health, promoting a medically ready force.
  - Data Source and Calculation Methodology: Service/Department-specific information systems for identifying individuals with deployment-limiting conditions include the Medical Protection System (used by all Army components), the Preventive Health Assessment and Individual Medical Readiness (used by the Air Force Active and Air National Guard), the Reserve Component Periodic Health Assessment (used by the Air Force

**Performance Budget – FY 2007-2008 GPRA Plan**

<b>Strategic Objective 4.1: Ensure an “All Volunteer” military force is available to meet the steady-state and surge activities of the DoD.</b>		
<b>Performance Measures</b>	<b>Performance Targets 1/</b>	<b>Annual Performance Targets</b>
4.1-1: Percent variance in Active and Reserve component end strength	4.1-1a: For each fiscal year, the DoD Active component end strength must be maintained at or not to exceed (NTE) three percent above the SECDEF prescribed end strength for that fiscal year.	FY06 (baseline): Not less than (NLT) authorized/Not to exceed (NTE) +3% above SECDEF-prescribed end strength FY07: NLT authorized/NTE +3% above SECDEF-prescribed end strength FY08: NLT authorized/NTE +3% above SECDEF-prescribed end strength
	4.1-1b: For each fiscal year, the DoD Reserve component end strength will not vary by more than two percent from the SECDEF prescribed end strength for that fiscal year.	FY06 (baseline): +/- 2% from SECDEF-prescribed end strength FY07: +/-2% from SECDEF-prescribed end strength FY08: +/-2% from SECDEF-prescribed end strength
4.1-2: Percent of deployable Armed Forces without any deployment-limiting medical condition	4.1-2: By FY 2009, the DoD will increase the percent of deployable Armed Forces without any deployment - limiting medical condition to greater than 92 percent.	FY 06 (baseline): 85% of deployable Armed Forces FY 07: >87% of deployable Armed Forces FY 08: >90% of deployable Armed Forces
4.1-3: Percent of Armed Forces whose medical readiness status is indeterminate	4.1-3: By FY 2009, the DoD will reduce the percent of Armed Forces who medical readiness status is indeterminate to less than 10 percent.	FY 06 (baseline): 32% of Armed Forces FY 07: <25% of Armed Forces FY 08: <15% of Armed Forces
4.1-4: Attrition rate for first-termers	4.1.4: For each fiscal year, the DoD attrition rate for first-termers will not vary by more than two percent of the FY 2006 baseline of 30 percent.	FY 06 (baseline): 30% first-termers' attrition rate FY 07: +/-2% of FY 2006 attrition rate FY 08: +/-2% of FY 2006 attrition rate

**Figure 4.1-1 Strategic Objective 3.5 Performance Measures and Targets**

## Performance Budget – FY 2007-2008 GPRA Plan

- Reserve), the Medical Readiness Reporting System (used by all Marine and Navy components). In some cases, subsidiary systems feed information to parent medical readiness systems, such as the Marine Corps Medical Entitlement Data System. The calculation methodology is a straightforward percentage determined by the number of Service members who do not have a known disqualifying medical condition (as defined by Military Department-specific policies), divided by the total number of deployable Service members. The total number of deployable Service members (the denominator for this measure) includes all non-deployed Active and Selected Reserve members of the Armed Forces--both officers and enlisted members. Deployable Service members exclude those who have not completed initial active duty training and follow-on technical skills training (i.e., initial training pipeline) and others who are unavailable to deploy (e.g., recruiters, Reserve Officer Training Corps cadre, students in deferred status pursuing advanced academic degrees, geographically separated units, Individual Mobilization Augmentees, prisoners, those in permanent change of station status, and anyone else not available for deployment).
- Percent of Armed Forces whose medical readiness status is indeterminate
  - Rationale for Measure: This measure was selected as a companion to the no deployment-limiting condition measure because it shows how well the MHS is able to ensure that all Service members receive critical health assessments. The annual periodic health assessment and the annual dental health examination are the cornerstones of longitudinal health and must be accomplished in a timely and effective fashion. When these assessments have not been accomplished, there is no way to know if the individual Service member has developed a condition that could impair his or her ability to serve.
- Data Source and Calculation Methodology: The data sources and denominator are the same as listed above. A Service member's status is categorized as indeterminate because of missing health information such as a lost medical record, an overdue annual periodic health assessment, or an overdue dental examination. The percentage is calculated by dividing the number of Service members whose medical readiness status is indeterminate by the total number of deployable Service members.
- Attrition rate for first-termers
  - Rationale for Measure: This measure was selected because it is crucial to the cost-effective sustainment of the all-volunteer force. For every member who separates before completing a contractual obligation, the Service must enlist a replacement...one for one. The baseline of 30 percent represents the historical trends over the past



## Performance Budget – FY 2007-2008 GPRA Plan

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20 years through good and poor recruitment periods, peace and conflict, inflations, recessions, and stable economic conditions. The performance range represents the historical balance between maintaining force quality and minimizing unnecessary attrition.

- Data Source and Calculation Methodology: The data source for calculating attrition is each Service. The attrition is calculated by dividing the number of adverse separations within a three year period by the number of individuals in the accession cohort.

### ***D. Strategic Objective Driver(s):***

This objective measure is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- 10 U.S.C. 115(d) requires that the Secretary of Defense (SECDEF) prescribe, for each of the first three quarters of the fiscal year, the strength levels for each of the ten Active and Reserve components. Further, the SECDEF can further prescribe the allowable variable around each end-of-quarter strength.
- 10 U.S.C. 115(e) authorizes the SECDEF to authorize that any Active component strength be not more than three percent of the end strength authorized for that fiscal year. Further, the SECDEF can authorize that the Selected Reserve of the Reserve component strength may not vary by more than two percent (+/-) from the end strength authorized for that fiscal year.
- 10 U.S.C. 115(f) authorizes the Secretary of the Military Department to have an Active component end strength at the end of the fiscal year of not more than two percent from the end strength authorized for that fiscal year.

- 10 U.S.C. 691(b) prescribes the minimum strength levels for the Active component forces for the fiscal year.
- Section 731 of Public Law 108-375, NDAA 2005 requires that the DoD develop a comprehensive plan to improve and track medical readiness of the Armed Forces throughout their military service.
- DoDD 6200.4, Force Health Protection outlines key provisions for promoting and maintaining a healthy and fit force and specifies various essential health assessments and wellness interventions, including the ongoing assessment of individual medical readiness.
- DoDI 6025.19, Individual Medical Readiness (IMR) defines key IMR elements and an IMR assessment methodology to apply to individual Service members. This instruction also establishes a minimum goal for overall medical readiness at greater than 75 percent of Service members as fully medically ready, with an ideal goal of 100 percent.
- DoD 2006 Quadrennial Defense Review calls for standards and monitoring to develop and maintain a healthy and fit force. The QDR acknowledges that personnel [medical] readiness is difficult to assess, manage, or remediate and that organizational readiness assessments do not include a comprehensive assessment of personnel [medical] readiness.

### ***Strategies for Achieving Objective:***

The following primary strategies are identified for achieving this Strategic Objective performance goal:

- Legislative Initiatives/Proposals:
  - In FY 2008, there are legislative proposals that request that strength constraints be changed for officers in the

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grades O-4 to O-6 and enlisted members in the grade of E-9 in order to accommodate force structure transformation initiatives. Advances in technology permit the Department to work more efficiently with fewer people, but require more experience. This translates to requirements for higher-graded officers and enlisted personnel. Further, transformation of unit formations and employment of forces have required more mid-grade officers at the O-4 level.

- The Department has requested the authority to conduct demonstration projects in order to evaluate proposed changes in personnel management statutes, programs and policies, e.g., on-and-off ramps (sabbaticals) and widening zones of eligibility and opportunities for promotion consideration, without the statutory constraints. This legislation is essential to provide the Department flexibility to test new personnel management concepts in a controlled manner and to adapt its business processes to a rapidly changing retention environment. This strategy enables the Department to efficiently and effectively enhance its human resource systems to provide critically needed support to unit performance.
- Policy and/or Process Improvement Initiatives:
  - The Joint Medical Readiness Oversight Committee and the Force Health Protection Council tasked the Individual Medical Readiness Working Group and the Reserve Component Medical Readiness and Integration Working Group to review and propose revisions to the existing Individual Medical Readiness key element definitions, assessment categories, and measures of success. The goal is to clearly identify measures that assess two inter-related, but separate objectives. One objective is to determine how well the Military Health System monitors and promotes longitudinal health. The other objective

concerns a way to monitor whether individuals are medically ready to deploy. The outcome will be new process measures and a strategic plan to improve medical readiness across all of the military components.

- Structure and Organizational Initiatives:
  - The Air Force is reducing the size of its forces over the next few years. The Air Force has been conducting critical recapitalization and modernization efforts for its air and space force. Budgetary pressures forced the Air Force to take significant personnel reductions to generate funds to reprogram toward systems recapitalization and modernization.



**U.S. Air Force Capt. Ryan Murray, of the 28th Logistics Readiness Squadron, and Airman 1st Class Eileen Loya, of the 28th Medical Group, aid Airman 1st Class Jessica Wilborn, of the 28th Medical Group, during the field training portion of a four-day long combat lifesaver course at Ellsworth Air Force Base, S.D. The course is conducted once a month by Airmen with the 28th Medical Group to educate and train military members prior to deploying.**

*U.S. Air Force photo by Airman 1st Class Angela Ruiz – April 26, 2007*

**Performance Budget – FY 2007-2008 GPRA Plan**

<b>PART Name</b>	<b>Year Last Evaluated</b>	<b>Rating</b>
Military Force Management	2003	Effective

**Figure 4.1-2 Strategic Objective 4.1 PART Evaluation**

- The Navy has been steadily reducing its end strength in a controlled manner, consistent with reductions in their force structure and infrastructure. Manpower requirements have shifted from a platform-based manpower determination to a capability-based personnel management system. Evaluating and leveraging technological advances, altering military/civilian/contractor workforce mix, and improving training and work processes have all led to fewer personnel requirements.
- The Army and Marine Corps are both authorized to increase their strength levels over the next several years to allow them to have the forces necessary to continue operations in support of the long war. Further, these additional forces will allow sufficient "deployment to dwell" ratios and to provide their Soldiers and Marines the proper respite from the rigors of deployment.
- Information Technology (IT) Investments:
  - The Navy is consolidating its approach to individual medical readiness data collection for Active duty Sailors and is adopting the Medical Readiness Reporting System as the single interface (display tool). All Services are developing interfaces between their unique systems and the Defense Readiness Reporting System.
- Other Investments: Non-applicable.

**E. Associated Program Assessment Rating Tool (PART) Evaluations:**

See Figure 4.1-2

**G. External DoD Factors Affecting Objective**

**Accomplishment:**

- Ability of the Services to meet prescribed strength levels is influenced by the budget provided by the Congress and Service implementation of the recruiting and retention plans. This objective is also affected by the same external DoD factors that affect the Congress providing the funding (higher priorities), as well as the economy and impact of influencers (parents, coaches, civic leaders on the youth and Service members).
- Inability to train civilian providers, who are contracted to support Service members working in remote locations, to accurately assess an individual's fitness for duty, may impact this objective.
- Commercial healthcare market prices, rising beyond available funds to pay for services through contract vehicles, may impact the DoD's ability to accomplish assessments for remotely located personnel.
- Difficulty in obtaining full documentation of assessments and any related treatment from civilian care providers, serving as part of a national purchased care network, may limit the DoD's ability to accurately characterize each Service member's medical readiness status.

**H. DoD Accountable Official:**

Under Secretary of Defense (Personnel and Readiness)

**GOAL 4 – DEVELOP A 21<sup>ST</sup> CENTURY TOTAL FORCE**

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**Strategic Objective 4.2:**  
*DoD remains competitive for needed talent by sustaining workforce satisfaction.*

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective area includes a number of benefits to Service members. It includes the DoD military healthcare infrastructure and systems that provide healthcare to active duty and their families, military retirees and their dependents, survivors, and other approved beneficiaries; the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and TRICARE; family housing; direct appropriations for military commissaries and exchanges; dependent schools; community, youth, child development, and family centers; off-duty and voluntary education programs; Military OneSource; family/financial counseling; casualty affairs; and a variety of ceremonial and morale-boosting activities such as fitness, libraries, and other recreation and community support activities. Also included are programs that help dependents recover from personal tragedies. These programs are considered to be indirect benefits since they are not allocated directly to the military members in the same way as military pay is. They are typically centrally managed services that are made available to military members through organizations and facilities established on military installations. These benefit programs contribute to DoD quality of life initiatives. The following factors have an impact on this objective's performance goal for employee satisfaction and are addressed by DoD programs, policies and activities:

- Benefits
- Compensation

- Career opportunities
- Training
- NSPS implementation
- Quality of Leadership
- BRAC impacts

**B. Performance Targets:**

Performance targets for each of fiscal years 2006 (baseline) through 2008 are identified in Figure 4.2-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures for assessing the effectiveness and efficiency of this objective is depicted below:

- Percent of Service members and their spouses/significant others who think they should stay in the military
  - Rationale for Measure: Survey data provide information on how Service members feel about various aspects of their military experience, including benefits, compensation, and quality of life programs and services. These survey data are used by decision makers to evaluate the effectiveness of related personnel programs and to make adjustments if needed. Retention is a key component in attaining the strength levels required and sustaining a high level of personnel readiness. The combination of the Service member's retention preference and their spouse's or significant other's opinion provides the best subjective indicator of the retention "atmosphere." These survey data provide the leadership with necessary information for retention program management.

