

OFFICE OF THE SECRETARY OF DEFENSE

FISCAL YEAR (FY) 2007 BUDGET ESTIMATES



February 2006

VOLUME I

Justification for FY 2007

Operation and Maintenance, Defense-Wide

U.S. Court of Appeals for the Armed Forces

Office of the Inspector General

Former Soviet Union Threat Reduction

Overseas Humanitarian, Disaster and Civic Aid

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OPERATION AND MAINTENANCE, DEFENSE-WIDE

\$ in millions	FY 2005 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate*</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
Total O&M,D-W	21,534	652	-2,155	20,031	665	-620	20,076

FY 2005 actual obligations include \$4,272 million in Title IX, Iraq Freedom Fund, Hurricane and Global War on Terrorism Supplemental Funding. The FY 2006 Normalized Current Estimate includes \$1,754 million prior year funds for the Hurricane Supplemental (P.L. 108-324, P.L. 109-61, and P.L. 109-62) and other prior year carryover; it excludes Title IX Supplemental Funds (\$805 million, P.L. 109-148), Hurricane Supplemental III (\$25 million, P.L. 109-148), and Pandemic Influenza (\$10 million, P.L. 109-148).

This funding supports critical Department-wide functions and transformational efforts for the Secretary, Military Departments, and warfighters. It includes funding for the Special Operations Command, several Combat Support Agencies, four Intelligence Agencies, and other agencies that provide common information services, contract administration, contract audit, logistics and administrative functions to the Military Departments.

Budget/Program Highlights

Overview. A summary of the changes between FY 2006 and FY 2007 includes the following (dollars in millions):

20,031	Normalized FY 2006 Current Estimate (FY 2006 column of the FY 2007 President's Budget)
- 844	Program decrease for Hurricane Supplemental
- 910	Program decrease for prior year balances carried forward
- 337	One-time Congressional adds
+ 681	Net program changes in Defense Agencies (unclassified)
+ 360	Pricing changes in Defense Agencies (unclassified)
+ 1,095	Net growth in Classified programs
20,076	FY 2007 President's Budget Request

Hurricane Supplemental

- \$843.8 million Washington Headquarters Service

Prior Year Carryover of Unobligated Balances from FY 2006 to FY 2007,

Program increase of \$910.1 million in FY 2006, and a program decrease from FY 2006 to FY 2007, comprised of:

- \$896.6 million for Coalition Support payments by DSCA to key cooperating nations, such as Pakistan and Jordan;
- \$6.4 million for Department of Defense Dependents Education Activity for repairs, maintenance, and/or purchase of information technology, text books, etc., for public schools that have unusually high concentrations of special needs military dependents enrolled;
- \$.5 million for Civil Military Programs
- \$6.6 million for Classified programs

Classified Programs Major Changes

Significant growth in Classified programs, totaling \$1,095.5 million, is primarily in the National Intelligence Programs. (\$304.6 million for pricing changes and \$790.9 million for program changes.) The multi-year implementation of the “Strengthening Intelligence” initiative, which began in FY 2005, provides funding and full-time equivalent increases in the Intelligence Agencies. Also funds the Military Intelligence Programs of the National Security Agency.

Other Defense Agencies Programs FY 2007 Highlights

Highlights of Other Defense Agencies FY 2007 funding include:

- Pricing adjustments for: civilian pay growth; fuel increase; non-pay purchase inflation and Foreign Currency Fluctuations (various Agencies, total \$+360 million)
- Establishment of the **Business Transformation Agency (BTA)**, which merges DoD programs, systems, projects and initiatives in the areas of business process reengineering, Core Business Mission Areas, and Investment Review Board matters, as determined by the Defense Business Systems Management Committee. The BTA will establish and enforce requirements,

principles, standards, systems, procedures and practices governing business transformation. (BTA, \$+179.3 million; net change to O&M,D-W, \$-2.8 million)

