Fiscal Year (FY) 2007 Budget Estimates

Office of the Secretary of Defense (OSD)

February 2006

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OFFICE OF THE SECRETARY OF DEFENSE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

Operation and Maintenance, Defense-Wide Summary ($ in thousands)
Budget Activity (BA) 4: Administration and Service-Wide Activities

	FY 2005 Actuals	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
OSD	841,338	19,904	-52,633	808,609	20,215	-80,456	748,368

* The FY 2005 Actual column <u>includes</u> $63,175.0 thousand of FY 2005 Supplemental funds (PL 109-13), and $1,229.0 thousand of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62).

* The FY 2006 Estimate column <u>excludes</u> $2,100.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148) and $10,000.0 thousand FY 2006 Avian Flu Supplemental.

I.   <u>Description of Operations Financed</u>:

<u>Mission and Functions</u>

The National Security Act of 1947 unified the United States Armed Forces under a single Secretary of Defense with cabinet rank. The President exercises his authority as Commander-in-Chief through the Secretary of Defense, who is responsible for setting policy and directing defense programs and planning within the Department of Defense. The Office of the Secretary of Defense (OSD) is a significant component of the Department of Defense and is the principal staff element of the Secretary of Defense for the exercise of policy development, planning, resource management, fiscal, and program evaluation responsibilities. The Deputy Secretary of Defense is delegated full power and authority to act for the Secretary of Defense.

The OSD contains the immediate offices of the Secretary and Deputy Secretary of Defense; the Under Secretaries of Defense for Acquisition, Technology, and Logistics; Personnel and Readiness; Comptroller/Chief Financial Officer; Intelligence; and Policy. It includes the Director, Program Analysis and Evaluation and the Assistant Secretaries

of Defense (ASD) for Network and Information Integration (NII); Legislative Affairs; Public Affairs; and Intelligence Oversight. OSD contains the Directors of Operational Test and Evaluation, Net Assessment and Director of Administration and Management; and such other staff offices as the Secretary establishes to assist in carrying out his duties and responsibilities.

The overall OSD budget is decreasing due to transfers-out to the new Business Transformation Agency, to the classified annex, and due to budget reductions to fund other high-priority programs.

The increase in civilian staffing in FY 2007 is a small percentage increase and mainly due to a fact-of-life improvement in the execution of authorized positions (which are 1,673 compared to the 1,538 FTE programmed) rather than an increase in authorizations.

A. **Acquisition, Technology and Logistics**   The Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L), chairs the Defense Acquisition Board and is responsible for acquisition decisions relating to the major weapon systems defense acquisition programs. His office provides oversight and policy relating to all aspects of defense acquisition and support to include the Department's technology base. Programs funded in this account provide direction to the world-wide Defense Acquisition Corps and have a direct and profound effect on the defense of this nation. Programs budgeted in this account support 5 primary objectives: 1) programs mandated by Congress, 2) programs that improve acquisition, technology and logistics business processes, 3) programs to improve accountability and conformance to National and Departmental regulatory requirements, 4) programs that will effectively disseminate current acquisition policy and guidance to the line acquisition corps of 150,000 people world-wide, and 5) programs providing decision support mechanisms to the corporate OSD staff.

B. **Personnel and Readiness** Personnel and Readiness (P&R) oversees policy matters relating to readiness; personnel policies, programs and systems; equal opportunity; health policies, programs and activities; Reserve Component programs; family policy; dependent's education; personnel support programs; and mobilization planning and requirements.

C. **Comptroller/Chief Financial Officer** The Comptroller's office is the staff element that oversees and sets policy for budget and fiscal matters including financial management, accounting policy and systems, budget formulation and execution, contract audit administration and organization. The office is responsible for the analysis of force planning and programming as a part of the process upon which force structure, system acquisition, and other resource allocation actions are based.

D. **Intelligence** The Office of the Under Secretary of Defense for Intelligence (OUSD(I)) was established on May 8, 2003 to provide oversight, policy and guidance for all intelligence, counterintelligence and security, and other intelligence-related activities and functions. In this role, the USD(I) will advise the Secretary of Defense, the Secretaries of the Military Departments, the Chairman of the Joint Chiefs of Staff and the Combatant Commanders on the performance of national and defense intelligence capabilities to include the manning and structure of the intelligence organizations with DoD. All funding, with the exception of Security, is in the Military Intelligence Program.

E. **Policy** The Office of the Under Secretary for Policy (OUSD (P)) oversees matters relating to international security policy and political-military affairs. Functional areas are: NATO, foreign military sales, arms limitation agreements, international trade and technology, peacekeeping, partnerships, regional security affairs, special operations and low-intensity conflicts, integration of plans and policies with overall national security objectives, drug control policy requirements, priorities, systems, sources, and programs, and issuance of policy guidance affecting departmental programs. In 2003, the Secretary of Defense consolidated the Department's civil support, incident management,

and oversight responsibility for U.S. Northern Command (NORTHCOM) under the Assistant Secretary of Defense (Homeland Defense).

F. **Networks and Information Integration/DoD Chief Information Officer** The Office of the Assistant Secretary of Defense (Networks and Information Integration)/DoD Chief Information Officer is the principal staff assistant and advisor to the Secretary of Defense and the Deputy Secretary of Defense on networks and network-centric policy; enterprise-wide integration of all information and related activities as well as information services across the Department; management of information resources (IRM) including information technology (IT), information systems and their architectures; information interoperability; electronic business/commerce; DoD-wide command and control (C2) as well as communications (C3), wireless matters, frequency-spectrum management; National Security Systems (NSS); sensitive-information integration; information assurance (IA); and, positioning, navigation, and timing (PNT) policy, including airspace and military-air-traffic control activities. The ASD(NII)/DoD CIO provide leadership, management, policy and governance to the development, deployment, support and integration of DoD-wide information infrastructure and supporting networks and C2 and communication capabilities in support of the Defense Mission.

G. **General Counsel** The General Counsel's Office is the Chief Counsel and the legal staff of the Office of the Secretary of Defense. The General Counsel is also the Director, Defense Legal Services Agency.

H. **Legislative Affairs** The Assistant Secretary of Defense (Legislative Affairs) is the primary advisor to the Secretary of Defense and the Department on all legislative matters.

I. **Public Affairs** The Assistant Secretary of Defense (Public Affairs) is the principal staff advisor and assistant to the Secretary of Defense and Deputy Secretary of

Defense for public information, internal information, community relations, information training, and audiovisual matters.

    J.   **Intelligence Oversight**   The Assistant to the Secretary of Defense (Intelligence Oversight) is responsible to the Secretary of Defense for the independent oversight of all intelligence, counterintelligence, and intelligence-related activities in the Department of Defense.

    K.   **Director, Operational Test and Evaluation**   The Director, Operational Test and Evaluation, oversees operational test and evaluation, in a field environment, of equipment in transition from development to production.

    L.   **Director, Administration and Management**   Under the direction of the Deputy Secretary of Defense, the Director of Administration and Management (DA&M) is the principal staff assistant and advisor to the Secretary and Deputy Secretary of Defense on DoD-wide organizational and administrative management matters.   The DA&M includes in his portfolio the Washington Headquarters Services and the Pentagon Force Protection Agency.

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BUDGET ACTIVITY EXPLANATIONS

1. Core Operating Program

Dollars in Thousands

FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
233,405	238,879	246,583

This program funds the operations of the Office of the Secretary of Defense (OSD). Included are: 1)personnel compensation and benefits, which includes salaries, overtime, allowances, and related expenses including contributions to insurance and retirement programs, consultants and special schedule personnel; 2)mission related travel; 3) transportation of things, which includes freight and storage when moving household goods; 4) Official Representation Funds (ORF), which provides funding for extending official courtesies to guests of the DoD; 5) Intergovernmental Personnel Act (IPA) assignments and reimbursable civilian details, which allow the OSD to obtain scarce and critical expertise from industry, academia and other federal government agencies; and 6) permanent change of station (PCS), which covers the cost of moving personnel.

2. Other DoD Programs and Initiatives

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
a. Capital Security Cost Sharing Program	0	0	126,700
b. Contracts and Other Support Services (COSS)	39,682	9,151	8,344
c. Net Assessment	15,725	19,728	18,219
d. Office of Force Transformation	10,256	12,094	11,214

e. Republic of Korea Scholarship Program	0	488	500
Total	**112,541**	**89,311**	**164,977**

a. Capital Security Cost Sharing Program: The Capital Security Cost Sharing Program finances the Department's bill for its share of the costs under the Department of State Capital Security Cost Sharing (CSCS) program.

b. Contracts and Other Support Services (COSS) The Contracts and Other Support Services (COSS) program provides for contracts, consulting services, and other support requirements of various OSD components. Various support requirements of the following offices and activities are funded from this program: Legislative Affairs; ASD(Networks and Information Integration); Public Affairs; Transformation Office; Intelligence Oversight; Director, Administration & Management (OSD); Historian; General Counsel; Organization and Management Planning; Secretary's Analytic Agenda; Health Affairs; and Reserve Affairs.

c. Net Assessment The Net Assessment support program is managed by the Advisor for Net Assessment and pays for assessments and projects initiated by the Secretary of Defense, for selected projects of broad importance proposed to the Advisor for Net Assessment and for research in support of Net Assessment work. These projects explore near- and long-term problems and opportunities for U.S. military forces and policy especially the Revolution in Military Affairs, wargaming, and simulation.

d. Office of Force Transformation The Office of Force Transformation's objective is to facilitate the Department's transformation of the force. These activities will include training, travel, contract support, information technology, research, experimentation and exercise assessment, prototyping, publications, multi-media and transportation.

e. Republic of Korea Scholarship Program The Republic of Korea (ROK) Scholarship program is intended to provide for scholarships to South Koreans to follow up a memorial to Korean nationals who lost their lives at Nogun-Ri during the Korean Conflict.

3. Acquisition, Technology and Logistics Programs (AT&L)

	Dollars in Thousands		
	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
a. Congressional Mandate	40,598	42,471	21,115
b. Improve Acquisition & Logistics Processes	52,226	66,378	41,752
c. Regulatory Requirement	15,336	24,887	22,903
d. Promulgate Policy	6,278	7,893	7,927
e. OSD Decision Support	15,439	17,024	15,503
f. Other	9,463	0	0
Total	**139,340**	**158,653**	**109,200**

The AT&L, in response to the Secretary's call to transform the Department to a more efficient organization, made significant changes in the collective resource posture in the FY 2005 budget request. The transformed programs continue in FY 2006/FY 2007. In order to accomplish the mission as effectively as in the past, the programs requested in Operations and Maintenance accounts are more critical than ever. Programs funded in this account support the 5 primary acquisition missions shown in the table above.

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a. Congressional Mandate: Programs in this category respond directly to specific Congressional Direction and comprise over 26% of the AT&L budget request. They are as follows:

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
1) Legacy Resource Management	8,222	8,800	8,151
2) CFO Act Compliance	1,585	1,906	1,967
3) Arctic Military Environmental Cooperation (AMEC)	1,239	1,368	1,262
4) Native American Land Remediation	9,991	10,016	239
5) Electronic Business Center of Excellence (E-Business COE)	15,921	12,374	1,542
6) Test Resource Management Center	3,640	5,660	5,382
7) Capital Asset Management System-Military Equipment (CAMS-ME)	0	2,347	0
8) Defense Property Accountability Military Equipment Valuation	0	0	572
9) Military Critical Technology Support	0	0	2,000
Total	**40,598**	**42,471**	**21,115**

   1) Legacy Resource Management Legacy projects support both statutory and mission-related environmental conservation requirements that support DoD training and testing. Projects funded are selected on the basis of the most positive

effects on military readiness, increased conservation efficiencies, and the need to meet congressional intent.

2)   CFO Act Compliance Achieving compliance with the CFO Act (CFOA) and the Federal Financial Management Improvement Act is mandated by the Congress and is one of the Secretary's top priorities. The DoD owns more than 80 percent of the government's property, plant and equipment, operating materials and supplies, and inventory items, which are valued at well over $1 trillion and which fall under the purview of the OUSD(AT&L). This program is a coordinated approach, using subject matter experts and Public Accounting Firms, to develop and implement new policies, processes and procedures that are critical to the success and compliance with public law. Outcomes from this Program include more reliable management information and improvements to the management of the Department's funds and assets, as well as more accurate information reported to the Congress.

3)   Arctic Military Environmental Cooperation (AMEC) AMEC has completed a number of technology demonstration projects with Norway and Russia in support of the environmental aspects of ballistic missile nuclear submarine dismantlement in the fragile arctic region of Russia (e.g. completion of a 40 ton cask to store offloaded spent nuclear fuel). The program has a proven track record and is a cost effective means of constructive involvement with the military forces of Norway, the United Kingdom and Russia.