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<b>Strategic Objective 4.2: DoD remains competitive for needed talent by sustaining workforce satisfaction.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
4.2-1: Percent of Service members intending to stay in the military	4.2-1a: For each fiscal year, the percent of Active Service members intending to stay in the military force, if given the choice, must not decline by more than 10 percent of pre-GWOT levels (of 50 percent).	FY 06 (baseline): Non-applicable FY 07: 40% or higher of Active Service members FY 08: 40% or higher of Active Service members
	4.2-1b: For each fiscal year, the percent of Reserve Service members intending to stay in the military force, if given the choice, must not decline by more than 10 percent of pre-GWOT levels (of 74 percent).	FY 06 (baseline): Non-applicable FY 07: 64% or higher of Reserve Service members FY 08: 64% or higher of Reserve Service members
4.2-2: Percent of Service members, who, in their opinion, believe their spouse/significant other thinks the members should stay in the military	4.2-2a: For each fiscal year, the percent of Active Service members, who, in their opinion, believe their spouse or significant other thinks the member should stay in the military must not decline by more than 10 percent of pre-GWOT levels (of 44 percent)	FY 06 (baseline): Non-applicable FY 07: 34% or higher of Active Service members FY 08: 34% or higher of Active Service members
	4.2-2b: For each fiscal year, the percent of Reserve Service members, who, in their opinion, believe their spouse or significant other thinks the member should stay in the military must not decline by more than 10 percent of pre-GWOT levels (of 70 percent)	FY 06 (baseline): Non-applicable FY 07: 60% or higher of Reserve Service members FY 08: 60% or higher of Reserve Service members
4.2-3: Average civilian employee satisfaction rate	4.2-3a: For even numbered years, the DoD will maintain civilian employee satisfaction equal to or above the average satisfaction level of other Federal agency employees on each administration of the Federal Human Capital (FHCS) survey.	FY 06 (baseline): Non-applicable FY 07: Non-applicable 1/ FY 08: =/> Other Federal agencies' civilian employee satisfaction rates
	4.2-3b: For odd numbered years, the DoD will maintain civilian employee satisfaction at one percent or higher from the prior year Status of Forces-Civilian (SOF-C) survey results.	FY 06 (baseline): Non-applicable FY 07: 1% or higher from prior year SOF-C survey results FY 08: Non-applicable 1/
4.2-4: Average percent Defense Health Program annual cost per equivalent life increase compared to average civilian sector increase	4.2-4: For each fiscal year, the DoD will maintain an average Defense Health Program (DHP) medical cost per equivalent life increase at or below the average health care premium increase in the civilian sector. 2/	FY 06 (baseline):8.2% annual cost per equivalent life increase FY 07: 7% annual cost per equivalent life increase FY 08: TBD
<p><small>1/ FHCS government-wide and DoD results will be reported only for even numbered years; SOF-C government-wide and DoD results will be reported only for odd numbered years.</small></p> <p><small>2/ Reporting normally has a six month lag due to medical claims data; The objective is to keep the rate of cost growth for the treatment of TRICARE enrollees to a level at or below the civilian health care plans rate increases at the national level. Targets historically have been based on the Kaiser Family Foundation and the Health Research and Educational Trust (HRET) annual Health Insurance Survey Premium increase for the most recent year.</small></p>		

**Figure 4.2-1 Strategic Objective 4.2 Performance Measures and Targets**



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- Data Source and Calculation Methodology: Data are provided by the Defense Management Data Center (DMDC). The DMDC survey data is compared to the pre-GWOT survey data results – 1999 for the Active component (50%) and 2000 for the Reserve component (74%). The resulting difference in the percentages is compared to the performance measure standard.
- Average civilian employee satisfaction rate
  - Rationale for Measure: These measures are indicators of the effectiveness of human resource programs on employee satisfaction and potentially their intent to stay within the DoD. According to Corporate Leadership Council (CLC) research<sup>1</sup>, intention to leave and actual departure are most likely determined by satisfaction across a range of components, i.e., components that are not isolated to “job satisfaction” or even to “leadership.” The six items cited as co-indicators are an attempt to broaden the pool of predictive indicators.
  - The following questions will be used as components of the index for meeting these targets:
    - Do you have a high level of respect for your organization’s senior leaders?
    - How satisfied are you with the policies and practices of your senior leaders?
    - Considering everything, how satisfied are you with your job?
    - Considering everything, how satisfied are you with your pay?

- How satisfied are you with your opportunity to get a better job in your organization?
- How satisfied are you with the training you receive for your present job?

FHCS surveys are administered in even-numbered years, while DMDC surveys are administered every other year. While the questions are identical, the results cannot be directly compared due to differences in survey administration.

Experience with acquisition demonstration projects and major organizational change/climate initiatives have shown that employee satisfaction levels drop significantly within the first three to four years after making changes that affect the workforce. During this time of transition with base realignments and closures, the implementation of NSPS across the Department, and our current trend in this area, a reasonable annual goal would be to increase a minimum of one percent each year.

- Data Source and Calculation Methodology:
  - Office of Personnel Management Federal Human Capital Survey results.
  - Calculation methodology: The six items cited below are intended to form an index which will be used as the measure to better reflect the factors that influence employee satisfaction (see chart below).
  - Status of Forces-Civilian (SOF-C) survey results from the Defense Manpower Data Center (DMDC). Calculation methodology will compare results to prior year’s survey

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<sup>1</sup> CLC: *Chapter Two: Understanding Employee Values - Important Factors in the Career Decisions of High Value Employees*

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- Average Defense Health Program (DHP) annual cost per equivalent life increase
  - Rationale for Measure: This measure was selected because it looks at how well the Military Health System manages the care for those individuals who have chosen to enroll in a health maintenance organization-type of benefit. It is designed to capture aspects of three major management issues: (1) how efficiently the Military Treatment Facilities (MTF) provide care; (2) how efficiently the MTF manages the demands of its enrollees; and (3) how well the MTF determines which care should be produced inside the facility versus that purchased from a managed care support contractor. This aggregate measure helps to monitor how well the Military Health System is managing the care for TRICARE Prime enrollees. It looks at all Prime enrollees, whether at the MTF or with the health support services contractors. The overall measure can be broken into multiple components that allow for review of utilization factors for both direct

care and purchased care, and unit cost information for direct care and purchased care. By reviewing this information, MTFs are able to determine the cost of providing care at the MTF and how many times the enrollees are receiving care. While the top-level measure is used to track overall performance, the detailed measures allow for review and management at the local level.

- Data Source and Calculation Methodology: The data source for calculating this metric includes direct care workload and expense information from Military Treatment Facilities (MTF), purchased care workload and expense data, and the number of TRICARE prime enrollees. The system used to calculate the expense information is the Expense Assignment System IV and the clinical workload and enrollment information is from MHS Mart. Using a series of algorithms, calculations are made to determine the weighted unit cost of inpatient and outpatient workload across each MTF for each

Item	2006 DoD Results	2006 Gov't-wide Results (excluding DoD)	2006 Above/Below Gov't-wide
Respect for Leadership	53.2%	46.9%	+6.3
Leadership Policies/Practices	44.1%	39.0%	+5.1
Job Satisfaction	68.4%	67.0%	+1.4
Pay	61.5%	61.1%	+0.4
Career Progression Opportunities	36.3%	36.5%	-0.2
Training	54.1%	53.5%	+0.6
Overall Avg. Workforce Satisfaction	52.9%	51.5%	+1.4%

*Note: Results show the percentage of employees responding "positively," that they strongly agree or agree with the question or statement provided*

**Figure 4.2-2 Federal Human Capital Survey Results**

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month. The unit cost information is then applied to the amount of care consumed by the prime enrollees at each MTF where care was delivered during that month. For purchased care, all claims are allocated to the enrollment site. The direct care and purchased care costs are then divided by the number of enrollees, adjusted by age, gender, and beneficiary category.

- Performance Target is based on average health insurance premium growth results from Kaiser Family Foundation and the Health Research and Educational Trust annual Employer Health Benefits Survey.

### **D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- 10 USC 1782--The Secretary of Defense may conduct surveys of members of the Armed Forces on Active Duty or in an Active status, members of the families of such members, and retired members of the Armed Forces to determine the effectiveness of Federal programs relating to military families and the need for new programs
- P.L. 108-136 (FY 2004 NDAA)--Each agency shall conduct an annual survey of its employees to assess leadership/management practices and employee satisfaction; results are to be posted on agency web sites.
- Chief Human Capital Officer (CHCO) Act of 2002
- DoD Civilian Human Capital Strategic Plan
- DoD Civilian Human Capital Accountability System
- OUSD(P&R) Strategic Plan (2006-2011)
- DoD 2006 Quadrennial Defense Review: Transforming the Medical Health System

- Military Health System Balanced Scorecard: Key financial measures related to efficiently managing DoD health care costs

### **E. Strategies for Achieving Objective:**

The following primary strategies are identified for achieving this strategic objective:

- Legislative Initiatives/Proposals:
  - Based on survey results, different approaches may be necessary to achieve change. These approaches may or may not require legislation. If legislation is necessary, however, proposals will be vetted through the DoD unified legislative budget process.
  - Suspension of healthcare eligibility for fraud. This proposal would allow the Director of the TRICARE Management Activity to suspend eligibility of persons who commit fraud against the TRICARE program and/or receive healthcare through the Defense Health Program.
- Policy and/or Process Improvement Initiatives:
  - Pay and compensation issues are addressed through implementation of the National Security Personnel System. Additionally, there are current Government-wide flexibilities regarding recruitment, retention, and relocation bonuses.
  - Training opportunities are evolving to more web-based platforms. In addition, non-budget related training opportunities are encouraged through detail assignments and other related career opportunities.
  - Guidance and/or changes to existing policy documents will be made to implement statutes that relate to retention incentives (monetary, non-monetary).

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- Evaluation of other survey data to determine the greatest dissatisfiers for military life will be made in order to promulgate new or amended policies that address these concerns, where appropriate.
- Monitor deploy/mobilization to dwell ratios for compliance or achievement of DoD goals of 1:2 and 1:5 for Active and Reserve component members respectively.
- The Military Health System has a series of process improvement initiatives that, if sustained, will provide the proper guidance to improve performance. With the use of clinical practice guidelines, the system is looking to provide appropriate care in a more cost-effective manner, thus reducing direct care unit costs. Additionally, the DoD has placed emphasis on performance improvement and the use of Lean Six Sigma to improve operations at the Military Treatment Facilities. The combination of these initiatives should improve the operations of the MHS, and keep medical costs per equivalent lives under the target.
- Structure and Organizational Initiatives:
  - Leadership and Management Initiatives include the Defense Leadership and Management Program, the Executive Leadership Development Program, and the Developing 21st Century Senior Executive Leaders Initiative.
  - Career progression initiatives include DoD component intern programs.
  - Other initiatives include the Healthier Feds Program and Telework and alternative workplace programs.
  - In addition, the consolidation of Medical Treatment Facilities, pursuant to approved Base Realignment and Closure actions, reduces excess overhead related to

facility costs, while maintaining production standards. This, in turn, should reduce the average unit cost for direct care--especially at small inpatient facilities that do not have significant workload. For these small inpatient facilities, there should be additional savings by transferring care from the high-cost small inpatient faculties to the more efficient private sector care hospitals. Since the private sector has higher workload in these areas, they are able to produce the care at lower cost and improve the overall cost to the Department.

- Information Technology Investments: MyBiz is a tool employees can use to view their record online; change a few items, such as work address and e-mail; reflect language abilities, ethnicity, race, disability codes; and identify emergency contact information. In addition, this tool will be used to manage the performance appraisal process under the NSPS.
- Other Investments: Non-applicable

**F. Associated Program Assessment Rating Tool (PART) Evaluations:**

See Figure 4.2-3.