- Increase of direct workyears (+95) at the **Defense Contract Audit Agency (DCAA)** to maintain an adequate level of contract audit services to DoD customers. (DCAA, \$+8.9 million)
- Decreases in full time equivalencies at **Defense Contract Management Agency (DCMA)** due to declining Foreign Military Sales program and other management efficiencies (DCMA, \$-29.5 million).
- Additional resources in FY 2007 to the Defense Language Office at **Defense Human Resources Activity (DHRA)** to award 3-year grants at 50 select ROTC schools to provide the development of programs in languages that are of strategic importance. (DHRA, \$+4.4 million)
- Consolidation of Travel Management activities to streamline and centrally manage DoD commercial travel (DHRA, \$+9.4 million).
- Decreases in systems funding requirements at DHRA due to completion of modernization and training development efforts (DHRA, \$-19.1 million).
- Defense Information Systems Network (DISN) funding transfers from DISA to the Army, Air Force, Navy, US Marine Corps, and Defense Agencies to fund the customer accounts, supporting the DISN governance and new subscription rates. (DISA, \$-44.3 million)
- Efficiencies reductions to DISN, the Defense Collaboration Tool Suite, and selected programs (DISA, \$-33.8 million).
- Coalition infrastructure/CENTRIXS upgrades for European Command, Joint Forces Command, Southern Command, Pacific Command, and Central Command based on Joint Chiefs of Staff requirements. (DISA, \$+27.0 million)
- Information Systems Security Program (ISSP) improvements in network protection (SIPR and NIPR) and persistent monitoring and adds required Information Assurance training for these improvements. (DISA, \$+35.0 million)

- Improvements required to implement the Ground Distributed Network for the National (Nuclear and Senior Leadership) Command and Control (NC2). (DISA, \$+25.9 million)
- Creation of a single coherent testing program concept under the auspices of the Major Range and Test Facility Concept/Joint Interoperability and Test Center with funding consolidated in DISA RDT&E. (DISA O&M, \$-30.8 million)
- Warstoppers program increase for medical readiness and land-based systems parts and repair (**Defense Logistics Agency (DLA)**, \$+10.6 million).
- Reduction for one-time system and workload costs charged by the Defense Finance and Accounting Service Working Capital Fund (DLA, \$-10.3 million).
- Full-time equivalent manpower decrease from 259 to 235 at the **Defense Legal Services Agency (DLSA)** as a result of the progress of Guantanamo trials and reduced backlog. (DLSA, \$-4.4 million)
- Increase in funding for the **Defense Security Service (DSS)** for Personnel Security Investigations for Industry (PSI for Industry) and the National Industrial Security Program (NISP) because of increased outsourcing to private industry, the greater dissemination of intelligence, a high turnover rate in industry in technical sectors and an increase in Single Scope Background Investigations. (DSS, \$+22.8 million)
- Support of the USSTRATCOM Center for Combating Weapons of Mass Destruction and a classified program technical adjustment from RD&TE (Defense Threat Reduction Agency (DTRA), \$+10.8 million)
- Completion of modeling and simulation efforts for Homeland Defense/Homeland Security and agency relocation efforts (DTRA, \$-3.5 million)
- Anticipated school closures, declining enrollment and reduced staffing. (Department of Defense Dependents Education (DoDDE), \$-55.5 million)
- Net reduction to schoolhouse Sustainment, Restoration and Modernization (DoDDE, \$-21.0 million).

- New initiatives at the **National Defense University (NDU)** for the National Security Education Program to include an expansion of the National Flagship Language Immersion Program and creation of a Civilian Linguist Reserve Corps. (NDU, \$+17.9 million)
- Transfer of a special access program from USD(I) to classified budget (**Office of the Secretary of Defense (OSD)**), \$-18.9 million).
- The Capital Security Cost Sharing (CSCS) program bill for the Department's pro-rata share of the Department of State's maintenance and upgrades of U.S. diplomatic facilities worldwide. Congressional reduction of \$61.3 million enacted in the FY 2006 Defense Appropriation Act. (OSD, \$+126.7 million)
- A Homeland Security Operations Center, the on-site collaboration watch desk for DoD within the Department of Homeland Security (DHS) facilities. (OSD, \$+8.0M)
- E-GOV and Federal government-wide Councils to support the Department's share. (OSD, \$+4.7 million)
- Expands the **United States Special Operations Command's (USSOCOM)** capabilities to lead, plan, and coordinate global operations against international terrorist networks while improving established capabilities to respond to a wide range of national threats. The additional funding supports the increased force structure needed to train, equip, and sustain the forces, including personnel; flight, ship/boat, and other operations; intel and communications; management; depot maintenance; base support; and, training and development. These increases support 14.5 flying hours per crew per month. (SOCOM, +\$608.6 million)
- Decreases to classified program (SOCOM, \$-6.0 million).
- Reduced requirements for the 160th Special Operations Aviation Regiment detachments due to realignment of forward staged aviation units (SOCOM, \$-5.5 million).
- Increased funding for **The Joint Staff (TJS)** Joint Exercise Program (JEP) for rising fuel costs (organic and commercial) and the OMB revised estimates of crude oil purchase cost. (TJS, \$+11.2 million)
- Full scale civil military homeland defense exercises, including training for response to natural, accidental, or terrorist catastrophic events, to be conducted as part of the Chairman of the Joint Chiefs of Staff (CJCS) exercise program. (TJS, \$+2.0 million)