4)   Native American Land Remediation This program funds efforts to document information on DOD environmental impacts to Indian Lands, environmental mitigation projects on Indian Lands, training and technical assistance to the tribes, and implementation of a DOD Policy for Working with American Indians and Alaska Natives. In FY 2006 identified funding was added to support the Native American Lands Environmental Mitigation Program.

5) Electronic Business Center of Excellence (E-Business COE) The E-Business COE is responsible for defining requirements for the Department's transformation of business processes related to acquisition and procurement and implementing the E-Government part of the President's Management Agenda, mandated by Public Law 107-347, and the E-Government Act of 2002. The office leads the transformation to strategic acquisition by integrating the people, processes and technologies required to implement a modern acquisition environment that supports the warfighter's needs. This includes transforming the acquisition/procurement business environment for DoD and external partners through electronic business governance, the application of technology, and the alignment of DoD's business modernization programs with CIO and other Federal Agency initiatives. As requirement owner of Defense Procurement, this office links directly to the Defense Business Transformation Agency and provides guidance, direction and subject matter expertise to development of Defense Business System programs and architecture. Funds provided will enable the office to:

1) Continue to create and maintain accessible, efficient, effective, seamless and collaborative acquisition processes;

2) Govern programs across the DoD acquisition community to support the integrated acquisition end state and the Federal Enterprise Architecture. Review, approve and enforce standards, constraints, guidelines, processes, and products for use within the acquisition community;

3) Lead the establishment of an Integrated Digital Environment that will link industry, program and oversight offices, and other DoD functional offices in a way that all share the same, validated data;

4) Create a structure for knowledge management and change management to implement E-Business initiatives DoD-wide;

5) Develop requirements that will ensure integration of systems and processes with Federal E-Government architectures and transition DoD systems to government-wide use; and

6) Implement the future Defense Business Sourcing Environment so that the Department has a strategy for common supplier engagement for future acquisition/procurement information needs.

6) Test Resource Management Center The Test Resource Management Center (TRMC) is developing and maintaining a biennial, strategic plan reflecting the needs of DoD with respect to Test and Evaluation (T&E) facilities and resources for the Secretary of Defense and Congress, as directed in 10 U.S.C. 196. The strategic plan is a ten year, T&E capabilities and resources forecast that parallels and supports DoD's warfighting strategies, master plans, and guidance documents. Also, TRMC is currently reviewing, providing oversight, and certifying adequacy of the Service budgets to the Secretary of Service and Defense Agency T&E budgets, in accordance with written guidance. TRMC is filling congressional intent by assessing the adequacy of Major Range and Test Facility Base infrastructure and resources required to support the development, acquisition, fielding, and sustainment of defense systems. Funding is used to pay TRMC operating expenses, FRDC and private vendors. It provides assistance in budget certification, strategic planning and, other support requirements to meet the timing of the guidance.

7) Capital Asset Management System- Military Equipment (CAMS-ME) CAMS will bring the Department into compliance with the Chief Financial Officers Act of 1990 and the Federal Financial Management Improvement Act of 1996. CAMS will increase public confidence in the Department's ability to account for its assets and help achieve a clean audit opinion. Implementation of CAMS-ME will provide reliable and accurate information to decision makers: 1) Total acquisition cost of assets will be consistently determined; 2) Decision makers will get comparable information over time and between programs; and 3) It will allow better

investment planning for replacements. This program transfers to the new Business Transformation Agency (BTA) effective FY 2007.

8) Defense Property Accountability Military Equipment Valuation The Defense Property Accountability System (DPAS) is part of the DoD-wide financial management improvement effort. DPAS is used by nearly every Component in DoD, supporting over 10,000 users accountable for nearly 10.6 million assets valued at over $49 billion. DPAS is a critical financial feeder system, and provides capital asset values (acquisition value minus accumulated depreciation) that are reported on Component financial statements for general equipment (i.e., not military equipment) in accordance with Statement of Federal Financial Accounting Standards Number 6, "Accounting for Property, Plant, and Equipment." The current DPAS is a client server application that uses non-standard ports (which have been closed for security reasons for extended periods of time denying users access), is not PKI compliant, contains over 400 databases and is inefficient to maintain (legacy COBOL system). The Department would incur institutional risk associated with DPAS' continued use of non-standard ports (security and availability of system) and from the raising maintenance cost of developing patches for the legacy COBOL system. The modernization of DPAS will ensure continued availability of financial information. DPAS directly supports Department business transformation and is included in the business enterprise architecture. The FY 2007 funding supports the start of an upgrade program for DPAS to make it supportable and compliant with information assurance requirements. The upgrade is based on a completed analysis of alternatives.

9) Military Critical Technology Support Funds are provided to: (1) conduct in depth analytical support that is responsive to rapidly changing requirements involving multiple departments of the United States and foreign governments to the Military Critical Technology Program (MCTP); and (2) identify and define in

authoritative terms the broad and enduring critical capability base elements for national security including homeland defense. Funding this requirement supports specific analytical capabilities that enhance MCTP program planning efforts.

b. Improve Acquisition & Logistics Processes:

Programs in this category will improve DoD acquisition procedures and will have a direct and significant benefit to the worldwide acquisition corps and contribute to readiness of our troops and the defense of this nation. Programs constitute 45% of the total AT&L budget request.

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
1) Consolidated Acquisition Reporting System (CARS)	831	377	413
2) Defense Reform Project for Competition/Defense Management Initiative	2,179	2,452	2,331
3) Acquisition Programs Support Systems	5,430	8,289	7,982
4) Logistics Systems Modernization Support	11,748	12,733	4,660
5) Defense Procurement & Acquisition Policy	3,776	12,640	10,819
6) Mission Capabilities (MC)/Systems Engineering (SE)	15,439	6,646	6,202
7) Base Installation Visualization Tool System (BIVT)/Defense Installation Spatial Data Infrastructure (DISDI)	12,823	13,227	0
8) Unique Item Identification (UID)	0	617	50
9) Facilities Program Requirements	0	273	882
10) Corrosion Prevention Program	0	9,123	8,413
Total	**52,226**	**66,378**	**41,752**

1) Consolidated Acquisition Reporting System (CARS) Provides funds to maintain and upgrade the CARS suite of software that has been used for over 14 years to collect major defense acquisition program information to satisfy DoD oversight and management needs to include Congressionally mandated reporting requirements. Although the CARS is a legacy system, the replacement, DAMIR, will not be fully implemented for several years and the CARS software must be updated and maintained until it is replaced.

2) Defense Reform Project for Competition/Defense Management Initiative This Defense Management Initiative improves the management of the services and facilities (including housing) on defense installations. It ensures effective implementation of selected transformation initiatives for competition and for the facilities programs requirements systems. The initiative evaluates concepts, approaches, policies and systems for studying selected Departmental functions, and produces analytical products and tools needed to improve management of installations and facilities including housing.

3) Acquisition Programs Support Systems This program provides contract resource management analysis, IT services and products, and administrative support to improve the flow of mission essential information and expedite acquisition decision making within OUSD(AT&L) and other elements of the entire acquisition community. Funding in this program augments funding for IT applications provided from organizational support funds. Funding is essential because of the critical nature and unique attributes of the acquisition process, and the demands for timely and accurate decision support systems at the corporate headquarters level. Also provides additional funding to assure continuity of leadership operations since September 11, 2001.

4) Logistics Systems Modernization Support   The DUSD Logistics and Material Readiness (L&MR) formulates logistics business systems policy, program integration, interoperability, standardization, and technology improvements.   Advanced Information Technology capability has created unique opportunities to dramatically improve logistics support to the war fighter.   New information paradigms have emerged allowing the Services and Agencies to implement logistics systems based on various successful commercial-off-the-shelf software packages that provide enterprise-wide information sharing and interoperability.   The rapid pace of technology coupled with extraordinary demand to modernize outdated legacy systems will result in disjointed or duplicative deployments of enterprise integration software unless the DUSD(L&MR) provides adequate policy, direction, and oversight.

The DUSD(L&MR) has determined that the following initiative are the foundation upon which both logistics excellence and savings rest. The funds identified will provide the resources to support this essential DUSD(L&MR) mission requirement. Specifically, the funds will:

    1) Prepare a rigorous "To-Be" Roadmap, in coordination with the Joint Staff, Military Departments, Combatant Commands, and Defense Agencies to including ongoing assessments within the Quadrennial Defense Review.

    2) Monitor and enhance the Department's logistics performance and resource application to achieve a cost-effective logistics and material readiness program. Measuring performance is a key oversight component. DoD must harmonize the QDR specified logistics metrics with other desired metrics.

    3) Formulate Materiel readiness and maintenance transformation in support of defense transformation; infrastructure rationalization and savings associated with BRAC processes; implementation of Continuous Process Improvement throughout the end-to-end sustainment value chain.

    4) Issue policy for implementing RFID within the DoD Supply Chain – both the current active ITV/TAV RFID capability in support of ongoing Combatant Command

operations and future emerging passive RFID capabilities in support of improvements to the integrated end-to-end DoD Enterprise. An integral component of this new policy is to develop a detailed data architecture to enable the use of passive RFID technology at the item/case/pallet/consolidated air pallet/container levels to provide an automated data capture/transfer mechanism to our business systems. Another integral component of this new policy is the development of a Supplier Engagement Strategy which will assist and facilitate early adoption of this RFID technology into the DoD suppliers' business processes.

5) Establish and maintain DoD transportation, traffic management, strategic mobility, and travel program policies. Provides policy guidance and oversight for the administrative use of motor vehicles and of the DoD Postal System. Reviews and recommends actions on Military Airlift policy waivers.

6) Ensures the effectiveness, efficiency, and cost management of DoD transportation programs. Leads DoD transportation reengineering programs to streamline processes, increase effectiveness and efficiency, and reduce costs.

5) Defense Procurement & Acquisition Policy The Defense Procurement and Acquisition Policy Program (DPAP) implements changes throughout the DoD acquisition, technology and logistics community in the areas of acquisition excellence; workforce management and career development; and related communication and outreach. The Human Capital Initiatives office implements, on behalf of the USD (AT&L), the DoD AT&L Education, Training and Career Development Program. The FY 2007 effort will include continued implementation of department-wide AT&L workforce policy and programs. Initiatives will support policy improvements and implementation of workforce strategies called for the in the AT&L Human Capital Strategic Plan. Initiatives include: 1) establishing an improved, standards-based workforce strategic planning and gap analysis capability; 2) improving acquisition senior/key leader performance management; 3) improving competency management; 4) improving the workforce certification framework; 5) improving the department-wide

AT&L workforce information management capability, and 6) development of improved recruiting, hiring and retention strategies and tools. Communication and outreach efforts include developing several web-based continuous learning modules and guidebooks. Module development and execution are designed to form the basis of understanding commercial business practices and how they differ from traditional government approaches.

6) Mission Capabilities (MC)/Systems Engineering (SE) Mission Capabilities (MC)/Systems Engineering (SE): Creates a capability to foster system-of-system acquisition processes; network readiness and interoperability including execution review and oversight processes; and mission area analysis.

MC provides Functional Capabilities Boards (FCBs) with acquisition perspectives and leads development of systems solutions to mission areas by defining and validating system-of-systems (SoS) approaches and corresponding acquisition strategies to meet those needs. MC develops integrated plans and roadmaps for capability areas and assesses gaps and redundancies in these areas, including identifying related technology gaps and shortfalls. MC develops mission area analyses, assessments of SoS interoperability in a mission area context, and executive oversight of SoS acquisition to ensure they provide joint mission area capabilities. MC established a systematic process that provides a broader perspective for making acquisition decisions based on the needs of an entire mission area and the interdependencies of contributing programs. Lessons learned from program technical reviews along with roadmap development will be incorporated into refinements of these mission area context reviews. MC provides executive oversight of the Family of Interoperable Operational Pictures, Single Integrated Ground and Air Pictures, Combat Identification (CID), Time Sensitive Targeting, Blue Force Tracking, M&S, and Joint Distributed Engineering Plan, and fosters

coalition interoperability through the Shared Tactical Ground Picture and CID initiatives.