**G. External DoD Factors Affecting Objective Accomplishment:**

PART Name	Year Last Evaluated	Rating
Defense Commissary Agency	2006	Moderately effective
Department of Defense Civilian Education and Training	2005	Adequate
Defense Healthcare	2003	Adequate

**Figure 4.2-3 Strategic Objective 4.2 PART Evaluations**

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- Retention intentions are influenced by the economy and influencers (spouses, significant others, parents, coaches, civic leaders) on the youth and Service members, as well as public sector opportunities and opinions.
- Congressional appropriations process.
- Ability of outside entities (private/public sector) to provide greater compensation/benefits for certain high-skilled occupations.
- Ability of outside entities to offer greater career progression and development opportunities.
- Based on projections from the Centers for Medicare and Medicaid, overall healthcare spending (from 2006) will double by 2016. DoD health care is affected by the same inflationary factors driving the commercial sector and has additional pressure related to the current benefit structure. With private sector health insurance premiums rising at approximately twice the rate of inflation and individual's cost shares remaining the same since 1995 for TRICARE, retirees and their family members are shifting from their company sponsored insurance to TRICARE. As a result, DoD pays a continually increasing percentage of our beneficiaries' health costs. In 1995, beneficiaries paid approximately 27 percent of their healthcare costs; today they pay only 12 percent. As health care insurance becomes significantly more expensive in the private sector, this shift will continue as DoD health care will become even more of a bargain for the beneficiaries. The two key factors of medical inflation and a shift by retirees into TRICARE and away from more costly health plans earned in second careers or by working spouses places greater pressure on accomplishing this objective.

### **H. DoD Accountable Official:**

Under Secretary of Defense (Personnel & Readiness)

U.S. Army Spc. Cocin Laird Percy watches a Purple Heart medal being handed to the Chairman of the Joint Chiefs of Staff Gen. Peter Pace, U.S. Marine Corps, during the medal's presentation to Percy at Landstuhl Regional Medical Center, Germany. Pace is in Germany to visit recovering soldiers at Landstul Regional Medical Center and meet troops stationed in Germany. Landstuhl is the largest American hospital outside the United States.



DoD photo by Staff Sgt. D. Myles Cullen, U.S. Air Force.– July 7, 2007

**GOAL 4 – DEVELOP A 21<sup>ST</sup> CENTURY TOTAL FORCE**

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**Strategic Objective 4.3:  
Provide effective and efficient human resources  
management to DoD customers.**

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective area is programs that acquire and administer the DoD workforce, except for military recruiting activities which is addressed under DoD Strategic Objective 4.1. This includes personnel administration organizations that are typically centralized activities performed for an entire Military Department or for certain major commands. These organizations are dedicated to the management of personnel and manpower to include formulation and application of personnel policies. For Military Departments, this includes assigning personnel to positions consistent with their qualifications, managing personnel rotations to and from overseas locations, and covering military personnel who are between assignments, patients, prisoners, or trainees in extended schooling.

This objective also includes DoD activities that manage and monitor commercial travel associated with temporary duty orders.

**B. Performance Targets:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008 are identified in Figure 4.3-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The primary measures for assessing the effectiveness and efficiency of this objective are described below:

- Percent of DoD civilian employees covered under the National Personnel Security System as activated
  - Rationale for Measure: This measure was selected because it is a comprehensive, leading indicator for the Department having in place a human resource (HR) system that is flexible, contemporary, mission-focused, and performance-based for managing the civilian work force.
  - Data Source and Calculation Methodology: The data source for calculating audit ready amounts is:
    - Numerator = Number of civilian employees who have converted to NSPS. (Source: NSPS Program Executive Office, in coordination with DoD components)
    - Denominator = Fiscal year civilian end strength for U.S. citizens, Monthly Report of Federal Civilian Employment.
    - For targets, the DoD will use FY 2006 strength of 662,166 and a projection for NSPS based on activations.
- Percent of temporary duty vouchers (TDY) processed in the Defense Travel System (DTS)
  - Rationale for Measure: The key driver for realizing efficiencies in a centrally managed travel system is a very high proportion of travelers using the automated system with very few travelers using systems that require manual intervention. Driving up usage increases efficiency and reduces voucher processing costs. Adoption of DTS will result in faster reimbursement of travel expenses paid for by DoD employees and Service members which will, in turn, increase their satisfaction with the travel process.

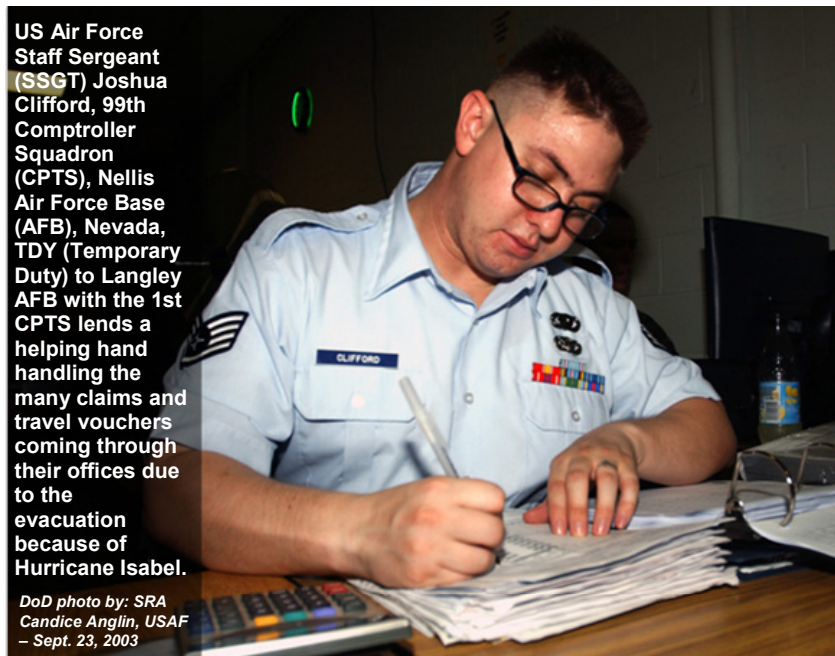
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<b>Strategic Objective 4.3: Provide effective and efficient human resources management to DoD customers.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
4.3-1: Percent of eligible DoD civilian employees covered under the National Security Personnel System (NSPS) as activated	4.3-1: By FY 2010, the DoD will have 100 percent of eligible DoD civilian employees under coverage by the National Security Personnel System (NSPS) as activated.	FY 06 (baseline): 1.5% of eligible civilians covered FY 07: 14% of eligible civilians covered FY 08: 22% of eligible civilians covered
4.3-2: Percent Defense Travel System (DTS) usage	4.3-2a: By FY 2013, 100 percent of all temporary duty vouchers will be processed in the Defense Travel System (DTS).	FY 06 (baseline): Non-applicable FY 07: 40% of temporary duty vouchers processed FY 08: 50% of temporary duty vouchers processed
	4.3-2b: By FY 2011, 100 percent of travelers with DTS authorizations requiring air or rental car travel will utilize the DTS Reservation Module to make travel reservations.	FY 06 (baseline): Non-applicable FY 07: 80% utilization of DTS Reservation Module FY 08: 85% utilization of DTS Reservation Module
	4.3-2c: By FY 2009, 100 percent of planned Phase III DTS sites will be fielded.	FY 06 (baseline): Non-applicable FY 07: 85% of Phase III DTS sites fielded FY 08: 95% of Phase III DTS sites fielded

**Figure 4.3-1 Strategic Objective 4.3 Performance Measures and Targets**

- Data Source and Calculation Methodology: The data source for tracking DTS usage is DTS transactional voucher data, which are collected in a central database as part of the DTS system. Non-DTS voucher data are collected directly from the Military Services and agencies and the Defense Finance and Accounting Service (DFAS). The performance measure is calculated by dividing the number of vouchers processed in DTS by the total number of TDY vouchers, times 100.
- Percent of Defense Travel System authorizations requiring air or rental car travel that utilize the DTS Reservation Module
  - Rationale for Measure: The key driver for realizing efficiencies in a centrally managed travel system is a very high proportion of travelers using the automated system with very few travelers using systems that require Commercial Travel Office (CTO) intervention. Driving up reservation module usage increases efficiency and reduces CTO costs.
  - Data Source and Calculation Methodology: The data source for tracking DTS Reservation Module usage is DTS Passenger Name Record (PNR) data. The performance measure is calculated by dividing the number of DTS authorizations requiring air or rental car travel that utilized the DTS Reservation Module by the total number of DTS authorizations requiring air or rental car travel, times 100.

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- Percent of planned Phase III DTS sites fielded
  - Rationale for Measure: DTS usage cannot be maximized until it is fielded to all sites and available to all potential users.
  - Data Source and Calculation Methodology: The data sources for tracking Phase III Fielding are the service and agency DTS program offices. The performance measure is calculated by dividing the number of Phase III sites fielded divided by the total number of Phase II sites times 100.

### **D. Strategic Objective Driver(s):**

- This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:
- National Security Personnel System:

- P.L. 108-136, Section 1101, codified by 5 U.S.C. 9902 which authorizes the Secretary of Defense to establish and adjust a human resources management system, the National Security Personnel System, for some or all units of the Department of Defense.
- 5 CFR Chapter XCIX and Part 9901, Department of Defense Human Resources Management and Labor Relations Systems; Final Rule, which codifies NSPS regulations.
- Quadrennial Defense Review, Feb 2006, Human Capital Strategy direction that includes “application of the new National Security Personnel System to manage the Department’s civilian personnel.”
- Defense Travel System:
  - 37 U.S.C. 404(a) entitles members of a uniformed Service to travel and transportation allowances for travel performed or to be performed under orders, without regard to comparative costs of the various modes of transportation.
  - Joint Federal Travel Regulations (JFTR) contains basic statutory regulations concerning uniformed Service members’ travel and transportation.
  - Joint Travel Regulations (JTR) contains basic statutory regulations for DOD civilian officials/employees and those of other Federal Government departments and agencies who perform official assignments for and at the expense of DOD.
- DoD 2006 Quadrennial Defense Review calls for the Department to develop and refine performance measures that allow senior decision makers to manage by exception, monitoring the overall health of an organization and focusing attention on areas needing top-level direction and support.



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### ***E. Strategies for Achieving Objective:***

The following primary strategies are identified for achieving this Strategic Objective's performance goals:

- Legislative Initiatives/Proposals: Non-applicable.
- Policy and/or Process Improvement Initiatives:
  - NSPS establishes performance-based pay progression under a performance management system aligned to mission; new and responsive methods for qualifications, hiring, and promotion; broad pay bands and market sensitive compensation rate schedules; and workforce shaping provisions that emphasize performance and limit disruption. NSPS also establishes a labor relations system and adverse action appeal process which are sensitive to the national security mission and whose implementation is tied to pending court cases. Court cases and pending legislation may affect the scale, scope and timing of all of NSPS.
  - The Defense Travel Management Office (DTMO) is conducting a DoD Travel Policy Review to explore current policies and procedures, as well as to identify potential policy changes that could result in a more effective efficient travel system.
- Structure and Organizational Initiatives:
  - A small, temporary NSPS Program Executive Office (PEO) is staffed with personnel from select DoD Components. Borrowed manpower assets will be returned upon transition of any remaining PEO functions to USD P&R in FY 2009.
  - DTMO has established two governance boards to manage and control change to the Department's commercial travel requirements, programs, policies and automation:
    - Defense Travel Improvement Board (DTIB) is comprised of O6 level or civilian equivalent personnel representing Services and DoD agencies who recommend or approve changes to current policies and programs.
    - Defense Travel Steering Committee (DTSC) is comprised of flag-level or Senior Executive Service personnel who validate or approve changes recommended by the DTIB. These Service/agency representatives establish the direction for the Defense travel and provide executive oversight of its execution.
- Information Technology (IT) Investments:
  - Required modifications to the Defense Civilian Personnel Data System to implement the NSPS are reflected in the Defense Human Resources Activity (DHRA) budget
  - In FY 2007 and FY 2008, the BMA is spending close to \$7.3 billion and \$7.5 billion, respectively, on IT investments to help Reshape the Defense Enterprise; of that, \$2.8 billion and \$2.7 billion, respectively, is being spent on Human Resources Management (HRM) IT investments. As reported in the DoD's Enterprise Transition Plan (ETP), one of the priorities of the Department is to improve personnel visibility. The Department's strategy to help achieve personnel visibility is to implement three IT investments (Defense Integrated Military Human Resources System, Defense Civilian Personnel Data System, and the Defense Travel System) which are managed by the BTA and OSD (P&R). Fifteen additional IT investments are managed by various DoD components to include the Deployed Theater Accountability System, Air Force Recruiting Information Support System, Personnel Service Delivery, and Distributed Learning System.
  - The DTMO is conducting a formal study to identify data and reporting requirements that will lead to an on-line

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accessible tool for decision makers to obtain accurate, timely data to conduct meaningful analyses of key business issues across the travel enterprise.

- Other Investments:
  - NSPS implementation costs, to include training, are offset from DoD component program activities for the civilian workforce.