- Functional transfer of the Joint Knowledge Development and Distribution Capability to USJFCOM to facilitate JKDDC's integration with the Joint National Training Capability programs (TJS, \$-8.2 million).
- Increase in rent charged by the Pentagon Reservation Maintenance Revolving Fund (TJS, \$+11.5 million).
- Establishment of the National Security Labor Relations Board (NSLRB) for the National Security Personnel System (Washington Headquarters Service (WHS), \$+17.0 million)
- Increases the funding level of the Boards and Commissions Program under the **WHS** to comply with the FY 2006 Defense Authorization Act and Secretary of Defense direction to evaluating policies and providing recommendations based on studies and analysis conducted. (WHS, \$+14.0 million)

SUMMARY BY AGENCY

Agency	FY 2005 Actuals	Price Growth	Program Growth	FY 2006 Estimate	Price Growth	Program Growth	FY 2007 Estimate
AFIS	147,998	3,522	-5,980	145,540	3,492	1,297	150,329
BTA	0	0	0	0	0	179,255	179,255
CMP	104,719	2,513	6,301	113,533	2,498	-9,528	106,503
DAU	103,421	2,859	-1,579	104,701	2,379	-2,409	104,671
DCAA	381,227	11,544	-19,118	373,653	8,367	9,929	391,949
DCMA	1,017,597	29,727	-20,300	1,027,024	22,443	-9,170	1,040,297
DFAS	4,734	120	-563	4,291	97	-3,936	452
DHRA	363,901	9,286	34,814	408,001	9,236	-42,885	374,352
DISA	1,168,312	1,366	-151,200	1,018,478	26,676	-46,536	998,618
DLA	378,384	9,129	-53,910	333,603	5,435	-41,536	297,502
DLSA	44,035	1,102	-7,360	37,777	1,273	-3,512	35,538
DoDEA	1,985,721	87,836	-272,889	1,800,668	59,347	-131,164	1,728,851
DPMO	15,302	408	129	15,839	319	33	16,191
DSCA	1,401,058	33,623	-396,499	1,038,182	3,102	-900,812	140,472
DSS	226,806	2,616	33,616	263,038	5,557	18,464	287,059
DTRA	312,628	8,157	-5,987	314,798	7,133	-7,376	314,555
DTSA	19,399	556	1,382	21,337	441	121	21,899
NDU	93,056	2,588	-26,945	68,699	1,040	15,392	85,131
OEA	59,965	1,440	100,190	161,595	3,521	-92,095	73,021
OSD	841,338	19,904	-52,633	808,609	20,215	-80,456	748,368
TJS	515,317	-15,802	52,077	551,592	26,916	3,495	582,003
USSOCOM	3,104,545	140,326	-1,079,060	2,165,811	97,044	589,765	2,852,620
WHS	472,452	-11,798	810,118	1,270,772	53,516	-857,327	466,961
Classified	8,772,573	310,562	-1,099,554	7,983,581	304,606	790,872	9,079,059
Grand Total	21,534,488	651,584	2,154,950	20,031,122	664,653	-620,119	20,075,656

FY 2005 actual obligations include \$4,272 million in Title IX, Iraq Freedom Fund, Hurricane and Global War on Terrorism Supplemental Funding. The FY 2006 Normalized Current Estimate includes \$1,754 million prior year funds for the Hurricane Supplemental (P.L. 108-324, P.L. 109-61, and P.L. 109-62) and other prior year carryover; it excludes Title IX Supplemental Funds (\$805 million, P.L. 109-148), Hurricane Supplemental III (\$25 million, P.L. 109-148), and Pandemic Influenza (\$10 million, P.L. 109-148).