SE promotes the application of sound and effective SE principles and practices in acquisition programs. SE promulgates best practices within national and international standards development organizations to reduce total ownership cost and cycle time of weapon systems. This program sets policy for SE practices and sees to their implementation including leading assessments of technical approaches and plans; independent expert program review support to program managers as requested; and systemic analysis of acquisition issues to identify causal factors contributing to program execution shortfalls. SE develops technical risk assessments of Major Defense Acquisition Programs (MDAPs) ensuring future weapon systems are capable of operating in the joint and coalition environment. Assessments span a broad range of technical risk factors, requirements traceability to capability needs, consistency across SE, T&E, risk management, Acquisition Strategy, and acquisition phase exit criteria, and inclusion of modular designs and open interfaces. Resulting assessments support Integrated Product Teams (IPTs), Overarching IPTs, and Defense Acquisition Board reviews. SE supports management of the education and training requirements for approximately 40% of the acquisition workforce. SE leads the Defense Acquisition University (DAU) course reviews, initiates course revisions; and ensures the content is in line with the Department's Acquisition Excellence (formerly Acquisition Reform) initiatives.

7) Base Installation Visualization Tool System (BIVT)/Defense Installation Spatial Data Infrastructure (DISDI) The successful deployment of the BIS Installation Visualization Tool affirmed the value for investing in a more comprehensive strategy known as DISDI that will organize geospatial information resources for installations worldwide. DISDI will organize people, policies, standards and

protocols to optimize Component acquisition, management, and sustainment of geospatial imagery and mapping investments. DISDI will remarkably enhance the quality of real property asset accountability by employing a national spatial data standard to link assets to their physical location in a uniform manner. Finally, DISDI protocols will enable the fusing of previously disparate data, allowing decision makers to visualize the installation's complex array of natural and physical assets in an integrated manner. These funds will be used to continue to mature the DISDI enterprise architecture, coordinate the DISDI standards and expand portfolio management efforts.

8) Unique Item Identification (UID) UID is a cornerstone of DoD's business transformation efforts. It directly supports a capabilities-based model, which is at the core of the Quadrennial Defense Review (QDR). Globally unique identification of independent units and distinguishable persons, places, things and events, which are of interest or concern to DoD, will provide on-demand information in a net-centric environment. In addition, synchronization of the data structures, systems and processes through unique identification standards will support transparency of resource data across planning, programming, budgeting, execution and assessment. Unique identification applies to domestic and foreign contractors delivering items to DoD throughout the supply chain, as well as to all business transactions between DoD and domestic and foreign persons or organizations, and Federal and non-Federal Agencies. Item Unique Identification (IUID) is one element of the overall DoD strategic imperative for unique identification. Item Unique Identification (IUID) leverages international standards and existing industry practices. A central registry of Unique Item Identifiers (UII) and associated data allows users, maintainers, suppliers and acquirers to associate item data from multiple information systems through globally unique identifiers that distinguish each item from any other like or unlike item. IUID is a mandatory DoD requirement on all solicitations issued on

or after January 1, 2004 and on 23 December, 2004 this policy was expanded to include legacy items in inventory and operation, including government furnished property (GFP).

9) Facilities Program Requirements The Facilities Program Requirements (FPR) System will integrate multiple models and requirements generators into a single DoD structure. Initially, it will integrate the existing Facilities Assessment Database and Facilities Sustainment Model, two separate tools used by all Defense Components to support development of facilities requirements and appropriate cost estimates. Using the tools in FPR, DoD can generate verifiable sustainment requirements for the Defense Components, rather than each Component developing requirements independently using different metrics and assumptions.

10) Corrosion Prevention Program This program implements the congressional legislative imperative as defined in 10 U.S.C. 2228, which was part of The National Defense Authorization Act of FY 2003 that directed the Department to focus on prevention and mitigation of corrosion of military equipment and infrastructure within the Department. The program also addresses GAO-03-753, published July 7, 2003, "Defense Management: Opportunities to Reduce Corrosion Costs and Increase Readiness." The Department concurred with the executive recommendations. Corrosion effects readiness and is a safety concern.

In a recent General Accounting Office (GAO) report entitled "Opportunities Exist to Improve Implementation of Department of Defense's Long-Term Corrosion Strategy," the GAO identified a number of shortcomings with the Defense Department's corrosion control strategy and provided several recommendations to enhance its effectiveness. The conferees concur with GAO's overall assessment and direct the Department to comply with the recommendations provided in the report. Specifically, the conferees direct the Department to establish a specific,

separate program element or budget line to ensure that sustained and adequate funding is available for the corrosion control projects that have the best potential to provide maximum benefit across the Department.

   c: Regulatory Requirement: Programs in this category are responsive to various national and Departmental reporting requirements.   Funds will respond to those requirements and/or improve procedures by which the Department assures compliance. Programs constitute over 17% of the FY 2007 AT&L request.

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
1) Acquisition Workforce Demonstration	1,889	3,041	1,124
2) Environmental Security Cooperation	1,441	1,630	1,549
3) Readiness & Environmental Protection Initiative	9,668	19,270	20,000
4) Base Realignment & Closure (BRAC) Support	2,092	706	0
5) Low Observable/Counter Low Observable Export Control (LO/CLO)	246	240	230
Total	**15,336**	**24,887**	**22,903**

1) Acquisition Workforce Demonstration   Acquisition, Technology, & Logistics (AT&L) implemented the Acquisition Demonstration in February 1999 to enhance the quality, professionalism, and management of the acquisition workforce and chartered the Acquisition Demonstration Project Office to manage the effort. AT&L oversight of the Acquisition Demonstration programs ensures program visibility across the AT&L workforce, facilitates Senior Executive Committee direction to AT&L to recruit/develop/retain talented people, enables AT&L to leverage the Acquisition

Demonstration in pursuing other AT&L initiatives, and provides a team experienced in the design, development, and training of a results/outcome based personnel system. In FY 2007, Acquisition Demonstration Project participants will begin a staged process to transition into the National Security Personnel System.

2) **Environmental Security Cooperation** The Defense Environmental International Cooperation program funds bilateral and multilateral initiatives with foreign defense departments and militaries in support of global basing and the Secretary's Security Cooperation Guidance goals. DoD's environmentally-based security cooperation activities complement its overall efforts in the global war on terrorism by facilitating access; enhancing interoperability building competent coalition partners; developing and fostering regional capabilities/cooperation; and promoting U.S. values among the militaries in the world.

3) **Readiness and Environmental Protection Initiative (REPI)** The Military Departments identify expanding development and urban growth as an increasing challenge to range and installation viability and a growing impediment to mission readiness. The REPI is a new effort to sustain military readiness while assisting in the protection of valuable habitat and open space. REPI is a component of the administration's ongoing effort to reduce encroachment impacts on military testing and training. Specifically, the initiative supports cooperative agreements with states and local communities, and other interested stakeholders to acquire key conservation easements thus preventing incompatible development around military bases and ranges. DoD promotes such partnerships through its Sustainable Ranges Initiative and uses authority enacted by Congress in 2003 – Section 2811 of the National Defense Authorization Act (10 USC 2684a).

4) **Base Realignment and Closure (BRAC) Support** BRAC support funding is required to support BRAC 2006 planning/preparation activities necessary to meet the

statutory requirements set forth in BRAC legislation and ensure a comprehensive analysis is conducted.

5) Low Observable/Counter Low Observable Export Control (LO/CLO) Funds support reviewing all aspects of the arms export control and licensing process to include the review and approval of those technologies associated with low observables (LO) and counter-low observables (CLO).

   d. Promulgate Policy: Programs in this category support improvements in timeliness and quality of policy, procedures, and guidance to the worldwide acquisition corps. In a rapidly evolving environment, these programs are critical in shaping business practices and reaping benefits.

	Dollars in Thousands		
	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
1) Acquisition Knowledge Sharing System	3,471	2,838	3,517
2) Transform Procurement Regulations	1,292	2,393	1,757
3) Defense Acquisition Management Information Retrieval (DAMIR)	1,515	2,662	2,653
Total	**6,278**	**7,893**	**7,927**

   1) Acquisition Knowledge Sharing System The AT&L Knowledge Sharing System (AKSS), Defense Acquisition Guidebook (DAG) and Acquisition Community Connection (ACC) are the primary sources of up-to-date material on AT&L mandatory policies and discretionary practices; providing the Defense Acquisition Workforce Improvement Act (DAWIA) workforce of military and civilian DoD employees and over a million industry partners with instant access to DoD experts and to on-line collaborative knowledge communities. Funds provided will assist the office to: operate and

support the AKSS, the DAG, the web enabled Integrated Framework Chart (IFC), ACC system and the Acquire search and discovery system. In addition funds will be used to convert the AKSS to a personalized portal system and develop "portlets" for use by Service and Agency portals; develop the Best Practices Clearinghouse (BPCh) system; develop an Acquire upgrade for searching video; develop various job performance support tools based on major business processes, such as the Standard Procurement System and major milestone plans. All of these activities are focused on providing learning and job support at the point and time of need of the workforce, to help them make more informed and smarter decisions in supplying the combat forces with weapons and support systems.

2) **Transform Procurement Regulations** This is a continuing initiative to increase the efficiency and improve the quality and effectiveness of the DoD's procurement regulatory process and rulemaking capability. The work of the Defense Acquisition Regulation Council touches all contract awards, transactions and the administration of DoD contracts valued in excess of $150 billion per year issued from locations around the world. The Defense Federal Acquisition Regulation Supplement to the Federal Acquisition Regulation and the processes to generate and maintain these regulations have far reaching implications for industry, small businesses, Congress and all members of the Acquisition workforce. This initiative provides the tools to move the development, implementation, publication and communication of hundreds of policies, laws and needed changes in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement from a bureaucratic, lengthy and paper-based process to an electronic, web-based, far-reaching capability.

3) **Defense Acquisition Management Information Retrieval (DAMIR)** DAMIR will streamline acquisition management reporting by creating a net-centric environment where data will be made available as quickly as possible to those who need it.

DAMIR through the presentation tool Purview is providing the end user access to the CARS data from their desktop. Through Purview, DAMIR allows users to drill down to relevant data, organize data collection, and facilitate managers' proactive ability owing to timeliness and depth of data analysis. The system enables users to customize the way they search, view information, and display previously unavailable combinations of information electronically. Planned implementation spirals of the DAMIR capability will leverage existing Service systems and technology to exploit volumes of data and evolve as the enterprise meets new business challenges.

e. OSD Decision Support: Provides the Secretary and the entire OSD staff and Joint Chiefs of Staff a source of funds to explore management and programmatic options before committing to a course of action. These funds provide assurance that future budget requests contain programs and policies that have been explored in some depth and represent an optimum solution to a particular problem.

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
OSD Studies Program	15,439	17,024	15,503

OSD Studies Program The OSD Studies and Analysis Program supports requirements for analyses and contractor assistance within OSD and the Joint Staff, especially on programs/issues that have no separately justified program funding and in circumstances where the OSD principal has no other possible operations funding to accomplish management research. The program is designed to improve the ability of executive decision-makers in OSD and Joint Staff components to execute their missions in a complex global environment by allowing access to specialized technical support which cannot be acquired from in-house resources. Foremost among

the areas supported are installation management, international cooperation and security policymaking, systems acquisition and architecture, communications and software assurance, and acquisition management. Many other topics are also addressed from year to year depending on the evolving requirements of OSD sponsors. Much of this program also produces Congressional reports and responds to Congressional direction/questions which require quick turnaround as well as related follow-on analysis.

4. Personnel and Readiness (P&R)

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
a. Training Transformation	12,899	9,525	9,289
b. Personnel & Readiness Studies	2,688	3,276	3,103
c. Base Allowance for Housing Research & Studies	429	463	439
d. Defense Safety Oversight Council (DSOC)	0	8,865	8,153
e. Administrative Support	563	1,170	1,107
f. Lost Work Days System	2,765	3,588	3,365
g. Defense Readiness Reporting System (DRRS)	7,343	2,736	2,524
Total	**26,687**	**29,623**	**27,980**

a. Training Transformation The Department's second priority after pursuing the global war on terrorism is to strengthen joint warfighting capabilities. Training Transformation (T2) is the enabler of force transformation to strengthen these capabilities. The Department initiated T2 as the foundation for the Department's broader Force Transformation efforts to meet the needs of the regional combatant commander. The T2 program has a phased approach for systematically expanding joint warfighter capabilities in support of national security requirements across the full spectrum of joint, interagency, intergovernmental, and multinational operations.

Departmental efforts supported with these funds include the Joint National Training Center's (JNTC) efforts towards an initial operating capability of October 2004, followed by full operating capability by October 2009; the Joint Knowledge

Development and Distribution Capability (JKDDC) courseware development based on Combatant Commander(s) requirements (over 20 courses developed in 2004); and the Joint Assessment and Enabling Capability (JAEC) which provides the process to measure the degree to which training improves joint force readiness.