### **F. Associated Program Assessment Rating Tool (PART) Evaluations:**

Non-Applicable

### **G. External DoD Factors Affecting Objective Accomplishment:**

- Possible Congressional legislative action that affects scope, nature, execution.
- Pending and/or future court case decision(s) that affect NSPS implementation.
- Customer satisfaction with travel and transportation entitlements, as well as travel cost effectiveness, is driven more by commercial travel vendors (airlines, hotels, car rental agencies, etc) than by automated systems and streamlined processes put in place through DTS. If actual travel costs and costs of lodging and subsistence outpace the level of individual entitlement, no amount of process improvement in the management of commercial travel will yield effective and efficient travel services.

### **H. DoD Accountable Official(s):**

Under Secretary of Defense (Personnel and Readiness) in cooperation with the Program Executive Officer (PEO) for the NSPS.

- Note: The PEO (NSPS) is accountable for the NSPS performance goal to the Deputy Secretary of Defense in his capacity as NSPS Senior Executive. While NSPS development and implementation is a civilian human resource management initiative linked to the P&R policy portfolio, it is not a P&R program. The USD P&R is not accountable for NSPS before mid FY 2009 at the earliest.



**GOAL 4 – DEVELOP A 21<sup>ST</sup> CENTURY TOTAL FORCE**

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**Strategic Objective 4.4:**  
*Improve workforce skills to meet mission requirements.*

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective area includes programs that provide formal training to personnel at central locations away from their duty stations (schoolhouse or institutional training). This objective includes education, training, and personnel development policies and programs across the DoD, to include joint training policies and programs across the joint staff and the Joint Forces Command (JFCOM), to include the JFCOM's Joint National Training Capability (JNTC) and Joint Knowledge Development and Distribution Capability. This objective area excludes all unit training undertaken within operational units. It focuses on individual training activities within formal training schools, training centers, and exercises that exist outside of the operational units. In addition, this objective includes specialized training conducted in field locations that is required to transition individuals and units to new weapon systems to provide specialized pre-deployment training, and to develop or teach new tactics through special unit-level exercise.

**B. Performance Targets:**

Annual performance targets for each of fiscal years 2006 (baseline) through 2008 are identified in Figure 4.4-1.

**C. Strategic (Enterprise-level) Performance Measure:**

The following primary measures for assessing the effectiveness and efficiency of this objective are depicted below:

- Percent of operational and contingency language needs met
  - Rationale for Measure: This measure was selected

because it measures our ability to support the Combatant Commanders (COCOMs) with critical language skills. Further, it facilitates prioritization of resources by identifying languages in which our capability falls short of needs.

- Data Source and Calculation Methodology: Validated COCOM requirements will be measured against the Total Force with matching skills.
- Percent of units receiving joint training in JNTC-accredited programs prior to arriving in theater
  - Rationale for Measure: This is a new measure for FY 2008. As stated in the 2006 Strategic Plan for Transforming DoD Training, “It is Department policy that deploying personnel and organizations: (1) receive priority for training, (2) be responsive to the needs of the Combatant Commanders across the full spectrum of operations, and (3) ensure they are trained to meet the specific operational requirements of the supported COCOMs, as identified in COCOM-approved Joint Mission Essential Task Lists (JMETLs) before deploying for operations and while deployed.” The Joint National Training Capability (JNTC) is the training transformation capability tasked to accredit all nominated COCOM and Service joint context programs. Over the past twenty years, the Department has increasingly integrated its joint warfighting doctrine, organization, training, and operations to create the world’s most formidable joint force. Goldwater-Nichols Department of Defense Reorganization Act of 1986 directed basic changes in joint warfighting, which included doctrine, organization, training, and operations. Over the last twenty years, this has been the driving force behind the success of our joint military operations. Concepts are not directly used by the force until they are put into doctrine and training products.

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<b>Strategic Objective 4.4: Improve workforce skills to meet mission requirements.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
4.4-1: Percent of operational and contingency language needs met	4.4-1: By FY 2009, the DoD will increase the percent of operational and contingency language needs met by three percent from FY 2006.	2006 (Baseline): Under development FY07: +1% from FY 2006% of needs met FY08: + 2% from FY 2006% of needs met
4.4-2: Percent of units receiving joint training in JNTC-accredited programs prior to arriving in theater	4.4-2 By 2009, the DoD will increase the percent of units receiving joint training in JNTC-accredited programs prior to arriving in theater to not less than 60 percent.	FY 06: Non-applicable FY 07: Non-applicable FY 08: 60% or greater of units trained
4.4-3: Percent of acquisition positions filled with personnel meeting Level II and Level III certification requirements	4.4-3a: By FY 2010, the DoD will increase the percent of positions filled with personnel meeting Level II certification requirements.	FY 06 (baseline): 48% of Level II acquisition positions filled FY 07: > FY 2006% of Level II acquisition positions filled FY 08: > FY 2007% of Level II acquisition positions filled
	4.4-3b: By FY 2010, the DoD will increase the percent of positions filled with personnel meeting Level III certification requirements.	FY 06 (baseline): 60% of Level III acquisition positions filled FY 07: >FY 2006% of Level III acquisition positions filled FY 08: >FY 2007% of Level III acquisition positions filled
4.4-4: Cumulative number of Defense intelligence components converted to the Defense Civilian Intelligence Personnel System (DCIPS)	4.4-4: By FY 2010, the DoD will have converted nine Defense intelligence components to the Defense Civilian Intelligence Personnel System (DCIPS).	2006 (Baseline): Non-applicable FY07: 0 Defense intelligence components converted FY08: 2 Defense intelligence components converted

**Figure 4.4-1 Strategic Objective 4.4 Performance Measures and Targets**

– Data Source and Calculation Methodology: The data source for calculating the percentage of units receiving joint training prior to arrival in theater is the Joint Assessment and Enabling Capability’s (JAEC) quarterly data call for training transformation. Data are submitted

by the Combatant Commands and the Services. The JAEC report, by deployed command, identifies O-5 (LtCol/CDR) rank and above employees, who participated in an accredited joint training event prior to their deployment.

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- Percent of acquisition positions filled with personnel meeting Level II and Level III certification requirements
  - Rationale for Measure: AT&L strategic goal #1 is for a high performing, agile, and ethical workforce. The QDR and DoD's Human Capital Strategy require a competency-focused approach. AT&L is updating competency models to support gap assessments to improve the certification framework. Starting in 2007 and continuing through June 2008, the Department will begin pilot workforce assessments to include a DoD-wide assessment of the contracting workforce. Acquisition leaders will use the results to identify critical skill gaps and respond with human capital strategies.
  - Data Source and Calculation Methodology: The data source for this measure is the input from each Service and OUSD(AT&L) used to develop the updates for the AT&L Human Capital Strategic Plan Appendix A, which details AT&L Workforce Certification Level Distribution.
- Number of Defense intelligence components converted to the Defense Civilian Intelligence Personnel System (DCIPS)
  - This measure was selected because each DoD intelligence component will convert to the DCIPS based upon their organizational readiness for implementation. The Defense Intelligence Agency and the National Geospatial Agency will be the first DoD intelligence components to convert to the DCIPS in FY 2008, followed by the USD (I), the Counterintelligence Field Activity, and all four Military Service components in FY 2009 and the National Security Agency in FY 2010.
  - Data Source and Calculation Methodology: The data source for determining each DoD intelligence component's readiness for DCIPS implementation is

assessed against several key factors. These factors include human capital management strategic planning; program management capability; communication and outreach tools; program evaluation criteria; IT and data systems availability; and policy, guidance, and procedural documentation.

### **D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audits, and/or program reviews:



U.S. Navy Adm. Patrick Walsh, the vice chief of Naval operations (L); Ms. Tina Jonas, Under Secretary of Defense (Comptroller) and Chief Financial Officer; Army Lt. Gen. Thompson, military deputy to the assistant secretary of the Army (Acquisition, Logistics and Technology); and Vice Chairman of the Joint Chiefs of Staff Navy Adm. Edmund P. Giambastiani, receive a briefing on Mine Resistant Ambush Protected Vehicles (MRAP) at Aberdeen Proving Grounds, Md.

*U.S. Air Force photo by Tech. Sgt. Adam M. Stump – May 17, 2007*

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- DoD Strategic Planning Guidance--Need for personnel with the right competencies, including improved language skills.
- DoD 2006 Quadrennial Defense Review –“The Department must dramatically increase the number of personnel proficient in key languages such as Arabic, Farsi and Chinese and make these languages available at all levels of action and decision –from the strategic to the tactical.” To meet the needs of today’s conflicts, the Department will develop a Joint Training Strategy to address new mission areas, gaps and continuous training transformation. Policies and practices that promote the development of a sustainable and affordable Total Force of Active Component, Reserve Component, civilians, and contractor personnel with the right competencies must support the training strategies.
- DoD Training Transformation (T2) Strategic Plan— DoD policy requires that all personnel and components train on their Mission Essential Tasks and joint operations concepts in order to support the Combatant Commanders across all phases of joint campaigns and throughout the spectrum of service, joint, interagency, intergovernmental, and multinational operations. The T2 program supports this requirement through its five objectives--one of which is to “continuously improve joint force readiness by aligning joint education and training capabilities and resources with combatant command operational needs.” The Joint National Training Capability (JNTC) and the Joint Knowledge Development and Distribution Capability (JKDDC) focus on collective and individual training, respectively.
- FY 2003 Remodeling Defense Intelligence Initiative.
- The Intelligence Reform and Terrorism Prevention Act of 2004.
- Defense Intelligence Guidance – FY 2008-2013.

### ***E. Strategies for Achieving Objective:***

The following primary strategies are identified for achieving this strategic objective:

- Legislative Initiatives/Proposals: Non-applicable.
- Policy and/or Process Improvement Initiatives:
  - Personnel Utilization. Perform a military and civilian personnel policy review on the feasibility of utilizing personnel based on competencies.
  - Accession Screening. New procedures and policies will improve the ability to identify those with high aptitude for learning a foreign language.
  - Foreign Language Proficiency Bonus. Recently implemented policies provided for increased levels of bonuses to military and pay to civilian personnel for language proficiency.
  - Heritage Recruiting. All Services have heritage recruiting plans in place. Most notable success is the Army’s O9L program which recruits and trains native and heritage speakers to serve as translator aides in the Active and Reserve components.
  - Classroom Learning. Implemented the Proficiency Enhancement Program (PEP) at the Defense Language Institute Foreign Language Center (DLIFLC). PEP is designed to graduate students at increased proficiency levels by reducing the student to instructor ratio, increasing the number of classrooms, creating improved expanded curricula, and expanding overseas training. By 2010, all DLIFLC classroom instruction will be via the PEP method.
  - Distance Learning. All Services have implemented distance learning programs in computer-based language training.

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- Establish the Combatant Commander’s Exercise Engagement and Training Transformation (CE2T2) Program. Provide dynamic, capabilities-based training for the Department of Defense in support of national security requirements across the full range of integrated operations (Services, Interagency, Inter-governmental, Multi-national, Non-Governmental Organizations, Private Voluntary Organizations and Industry). DoD directed consolidation of existing resources to achieve benefit for largest audience and enable portfolio management for the Joint Training Program.
- In response to Congressional concerns, as cited by the Government Accounting Office, the USD(AT&L) has established the AT&L workforce as one of his top priorities, focusing on senior leadership within the AT&L community, consolidating human capital planning and initiatives functions, and issuing the AT&L Human Capital Strategic Plan to meet the challenges of the future.
- Structure and Organizational Initiatives:
  - The Language Corps. Creating a cadre of 1,000 civilian language professionals who are highly proficient in less-commonly-taught languages and who will be available when needed.
  - Joint Service Language Corps. Evaluating the concept that would serve as a source for language professionals to meet Service, COCOM, and JTF surge requirements for language skills.
  - Acquisition Workforce. Developed the Acquisition, Technology and Logistics Human Capital Strategic Plan. This plan is comprised of five human capital overarching goals with enabling objectives. These five goals are essential first steps that must be in place in order to address the significant demographic challenges we are facing.
- Information Technology (IT) Investments:
  - Language Readiness Index integrated into the Defense Readiness Reporting System. Will provide real-time indicators of our ability to meet language needs. Will facilitate language needs submission by providing a web-based data entry module that will catch most common submission errors and run “what-if” scenarios.
  - Satellite technology and distance learning. Will increase the ability to sustain language skills across the Department by providing access to language training worldwide.
  - The Joint Training and Experimentation Network (JTEN) is the primary connectivity tool for relevant joint context training. It is comprised of persistent nodes, cutting costs and providing a more responsive architecture for exercise planners to use. The JTEN will be expanded both by establishing additional nodes and by developing gateways to other, existing networks.
- Other Investments:
  - Pre-accession language training (e.g., ROTC, Service academies). Focuses the acquisition of language skills at the pre-accession stage.
  - National Security Education Program. Creates three magnet K-12 pipelines, establishes five new university programs, and enhances immersion opportunities. Undergraduate scholarship recipients and graduate fellows are required to find employment in the national security arena.
  - Language Testing (Defense Language Proficiency Test (DLPT)). Includes sub-elements such as test development and test delivery. DLPT is an advanced testing system which more accurately assesses respondent language ability.