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American Forces Information Service (AFIS)



February 2006

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**Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) 4: Administrative and Servicewide Activities**

	*FY 2005 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
AFIS	147,998	3,522	-5,980	145,540	3,492	1,297	150,329

* The FY 2005 Actual column includes \$9,100 thousand of FY 2005 Supplemental funds (PL 109-13), and \$3,000 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

I. Description of Operations Financed:

The mission of the American Forces Information Service (AFIS), a Department of Defense (DoD) Field Activity, is to provide high-quality news, information, and entertainment to U.S. forces worldwide to promote and sustain unit and individual readiness, situational awareness, quality of life, and morale. AFIS is the principal resource within the DoD for joint-service education and training in the career fields of public affairs and visual information. AFIS trains military and civilian public affairs, broadcast, and visual information professionals of all the Military Departments, the Coast Guard, and other DoD Components.

Funding will improve DoD-wide internal communications programs for active duty, National Guard and Reserve situational awareness and mission support during contingency operations, exercises and routine assignments. It will provide immediate direct communications delivered by satellite and existing military installation and commercial cable systems through The Pentagon Channel. Funding supports the joint professional education and training of public affairs officers and enlisted personnel. Funding will provide an increased web site capability to produce coordinated and complete information

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I. Description of Operations Financed: (continued)

environment accessible by active duty, National Guard and reserve personnel and their families relevant to their careers, welfare and well being.

AFIS is the primary tool for the Secretary of Defense and senior Joint Staff and DoD leaders to communicate important messages, news, and information about DoD programs and activities to U.S. Service Members, their families, and DoD civilians stationed around the world. AFIS accomplishes this centralized mission by using its news production, television, radio, newspaper, print news service, and World Wide Web (WWW) distribution services and facilities. In addition, AFIS provides visual and public communications support and products that support a wide range of internal and external DoD missions.

The Department transferred to AFIS several former Military Department and U.S. Combatant Command-owned and operated internal communications training, photography collection, storage, and distribution activities; broadcasting and visual information engineering and procurement activities; and newspaper production activities. These consolidations, coupled with existing capabilities, make AFIS the preeminent DoD provider of high quality, economical and cost-effective products, services, and support.

In carrying out its mission, AFIS:

- Produces and distributes command information news, sports, imagery, and current event information to DoD commands, organizations and audiences in the continental U.S., outside of the continental U.S. overseas (OCONUS), and to ships at sea worldwide via satellite and Internet-transmitted radio, television, Stars and Stripes newspapers, and DoD web sites.
- Researches, reports, writes and provides through American Forces Press Service (AFPS) news on DoD-wide subjects. AFPS distributes this product via Internet to more than 900 bases, camps, and stations that publish these articles in their respective internal communications and command information newspapers. These efforts reach an internal

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I. Description of Operations Financed: (continued)

audience of 1.4 million active duty members, 1.2 million Reserve and National Guard, and 650 thousand DoD civilians.

- Manages the DoD Visual Information, Combat Camera, and Audiovisual Programs. Serves as the only joint service collection and distribution facility in the Pentagon to directly provide real-time Combat Camera imagery from overseas operations and activities to the DoD, Joint-Staff and Military Service leadership. Provides the centralized management, storage, and dissemination of selected DoD still and motion imagery and audiovisual training products and directs audiovisual and visual information policy for the DoD.
- Provides engineering, acquisition and life-cycle management of commercial-off-the-shelf radio and television broadcast equipment and systems for all American Forces Radio and Television Service (AFRTS) stations worldwide to include support for all major contingency operations (i.e. OEF and OIF), and for visual information and audiovisual equipment and systems for DoD and other government activities.
- Operates and manages the Pentagon Channel on a 24/7 basis to provide via satellite, base/camp/station cable systems and DoD Internet web sites, DoD news and command information to DoD commands, organizations and audiences in the continental U.S. (CONUS), Hawaii and Alaska. This audience is comprised of active duty members, Reserve, National Guard, retired, civilian and dependent personnel. Overseas, the Pentagon Channel is carried by and provided to the worldwide AFRTS audience on a separate channel.
- Operates and publishes the Stars and Stripes newspaper with European, Pacific and Mid-East editions to serve U.S. forces stationed in the European and Pacific theaters, as well as those deployed around the globe in support of contingency operations. AFIS provides worldwide on an Internet web site complete replica copies of these three

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I. Description of Operations Financed: (continued)

editions to reach those DoD audience members serving in isolated and remote locations that are available to be read online or downloaded and later printed.