In addition, these funds support T2 policy development and implementation and the development of recommendations on how to facilitate a joint interoperability training capability, supported by a mix of simulated and live exercises.

b. Personnel & Readiness Studies To continue transforming the way the Department utilizes and supports its personnel, OSD also requires contracted advisory and assistance services to develop and evaluate alternate military career lengths and career paths, including more integration between active and reserve careers. New compensation policies to support the transformed careers also need to be developed and evaluated.

c. Personnel & Readiness Base Allowance for Housing (BAH) The BAH Research and Studies budget contains the funding for administration of the BAH program, including nationwide data collection of housing costs.

d. Personnel & Readiness - Defense Safety Oversight Council (DSOC) In a continuing effort to reduce accidents to meet the Secretary's 50% accident reduction goal, the DSOC reviewed and approved a number of safety related proposals to enable further accident reductions across the DoD workforce. This effort funds a variety of safety initiatives to aid DoD commanders in their injury prevention efforts and improve the processes used in safety management. The initial DSOC projects were approved based on their potential to reduce accidents and commensurate cost avoidance across a broad range of DoD activities. New initiatives will continue to be presented to the DSOC for consideration based on best practices and successful safety outcomes. The execution of the initiative program and the oversight of the projects will be

managed under the auspice of the DSOC. As such, they have highest visibility and support within the Department.

e. Administrative Support   The P&R Administrative Support program funds the Contracts and Other Support Services requirements, including Intergovernmental Personnel Act (IPA) requirements.

f. Lost Work Days System   Lost Work Days is currently known as the Secretary's Mishap Reduction Initiative. Since taking office, Secretary Rumsfeld has sought to change how the Department of Defense views the safety of its military personnel and civilian employees. Our goal is zero preventable mishaps, and we have taken a major step in that direction.

The Secretary's 50% reduction goal is achievable and will directly increase our operational readiness.   We are a world-class military and will not tolerate preventable accidents. Congress and we owe no less to the men and women who defend our Nation.

g. Defense Readiness Reporting System (DRRS)   Over the last several years, the Congress, the General Accounting Office, and others have cited numerous deficiencies in the current readiness reporting system. As a result, U.S.C. Title 10, section 117, directed the Secretary of Defense to establish a comprehensive readiness reporting system for the Department of Defense.

The resources supporting the operations of the DRRS allow for quick analysis of force capability issues, effective program oversight, operator training, and data maintenance for the on-going DRRS program. This system is based on intelligent agents, dynamic databases, semantic middleware, and publish/subscribe concepts; and provides a logically uniform view into the multiple databases and information sources that will feed DRRS. Without these resources, the Department will be unable

to maintain DRRS tools and outputs for force readiness assessments that are vital to minimizing operational and force management risks.

5. Comptroller and Chief Financial Officer

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
a. Administrative Support	455	490	457
b. Comptroller Initiatives	7,328	12,296	11,490
c. Future Year Defense Program (FYDP) Improvement	2,741	3,552	3,441
Total	**11,392**	**16,338**	**15,338**

a. OUSD(C) Administrative Support   The Comptroller Administrative Support program funds the Contracts and Other Support Services requirements that existed prior to the creation of additional programs under the purview of the Comptroller including Intergovernmental Personnel Act requirements.

b. Comptroller Initiatives   The Deputy Chief Financial Officer requires funds for performance of tasks to support the Administration's goal of obtaining a clean audit opinion on the government-wide consolidated financial statements and the Department's goal of achieving a clean opinion on the financial statements for the Department of Defense and the Defense reporting activities. Funds also support the annual update of the Financial Management Improvement Plan, update and maintenance of the Department of Defense Financial Management Regulation and other financial management initiatives intended to improve the Department's financial management and related operations.

c. Future Year Defense Program (FYDP) Improvement The FYDP Improvement Project continuously improves the FYDP system, making it easier to manage and be more responsive to the management information requirements of senior DoD officials and their staff. This involves the design, construction, and maintenance of a DoD programming information system that improves FYDP production and takes maximum advantage of data warehouse technology to improve data storage, retrieval, analysis and reporting. Additionally, this effort carries out initiatives improving the efficiency and effectiveness of PPBE processes and systems, improves the usefulness of the FYDP and its structure, eliminates redundant data calls, and supports the integration of Program and Budget information.

6. Under Secretary of Defense (Intelligence)

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
a. USD(I) Mission and Analysis Fund	53,091	13,144	7,973
b. Special Access Programs	22,196	18,490	0
c. Counterintelligence	11,849	12,490	8,288
d. Security	0	0	1,700
e. Organizational Management and Support	1,171	824	800
Total	**88,307**	**44,948**	**18,761**

a. USD (I) Mission and Analysis The Mission and Analysis efforts span three Deputy Under Secretaries:

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1.   Intelligence and Warfighting Support. Serve as the principal office for ensuring that intelligence support across the Department meets critical and timely warfighter needs and requirements. This includes ensuring the alignment of policies and programs with current operational requirements, the oversight and sufficiency of special access programs, the conduct of various intelligence-related strategies and assessments, and the alignment of cutting-edge and emerging intelligence-related technologies with warfighter needs, financial support and Information Operations (IO) policies and programs.

Perform studies and technical analyses of ongoing and emerging requirements in the intelligence, reconnaissance and surveillance (ISR) activities with particular emphasis on the Global War on Terrorism (GWOT). These analyses support the formulation, coordination, management and oversight of DoD policies, guidance and plans for ISR programs. In concert with US Joint Forces Command, influence development of collaborative planning tools to coordinate and visualize national (and tactical) intelligence collection assets to ensure their most effective use for Stability Operations and GWOT. Oversee support to crisis operations to ensure that the warfighter has the intelligence resources (manpower and funding) and appropriate support from the Combat Support Agencies and the Service Intelligence components.

Conduct analyses, special studies, assessments, working groups and other information-sharing forums to respond to Defense Strategic Guidance or Contingency Planning. Review and analyze lessons learned from OEF, OIF, and GWOT to refine required IC support and update procedures to operate in the new battlespace (e.g. Joint Urban Warfare, coalition efforts, special security requirements such as for the Olympics).

Provide coordination with the intelligence community on military intelligence needs; priorities; training; analysis; exploitation management; intelligence data dissemination and sharing.

Perform follow-on activities related to the "Taking Stock of Defense Intelligence" study, to include coordination with the Combatant Commands and the Intelligence Community (IC), lead and participate in integrating activities to consolidate global intelligence requirements which directly support warfighting contingency plans. Refine requirements through face-to-face feedback, prioritize IC assets for concurrent crises, and analyze risk of consequences for allocation of limited assets.

Provide coordination on military intelligence issues (to include policy) with the IC, other Government departments, Congress, and the National Security apparatus for issues that span the scope of the 9/11 Commission, Congressional inquiries and others that require an extremely rapid response. Accomplish time-sensitive tasking, research, analysis, coordinated studies, reports and other activities to support Congressionally mandated national commissions, studies and similar actions by obtaining appropriate intelligence experts for tailored support to critical, specialized projects.

Analyze and implement Intelligence Continuity of Operations (I-COOP) and intelligence restructuring to ensure both the continuity of critical/essential functions and improve support to DoD and national intelligence needs. Conduct readiness surveys, balanced scorecard and performance assessments in order to validate I-COOP. Conduct tabletop exercises and other simulations to evaluate the viability of I-COOP plans, policies and programs.

Analyze, coordinate and oversee operational matters concerning Departmental intelligence and related activities directly supporting the warfighter. Ensure sensitive support to DoD Components and to non-DoD agencies, including support to special activities.

Lead efforts to Remodel Defense Intelligence through coordination with Joint Staff and Defense IC. Identify and analyze alternatives, develop policy and directives to implement, such as through Joint Intelligence Operations Centers. Strengthen Defense HUMINT by identifying and implementing initiatives that expand existing capabilities, improve communications and procedures. Improve all-source intelligence through analysis, defining and implementing solutions that enhance aspects of data sharing, multi-level security, internal processes, and common architectures. Analyze and implement methods to improve the professionalism and development of the total Intelligence workforce.

Continue the development of an Intelligence Campaign Planning (ICP) process to provide a comprehensive methodology for integrating and synchronizing theater and national intelligence support to COCOM OPLANs and the DoD adaptive planning process. Continue ICP efforts on the top priority plans as directed by Contingency Planning Guidance.

Information Superiority Integration Support (ISIS) provides program oversight and integration of, and related planning for the implementation of joint and combined end-to-end integration of ISR systems. The ISIS program also provides resources for the acquisition process oversight, direction, and technical analysis to ensure Services' and Defense Agencies' acquisition and special interest programs, transformation initiatives, and war efforts meet Department needs and address acquisition milestone decisions and related programmatic requirements. Integration Support will oversee the migration from stovepiped ISR systems to the

transformational end-to-end integrated, interoperable, secure systems that will populate the Global Information Grid. Emphasis is placed on ensuring interconnectivity and assured data flow to shared intelligence data domains, enabling most efficient use of limited ISR assets while effectively meeting warfighter needs for timely intelligence information at tactical, operational, strategic and national levels of decision-making.

Provide Information Operations (IO) analysis and oversight of IO technology research, development, and demonstration; provides technical expertise to monitor development, testing, acquisition and sustainment of IO tools, techniques and capabilities; and provide assistance in technical integration and evaluation of DoD IO capabilities, including intelligence support, that form the basis of DoD's investment strategy to mature IO into a core military competency.

2.   Preparation and Warning. Forecasting and Evaluation: Perform oversight and evaluate Defense Intelligence capabilities for predictive intelligence as well as warning. Perform oversight and evaluation of predictive intelligence functions, including threat projection and forecasting, levels of needed expertise, and new approaches to system threat reporting documents. Perform oversight and evaluation of warning functions.

Warning is a separate and distinct function from threat projection and forecasting because it is more directly associated with customer operational needs, response times and missions. Perform development of, and application of, measures of effectiveness and methodologies for evaluation of intelligence performance. Also have responsibility for development, preparation, synthesis, and coordination of draft guidance for the USD(I) dealing with future surveillance and reconnaissance and Horizontal Integration (HI) concepts.

Plans and Preparations: define future system concepts and operational concepts that pertain to all aspects of intelligence. This includes HI, both upstream (collection operations) and downstream (data exploitation, management, analysis, assurance) as well as development of an HI Road Map and the support for technology demonstrations that test options for information assurance and data sharing. Includes future concepts for global intelligence surveillance and reconnaissance across a full range of platforms and sensors and mapping these into an integrated Intelligence, Surveillance and Reconnaissance Road Map. This effort also includes development of future capability requirements and analytical studies to determine future intelligence architectures. Performing oversight of ongoing ISR acquisitions is also a key part of the future concepts and capabilities portfolio. Also includes implications of threats to space systems and disruptive technologies for sustaining an advantage-based strategy for intelligence and for addressing potential vulnerabilities of intelligence systems. Assessments of disruptive technologies encompass a wide range of advanced research activities as well as analysis of how these technologies apply to future systems.

3. Policy, Requirements and Resources. Provide oversight, policy and guidance for all DoD intelligence activities. Develop and promulgate guidance and priorities for Defense intelligence to ensure conformance with SecDef and, as appropriate, Director of National Intelligence (DNI) policy and priorities. Advise SecDef on the Department's responsibilities regarding the National Intelligence Community. Develop and coordinate DoD intelligence and intelligence-related plans, policies, programs, requirements and resource allocations. Ensure execution of DoD intelligence policy and resource decisions are fully responsive and complementary to the direction of the DNI. Exercise policy oversight of the Defense Civilian Intelligence Personnel System. Develop a set of high-level metrics to monitor and track Defense intelligence progress in

meeting SecDef objectives and priorities. Ensure defense intelligence funds are spent effectively in support of the warfighters. Facilitate intelligence-related DoD interaction with Congress in an effort to promote Congressional understanding and generate Congressional support of intelligence resources and legislation as it complements Department goals. Develop and implement standardized processes with regard to defense Intelligence and Congressional interaction on issues related to the Defense Intelligence Community. Ensure White House and DoD policy positions on important intelligence issues connected to the Defense Intelligence dialogue with Congress are widely understood throughout the legislative offices of various DoD intelligence-related organizations and clearly articulated to the Congress. Ensure close coordination with the Office of the DNI on Defense Intelligence for those matters that cross boundaries into DNI's sphere. Maintain and manage records that document the OUSD(I) interaction with Congress.

b. **USD(I) Special Access Programs** This program is in the classified annex.

c. **USD(I) Counterintelligence** The Counterintelligence (CI) Directorate develops, staffs and promulgates CI and polygraph policies for the Department and provides oversight for the DoD CI programs. The DoD CI program includes CI investigations, operations, collection, analysis/production, CI functional services and CI missions supporting the protection of DoD research, technology, critical infrastructure, personnel, information and operations from the threats posed by foreign intelligence services and terrorists. The CI Directorate provides staff support on CI budget matters to the USD(I) (PR&R) for CI resources within the National Intelligence Program's Foreign CI Program (NIP/FCIP), and within the USDI MIP Military Intelligence Program (MIP CI). The DoD CI community includes CI organizations organic to the Military Departments, Combatant Commands, the Joint Staff, seven Defense Agencies and the DoD CI Field Activity (CIFA).

d. USD(I) Security Effective with FY 2007, Security is being reported separately from Counter Intelligence to improve visibility. Serve as the principal DoD office for providing sound, comprehensive and adaptable information, personnel, physical, industrial and operations security policy to all DoD Components for collateral, sensitive compartmented and special access programs. Provide DoD program oversight. Ensure the effective balance of the imperative to protect national security information, classified and unclassified, with the imperative to share information to support the DoD and interagency missions, goals and objectives.