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<b>PART Name</b>	<b>Year Last Evaluated</b>	<b>Rating</b>
Defense Civilian Education & Training	2005	Adequate
Department of Defense Training & Education Programs—Accession Training	2005	Moderately effective
Department of Defense Training & Education Programs—Basic Skills & Advanced Training	2005	Effective
Department of Defense Training & Education Programs—Voluntary Training	2005	Moderately effective

**Figure 4.4-2 Strategic Objective 4.4 PART Evaluations**

**F. Associated Program Assessment Rating Tool (PART) Evaluations:**

See Figure 4.4-2.

**G. External DoD Factors Affecting Objective Accomplishment:**

- If the Department is to increase its language capability and train Service members to a higher level of proficiency, greater emphasis on language education in the American population as a whole must be encouraged.
- Due to Service manpower constraints, units may not be identified until three months prior to the scheduled deployment. Consequently, these units will miss joint and mission rehearsal exercises which, out of necessity for planning and scheduling, typically occur six to nine months

prior to a scheduled deployment. Additional factors include limited unit availability due to increased tempo of operations and the conflicting operational priorities of the Global War on Terror.

- In 2003, changes were made to the Defense Acquisition Workforce Improvement Act (DAWIA) legislation that was enacted in PL 108-136. These changes, commonly called DAWIA II, provided greater flexibility to the Department for managing the acquisition workforce. Professional standards are mandated by DAWIA to ensure that workforce success meets the business challenges.

**H. DoD Accountable Official(s):**

Under Secretary of Defense (Personnel and Readiness); Under Secretary of Defense (Acquisition, Technology, & Logistics)



**U.S. Army Sgt. Sheritta Joyner, a medic with Headquarters Battery, 2nd Battalion, 15th Field Artillery Regiment, distributes medication to an Iraqi woman with the help of a translator in Mamadiyah, Iraq.**

*U.S. Army photo by Spc. D. A. Dic Kinson – April 12, 2007*



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**GOAL 5 – ACHIEVING UNITY OF EFFORT**

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**Strategic Objective 5.1:**

***Build capacity of international partners in fighting the war on terrorism.***

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**A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective area includes arms control and threat-reduction activities under the supervision of the Office of the Secretary of Defense. This objective recognizes senior-level policy initiatives, which serve to implement national strategy, as an important DoD activity. These initiatives can have operational consequences that alter the balance of military forces, shape the international environment, or diminish direct risks to the U.S. homeland. These risk-reduction activities include support for countering proliferation of weapons and nuclear material by controlling export of U.S. technology and activities that seek to mold and shape the international environment towards U.S. interests. It captures foreign military sales activities that can buttress allied and partner capabilities for a more favorable balance of forces and North Atlantic Treaty Organization (NATO) participation and support. This strategic objective looks at how the DoD harmonizes our views of the world with our international partners, and then builds the capacity of those partners to combat terrorism by providing access to equipment (through transfers and sales) and training. After completion of the first two phases, training and equipping, our partners are more capable of countering the threats and challenges of terrorism.

**B. Performance Targets:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified in Figure 5.1-1.

**C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures for assessing the effectiveness of this objective are depicted below:

- Annual number of international students participating in Department-sponsored educational activities
  - Rationale for Measure: Provides an annual number of foreign military personnel and defense officials who will have a better understanding of the roles, missions, and capabilities of the DoD to foster shared perspectives and enhance future cooperation between international counterparts. Attending DoD-sponsored education helps to harmonize views between the US and our international partners in combating the war on terrorism. These numbers do not include mobile training teams and similar off site training.
  - Data Source and Calculation Methodology: Sources: Defense Security Cooperation Agency (DSCA)



A NATO (North Atlantic Treaty Organization) RIM-7 Sea Sparrow missile launches through its foam launcher cover during a shipboard self-defense live-fire exercise onboard the U.S. Navy Nimitz Class Air Craft Carrier USS HARRY S. TRUMAN (CVN 75).

*U.S. Navy photo by Mass Communication Specialist 2nd Class Kristopher Wilson – May 21, 2007*

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<b>Strategic Objective 5.1: Build capacity of international partners in fighting the war on terrorism.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
5.1-1: Annual number of international students participating in Department-sponsored educational activities	5.1-1: For each fiscal year, the DoD will increase the number of international students participating in Department-sponsored education by two percent.	FY 06 (baseline): 51,576 international students FY 07: 52,607 international students FY 08: 53,660 international students
5.1-2: Annual number of Technology Security Actions (TSAs) processed	5.1-2: For each fiscal year, the DoD will increase the number of reviews of relevant technologies involving transfers to international partners by two percent.	FY 06 (baseline): 100,058 TSAs processed FY 07: 102,059 TSAs processed FY 08: 104,100 TSA processed

**Figure 5.1-1 Strategic Objective 5.1 Performance Measures and Targets**

- Calculation methodology: Attendance of foreign military representatives at courses or programs sponsored by DoD, including those conducted at DoD educational institutions. Some examples include programs at the Regional Centers for Security Studies and the Combating Terrorism Fellowship Program.
- Annual number of Technology Security Actions (TSAs) processed
  - Rationale for Measure: Identifies the number of various technological and security reviews of goods and services, through a variety of methods, proposed for transfer to international partners. The reviews preserve critical U.S. military technological advantage, yet support legitimate defense cooperation and help build partnership capacity with foreign friends and allies.
  - Data Source and Calculation Methodology: Sources: Defense Technology Security Administration (DTSA)
  - Calculation methodology: The information is provided by the DTSA. Technology Security Actions (TSAs)

represents the number of DoD positions formulated on a variety of requests, to include munitions and dual-use export license applications, Committee on Foreign Investment in the United States cases, Foreign Investment in the United States cases, International Agreements, Exceptions to National Disclosure Policy, and Public Release Security Reviews. Similar information is provided to the Congress in the DTSA annual budget.

**D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, audit, and/or program reviews:

- The Government Performance and Results Act (GPRA)
- Executive Orders 11958 and 12981 “Administration of Export Controls”
- OMB Circular A-11
- DoD 2006 Quadrennial Defense Review—Calls for the United States Government to work with or through others,

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thereby enabling allied and partner capabilities by building their capacity to share the risks and responsibilities of today’s complex world. In particular, the ability of the USG and its allies to influence the global environment is fundamental to defeating terrorist networks.

- Secretary of Defense Security Cooperation Guidance (classified)
- National Contingency Planning Scenarios (classified)

**E. Strategies for Achieving Objective:**

The following primary strategies are identified for achieving this Strategic Objective:

- Legislative Initiatives/Proposals: Building Global Partnerships Act, DTSA Budget, DSCA Budget
- Policy and/or Process Improvement Initiatives: USD(P) Building Partnership Capacity Roadmap coordinates, plans, and synchronizes DoD activities. The DoD will support State Department’s efforts to obtain increases in resources for the Coordinator for Reconstruction and Stabilization. The DoD will also support U.S. Agency for International Development’s transformation efforts and those activities of other civilian agencies to obtain additional resources to be able to deploy civilian experts for stability, security, transition, and reconstruction operations.
- Structure and Organizational Initiatives: The USD (P) has reorganized and created two new senior level supervisory positions to oversee the execution of partnership efforts (Deputy Assistant Secretaries of Defense for Partnership Strategy and Coalition Affairs).

- Information Technology (IT) Investments: Not Applicable
- Other Investments: Increased funding for Title X and XXII programs will enable the flow of international military students which cannot be increased without more funds for the training and infrastructure support requirements.

**F. Associated Program Assessment Rating Tool (PART) Evaluations:**

See Figure 5.1-2

**G. External DoD Factors Affecting Objective Accomplishment:**

The extent to which DoD is able to make progress on these activities relies in part on the partner country and its ability to meet US legal requirements to participate in these programs. Additionally, US foreign policy decisions made by the President and Secretary of State could affect DoD’s ability to successfully perform the stated objectives.

**H. DoD Accountable Official:**

Under Secretary of Defense (Policy)

PART Name	Year Last Evaluated	Rating
Cooperative Threat Reduction	2006	Effective

**Figure 5.1-2 Strategic Objective 5.1 PART Evaluation**

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## GOAL 5 – ACHIEVING UNITY OF EFFORT

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### Strategic Objective 5.2:

***Improve strategic communication process to link information issues with policies, plans, and actions and improve primary communication supporting capabilities.***

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#### **A. Scope of Strategic (Enterprise-level) Objective:**

The scope of this objective includes all strategic communication activities across the Department of Defense. Strategic Communication has been defined by the QDR Strategic Communication Working Group as: “focused United States Government processes and efforts to understand and engage key audiences to create, strengthen or preserve conditions favorable to advance national interests and objectives through the use of coordinated information, themes, plans, programs, and actions synchronized with other elements of national power.”

#### **B. Performance Targets:**

Annual performance targets, for each of fiscal years 2006 (baseline) through 2008, are identified in Figure 5.2-1.

#### **C. Strategic (Enterprise-level) Performance Measures:**

The following primary measures, for assessing the effectiveness and efficiency of this objective are depicted below:

- Percent of twenty Strategic Communication plans that are expected to be approved
  - Rationale for Measure: This measure was selected because it reflects the efforts of the Strategic Communication Integration Group (SCIG) in developing, coordinating, and overseeing DoD strategic

communication (SC) initiatives and plans for the DoD. These plans address DoD issues and policies that have significant communication implications. Approved plans are one of the first steps toward institutionalizing a DoD process that incorporates SC into strategy development and planning. Execution and assessment would then follow.

- Data Source and Calculation Methodology: The data source will be the approved plans and the templates used to formulate the plan. The percent would be calculated based on the cumulative number of plans prepared compared to the number of plans approved.
- Cumulative number of officers graduated from the Intermediate and Senior Public Affairs courses



**U.S. Army Sgt. Edgar Brown shouts to a gunner on his right during a simulated convoy attack at Fort Dix, N.J. Brown's unit is being trained by the 1st Army Division Public Affairs in preparation for a mission in support of U.S. Army Central Command. Brown is assigned to the 131st Mobile Public Affairs Detachment.**

*DoD photo by Staff Sgt. Russel Lee Klika, U.S. Army – May 3, 2007*

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<b>Strategic Objective 5.2: Improve strategic communication process to link information issues with policies, plans, and actions and improve primary communication supporting capabilities.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
5.2-1: Percent of twenty strategic communication plans expected to be approved	5.2-1: By FY 2008, the DoD will achieve a 95 percent success rate in the twenty strategic communication plans that are expected to be approved.	FY 06 (baseline): non-applicable FY 07: 50% of strategic communications plans approved FY 08: 95% of strategic communications plans approved
5.2-2: Cumulative number of officers graduated from the Intermediate and Senior Public Affairs courses	5.2-2: By FY 2009, the DoD will graduate 300 officers from the Intermediate and Senior Public Affairs courses.	FY 06 (baseline): non-applicable FY 07: 45 Public Affairs graduates FY 08: 225 Public Affairs graduates

**Figure 5.2-1 Strategic Goal 5.2 Performance Measures and Targets**

- Rationale for Measure: This measure was selected because it reflects the implementation of increased PA training for mid-level and senior Public Affairs Officers. This measure also directly addresses increased PA training for military departments and combatant commands in their communication supporting capability.
- Data Source and Calculation Methodology: The data source will be course critiques providing direct student feedback on course content; the Defense Information School (DINFOS) Governance Board and the Governance Board Council - each having oversight of PA training. Data will also be collected by the Joint Communication office.

**D. Strategic Objective Driver(s):**

This objective is driven by the following statutory, regulatory, DoD strategic planning guidance, internal or external audit, program evaluations, etc:

- The Government Performance and Results Act (GPRA) of

- 1993--requires the development and submission of an annual Performance Plan that articulates an Agency's budget in terms of strategic goals and objectives;
- OMB Circular A-11--requires development of an annual Performance Budget that satisfies all the provisions for an annual GPRA Performance Plan;
- DoD 2006 Quadrennial Defense Review--The Department must instill communication assessments and processes into its culture, developing programs, plans, policy, information and themes to support Combatant Commanders by reflecting the U.S. Government's overall strategic objectives. To this end, the Department will work to integrate communication efforts horizontally across the enterprise to link information and communication issues with broader policies, plans and actions.
- The QDR Strategic Communication Execution Roadmap, approved by the Deputy Secretary of Defense on September 25, 2006.