- Acquires, schedules, and distributes radio and television programming on the American Forces Network (AFN). AFN broadcasts the best in American news, sports, and entertainment programming - providing a "touch of home" to U.S. service members and their families stationed overseas and onboard Navy ships at sea. AFN is an essential tool used to distribute DoD and Military Service command/internal information to support the morale, readiness, and situational awareness for military forces deployed worldwide.
- Manages, operates, and sustains DoD's official public website, DefenseLINK, and associated websites.

As communications technology evolves, the world is rapidly becoming accustomed to the instantaneous availability of information through the Internet, radio, television, and print sources. Consequently, the role of AFIS as a single, economical source of these services has become increasingly important to the DoD, the Combatant Commands (COCOMs) and the Military Services. AFIS is the Department's primary tool for informing our forces and countering erroneous sources of information through the release of timely and accurate news and information about issues and programs that are important to the Department and the DoD audiences.

To meet these challenges, AFIS increased the number and timeliness of its internal communications and command information products, significantly improved the dissemination and availability of those products to its customers, and continually develops new products and services to meet the increasing public affairs communications requirements of the Department. AFIS continues to leverage technology and automate its operations to overcome the challenge of increasing mission and decreasing, finite resources.

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I. Description of Operations Financed: (continued)

- AFIS has completed and is now reaping the benefits of a multi-year effort to automate a large portion of its broadcast operations at its American Forces Network-Broadcast Center (AFN-BC).
- AFIS is expanding its use of the Internet, CDs and DVDs and related technology to distribute textual and imagery products quickly and easily.
- AFIS is increasing its implementation and use of technology-enabled instruction at the Defense Information School (DINFOS) and is developing distance learning capability to export its training.
- AFIS is integrating disparate technology platforms to manage the storage, retrieval, request, and distribution processes of still and motion imagery.
- The scope of distribution and quantity of AFIS' products continues to grow as the products become increasingly available. This trend is expected to continue in the future.

AFIS' major functions include:

- **OCONUS radio and television broadcasting** of U.S. news, sports, and entertainment programming with overseas AFN distribution to military members, DoD civilians, and their families via more than 700 AFRTS outlets in 177 countries and nearly 300 ships.
- **CONUS (plus Hawaii and Alaska) Radio and Television broadcasting** of DoD and command information, news, current events to active duty, reserve, national guard, retired and their dependents and civilian employees in the U.S. via the Pentagon Channel. This

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I. Description of Operations Financed: (continued)

service is distributed via satellite and Internet to DoD camps, bases and stations for use over their Commander's Access Channels on the base cable systems and directly to homes with the appropriate capability to receive.

- **Production and web-based distribution** of DoD news and command information stories and products. The AFIS news service provides a primary means for the Secretary and senior-level Defense officials to communicate information about significant issues and policies to the DoD internal audience worldwide. The news service gathers information, writes, produces, edits, and publishes on the Internet hundreds of command information products for DoD camps, bases and stations to publish in their local publications and to be used by military and civilian leadership in further explaining the activities of the Department to their personnel. Select, high priority, DoD issues are further emphasized by being developed into "Web Page Specials." All of these products are available to the Department and all Web users. Also associated with this function are the production and distribution of the Current News "Early Bird" and related publications directly supporting senior DoD leadership.
- **Electronically processing, editing, and distributing real-time, joint interest, operational imagery.** AFIS, through its Joint Combat Camera Center (JCCC) in the Pentagon, serves as DoD's central reception, electronic processing, editing, and distribution point for all current joint-interest operational imagery captured by Combat Camera and most Visual Information (VI) and public Affairs (PA) Photographers and Videographers around the globe. The Secretary of Defense, Joint Staff, CoCOMs, Military Departments, State Department, and other organizations in support of several mission areas receive this imagery via satellite and Internet from deployed units worldwide to include ships at sea. Uses include: decision making, time-critical planning requirements, strategic communications, battlefield situational awareness, public affairs, information operations, training, legal, and historical documentation.