Perform studies and analysis to develop proactive, risk management security policies to protect DoD equities and ensure adversaries do not compromise future DoD technology, information and operations. Provide DoD coordination and analysis on security policy issues to interagency that include National Security Council Policy Coordinating Committees, the intelligence community working groups, Congressional inquires, the Weapons of Mass Destruction Commission and others requiring frequent and rapid response.

Perform as the Executive Agency for the National Industrial Security Program. Develop, coordinate and issue the national level policy document for all federal contractors with access to classified information.

Provide DoD security policy coordination on Committee for Foreign Investment in the U.S. (CFIUS) cases involving foreign acquisition of U.S. contractors.

Lead the DoD initiative to standardize security education training and awareness, strengthen functional skills, and enhance career development opportunities for the security workforce.

a. **USD(I) Organizational Management and Support** **(FY 2005 $1,171 / FY 2006 $824 / FY 2007 $800)** This office is the administrative arm for the USD-I organization. Services provided are security and clearances, correspondence control, travel, manpower and payroll, training, supplies, facilities, property management, Continuity of Operations management, evacuation planning, and documents/records management.

7. Under Secretary of Defense (Policy)

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
a. Policy Operations	14,709	4,333	7,139
b. Support to the Organization for Security and Cooperation in Europe (OSCE)	440	684	631
c. Rewards Program	5,983	2,890	2,524
d. Assistant Secretary of Defense for Homeland Defense (HD)	8,110	9,665	17,893
e. Homeland Defense Critical Infrastructure Protection	15,538	22,423	15,567
f. Homeland Defense Maritime Domain	0	4,965	5,000
Total	**44,780**	**44,960**	**48,754**

a. **Policy Operations** Funds provide the ability to manage global peace operations, detainee operations, development of defense strategies, provisions for force structure and basing alternatives, monitoring and solving security cooperation issues, maintaining coalition management, and furthering cooperative relations with foreign countries. This funding provides rapid capabilities during crises and emergent or recurring events such as researchers in global economics, social scientists for cultural development and understanding of unstable countries, and foreign affairs specialists who provide analysis of unique situations worldwide. Provides analysis and recommendations in response to international crises and assists the Secretary in countering irregular warfare.

This funding provides an understanding of the strategic environment, the likely threats we face, defense strategies, implications for forces and capabilities, implications for programs and investment mix, and development of capabilities and adaptive planning concepts. Builds expertise to ensure that critical U.S. military technological advantages are preserved and diversion of defense related goods to terrorists is prevented. Develops, negotiates, implements, and monitors defense agreements with foreign countries on military facilities.

Integrates programs to build, maintain, and defend alliances and relationships on political-military issues of DoD interest that relate to foreign governments and their defense establishments. This funding develops expertise on the access and operating rights for United States military facilities.

b. **Support to the Organization for Security and Cooperation in Europe (OSCE)** Funding provides a presence in Vienna and Geneva and supports Department of Defense representatives as members of the OSCE, a regional arrangement under Chapter VIII of the United Nations Charter. Cost analysis has verified that this funding is more cost efficient than other methods of maintaining a presence in these cities.

c. **Rewards Program** Special Operations/Low Intensity Conflict provides these funds, primarily to US Central Command, to pay rewards for information concerning terrorists, particularly in Iraq.

d. **Assistant Secretary of Defense for Homeland Defense (HD)** Funding meets civil support mission requirements, provides incident and consequence management, coordinates national security special events, supplies speciality functions for civil engineering and military operations, and supports continuity of operations and continuity of government. The Secretary established this office with minimal

Government staff and instead provided flexibility in managing the changing daily and future affairs of homeland defense with the ability to contract with various expertise. This range of expertise provides a dynamic organization to meet changing terrorist threats by interchanging levels of individuals proficient in managing such technical areas as installation preparedness, mission assurance, and the mix of military and civilian during a domestic crisis either by an act of nature or through terrorism.

Funding supports initiatives such as an onsite twenty four hour, seven days a week watchstander operations center at the Department of Homeland Security (DHS). Watchstanders allow centralization of information and data on domestic functions in case of military involvement. Resources the Military Services, Defense Agencies, and Combatant Commands with technical data and updated operational information between the Department and DHS to the Secretary of Defense during alerts or catastrophic events that warrant DoD involvement (i.e aftermath of hurricanes).

Funding provides interagency education and training for disaster assistance, consequence management and catastrophic events. This funding improves interdepartmental planning across Federal agencies by leveraging Defense's professional military education system.

e. **Homeland Defense Critical Infrastructure Protection**   The Defense Critical Infrastructure Program (DCIP) is an integrated risk management program designed to ensure the resiliency of networked infrastructure assets, whether owned or operated by the Department of Defense or private industry, that are critical to executing military missions. Activities include the identification, assessment, monitoring, and risk management of cyber and physical infrastructure assets critical to the execution of the National Military Strategy.

Effective critical infrastructure protection results from actions taken to remediate or mitigate the risks resulting from identified vulnerabilities. Risk is managed by balancing the probability of threat, impact of loss, and extent of the vulnerability. Depending on the risk, protection actions can include changes in tactics or procedures, added redundancy, selection of other assets to provide a similar service, isolation or hardening, or physically guarding, thus making the affected critical asset a hard target and improving overall critical infrastructure reliability. From an infrastructure protection perspective, this approach enables the achievement of warfighter operational goals through assured continuity of combat support and core Defense business processes, and assists in the restoration of capabilities should a disruption occur.

This proactive approach directly contributes to the United States' key objectives of facilitating the Global War on Terrorism while simultaneously seeking to posture military forces and operational planning in the most advantageous position possible.

This funding is also an integral part in assessing, understanding, and protecting the Defense Industrial Base (DIB). The DIB provides defense-related products and services that are essential to equip, mobilize, deploy, and sustain military operations. Therefore, DoD will build and foster a cooperative environment in which government, industry, and private citizens can work together to safeguard critical infrastructures and assets supporting DIB.

Funding is allocated to the Combatant Commands, Military Services, and Defense Sectors/Defense Agencies who identify critical assets supporting DoD missions using standard methodology. These DoD Components identify critical assets and the performance of risk management activities associated with these assessed assets.

f. **Homeland Defense Maritime Domain** Funding supports the National Security Presidential Directive 41 and Homeland Security Presidential Directive 13, both on Maritime Security. This also promotes a maritime domain situational awareness program between the Department of Defense, Department of Homeland Security, and other federal departments and agencies. Funding allows coordination of military resources and international and domestic assets and development of concepts of operations between the military services, agencies, and state and local governments.

This funding creates a unified maritime defense concept that integrates into a comprehensive air, land and maritime domain situational awareness system. Focuses on the maritime portion of an active, layered defense such areas as enhancement of wide-area surveillance, activities for forward deployed forces with homeland defense operations, and in conjunction with civilian agencies' homeland security missions. Leverages ongoing programs and technology; provides definitive policy guidance for a capability to detect, track and defeat maritime threats to the United States; and develops a system integration and architecture design for developing a national maritime domain system. Meets the requirements identified by Combatant Commanders' Integrated Priority List while achieving cohesion between the Navy and Coast Guard programs.

8. **Director, Program Analysis & Evaluation:**

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
a. Office of the Director Support	232	250	234
b. Long Range Planning	22,800	20,617	19,098
c. Defense Resource Management Study Program (DRMS)	3,440	3,698	3,365

Total	28,387	24,565	22,697

a. Office of the Director Support   This fund is required for Intergovernmental Personnel Act (IPA) assignees costs not centrally funded.

b. Long Range Planning The Long Range Planning and Analytical Support Program provides critical analyses of DoD programs and independent advice to the Secretary of Defense in support of transformation.   More specifically, it develops and analyzes program alternatives, ensures that the Future Year Defense Program is holistically managed, and confirms that programs are properly priced and financed. The program includes:

• Warfighting Analysis: Provides analyses of joint operations to support major defense reviews and develops new analytic capabilities of joint operations. Assessments are focused on transformation initiatives, weapons systems requirements studies, and analysis of alternatives to support major acquisition decisions.

• Mobility Analysis: Evaluations of mobility requirements and modernization decisions for airlift aircraft, sealift vessels, and tankers in support of the new defense strategy. These assessments guide force structure and investment decisions in areas such as pre-positioning ashore and afloat, and the impact of alternative forward presence postures.

• Scenario Analysis: Develops a sound analytical basis for medium- and long-term planning scenarios. Evaluates threat databases and forecasts economic, demographic, and technological trends and developments. Includes updated concepts of operations and "road to war" scripts and excursions on possible realignments in blue and red

alliance relationships. Evaluates the impact of these scenarios on U.S. force requirements.

• Defense Program Projection (DPP): Leadership tool designed to provide insight into the long-term consequences of current decisions, to include the overall health of the force, emerging fiscal trends, and potential issues requiring near-term action.

• Air Warfare Technical Analysis: Capability analyses of fighter/bomber/munition force structure alternatives by modeling lethality, survivability, and affordability factors. Conducts sensitivity analyses of component contributions (to include ISR support) and supports evaluations of tactical air force structure and deployment alternatives, individual acquisition programs, and future capabilities (UCAVs).

• Strategic and Space Program Analysis: Includes analyses of ballistic missile defense; strategic and theater nuclear forces; command, control and communications; information technology; chemical and biological weapons; and Intelligence Surveillance and Reconnaissance (ISR) programs to support future force structure decisions.

• Weapon System Costing Methods: Costing models used to prepare Cost Analysis Improvement Group (CAIG) independent cost estimates required by Title 10, CFR, Section 2434.

• Defense Cost and Resource Center (DCARC): Collects actual costs of weapon systems from contractors and government to support preparation of cost estimates for milestone reviews of major defense acquisition programs. Used by CAIG and military departments.

- Economic Analysis and Infrastructure Costs: Provides forecasts of the economic impact of defense spending by state and industry and estimates the cost of forces and installations.

- Information Management and Analysis Group: Implements and maintains software applications supporting DoD analysis and business processes. Examples include a system to collect programming data from the services, a system to manage the coordination process for program issues, and an automated system to assist in the management of internal PA&E resources.

- Computer Systems & Services: Provides core computing infrastructure support to PA&E. The O&M funds go towards software licenses, hardware maintenance, computer system life-cycle management, system engineering and administration.

c.   Defense Resource Management Study Program (DRMS) DRMS is a bilateral program co-sponsored by OUSD (Policy) and ODPA&E. The program's goal is to reform the defense resource management process of countries key to U.S. security. DRMS has four primary objectives:
- Develop direct relationships with senior Ministry of Defense leaders;
- Introduce resource-constrained, multi-year defense programming, facilitating the host nation's contribution to global security;
- Foster transparency in the development of defense programs; and
- Strengthen democratic control over the host nation's defense establishment.