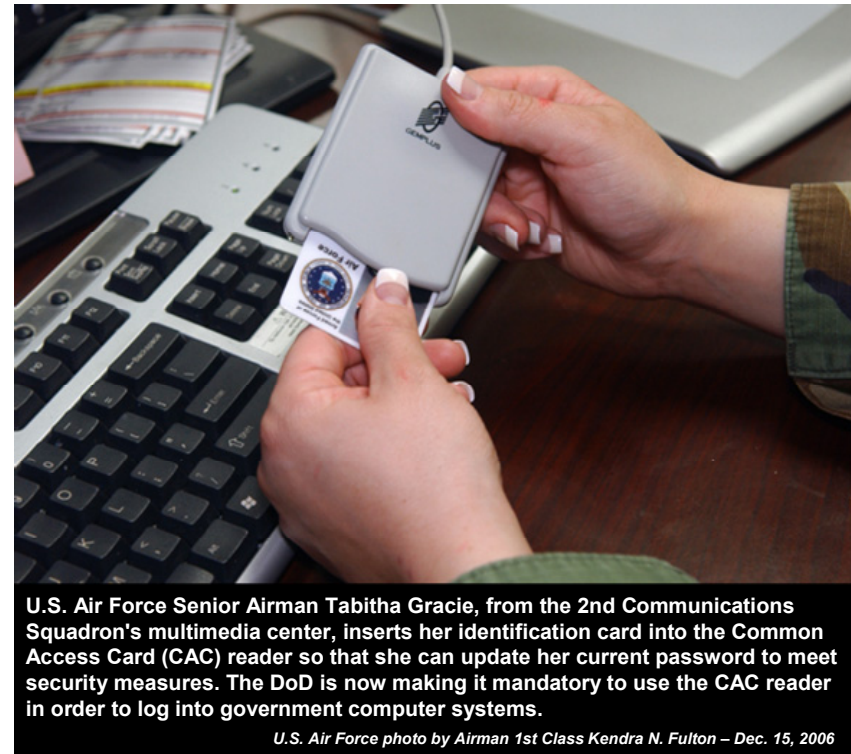
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### **E. Strategies for Achieving Objective:**

The following primary strategies are identified for achieving this Strategic Objective:

- Legislative Initiatives/Proposals: Non-applicable
- Policy and/or Process Improvement Initiatives: The Department will define roles, responsibilities and relationships, and develop doctrine for strategic communication and its primary communication-supporting capabilities (public affairs, aspects of information operations, principally psychological operations, visual information, and the DoD activities of military diplomacy and Defense support to public diplomacy. The DoD SCIG will work to streamline Department and interagency coordination of strategic communication processes, while ensuring that those processes comply with the Title 10 responsibilities of the Military Departments and USSOCOM as well as prevent unnecessary procedural redundancy. In addition, two DoD directives will be prepared for Secretary of Defense approval to define and establish strategic communication processes and to address military diplomacy and Defense support to public diplomacy.
- Structure and Organizational Initiatives: The Department of Defense established a standing body under the co-leadership of the Principal Deputy Under Secretary for Policy, Assistant Secretary for Public Affairs, the Joint Staff Director of Strategic Communication, and the Director, Joint Staff, designated the DoD Strategic Communication Integration Group (SCIG).
- Information Technology (IT) Investments: Capabilities requirements shall be assessed and developed for the following areas:

- Collaborative information sharing architecture to include: an associated enterprise capability to accommodate the Strategic Communication process from cradle to grave; a process to support engagement planning and assessment information at strategic, operational, and tactical levels; with capability to display events with mapping and calendaring views; and a process to provide focused feedback and a knowledge management environment;
- Deployable VI systems to support Joint and Military Department PA and PSYOP communication efforts;



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- Theater Security Cooperation information management tools;
  - Mobile Press Information Center;
  - Communication and information environment assessment and analysis tools;
  - Long-range dissemination capabilities into denied areas;
  - Foreign broadcast, print, and internet media analysis; and
  - Digital Video and Imagery Distribution System (DVIDS).
- Other Investments: Properly resource the Military Departments and Combatant Commands to organize, train, and equip DoD's primary communication support capabilities. During the QDR, the Strategic Communication Working Group identified capability gaps that impede DoD's progress toward more effective Strategic Communication. In some cases, the issue was a lack of capacity in existing capabilities; in others, the group identified desired capabilities for which there has been neither a concept developed nor a formal articulation of requirements. Major tasks of this objective fall into four groups: concepts, requirements, capacity, and training and education.
    - Joint standards for Military Department education and training of PA and VI communities.
    - Joint standards for education and training of Strategic Communication.
    - JPME Learning Objectives for primary communication supporting capabilities.

- Joint and Military Department PA, VI, and Strategic Communication curricula at Defense Information School (DINFOS).
- Joint training that includes Strategic Communication processes and supporting capabilities where Strategic Communication is the supported effort.

### ***F. Associated Program Assessment Rating Tool (PART) Evaluations:***

Not-Applicable

### ***G. External DoD Factors Affecting Objective Accomplishment:***

- Potential DoD budget reductions would negatively impact existing programs and courses
- Service manpower constraints may impact the filling of school slots by the PA community for each class
- If the Department is to increase senior public affairs officer training, greater emphasis on continued professional development at senior leadership levels must be encouraged
- Interagency information sharing and coordination requirements
- Change in DoD leadership and US government administration.

### ***H. DoD Accountable Official:***

Assistant Secretary of Defense (Public Affairs)

## V. DOD BUDGET BY STRATEGIC GOAL AND OBJECTIVE

### V.1 Future Years' Defense Program (FYDP)

The Department's FYDP displays resources associated with Department of Defense programs, as approved by the Secretary or the Deputy Secretary of Defense. The DoD FYDP consists of approximately 4,000 active program elements (PEs) that describe DoD missions and functions and constitute the primary data elements or basic building blocks for aggregating resources for the prior year, current year, two budget years, and four additional years (for budget and manpower) and seven additional years (for forces). FYDP PEs are both mutually exclusive and exhaustive and are continually scrutinized to maintain proper visibility of Defense programs. The FYDP also identifies the types of resources (dollars, manpower, forces). The Department's FYDP is provided to the Congress in conjunction with the President's Budget.

### V.2 The Defense Budget

The Defense budget aggregates the approximately 4,000 program elements into approximately 475 budget activities that are presented to the Congress for funding from approximately 116 different DoD appropriation accounts. Once funds are appropriated, these are distributed to approximately 45 different DoD organizations—most of which are identified at Appendix A.

OMB Circular A-11, Part 6 addresses preparation and submission of agency annual performance plans/budgets that link strategic objectives with costs for achieving targeted levels of performance. A performance budget links strategic objectives to the costs of specific program activities that influence and contribute toward the achievement of those objectives.

Section 220 of OMB Circular A-11 characterizes a performance budget as a hierarchy of goals, structured like an agency's

strategic plan. Each strategic goal and objective represents an aggregation of many different budget activities, program elements, projects, and, ultimately, individual personnel tasks that contribute to accomplishment.

The alignment of the DoD budget among strategic goals and objectives presents a challenge given the size (\$623.1 billion for FY 2008) and complexity of the Defense budget. In addition, the Department's budget and accounting systems have not been designed to accumulate costs in terms of direct, indirect, and general and administrative overhead in order to be able to identify the "total cost" associated with accomplishing a specific objective area. Under this scenario, the Department must rely on complex crosswalks and data mapping schemes to be able to display its budget among strategic goals and objectives. The development of the necessary crosswalks will take time to develop and validate before the Department will be in a position to justify its budget along these lines. In addition, the Department is exploring an Integrated Capability Portfolio (ICP) concept that, once defined, will result in displaying our strategic objectives among ICPs. Consequently, identification of the Defense budget among strategic goals and objectives has been deferred, for the FY 2008 submission, pending development of the ICP definitions. Rather, Appendix C displays the budget along traditional DoD appropriation categories.

### V.3 Future Initiatives

The QDR directed integration of the Department's strategic planning and resource allocation processes. To accomplish this, data and process transparency were identified as focus areas with initiatives to a) collapse existing data systems to eliminate multiple data feeds and data elements and b) develop a new "to be" data structure which would support both analysis and reporting. Within the past year, the OSD Program Analysis and Evaluation and OSD Comptroller stood up a joint Data Structure Working Group to develop a concept for a new, combined data



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structure that would provide a seamless connection between programming and budgeting and reevaluate the relevance of program elements needed to satisfy information needs of DoD leadership. Perhaps the greatest obstacle to assembling program data in the current data structure is organizational and appropriation boundaries. PEs would be replaced potentially by a common element with budget and programmatic attributes that provide an end-to-end view of resource decisions from formulation through execution. One advantage of the new proposed data structure will be the ability to create ad hoc, comprehensive views of programs into groupings of interest to staff who manage programs and senior leaders who need to make strategic resource allocation trades.

Since FYDP data are stored in a relational database, it is possible to create new aggregation schemes as programs themselves change and as the DoD leadership requires new ways of examining programs and resources. Currently, the Department is experimenting with an Integrated Capability Portfolio (ICP) management concept that would, conceptually, segregate the DoD budget into a limited number of ICPs. These ICPs are intended to move the Department toward a more integrated and transparent senior decision-making culture and process for both operational and investment matters.

The 2006 QDR used a portfolio approach to evaluate surveillance capabilities. The Department began by accounting for all of its current and planned surveillance capabilities and programs at all levels of classification. Viewing capabilities across the entire portfolio of assets enabled decision-makers to make informed choices about how to reallocate resources among previously stove-piped programs and to deliver needed capabilities to the Joint force more rapidly and efficiently. The Department is experimenting with four ICP test cases: Command and Control, Net-centric Operations, Battlespace Awareness, and Logistics. Based on pilot experience, the

Department may expand this concept to other mission areas. As capability areas evolve, the Department will reevaluate the enterprise-wide objectives and performance targets, contained in this submission, to maintain strategic alignment and ensure that these are clearly communicated. The Department will also evaluate and continue to refine the measures it utilizes to ensure that useful and relevant information is provided to senior leadership for effective decision-making.



US Navy (USN) Vice Chairman of the Joint Chiefs of Staff (VCCS), Admiral (ADM) Edmund Giambastiani, references the Quadrennial Defense Review with US Representative John Spratt Jr., Democrat of South Carolina (SC), after a hearing with the House Budget Committee, in the District of Columbia (DC).

DoD photo by: SSGT D. MYLES CULLEN, USAF – March 1, 2006

**APPENDIX A – DOD MAJOR ORGANIZATIONAL COMPONENTS**

***OFFICE OF THE SECRETARY OF DEFENSE (OSD)***

***MILITARY DEPARTMENTS:***

- Department of the Army
- Department of the Air Force
- Department of the Navy/Marine Corps

***DEFENSE WIDE ACTIVITIES:***

- Defense Agencies (18):
  - Business Transformation Agency (BTA)
  - Defense Advanced Research Projects Agency (DARPA)
  - Defense Commissary Agency (DeCA)
  - Defense Contract Audit Agency (DCAA)
  - Defense Contract Management Agency (DCMA)
  - Defense Finance and Accounting Service (DFAS)
  - Defense Information Systems Agency (DISA)
  - Defense Intelligence Agency (DIA)
  - Defense Legal Services Agency (DLSA)
  - Defense Logistics Agency (DLA)
  - Defense Security Cooperation Agency (DSCA)

- Defense Security Service (DSS)
- Defense Threat Reduction Agency (DTRA)
- Missile Defense Agency (MDA)
- National Geospatial-Intelligence Agency (NGA)
- National Reconnaissance Office (NRO)
- National Security Agency (NSA)
- Pentagon Force Protection Agency (PFPA)
  
- DoD Field Activities (11):
  - American Forces Information Service (AFIS)
  - Defense Prisoner of War/Missing in Action Office (POW/MIA)
  - Defense Technical Information Center (DTIC)
  - Defense Technology Security Administration (DTSA)
  - Department of Defense Counter-intelligence Field Activity (CIFA)
  - DoD Education Activity (DoDEA)
  - DoD Human Resources Activity (DHRA)
  - DoD Test Resource Management Center (TRMC)
  - Office of Economic Adjustment (OEA)
  - TRICARE Management Activity (TMA)
  - Washington Headquarters Services (WHS)

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- Other Organizations/Centrally-Managed Activities (9):

- Chemical Biological Defense Programs (CBDP)
- Civil Military Programs (CMP)
- Court of Military Appeals (CMA)
- Defense Acquisition University (DAU)
- Defense Health Program (DHP)
- DoD Inspector General (DoDIG)
- Drug Enforcement Programs (DEPS)
- National Defense University (NDU)
- Office of Test and Evaluation (OTE)