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I. Description of Operations Financed: (continued)

Additionally, JCCC prepares large amounts of the collected still and motion imagery for public and media release by DoD and Military Department Public Affairs.

- **Engineering, procurement, and life-cycle management** of off-the-shelf radio and television broadcast equipment, transmitters, and systems for all of the Military Services' radio and television stations worldwide and to support Combatant Commands' contingency operations (i.e. OEF and OIF), as well as for audiovisual and visual information equipment and systems for DoD and other government activities.
- **Collection, cataloging, temporary storage, management, replication, and distribution** of general purpose DoD motion video and still imagery of significant U.S. military operations and activities. This joint service imagery is used by the COCOMs, DoD Components, other government agencies, and private sector in support of operations, training, operational and equipment evaluations, environmental and legal documentation, battlefield damage assessments, and as a primary source of historical data.
- **Collection, cataloging, temporary storage, management, replication, and distribution** of DoD audiovisual productions and other visual information products for use by all DoD Components. These major products are used in support of training, operations, and internal communications.
- **DefenseLINK/publicly accessible websites.** To expedite the various photographic, video-graphic, textual and graphic products produced in support of the DoD public affairs and visual information programs, AFIS has developed a responsive program to utilize DefenseLINK and other associated DoD websites as a means to reach the entire DoD audience in the most expeditious manner possible.

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I. Description of Operations Financed: (continued)

- **Defense Information School provides training in public affairs, broadcast, and visual information.** The Defense Information School (DINFOS), a field activity of AFIS, provides consolidated training for all DoD public affairs, broadcast, and visual information specialists. DINFOS trains approximately 4,300 military, DoD civilian, and international personnel annually in broadcasting, journalism, media relations, Combat Camera, still and video photography, electronic imaging, visual information, graphics, and related equipment maintenance. This consolidated, joint service training provided by DINFOS is and will remain in high demand because of the increasing dependence by the military on the use of high technology computing, video-graphic, satellite transmission, and digital broadcasting equipment.

DINFOS training is at the entry level, and at the mid-career level. Periodic mid-career refresher/update training is required in the career fields taught at DINFOS due to the fast-paced changes in technology and the cross training of military into coalesced career fields.

II. Force Structure Summary: N/A

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III. Financial Summary (\$ in Thousands):

	FY 2006						
	Congressional Action						
A. <u>Subactivities</u>	*FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>	<u>Current Estimate</u>	<u>FY 2007 Estimate</u>
Administration and Servicewide activities	133,306	133,313	-2,452	-1.8	130,861	130,861	135,294
Training and Recruiting (DINFOS)	14,692	14,679			14,679	14,679	15,035
Total	147,998	147,992	-2,452	-1.7	145,540	145,540	150,329

* The FY 2005 Actual column includes \$9,100 thousand of FY 2005 Supplemental funds (PL 109-13), and \$3,000 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

B. <u>Reconciliation Summary</u>	<u>Change FY 2006/FY 2006</u>	<u>Change FY 2006/FY 2007</u>
Baseline Funding	147,992	145,540
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)	-279	
Congressional Adjustments (Earmarks)	-80	
Congressional Adjustments (General Provisions)	-2,093	
Subtotal Appropriated Amount	145,540	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	145,540	145,540
Anticipated Supplemental Reprogrammings		
Price Changes		3,492
Functional Transfers		
Program Changes		1,297
Current Estimate	145,540	150,329
Less: Wartime Supplemental		
Normalized Current Estimate	145,540	

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III. Financial Summary: (\$ in Thousands) (continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		147,992
1. Congressional Adjustments		-2,452
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances	-279	
c. Earmarks -Mitigation of environmental impacts on Indian Lands	-80	
d. General Provisions	-2,093	
1) Sec 8087 - Advisory and Assistance Services	-279	
2) Sec 8125 - Economic Assumptions	-233	
4) Sec 8109 - Excessive Growth in Travel and Transportation	-110	
5) 1 percent Rescission	-1,471	
FY 2006 Appropriated Amount		145,540
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding		145,540
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		145,540
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		145,540
6. Price Change		3,492
7. Functional Transfers		
8. Program Increases		1,366
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		