9.   Assistant Secretary of Defense (**Networks and Information Integration)**

Dollars in Thousands

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
a. NII Mission and Analysis Fund	21,304	21,108	19,814
b. Chief Information Officer	20,150	12,865	15,334
c. Command Information Superiority Architecture	4,814	4,770	4,462
d. Information Superiority Integration Support	9,968	9,877	9,239
e. Information Systems Security Program	18,532	17,461	16,200
f. eGov Initiatives and Government-Wide Councils	0	23,800	28,979
Total	**80,677**	**89,881**	**94,028**

a.   **NII Mission and Analysis Fund**   The NII Mission and Analysis Fund provides the technical underpinning and key analytical assessments needed to establish policies relative to information technology requirements, priorities, strategies and investments. Funding will enable the formulation, coordination, management and oversight of policies, strategic guidance, and resource management plans for C4, space and information programs which integrates current and future service and agency development efforts as a cohesive and complementary set. For Command and Control (C2) policy, funds will support presidential, national and strategic planning initiatives, as well as integration and architecture development activities for net-centric C2. ASD(NII) provides an integrated and overarching C2 capabilities and planning process (President of the United States to the foxhole) that establishes capstone capabilities requirements, integrated architectures, C2 and nuclear roadmap plans, Information Operations (IO) C2 interfaces, continuity C2 and management and oversight strategies for programs across DoD and for specific ground, air, and land mobile platforms. This information will facilitate U.S. objectives in NATO C3 policy development and implementation, foster interoperability improvements in NATO, allied and coalition partner communications and information systems, and

enhance U.S.- international crisis and consequence management operations. Resources are used to support the Joint C4 Intelligence, Surveillance, and Reconnaissance (C4ISR) Decision Support Center (DSC) established to analyze joint C4ISR systems in support of requirements and acquisition decision makers. In addition, these monies are used to prepare the OMB and Congressional justification materials for the Information Technology/National Security System (IT/NSS) budget.

b. Chief Information Officer The DoD CIO program provides analytic assessments and technical expertise support for a net-centric warfare and business environment – relying to the maximum extent possible on existing initiatives; implementation and the extension of the Net-Centric Data Strategy; overseeing and enforcing compliance with the Global Information Grid (GIG) architecture to ensure interoperability and supportability of IT and NSS across the Department; development of a common set of capabilities that enable users to rapidly and precisely discover information, efficiently task information providers, post information holdings, and dynamically form collaborative groups for decision-making; pursue DoD enterprise software licensing opportunities to include Federal SmartBUY agreements; expand the Enterprise Software Initiative Program to optimize benefits already achieved and develop strategies to foster greater use of commercial-off-the-shelf technologies by participating in the Federal Software Asset Management Governance; develop policies, procedures and governance structures for managing IT investments as portfolios; and continue to develop and implement initiatives to educate and train IT personnel.

c. Command Information Superiority Architecture (CISA) The CISA program provides the Unified Commands with a structured planning process based on Information Technology (IT) best business practices to define current and objective Command capabilities to provide IT support to assigned missions in a net-centric environment. The CISA program is the developer and maintainer of the Global Information Grid Enterprise Architecture, the Department's enterprise architecture as directed by the Clinger-

Cohen Act (CCA). This effort will integrate net-centric transition planning for each command, and implement IT portfolio management concepts, achieve horizontal fusion of missions and business processes across the Unified Commands, their components, and multi-national partners that will establish trans-AOR network centric operations. CISA will also perform cross-Unified Command analysis of capabilities to impact IT investment strategies to improve transition plans for the Unified Commands to reach objective architectures according to the goals of JV 2020.

d. Information Superiority Integration Support (ISIS) The Information Superiority Integration Support (ISIS) program provides the technical expertise and analytic framework to enable key Transformation initiatives to proceed beyond their initial planning stages through their long-term acquisition phases, and they will provide the data and documentation which support decision makers. Funds provide the studies, analyses, evaluations, architecture development, systems engineering and integration support that the ASD (NII) requires to determine the validity of service acquisition strategies, analyses of alternatives, systems design and economic analyses to fully integrate the Department's command and control (C2), communications, space and information technology (IT) programs into the Global Information Grid (GIG) consistent with net-centric standards and guidelines. This critical management oversight will be strengthened by network engineering, technical evaluations, analyses and assessments and design studies. Funding is used to define and implement GIG end-to-end solutions for quality of service and network management, to develop cross-cutting solutions in areas such as frequency management, internet protocols for the bandwidth-limited user, mobile ad hoc networking and to provide message format translation. DoD business area Information Technology systems are critical to success in the DoD and across the federal government in accomplishing the President's Management Agenda Government-wide Initiatives for Improved Financial Performance and Expanded Electronic Government. Funding will ensure these systems migrate to net-centric standards and guidelines;

provide acquisition oversight through analyses and studies that will identify and measure cost, schedule and performance goals; produce timely recommendations for improvement, eliminate duplication of efforts; and ensure compliance with net-centric standards and guidelines and the Business Enterprise Architecture.

e. Information Systems Security Program (ISSP) The NII Information Systems Security Program provides resources to support policy development, program oversight and integration for all DoD Information Assurance (IA) efforts such as Computer Network Defense (CND) and the restoration of information systems by incorporating protection, detection, analysis and reaction and response capabilities. Efforts focus on technical policy development; technology program analysis and integration; IA and CND architecture development and oversight; IA and CND operations process integration, impact assessment and mitigation planning; oversight and development of IA human resource education, training and awareness.

f. eGov Initiatives and Government-Wide Councils eGov initiatives are a key part of the President's Management Agenda. Federal agencies are working together to improve and streamline services and reduce redundancy in the information technology investments made each year. The Department is involved with 21 of the eGov initiatives, five of the lines of business, and the SmartBUY initiatives. Funding provides assurance that the Federal-wide technical infrastructure for each eGov initiative and line of business will be available to meet the requirements of the Department's business areas. The funding will provide for a coherent Department of Defense transition to enable business transformation, enabling data to be accessed and shared across application domains.

II. <u>Force Structure Summary</u>: Not Applicable.

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III. Financial Summary ($ in Thousands)

A. Budget Activity (BA)Subactivities	FY 2005 Actuals	Budget Request	Amount	Percent	Appropriated	Current Estimate	FY 2007 Estimate
			FY 2006				
			Congressional Action				
1. Core Operating Programs	**233,405**	**238,750**	**–**	**0.0%**	**238,750**	**238,879**	**246,583**
Compensation and Benefits	212,760	217,457	–	0.0%	217,457	217,586	224,586
Travel of Persons	14,862	15,062	–	0.0%	15,062	15,062	16,192
Transportation	75	117	–	0.0%	117	117	120
Official Representation	1,716	2,134	–	0.0%	2,134	2,134	1,664
IPA/Reimbursable Details	3,992	3,855	–	0.0%	3,855	3,855	3,919
Permanent Change of Station	–	125	–	0.0%	125	125	102
2. Other DoD Programs & Initiatives	**112,541**	**152,996**	**-63,684**	**-41.6%**	**89,312**	**89,311**	**164,977**
CSCS State Department	–	61,300	-61,300	-100.0%	–	–	126,700
BMMP	20,891	23,686	-557	-2.4%	23,129	23,129	–
Financial Mgt. CBMA	9,736	13,355	-314	-2.4%	13,041	13,041	–
Installation & Environment CBMA	2,439	3,895	-92	-2.4%	3,803	3,803	–
Acquisition CBMA	5,485	6,788	-160	-2.4%	6,628	6,628	–
EIE CBMA (NII)	912	1,279	-30	-2.3%	1,249	1,249	–
Contracts & Other Support Services	39,682	9,605	-453	-4.7%	9,152	9,151	8,344
Net Assessment	15,725	20,203	-475	-2.4%	19,728	19,728	18,219
Force Transformation	10,256	12,385	-291	-2.3%	12,094	12,094	11,214
ROK Scholarship	–	500	-12	-2.4%	488	488	500
Counternarcotics	1,415	–	–	–	–	–	–

A. Budget Activity (BA)Subactivities	FY 2005 Actuals	Budget Request	FY 2006 Congressional Action Amount	Percent	Appropriated	Current Estimate	FY 2007 Estimate
MANPADS	6,000	–	–	–	–	–	–
3. OUSD Acquisition, Technology and Logistics	**139,340**	**154,107**	**4,545**	**2.9%**	**158,652**	**158,653**	**109,200**
Congressional Mandate							
Legacy	8,222	9,133	-333	-3.6%	8,800	8,800	8,151
CFO Act Compliance	1,585	1,978	-72	-43.6%	1,906	1,906	1,967
Arctic Military Environmental Cooperation AMEC	1,239	1,420	-52	-3.7%	1,368	1,368	1,262
Native American Lands Environmental Mitigation Program NALEMP	9,991	261	9,755	3737.5%	10,016	10,016	239
E-Business COE	15,921	12,843	-469	-3.7%	12,374	12,374	1,542
Test Resource Management Center	3,640	5,874	-214	-3.6%	5,660	5,660	5,382
Capital Asset Management System	–	2,436	-89	-3.7%	2,347	2,347	–
Defense Property Accountability & Military Equipment Value	–	–	–	–	–	–	572
Military Critical Technical Support	–	–	–	–	–	–	2,000
Subtotal Congressional Mandate	40,598	33,945	8,526	25.1%	42,471	42,471	21,115
Improve Acquisition & Logistics Processes							
Consolidated Acquisition Reporting System (CARS)	831	391	-14	-3.6%	377	377	413

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A. Budget Activity (BA)Subactivities	FY 2005 Actuals	FY 2006 Budget Request	FY 2006 Congressional Action Amount	FY 2006 Congressional Action Percent	FY 2006 Appropriated	Current Estimate	FY 2007 Estimate
Defense Reform Project for Competition	2,179	2,545	-93	-3.7%	2,452	2,452	2,331
Acquisition Program Support System	5,430	8,603	-314	-3.6%	8,289	8,289	7,982
Logistics Systems Modernization Support	11,748	13,215	-482	-3.6%	12,733	12,733	4,660
Defense Procurement & Acquisition Policy	3,776	13,119	-479	-3.7%	12,640	12,640	10,819
Mission Capabilities/Systems Engineering	15,439	6,898	-252	-3.7%	6,646	6,646	6,202
Base Installation Visualization Tool (ex-BIS)	12,823	13,728	-501	-3.6%	13,227	13,227	-
Unique Item ID	-	640	-23	-3.6%	617	617	50
Facilities Program Requirements	-	284	-11	-3.9%	273	274	882
Corrosion Prevention	-	9,468	-345	-3.6%	9,123	9,123	8,413
Subtotal Improve A&L Processes	52,226	68,891	-2,514	-3.6%	66,377	66,378	41,752
ulatory Requirement							
Acquisition Workforce Demo	1,889	3,156	-115	-3.6%	3,041	3,041	1,124
Environmental Security Cooperation	1,441	1,692	-62	-3.7%	1,630	1,630	1,549
REPI	9,668	20,000	-730	-3.7%	19,270	19,270	20,000
BRAC Support	2,092	733	-27	-3.7%	706	706	-
Low Observable (LO)/Counter LO	246	249	-9	-3.6%	240	240	230
Subtotal Regulatory Requirement	15,336	25,830	-943	-3.7%	24,887	24,887	22,903
Promulgate Policy							

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A. Budget Activity (BA)Subactivities	FY 2005 Actuals	FY 2006 Budget Request	FY 2006 Congressional Action Amount	FY 2006 Congressional Action Percent	FY 2006 Appropriated	Current Estimate	FY 2007 Estimate
Acquisition Knowledge Sharing System	3,471	2,946	-108	-3.7%	2,838	2,838	3,517
Transform Procurement Regulations	1,292	2,484	-91	-3.7%	2,393	2,393	1,757
DAMIRS	1,515	2,763	-101	-3.7%	2,662	2,662	2,653
Subtotal Promulgate Policy	6,278	8,193	-300	-3.7	7,893	7,893	7,927
OSD Decision Support							
OSD Study Program	15,439	17,248	-224	-1.3%	17,024	17,024	15,503
Other							
Environmental Restoration	3,165	-	-	-	-	-	-
Joint Rapid Acquisition Cell	300	-	-	-	-	-	-
Small Disadvantaged Business Utilization (SADBU)	335	-	-	-	-	-	-
Management Support	5,663	-	-	-	-	-	-
Subtotal Other	9,463	-	-	-	-	-	-
4. OUSD Personnel & Readiness	**26,687**	**30,746**	**-1,123**	**-3.7%**	**29,623**	**29,623**	**27,980**
Training Transformation (T2)	12,899	9,886	-361	-3.7%	9,525	9,525	9,289
Studies/CAAS Support	2,688	3,400	-124	-3.6%	3,276	3,276	3,103
Base Allowance for Housing	429	481	-18	-3.7%	463	463	439
Defense Safety O/S Council	-	9,201	-336	-3.7%	8,865	8,865	8,153
Administrative Support	563	1,214	-44	-3.6%	1,170	1,170	1,107
Lost Work Day System	2,765	3,724	-136	-3.7%	3,588	3,588	3,365
Defense Readiness Reporting System	7,343	2,840	-104	-3.7%	2,736	2,736	2,524
5. OUSD Comptroller	**11,392**	**16,732**	**-394**	**-2.4%**	**16,338**	**16,338**	**15,388**