### ***THE JOINT STAFF (JS)***

- THE COMBATANT COMMANDS (9):
  - U. S. European Command (USEUCOM)
  - U. S. Central Command (USCENTCOM)
  - U. S. Pacific Command (USPACOM)
  - U. S. Southern Command (USSOUTHCOM)
  - U. S. Northern Command (USNORTHCOM)
  - U. S. Strategic Command (USSTRATCOM)
  - U. S. Special Operations Command (USSOCOM)
  - U. S. Transportation Command (USTRANSCOM)
  - U. S. Joint Forces Command (USJFCOM)

**APPENDIX B – DOD PERFORMANCE MEASURES AND TARGETS SUMMARY**

<b>STRATEGIC GOAL 1: FIGHT THE LONG WAR ON TERRORISM</b>		
<b>Strategic Objective 1.1: Conduct a large-scale, potentially long-duration irregular warfare campaign that includes counterinsurgency, security stability, transition, and reconstruction operations.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
1.1-1: Number of Iraqi Security Forces (ISFs) and Afghan Security Forces (ASFs) trained	1.1-1a: By FY 2009, the DoD will train 370,000 Iraqi Security Forces (ISFs).	FY 06 (baseline): 362k ISFs trained FY 07: 365k ISFs trained FY 08: 367k ISFs trained
	1.1-1b: By FY 2009, the DoD will train 152,000 Afghan Security Forces (ASFs).	FY 06 (baseline): 78k ASFs trained FY 07: 112k ASFs trained FY 08: 142k ASFs trained
1.1-2: Percent DoD personnel contribution to coalition partners' forces supporting Operation Enduring Freedom (OEF) and International Security Assistance Forces (ISAFs)	1.1-2: By FY 2009, the DoD will reduce their personnel contribution to coalition partners' forces supporting Operation Enduring Freedom (OEF) and International Security Assistance Forces (ISAFs) to 51 percent.	FY 06 (baseline): 54% contribution FY 07: 53% personnel contribution FY 08: 51% personnel contribution
1.1-3: Percent of DoD reconstruction projects in Iraq and Afghanistan completed	1.1-3: By FY 2009, 50 percent of DoD reconstruction projects in Iraq and Afghanistan will be completed.	FY 06 (baseline): 20% projects completed FY 07: 30% projects completed FY 08: 40% projects completed

**STRATEGIC GOAL 2: REORIENT CAPABILITIES AND FORCES**

**Strategic Objective 2.1: Deter or defeat direct attacks to the U.S. homeland and its territories and contribute toward the Nation’s response to and management of Weapons of Mass Destruction (WMD) or catastrophic event; Improve ability to respond to Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) attacks and improve the capability of interagency partners to contribute to our Nation’s security.**

Performance Measures	Performance Targets 1/	Annual Performance Targets
2.1-1: Number of National Guard Weapons of Mass Destruction –Civil Support Teams (WMD-CSTs) certified	2.1-1: By FY 2008, 55 National Guard Weapons of Mass Destruction-Civil Support Teams (WMD-CSTs) will be certified.	FY 06 (baseline): non-applicable FY 07: 49 WMD-CSTs certified FY 08: 55 WMD-CSTs certified
2.1-2: Number of National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Enhanced Response Force Packages (CERFPs) trained	2.1-2: By FY 2008, 17 National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Enhanced Response Force Packages (CERFPs) will be trained for WMD or other catastrophic responses.	FY 06 (baseline): non-applicable FY 07: 12 CERFPs trained FY 08: 17 CERFPs trained

1/ One additional performance goal, of a classified nature, is not identified in this submission.

**Strategic Objective 2.2: Deter and defend against transnational terrorists attacks and globally distributed aggressors and shape the choices of countries at strategic crossroads, while postured for a second, nearly simultaneous campaign.**

Performance Measures	Performance Targets 1/	Annual Performance Targets
2.2-1: Percent of DoD reduction in deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) achieved	2.2-1: By FY 2009, the DoD will reduce the number of deployed Minuteman III Intercontinental Ballistic Missiles (ICBMs) by 50 (from 500 to 450).	FY 06 (baseline): non-applicable FY 07: 20% of the ICBM reduction achieved FY 08: 90% of the ICBM reduction achieved

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2.2-2: Percent increase in DoD Special Forces and Navy SEAL personnel achieved	2.2-2: By FY 2009, the DoD will increase its Special Forces and Navy SEAL personnel by 14 percent.	FY 06 (baseline): non-applicable FY 07: 5% personnel increase FY 08: 10% personnel increase
2.2-3: Cumulative number of DoD Maritime Pre-position Force (MPF) ships procured	2.2-3: By FY 2008, the DoD will have procured seven Maritime Pre-position Force (MPF) ships	FY 06 (baseline): 3 MPF ships procured FY 07: 7 MPF ships procured FY 08: 7 MPF ships procured
2.2-4: Number of Future Combat System modular forces achieving full operational capability (FOC)	2.2-4a: By FY 2009, the DoD will have achieved full operational capability (FOC) for 50 Brigade Combat Teams (BCTs).	FY 06 (baseline): non-applicable FY 07: 37 BCTs at FOC FY 08: 43 BCTs at FOC
	2.2-4b: By FY 2009, the DoD will have achieved full operational capability (FOC) for 172 Multi-functional and Functional Support (MFF) brigades.	FY 06 (baseline): non-applicable FY 07: 146 MFFs brigades at FOC FY 08: 159 MFFs brigades at FOC

1/ Four additional performance goals, of a classified nature, are not identified in this submission.

**Strategic Objective 2.3: Operationalize and Strengthen Intelligence**

<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
2.2-1: Percent of Joint Intelligence Operations Centers (JIOCs) at initial operating capability (IOC) and at full operating capability (FOC)	2.3-1a: By FY 2008, the DoD will establish 100 percent of Joint Intelligence Operations Centers (JIOCs) at initial operating capability (IOC).	FY 06 (baseline): non-applicable FY 07: 90% of JIOCs at IOC FY 08: 100% of JIOCs at IOC
	2.3-1b: By FY 2010, the DoD will realize 100 percent of JIOCs at full operating capability (FOC).	FY 06 (baseline): non-applicable FY 07: 33% of JIOCs at FOC FY 08: 50% of JIOCs at FOC
2.3-2: Percent of Intelligence Campaign Planning (ICP) completed for top priority Joint Strategic Capability Plans (JSCPs)	2.3-2: By FY 2008, the DoD will complete Intelligence Campaign Planning (ICP) efforts for 50 percent (6 of 12) top priority Joint Strategic Capability Plans (JSCPs).	FY 06 (baseline): non-applicable FY 07: 33% of JSCPs completed FY 08: 50% of JSCPs completed

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2.3-3: Percent reduction in known impediments to intelligence access	2.3-3: By FY 2009, the DoD will reduce 90 percent of 12 known impediments to intelligence access.	FY 06 (baseline): non-applicable FY 07: 25% reduction in known impediments FY 08: 50% reduction in known impediments
<b>Strategic Objective 2.4: Enhance Security &amp; Reduce Vulnerabilities</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
2.4-1: Percent of DoD counterintelligence mission-focused Technical Surveillance Countermeasure (TSCM) requirements satisfied	2.4.1: By 2009, the DoD will satisfy 94 percent of counterintelligence mission-focused Technical Surveillance Countermeasure (TSCM) requirements.	FY 06 (baseline): Non-applicable FY 07: 90% of TSCM requirements satisfied FY 08: 92% of TSCM requirements satisfied
<b>STRATEGIC GOAL 3: RESHAPE THE DEFENSE ENTERPRISE</b>		
<b>Strategic Objective 3.1: Improve acquisition processes and execution to support warfighter requirements.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.1-1: Average acquisition cycle time for Major Defense Acquisition Programs (MDAPs)	3.1-1a: By FY 2008, the DoD will reduce average acquisition cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 1992 and later to less than 99 months.	FY 06 (baseline): <99 months acquisition cycle time FY 07: <99 months acquisition cycle time FY 08: <99 months acquisition cycle time
	3.1-1b: By FY 2008, the DoD will reduce average acquisition cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and later to less than 66 months.	FY 06 (baseline): <66 months acquisition cycle time FY 07: <66 months acquisition cycle time FY 08: <66 months acquisition cycle time
3.1-2: Average annual rate of acquisition cost growth for Major Defense Acquisition Program (MDAPs)	3.1-2: By FY 2008, the DoD will reduce the annual rate of acquisition cost growth for Major Defense Acquisition Programs (MDAPs) to zero percent.	FY 06 (baseline): 0% acquisition cost growth FY 07: 0% acquisition cost growth FY 08: 0% acquisition cost growth

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<b>Strategic Objective 3.2: Focus research and development to address warfighting requirements.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.2-1: Percent of demonstration programs transitioning per year	3.2-1: By FY 2008, the DoD will transition 30 percent of demonstration programs per year.	FY 06 (baseline): Non-applicable FY 07: Non-applicable FY 08: 30% of programs transitioning
<b>Strategic Objective 3.3: Implement improved logistics operations to support joint warfighting priorities</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.3-1: Average customer wait time	3.3-1: By FY 2008, the DoD will reduce average customer wait time to 15 days.	FY 06 (baseline): 17 days customer wait time FY 07: 15 days customer wait time FY 08: 15 days customer wait time
3.3-2: Average percent of materiel availability readiness goals achieved for major weapon systems	3.3-2: By FY 2008, the DoD will achieve the materiel availability readiness for MDAP weapon systems to within 10 percent of goal.	FY 06 (baseline): Non-applicable FY 07: Non-applicable FY 08: Within 10% of MDAP availability readiness goal
<b>Strategic Objective 3-4: Maintain capable, efficient, and cost-effective installations to support the DoD workforce.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.4-1: Average percent reduction in building energy consumption	3.4-1: By FY 2009, the DoD will reduce average building energy consumption by twelve percent from the FY 2003 baseline.	FY 06 (baseline): 3% reduction from FY 2003 rate FY 07: 6% reduction from FY 2003 rate FY 08: 9% reduction from FY 2003 rate
3.4-2: Average facilities recapitalization rate	3.4-2: By FY 2008, the DoD will fund an average facilities recapitalization rate of 67 years.	FY 06 (baseline): 73 years FY 07: 72 years FY 08: 67 years
3.4-3: Average facilities sustainment rate	3.4-3: By FY 2008, the DoD will increase the average facilities sustainment rate to 100 percent.	FY 06 (baseline): 92% sustainment rate FY 07: 95% sustainment rate FY 08: 100% sustainment rate



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3.4-4: Number of inadequate family housing units	3.4-4a: By FY 2008, the DoD will eliminate all inadequate family housing in the continental United States (CONUS).	FY 06 (baseline): 29,245 inadequate housing units FY 07: 0 inadequate housing units FY 08: 0 inadequate housing units
	3.4-4b: By FY 2009, the DoD will eliminate all inadequate family housing outside the continental United States (OCONUS).	FY 06 (baseline): 39,104 inadequate housing units FY 07: < FY 2006 number of inadequate housing units FY 08: < FY 2007 number of inadequate housing units
<b>Strategic Objective 3-5: Improve financial management and budget and performance integration to support strategic decisions and provide financial stewardship to the taxpayer.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.5-1: Percent of audit-ready assets and liabilities	3.5-1a: By 2011, the DoD will demonstrate that 72 percent of assets have achieved audit readiness.	FY 06 (baseline): 15% assets audit ready FY 07: 18% assets audit ready FY 08: 29% assets audit ready
	3.5-1b: By 2011, the DoD will demonstrate that 79 percent of liabilities have achieved audit readiness.	FY 06 (baseline): 49% liabilities audit ready FY 07: 49% liabilities audit ready FY 08: 49% liabilities audit ready
<b>Strategic Objective 3-6: Make information available on a network that people depend on and trust.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
3.6-1: Percent of IT business cases (exhibit 300s) acceptable to the OMB	3.6-1: For each fiscal year, the DoD will maintain the percent of IT business cases (exhibit 300s) acceptable to the OMB at 90 percent or higher.	FY 06 (baseline): 90% of IT business cases acceptable FY 07: 90% or higher of IT business cases acceptable FY 08: 90% or higher of IT business cases acceptable

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3.6-2: Percent of DoD systems accredited	3.6-2 For each fiscal year, the DoD will increase the percent of systems accredited to 90 percent or higher. 1/	FY 06: 90% of systems accredited FY 07: 90% or higher of systems accredited FY 08: 90% or higher of systems accredited
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1/ A drop in the percentage is foreseeable in the next couple of years as improved Computer Network Defense standards and definitions are implemented.