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III. Financial Summary: (\$ in Thousands) (continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
c. Program Growth in FY 2007	1,366	
1) Labor increase due to must-fund within-grade step increases (Baseline FY 2006, \$27,054 thousand)	53	
2) Fact-of-Life changes - Due to increase in the utility bill for DINFOS and DMC as a result of privatizing Government owned utilities, including gas and electric. (Baseline FY 2006, \$627 thousand)	955	
3) Fact-of-Life changes - Facility maintenance increase at the Defense Media Center. (Baseline FY 2006, \$2,053)	255	
4) Contract increases to support implementation of the Defense Travel System and Wide Area Work Flow System. (Baseline FY 2006, \$63,977 thousand)	103	
9. Program Decreases		-69
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007: Program decreases in various non-labor accounts for efficiencies associated with consolidation of AFIS activities. (Baseline FY 2006, \$49,974 thousand)	-69	
FY 2007 Budget Request		150,329

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News and Information

AFIS news, photography, internal information, and associated products are the primary means by which the Secretary of Defense and other senior defense officials communicate DOD goals, missions, personnel policies and programs, and other critical or important messages to all DoD internal audiences worldwide. These products contribute significantly to the readiness, morale, and welfare of service members, DoD civilian employees and their families, and consequently are distributed to them by the most rapid means available.

AFIS textual news and information products reside on DefenseLink, DoD's official public website for communicating with internal and external audiences, and an electronic mail list server. The number of accesses of products is based on the number of accessions, or "hits," from computer systems from within and outside of Department of Defense sites.

America's Global War on Terrorism has caused AFIS to experience increased demand for virtually all of its web-based products. As a result, AFIS will continue to generate products designed solely for electronic distribution called "Web Specials." There are two types of Web Specials (special feature home pages and extended, in-depth, subject-specific Internet sites). The number of Web Specials developed represents the compilation of a series of multiple electronic products targeted to convey a specific DoD theme, policy, or message.

AFIS also makes a imagery from the DoD Imagery Server available for public access via the DefenseLINK website. Through this website, military and public Internet users are able to view screen resolution photos and associated caption information and download high resolution photos from a collection of DoD images that has been cleared for public release. The number of imagery accesses is expected to increase.

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Other AFIS products currently available on the DefenseLINK include near real-time operational and other general interest photography of DoD activities and radio and television news reports that are broadcast on AFRTS.

There are many internal information stories and associated news products created and published by American Forces Press Service as well as commercially produced products carried in the Current News' Early Bird, Early Bird Supplement, and Radio/TV Dialog. The number of radio and television news reports and Early Birds and associated products posted to the DefenseLINK is expected to remain relatively constant. AFIS expects the number of news products posted to the DefenseLINK to increase.

The increase in electronic accesses for photography, radio news reports, Web Specials, Defense Almanac, electronic news products accessed and distributed, Early Bird, Early Bird Supplement, and Radio/TV Dialog can be directly attributed to a corresponding increase of usage by the Guard and Reserve, an increased production of Web Specials and news products, increased reliance upon Web products for news and information, and increased demand for these products as a result of the America's Global War on Terrorism.

AFIS expects, the demand for AFIS' news and other Web-based products distributed through both the DefenseLINK and other electronic means to continue to increase as more DoD users and other authorized audiences become aware of their availability, gain the means to access the Web, and become more reliant upon Web-based products for news and information.

AFIS news, photography, and associated products support all of the DoD goals by informing all DoD personnel of DoD policies, goals, and objectives, thereby enabling those personnel to more actively and knowingly support them. AFIS news products directly support internal audiences of military personnel, their family members, and DoD civilian employees by directly communicating pertinent and up-to-date information that affects their daily lives

and careers. Keeping forces informed of their leaders' goals and efforts is vital to maintaining a highly motivated, effective, and ready fighting force.

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Defense Information School

Metrics Description: Consolidated Training of All DoD Public Affairs and Visual Information Specialists Resident Student Load	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>
	3,328	3,585	3,629

The Defense Information School (DINFOS) provides joint-service training to Department of Defense military and civilian personnel and international students in the public affairs, visual information, and broadcasting career fields. The student load for the school is based on actual attendance to date and projections by the Military Services for attendance through FY 2007. Programmed funds pay for all base operating support, except those costs directly related to student support (e.g., housing, messing, PCS/TDY travel, etc.), and for the variable costs of operating the school under the student load shown above. Budgeted funds pay for consumable supplies and repair parts used in instruction, support services required to operate the school, and equipment to support the student load.