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A. Budget Activity (BA)Subactivities	FY 2005 Actuals	Budget Request	Amount	Percent	Appropriated	Current Estimate	FY 2007 Estimate
			FY 2006				
			Congressional Action				
FYDP Improvement	2,741	3,638	-86	-2.4%	3,552	3,552	3,441
Comptroller Initiatives/DCFO	7,328	12,592	-296	-2.4%	12,296	12,296	11,490
Administration & CAAS Support	455	502	-12	-2.4%	490	490	457
Federal Accounting Standards	868	–	–	–	–	–	–
6. OUSD Intelligence	**88,307**	**46,032**	**-1,084**	**-2.4%**	**44,948**	**44,948**	**18,761**
Special Access Program	22,196	18,936	-446	-2.4%	18,490	18,490	–
Counterintelligence	11,849	12,791	-301	-2.4%	12,490	12,490	8,288
Security	–	–	–	–	–	–	1,700
Organization Management & Support	1,171	844	-20	-2.4%	824	824	800
7. OUSD Policy	**44,780**	**46,664**	**-1,704**	**-3.7%**	**44,960**	**44,960**	**48,754**
Policy Operations	14,709	4,497	-164	-3.6%	4,333	4,333	7,139
Support to OSCE	440	710	-26	-3.7%	684	684	631
Rewards Program	5,983	3,000	-110	-3.7%	2,890	2,890	2,524
Homeland Defense	8,110	10,031	-366	-3.6%	9,665	9,665	17,893
Critical Infrastructure Protection	15,538	23,273	-850	-3.7%	22,423	22,423	15,567
Maritime Domain	–	5,153	-188	-3.6%	4,965	4,965	5,000
8. Director, PA&E	**28,387**	**25,157**	**-592**	**-2.4%**	**24,565**	**24,565**	**22,697**
Director Studies/CAAS	232	256	-6	-2.3%	250	250	234
Long-Range Planning	22,800	21,114	-497	-2.4%	20,617	20,617	19,098
Defense Resource Management Study	3,440	3,787	-89	-2.4%	3,698	3,698	3,365
JWARS	1,915	–	–	–	–	–	–
9. ASD NII	**80,677**	**67,674**	**9,593**	**-14.2%**	**58,081**	**89,881**	**94,028**

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			FY 2006				
			Congressional Action				
A. Budget Activity (BA)Subactivities	FY 2005 Actuals	Budget Request	Amount	Percent	Appropriated	Current Estimate	FY 2007 Estimate
Mission and Analysis	21,304	21,617	-509	-2.4%	21,108	21,108	19,814
CISA	4,814	4,885	-115	-2.4%	4,770	4,770	4,462
ISIS	9,968	10,115	-238	-2.4%	9,877	9,877	9,239
CIO	20,150	13,175	-310	-2.4%	12,865	12,865	15,334
Information Systems Security	18,532	17,882	-421	-2.4%	17,461	17,461	16,200
eGov and Councils*	-	-	-8,000	-	-8,000	23,800	28,979
Global War on Terror (GWOT)	5,909	-	-	-	-	-	-
* Congressional adjustment of the eGov Program realigned from WHS with transfer of program to OSD							
10. Congressional Adds	**75,822**	**-**	**71,451**	**-**	**71,451**	**71,451**	**-**
Pacific Command Regional Init.	13,859	-	-	-	-	-	-
Study on Internet and Wireless Technology	955	-	-	-	-	-	-
Dedicated Fiber Optic Network	955	-	-	-	-	-	-
Center for Foreign Language Study	955	-	-	-	-	-	-
National Strategic Seaport	1,433	-	-	-	-	-	-
Center for Foreign Language Study	955	-	-	-	-	-	-
Foreign Disclosure Training	478	-	-	-	-	-	-
Center for Child Protection	478	-	-	-	-	-	-
Norm Minetta Internship Immersion Program	2,343	-	-	-	-	-	-
S. 8113 Ft. Ticonderoga Association	955	-	-	-	-	-	-
S. 8113 Wings of Liberty	9,551	-	-	-	-	-	-
S. 8113 Galena IDEA Distance Learning	4,775	-	-	-	-	-	-

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| | | | FY 2006 | | | | | |
| | | | Congressional Action | | | | | |
A. Budget Activity (BA)Subactivities	FY 2005 Actuals	Budget Request	Amount	Percent	Appropriated	Current Estimate	FY 2007 Estimate
S. 8113 Wing Luke Asian Museum	1,433	–	–	–	–	–	–
S. 8113 Center for Science and Engineering	7,640	–	–	–	–	–	–
S. 8113 American Red Cross Greater Alleghenies Blood Service	1,910	–	–	–	–	–	–
S. 8113 Clarksville-Montgomery Schools	3,820	–	–	–	–	–	–
S. 8113 National Museum of Cavalry & Armor at Fort Knox	955	–	–	–	–	–	–
Information Assurance add (NII)	2,149	–	2,051	–	2,051	2,051	–
Chem/Bio Resistant Hydration on the Move	–	–	976	–	976	976	–
Focus on Family at Neuman College	–	–	488		488	488	–
Foreign Disclosure Training Education and Certification	–	–	976	–	976	976	–
Joint ROTC Military Leadership University of South Florida	–	–	3,735	–	3,735	3,735	–
Middle East Regional Security	1,194	–	1,465	–	1,465	1,465	–
Minority Contract Enhancement Program	–	–	1,758	–	1,758	1,758	–
National Dedicated Information Systems Security	–	–	976	–	976	976	–
Service-Wide Safety: Alcohol Breath Detectors	–	–	244	–	244	244	–

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A. Budget Activity (BA)Subactivities	FY 2005 Actuals	Budget Request	FY 2006 Congressional Action			Current Estimate	FY 2007 Estimate
			Amount	Percent	Appropriated		
Virtual Reality Spray Paint Simulation Systems & Training Program	–	–	976	–	976	976	
Wind Demonstration Project	–	–	4,150	–	4,150	4,150	–
Compatible Use Buffer Program	–	–	16,605	–	16,605	16,605	–
Techlink Southeast Program	–	–	976	–	976	976	–
Country Study Series	–	–	488	–	488	488	–
Beyond Goldwater Nichols	955	–	1,074	–	1,074	1,074	–
SSBN Transit Protection System	–	–	976	–	976	976	–
Critical Language Training San Diego University	–	–	976	–	976	976	–
Section 8098 Grants							
Intrepid Sea-Air-Space Museum	4,775	–	3,759	–	3,759	3,759	–
ACW Center at Historic Tredegar	–	–	976	–	976	976	–
Amer. Red Cross Consolidated Blood Services Facility	–	–	1,465	–	1,465	1,465	–
Battleship Texas Foundation	–	–	1,465	–	1,465	1,465	–
Center for Applied Science & Engineering at Jordan Valley	–	–	4,296	–	4,296	4,296	–
Dwight D. Eisenhower Memorial Commission	–	–	1,660	–	1,660	1,660	–
Fort Des Moines Memorial Park and Education Center	–	–	830	–	830	830	–
George Mason University for Clinic for Legal Services	–	–	488	–	488	488	–

| A. Budget Activity (BA)Subactivities | FY 2005 Actuals | Budget Request | FY 2006 | | | Current Estimate | FY 2007 Estimate |
| | | | Congressional Action | | | | |
			Amount	Percent	Appropriated		
Iraq Cultural Heritage Assistance Project	–	–	976	–	976	976	–
Museum of Flight, American Heroes Collection	–	–	1,465	–	1,465	1,465	–
National Guard Youth Foundation	–	–	976	–	976	976	–
Pacific Aviation Museum, Pearl Harbor	8,118	–	1,318	–	1,318	1,318	–
PA Veterans Museum Media Armory	–	–	976	–	976	976	–
Pentagon Memorial Fund Inc.	–	–	976	–	976	976	–
Presidio Trust (Parade Field)	1,791	–	1,953	–	1,953	1,953	–
T.H.A.N.K.S USA	–	–	3,906	–	3,906	3,906	–
Telluride Adaptive Sports Program	–	–	146	–	146	146	–
United Services Organization	2,435	–	2,490	–	2,490	2,490	–
Vietnam Veterans Memorial Fund	–	–	976	–	976	976	–
Westchester County WTC Memorial	–	–	488	–	488	488	–
Women in the Military Memorial	955	–	976	–	976	976	–
tal	841,338	778,858	-2,178		776,680	808,609	748,368

* The FY 2005 Actual column includes $63,175.0 thousand of FY 2005 Supplemental funds (PL 109-13), and $1,229.0 thousand of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62).

* The FY 2006 Estimate column excludes $2,100.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148) and $10,000 thousand of FY 2006 Aian Flu Supplemental .

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B. Reconciliation Summary	Change FY 2006/FY 2006	Change FY 2006/FY 2007
Baseline Funding	778,858	808,609
Congressional Adjustments (Distributed)	-24,475	-
Congressional Adjustments (Undistributed)	-1,485	-
Adjustments to Meet Congressional Intent	9,577	-
Congressional Adjustments (General Provisions)	22,205	-
Subtotal Appropriated Amount	**784,680**	**-**
Fact-of-Life Changes (CY to CY Only)	23,929	-
Subtotal Baseline Funding	**808,609**	**-**
Supplemental	12,100	-
Reprogrammings	-	-102,702
Rescission	-	
Price Changes	-	20,215
Functional Transfers	-	-
Program Changes	-	22,246
Current Estimate	**818,609**	**748,368**
Less: Supplemental	-12,100	-
Normalized Current Estimate	**808,609**	**-**

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request (Amended, if applicable)		**778,858**
1. Congressional Adjustments		
a. Distributed Adjustments		
1) Chemical/Biological Resistant Hydration on the Move	1,000	
2) Focus on Family at Neuman College	500	
3) Foreign Disclosure Training Education and Certification	1,000	
4) Joint ROTC Military Leadership Project U. of S. Florida	3,825	
5) Middle East Regional Security Issues Program	1,500	
6) Minority Contract Enhancement Program	1,800	
7) National Dedicated Fiber Optic Network Program	1,000	
8) Service-Wide Safety: Alcohol Breath Detectors	250	
9) Virtual Reality Spray Paint Simulation System & Training Project	1,000	
10) Wind Demonstration Project	4,250	
11) Studies and Initiatives	-3,000	
12) Compatible Use Buffer Program	17,000	
13) Capital Security Cost Sharing Program	-61,300	
14) Information Assurance Scholarships (to an ASD NII program)	2,100	
15) Techlink Southeast Program	1,000	
16) Country Studies Program	500	

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
17) Beyond Goldwater Nichols Project Extension	1,100	
18) SSBN Transit Protection System	1,000	
19) Critical Language Training: San Diego State U.	1,000	
Subtotal		-24,475
b. Undistributed Adjustments – Unobligated Balances		-1,485
c. Adjustments to meet Congressional Intent		
d. General Provisions		33,350
1) Sec 8098 – Intrepid Sea-Air-Space Foundation	3,850	
2) Sec 8098 – American Civil War Center at Historic Tredegar	1,000	
3) Sec 8098 – American Red Cross Consolidated Blood Services Facility	1,500	
4) Sec 8098 – Battleship Texas Foundation to Restore and Preserve	1,500	
5) Sec 8098 – Center for Applied Science & Engineering at Jordan Valley	4,400	
6) Sec 8098 – Dwight D. Eisenhower Memorial Commission	1,700	
7) Sec 8098 – Fort Des Moines Memorial Park and Education Center	850	
8) Sec 8098 – George Mason University for the Clinic for Legal Assistance to Service Members	500	
9) Sec 8098 – Iraq Cultural Heritage Assistance Project	1,000	

C. Reconciliation of Increases and Decreases	Amount	Totals
10) Sec 8098 – Museum of Flight, American Heroes Collection	1,500	
11) Sec 8098 – National Guard Youth Foundation	1,000	
12) Sec 8098 – Pacific Aviation Museum-Pearl Harbor	1,350	
13) Sec 8098 – Pennsylvania Veterans Museum Media Armory	1,000	
14) Sec 8098 – Pentagon Memorial Fund, Inc.	1,000	
15) Sec 8098 – Presidio Trust (parade field renovation)	2,000	
16) Sec 8098 – T.H.A.N.K.S. USA	4,000	
17) Sec 8098 – Telluride Adaptive Sports Program	150	
18) Sec 8098 – United Services Organization	2,550	
19) Sec 8098 – Vietnam Veterans Memorial Fund for the Teach Vietnam Initiative	1,000	
20) Sec 8098 – Westchester County World Trade Center Memorial	500	
21) Sec 8098 – Women in Military Service for America Foundation	1,000	
e. General Provisions (Undistributed)		-11,145
1) Sec 8087 – Advisory and Assistance Services	-1,485	
2) Sec 8125 – Economic Assumptions	-1,240	
3) Sec 8141 – Excessive Growth	-586	
4) 1% Rescission	-7,834	
f. Congressional Earmarks		9,577