**STRATEGIC GOAL 4: DEVELOP A 21<sup>ST</sup> CENTURY TOTAL FORCE**

**Strategic Objective 4.1: Ensure an “All Volunteer” military force is available to meet the steady-state and surge activities of the DoD.**

Performance Measures	Performance Targets 1/	Annual Performance Targets
4.1-1: Percent variance in Active and Reserve component end strength	4.1-1a: For each fiscal year, the DoD Active component end strength must be maintained at or not to exceed (NTE) three percent above the SECDEF prescribed end strength for that fiscal year.	FY06 (baseline): Not less than (NLT) authorized/Not to exceed (NTE) +3% above SECDEF-prescribed end strength FY07: NLT authorized/NTE +3% above SECDEF-prescribed end strength FY08: NLT authorized/NTE +3% above SECDEF-prescribed end strength
	4.1-1b: For each fiscal year, the DoD Reserve component end strength will not vary by more than two percent from the SECDEF prescribed end strength for that fiscal year.	FY06 (baseline): +/- 2% from SECDEF end strength FY07: +/-2% from SECDEF-prescribed end strength FY08: +/-2% from SECDEF-prescribed end strength
4.1-2: Percent of deployable Armed Forces without any deployment- limiting medical condition	4.1-2: By FY 2009, the DoD will increase the percent of deployable Armed Forces without any deployment - limiting medical condition to greater than 92 percent.	FY 06 (baseline): 85% of deployable Armed Forces FY 07: >87% of deployable Armed Forces FY 08: >90% of deployable Armed Forces

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4.1-3: Percent of Armed Forces whose medical readiness status is indeterminate	4.1-3: By FY 2009, the DoD will reduce the percent of Armed Forces whose medical readiness status is indeterminate to less than 10 percent.	FY 06 (baseline): 32% of Armed Forces FY 07: <25% of Armed Forces FY 08: <15% of Armed Forces
4.1-4: Attrition rate for first-termers	4.1.4: For each fiscal year, the DoD attrition rate for first-termers will not vary by more than two percent of the FY 2006 baseline of 30 percent.	FY 06 (baseline): 30% first-termers' attrition rate FY 07: +/-2% of FY 2006 attrition rate FY 08: +/-2% of FY 2006 attrition rate

*1/ Three additional performance goals, of a classified nature, are not identified in this submission.*

**Strategic Objective 4.2: DoD remains competitive for needed talent by sustaining workforce satisfaction.**

<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
4.2-1: Percent of Service members intending to stay in the military	4.2-1a: For each fiscal year, the percent of Active Service members intending to stay in the military force, if given the choice, must not decline by more than 10 percent of pre-GWOT levels (of 50 percent).	FY 06 (baseline): Non-applicable FY 07: 40% or higher of Active Service members FY 08: 40% or higher of Active Service members
	4.2-1b: For each fiscal year, the percent of Reserve Service members intending to stay in the military force, if given the choice, must not decline by more than 10 percent of pre-GWOT levels (of 74 percent).	FY 06 (baseline): Non-applicable FY 07: 64% or higher of Reserve Service members FY 08: 64% or higher of Reserve Service members
4.2-2: Percent of Service members, who, in their opinion, believe their spouse/significant other thinks the members should stay in the military	4.2-2a: For each fiscal year, the percent of Active Service members, who, in their opinion, believe their spouse or significant other thinks the member should stay in the military must not decline by more than 10 percent of pre-GWOT levels (of 44 percent)	FY 06 (baseline): Non-applicable FY 07: 34% or higher of Active Service members FY 08: 34% or higher of Active Service members
	4.2-2b: For each fiscal year, the percent of Reserve Service members, who, in their opinion, believe their spouse or significant other thinks the member should stay in the military must not decline by more than 10 percent of pre-GWOT levels (of 70 percent)	FY 06 (baseline): Non-applicable FY 07: 60% or higher of Reserve Service members FY 08: 60% or higher of Reserve Service members

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4.2-3: Average civilian employee satisfaction rate	4.2-3a: For even numbered years, the DoD will maintain civilian employee satisfaction equal to or above the average satisfaction level of other Federal agency employees on each administration of the Federal Human Capital (FHCS) survey.	FY 06 (baseline): Non-applicable FY 07: Non-applicable 1/ FY 08: => Other Federal agencies' civilian employee satisfaction rates
	4.2-3b: For odd numbered years, the DoD will maintain civilian employee satisfaction at one percent or higher from the prior year Status of Forces-Civilian (SOF-C) survey results.	FY 06 (baseline): Non-applicable FY 07: 1% or higher from prior year SOF-C survey results FY 08: Non-applicable 1/
4.2-4: Average percent Defense Health Program annual cost per equivalent life increase compared to average civilian sector increase	4.2-4: For each fiscal year, the DoD will maintain an average Defense Health Program (DHP) medical cost per equivalent life increase at or below the average health care premium increase in the civilian sector. 2/	FY 06 (baseline):8.2% annual cost per equivalent life increase FY 07: 7% annual cost per equivalent life increase FY 08: TBD

1/ FHCS government-wide and DoD results will be reported only for even numbered years; SOF-C government-wide and DoD results will be reported only for odd numbered years.  
2/ Reporting normally has a six month lag due to medical claims data; The objective is to keep the rate of cost growth for the treatment of TRICARE enrollees to a level at or below the civilian health care plans rate increases at the national level. Targets historically have been based on the Kaiser Family Foundation and the Health Research and Educational Trust (HRET) annual Health Insurance Survey Premium increase for the most recent year.

**Strategic Objective 4.3: Provide effective and efficient human resources management to DoD customers.**

<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
4.3-1: Percent of eligible DoD civilian employees covered under the National Security Personnel System (NSPS) as activated	4.3-1: By FY 2010, the DoD will have 100 percent of eligible DoD civilian employees under coverage by the National Security Personnel System (NSPS) as activated.	FY 06 (baseline): 1.5% of eligible civilians covered FY 07: 14% of eligible civilians covered FY 08: 22% of eligible civilians covered
4.3-2: Percent Defense Travel System (DTS) usage	4.3-2a: By FY 2013, 100 percent of all temporary duty vouchers will be processed in the Defense Travel System (DTS).	FY 06 (baseline): Non-applicable FY 07: 40% of temporary duty vouchers processed FY 08: 50% of temporary duty vouchers processed

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	4.3-2b: By FY 2011, 100 percent of travelers with DTS authorizations requiring air or rental car travel will utilize the DTS Reservation Module to make travel reservations.	FY 06 (baseline): Non-applicable FY 07: 80% utilization of DTS Reservation Module FY 08: 85% utilization of DTS Reservation Module
	4.3-2c: By FY 2009, 100 percent of planned Phase III DTS sites will be fielded.	FY 06 (baseline): Non-applicable FY 07: 85% of Phase III DTS sites fielded FY 08: 95% of Phase III DTS sites fielded
<b>Strategic Objective 4.4: Improve workforce skills to meet mission requirements.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
4.4-1: Percent of operational and contingency language needs met	4.4-1: By FY 2009, the DoD will increase the percent of operational and contingency language needs met by three percent from FY 2006.	2006 (Baseline): Under development FY07: +1% from FY 2006% of needs met FY08: + 2% from FY 2006% of needs met
4.4-2: Percent of units receiving joint training in Joint National Training Capability (JNTC)-accredited programs prior to arriving in theater	4.4-2 By 2009, the DoD will increase the percent of units receiving joint training in JNTC-accredited programs prior to arriving in theater to not less than 60 percent.	FY 06: Non-applicable FY 07: Non-applicable FY 08: 60% or greater of units trained
4.4-3: Percent of acquisition positions filled with personnel meeting Level II and Level III certification requirements	4.4-3a: By FY 2010, the DoD will increase the percent of positions filled with personnel meeting Level II certification requirements.	FY 06 (baseline): 48% of Level II acquisition positions filled FY 07: > FY 2006% of Level II acquisition positions filled FY 08: > FY 2007% of Level II acquisition positions filled
	4.4-3b: By FY 2010, the DoD will increase the percent of positions filled with personnel meeting Level III certification requirements.	FY 06 (baseline): 60% of Level III acquisition positions filled FY 07: >FY 2006% of Level III acquisition positions filled FY 08: >FY 2007% of Level III acquisition positions filled

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4.4-4: Cumulative number of Defense intelligence components converted to the Defense Civilian Intelligence Personnel System (DCIPS)	4.4-4: By FY 2010, the DoD will have converted nine Defense intelligence components to the Defense Civilian Intelligence Personnel System (DCIPS).	2006 (Baseline): Non-applicable FY07: 0 Defense intelligence components converted FY08: 2 Defense intelligence components converted
<b>STRATEGIC GOAL 5: ACHIEVE UNITY OF EFFORT</b>		
<b>Strategic Objective 5.1: Build capacity of international partners in fighting the war on terrorism.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
5.1-1: Annual number of international students participating in Department-sponsored educational activities	5.1-1: For each fiscal year, the DoD will increase the number of international students participating in Department-sponsored education by two percent.	FY 06 (baseline): 51,576 international students FY 07: 52,607 international students FY 08: 53,660 international students
5.1-2: Annual number of Technology Security Actions (TSAs) processed	5.1-2: For each fiscal year, the DoD will increase the number of reviews of relevant technologies involving transfers to international partners by two percent.	FY 06 (baseline): 100,058 TSAs processed FY 07: 102,059 TSAs processed FY 08: 104,100 TSA processed
<b>Strategic Objective 5.2: Improve strategic communication process to link information issues with policies, plans, and actions and improve primary communication supporting capabilities.</b>		
<b>Performance Measures</b>	<b>Performance Targets</b>	<b>Annual Performance Targets</b>
5.2-1: Percent of twenty strategic communication plans expected to be approved	5.2-1: By FY 2008, the DoD will achieve a 95 percent success rate in the twenty strategic communication plans that are expected to be approved.	FY 06 (baseline): non-applicable FY 07: 50% of strategic communications plans approved FY 08: 95% of strategic communications plans approved
5.2-2: Cumulative number of officers graduated from the Intermediate and Senior Public Affairs courses	5.2-2: By FY 2009, the DoD will graduate 300 officers from the Intermediate and Senior Public Affairs courses.	FY 06 (baseline): non-applicable FY 07: 45 Public Affairs graduates FY 08: 225 Public Affairs graduates

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APPENDIX C – DOD DISCRETIONARY BUDGET AUTHORITY BY APPROPRIATION CATEGORY

(\$ in 000s)

DoD Appropriation Category	FY 2006	FY 2007 Appropriation				FY 2008 Request		
	Actual	Base	Title IX	Supplemental	Total	Base	Supplemental	Total
Military Personnel 1/	\$126,139,412	\$111,041,114	\$5,386,505	\$13,507,993	\$129,935,612	\$116,279,902	\$17,070,263	\$133,350,165
Operation and Maintenance 2/	\$212,477,103	\$149,696,506	\$44,360,734	\$50,868,693	\$244,925,933	\$164,714,662	\$79,191,464	\$243,906,126
Procurement 3/	\$105,370,891	\$82,188,120	\$19,825,782	\$28,025,024	\$130,038,926	\$101,678,734	\$39,956,557	\$141,635,291
Research, Development, Test, and Evaluation	\$72,854,513	\$75,721,604	\$407,714	\$1,098,708	\$77,228,026	\$75,117,194	\$2,857,360	\$77,974,554
Military Construction	\$9,529,795	\$9,282,489		\$4,806,982	\$14,089,471	\$18,232,699	\$896,155	\$19,128,854
Family Housing	\$4,425,633	\$4,039,000		\$0	\$4,039,000	\$2,932,483	\$11,766	\$2,944,249
Revolving and Management Funds	\$3,707,818	\$2,436,430		\$1,120,526	\$3,556,956	\$2,453,840	\$1,681,385	\$4,135,225
Offsetting Receipts	-\$69,257				\$0			\$0
Trust Funds	\$48,216				\$0			\$0
Related Agencies 4/		\$878,011	\$19,265	\$71,726				
<b>GRAND TOTAL</b>	<b>\$534,484,124</b>	<b>\$435,283,274</b>	<b>\$70,000,000</b>	<b>\$99,499,652</b>	<b>\$603,813,924</b>	<b>\$481,409,514</b>	<b>\$141,664,950</b>	<b>\$623,074,464</b>

1/ Amounts shown include the Medicare-Retiree Health Fund Contribution.

2/ Amounts include Environmental Restoration, Office of the Inspector General, the Defense Health Program, and Drug Interdiction and Counter-Drug Activities (for FY 07 and FY 08); FY 06 Drug Interdiction and Counter-Drug Activities are reflected in various accounts, as executed.

3/ Amounts include Army Chemical Agents and Munitions Destruction.

4/ Additive to the DoD appropriation bill but not reflected in DoD's request or actual execution data.

**Performance Budget – FY 2007-2008 GPRA Plan**

**FY 2008 PERFORMANCE BUDGET ACKNOWLEDGMENTS**

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CJCS	COL Greg Glover	BG Raymond Fox
	CAPT Mark Reid	



This Performance Budget is not approved by the Office of Management and Budget (OMB) because it does not meet OMB's guidance for associating performance goals with resources. As stated in this volume, the Department of Defense views this document a work in progress. We anticipate being able to associate resources and performance goals in future versions.