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
1) Sec 8044 – Mitigation of Environmental Impacts on Indian Lands	-423	
1) Sec 8044 – Mitigation of Environmental Impacts on Indian Lands	10,000	
FY 2006 Appropriated Amount		**784,680**
2. War-Related and Disaster Supplemental Appropriations		12,100
a. FY 2006 Hurricane Supplemental	2,100	
b. FY 2006 Avian Influenza Supplemental	10,000	
3. Fact of Life Changes		
a. Functional Transfers		
1) Transfers In		31,929
i) eGov and Councils from WHS	31,800	
ii) Quality Management Correction from WHS	129	
2) Transfers Out		
b. Technical Adjustments		
1) eGov Program realigned from WHS - congressional reduction applied to O&M, D-W (OSD).	-8,000	-8,000
FY 2006 Baseline Funding		**820,709**
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		**820,709**

C. Reconciliation of Increases and Decreases	**Amount**	**Totals**
5. Less War-Related and Disaster Supplemental Appropriations		-12,100
a. FY 2006 Hurricane Supplemental	-2,100	
b. FY 2006 Avian Flu Supplemental	-10,000	
FY 2006 Normalized Current Estimate		**808,609**
6. Price Change		20,215
7. Functional Transfers		
a. Transfers In		
b. Transfers Out		-102,702
1) BMSI to BTA. (FY 2006 baseline: $23,129)	-23,129	
2) Financial Management CBMA to BTA. (FY 2006 baseline: $13,041)	-13,041	
3) Installation and Environment CBMA to BTA. (FY 2006 baseline: $3,803)	-3,803	
4) Acquisition CBMA to BTA. (FY 2006 baseline: $6,628)	-6,628	
5) EIE CBMA (NII) to BTA. (FY 2006 baseline: $1,249)	-1,249	
6) Capital Asset Management System to BTA. (FY 2006 baseline: $2,347)	-2,399	
7) Base Information System to BTA. (FY 2006 baseline: $13,227)	-13,518	
8) Unique Item Identification to BTA. (FY 2006 baseline: $617)	-581	
9) Logistics Systems Modernization Support to BTA. (FY 2006 baseline: $12,733)	-8,353	

C. Reconciliation of Increases and Decreases	Amount	Totals
10) Defense Procurement and Acquisition Policy to BTA. (FY 2006 baseline: $12,374)	-11,104	
11) Special Access Programs, USD(I) to Classified Budget (FY 2006 baseline: $18,490)	-18,897	

8. Program Increases

  a. Annualization of New FY 2006 Program

  b. One-Time FY 2007 Increases

  c. Program Growth in FY 2007   148,904

    1) Travel and Transportation – Increased travel and associated costs of international travel in support of the Department's mission. (FY 2006 baseline: $15,062)   799

    2) Capital Security Cost Sharing – This is a bill for DoD's Share of the State Department facility upgrade to enhance security at overseas Embassies. Congressional reduction of $61,300 thousand enacted in the FY 2006 DoD Appropriation Act. (FY 2006 baseline: $0)   126,700

    3) Chief Financial Officer Compliance – Small growth for contract support. (FY 2006 baseline: $1,906)   19

    4) Defense Property Accountability & Military Equipment Value – Reflects a congressional requirement to improve reporting management of the Department's funds and assets. (FY 2006 baseline: $0)   572

C. Reconciliation of Increases and Decreases	Amount	Totals
5) Military Critical Technical Support – This increase will assist to fulfill a congressional requirement to conduct in dept analytical studies to identify critical capability elements supporting national security including homeland defense. FY 2006 baseline: $0)	2,000	
6) Consolidated Acquisition Reporting System (CARS) – This increase will provide for software updates and maintenance of the system until it is replaced. (FY 2006 baseline: $377)	28	
7) Facilities Program Requirements – An increase for improvement of AT&L processes. (FY 2006 baseline: $274)	602	
8) Acquisition Knowledge Sharing System – This increase supports continued efforts for development of this system in FY 2007. (FY 2006 baseline: $2,838)	617	
9) USD (Policy) – Funding will contribute expert knowledge to the USD(P) staff when analyzing and recommending options to the President, Secretary, or Congressional members in response to international crises such as during Operation Iraqi Freedom and Operation enduring Freedom. Increase due to expanded efforts in irregular warfare, countering ideological support, and transnational and asymmetric threats.(FY 2006 baseline: $4,333)	2,711	

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
10) ASD (Homeland Defense) under USD (Policy) – Increase required to fund a twenty-four hour, seven days a week homeland security operations center, on-site collaboration watch desk for DoD within the Department of Homeland Security (DHS) facilities. The homeland security operations center allows for immediate communication and cooperation with DHS field agencies and headquarters personnel during domestic and international crisis that may impact military assts and resources. Information and data are provided to critical nodes within DoD to include the Secretary of Defense, Commander US Northern Command, Commander US Pacific Command, and the intelligence community. In addition, increase provides interagency education and training for disaster assistance, consequence management and catastrophic events leveraging DoD's professional military education system. (FY 2006 baseline: $9,665)	8,015	
11) ASD NII Chief Information Officer - The program increase will fund the start up of the Data Strategy Project Office that will provide data strategy direction, leadership and enforcement. (FY 2006 baseline: $12,865)	2,186	
12) e-Gov and Councils – The program increase will provide funding to support the Department's share for support of the Federal government-wide councils (Chief Financial Officers Council, Chief Human Capital Officers Council, Chief Human Capital Officers Council, Chief Acquisition Officers Council and the President's Management Council. (FY 2006 baseline: $23,800)	4,655	

9. Program Decreases

C. Reconciliation of Increases and Decreases	Amount	Totals
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Decreases		-85,819
1) Congressional Adds not Carried Forward	-75,822	
2) Earmark Not Carried Forward – Section 8044 NALEMP	-9,997	
c. Program Decreases in FY 2007		-40,839
1) Intergovernmental Personnel Act/Permanent Change of Station – Reduced requirements due to ongoing efforts to improve efficiencies within the Department. (FY 2006 baseline: $6,231)	-564	
2) Contracts and Other Support Services/Net Assessment/Force Transformation – Reevaluation of existing efforts. (FY 2006 baseline: $41,208)	-3,828	
3) Legacy/AMEC; Test Resource Management Center; Acquisition Programs Support System – Decrease is a reflection of the Department's efforts to maintain costs and improve efficiencies. (FY 2006 baseline: $24,117)	-1,382	
4) Defense Reform Project for Competition/Defense Procurement and Acquisition Policy – Improved efforts toward acquisition excellence, to include DoD procurement regulatory processes allow for this decrease. (FY 2006 baseline: $15,092)	-2,274	
5) Mission Capabilities/Systems Engineering and Readiness and Environmental Protection – Reduced sustainment efforts, including training, contribute to this decrease. (FY 2006 baseline: $25,916)	-1,990	

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
6) BRAC Support/Environmental Security Cooperation – Reduced requirements and completion of the 2005 BRAC program allow for reductions to be identified. (FY 2006 baseline: $2,336)	-839	
7) OSD Studies Program – This program is reduced to maintain costs and reflect the Department's decision to fund other high priority requirements. (FY 2006 baseline: $17,024)	-1,896	
8) OUSD Personnel and Readiness Programs – Decrease is a reflection of the Department's efforts to maintain costs and improve efficiencies. (FY 2006 baseline: $29,623)	-2,295	
9) OUSD Comptroller/Chief Financial Officer Programs – The reductions are made to maintain costs and support other high priority requirements. (FY 2006 baseline: $16,338)	-1,310	
10) OUSD Intelligence Programs – The reductions are made to maintain costs and efficiencies. (FY 2006 baseline: $26,458)	-7,367	
11) OUSD Policy Programs, Organization for Security Cooperation in Europe (OSCE) Support/Rewards/Critical Infrastructure Protection (CIP)/Maritime Domain Awareness – Reevaluation of program requirements to allow support to other high priority requirements.(FY 2006 baseline: $30,962)	-7,921	
12) ASD PA&E Programs – These programs are decreased to reflect savings to support other high priority requirements. (FY 2006 baseline: $41,696)	-2,409	

C. Reconciliation of Increases and Decreases	Amount	Totals
13) ASD Networks and Information Integration (NII)/Mission Analysis and ISS – These reductions are made to maintain costs and improve efficiencies. (FY 2006 baseline: $55,297)	-6,764	
FY 2007 Budget Request		**748,368**

IV. Performance Criteria and Evaluation Summary

   The Office of the Secretary of Defense (OSD) budget activity primarily funds the operational expenses, (travel, personnel, and contracts) of the civilian management headquarters' staff offices.

   Other programs under the staff offices' purview are assigned to OSD for execution as are congressional increases where appropriate. The performance of these is normally evaluated using accounting records. Obligations are expected to closely approach 100%.

   Department of Defense (DoD) goals are set at the Departmental level. Each year the Secretary of Defense submits an unclassified Annual Report to the President and Congress containing the DoD goals. These reports are available on the Internet at http://www.defenselink.mil/execsec.

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V. **Personnel Summary**	FY 2005	FY 2006	FY 2007	Change FY 2005/FY 2006	Change FY 2006/FY 2007
Active Military End Strength (E/S) (Total)					
Officer	459	482	481	+23	-1
Enlisted	75	77	77	+2	-
Civilian End Strength (Total)	1,515	1,486	1,538	-47	+52
U.S. Direct Hire	1,515	1,486	1,538	-47	+52
Foreign National Direct Hire	-	-	-	-	-
Total Direct Hire	1,515	1,486	1,538	-47	+52
Active Military Average Strength (A/S) (Total)					
Officer	459	482	481	+23	-1
Enlisted	75	77	77	+2	-
Civilian FTEs (Total)					
U.S. Direct Hire	1,515	1,486	1,538	-47	+52
Total Direct Hire	1,515	1,486	1,538	-47	+52
Average Annual Civilian Salary ($ in thousands)	144	146	146	2	-

VI. OP 32 Line Items as Applicable (Dollars in Thousands):

OP 32 Line	FY 2005 Actuals	Change FY 2005 / FY 2006		FY 2006 Estimate	Change FY 2006 / FY 2007		FY 2007 Estimate
		Price Growth	Program Growth		Price Growth	Program Growth	
101 Executive, General and Special Schedules	212,760	4,826	0	217,586	7,000	0	224,586
308 Travel of Persons	14,882	357	-177	15,062	331	799	16,192
771 Transportation	75	1	-48	28	0	1	29
912 Rental to GSA	1,884	45	-29	1,900	41	-41	1,900
913 Purchased Utilities	2,748	65	-2,813	-	-	-	-
920 Supplies and Materials	1,878	45	3,056	4,979	108	1,525	6,612
921 Printing & Reproduction	1,884	45	-1,812	117	2	-	119
922 Equipment Maintenance-Contract	908	21	353	1,282	28	-5	1,305
925 Equipment Purchases Non-	1,385	33	-18	1,400	30	-30	1,400

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OP 32 Line	FY 2005 Actuals	Change FY 2005 / FY 2006		FY 2006 Estimate	Change FY 2006 / FY 2007		FY 2007 Estimate
		Price Growth	Program Growth		Price Growth	Program Growth	
Fund							
931 Contract Consultants	1,378	33	-11	1,400	30	-180	1,250
932 Management and Professional Support Services	86,440	2,074	-368	88,146	1,939	-55,059	35,026
933 Studies, Analysis & Evaluations	172,159	4,131	-199	176,091	3,874	-17,774	162,191
934 Engineering and Technical Analysis	157,766	3,786	-6,505	155,047	3,411	-17,229	141,229
987 Other Intra-governmental Purchases	66,825	1,603	-32,989	35,439	779	-1,082	35,136
988 Grants	48,158	1,155	-313	49,000	1,078	-78	50,000
989 Other Contracts	70,208	1,684	-10,760	61,132	1,564	-8,697	71,393
Total	841,338	19,904	-52,633	808,609	20,215	-80,456	748,368

* The FY 2005 Actual column <u>includes</u> $63,015.0 thousand of FY 2005 Supplemental funds (PL 109-13) and $1,229.0 thousand of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62).

* The FY 2006 Estimate column <u>excludes</u> $2.100.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148)and $10,000.0 thousand of

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OP 32 Line	FY 2005 Actuals	Change FY 2005 / FY 2006 Price Growth	Change FY 2005 / FY 2006 Program Growth	FY 2006 Estimate	Change FY 2006 / FY 2007 Price Growth	Change FY 2006 / FY 2007 Program Growth	FY 2007 Estimate

FY 2006 Avian Flu Supplemental