As the DoD center for organizational communication, the Defense Information School supports DoD Corporate Goal 1 (SHAPE AND RESPOND) by conducting international military training programs, supporting public affairs doctrine and combat development, managing public affairs training and education policy, serving as the DoD organizational communications knowledge center, and participating in Joint training and exercise programs. DINFOS supports DoD Corporate Goal 2 (PREPARE) by conducting residential, mobile, and distance learning training and professional development programs for DoD organizational communicators (public affairs and visual information specialists), and transforming into a career-long professional resource center for organizational communicators, providing support whenever and wherever required via the Internet.

OUTPUT: Deliver total professional development support to organizational communicators

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throughout their careers, whenever and wherever needed.

OUTCOME: DINFOS will aggressively increase relationships with customers through partnerships, conferences, and a new governance process. We will improve our understanding of customer requirements and expand our ability to measure customer satisfaction by expanding our research and analysis efforts to survey customers and DINFOS trainees after they arrive at their duty station. DINFOS will apply its improved understanding of customer requirements to better satisfy customers and trainees with best value training, professional development, events, products and support.

EFFICIENCY: DINFOS will become the DoD organizational communication knowledge management and excellence center.

- Improve knowledge of customer requirements and enhance customer satisfaction.
- Provide best-value training that meets essential customer requirements.
- Enhance Reserve Force training support.
- Provide professional development and professional military education events, products and support.
- Enhance and sustain customer and stakeholder relationships.

To achieve this goal, DINFOS knowledge management initiatives will promote sharing professional information to create communities of practice throughout the Public Affairs (PA) and Visual Information (VI) communities. A PA/VI community of practice will bring practitioners together in joint activities and discussions, thereby strengthening DoD organizational communications. Knowledge and best practices will include PA/VI doctrine, policy, technical and training resources. DINFOS will apply performance management and activity based costing to provide efficient and effective school support services.

- Establish the DoD organizational communication knowledge center.

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- Support PA/VI Service and Joint doctrine development.
- Provide technical reference and consulting services.
- Develop PA/VI training policies and plans.
- Provide efficient and effective school support services and reach back capabilities.
- Prepare PA/VI operators to be force multipliers.

Strategy to achieve this goal: DINFOS will refocus training based on lessons learned to ensure that the PA/VI warfighting capabilities are emphasized as force multiplier assets. We will provide battle-focused training that prepares organizational communications practitioners to enhance the information operations efforts of combatant commanders. Given the challenges of the 21st Century global information environment, DINFOS will train PA/VI personnel to be experts in communicating with words and images ensuring that they are vital members of every commander's staff.

- Provide training that instills knowledge of the PA/VI operational role as a force multiplier.
- Make DINFOS a force multiplier for successful information operations.

Strategy to achieve this goal: DINFOS will identify and provide training and support that will increase the value of PA/VI to information operations. By providing professional resources to PA/VI practitioners through the DINFOS website, DINFOS can provide access to appropriate warfighting expertise including a searchable document repository, issue analysis, best practices, and lessons learned that would contribute to the success of information operations. Through a PA/VI community of practice, practitioners employed in information operations will be able to tap into the experience of the entire PA/VI career field.

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- Provide training that explains the PA/VI relationship to and support of information operations.
- Establish DINFOS as the premier accredited military technical training center and the optimum career assignment for faculty and staff.
- Attract, retain and grow a professional faculty and staff.
- Establish a systematic process to maintain institutional accreditation.

Strategy to achieve this goal: DINFOS will develop staff and faculty to maximize levels of retention and job satisfaction. The Master Instructor Program will serve as the core of our faculty training program making the instructors true professionals in the classroom. DINFOS will continue to expand its information resources management efforts to provide the latest in technological capabilities for training students on the most up-to-date computer systems and programs. DINFOS is an accredited institution and will continue to build on a strong academic foundation to meet or exceed all standards required to remain accredited.

<u>Defense Visual Information Center</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>
Minutes of Motion Media Screened (Accessioned FY07)	96,000 (screened)	110,000 (screened)	35,000 (accessioned)
Customer Requests Completed	4,423	4,500	5,000
Minutes of Motion Media Duplicated (all formats)	550,000	524,000	200,000
Still Images Accessioned	14,642	15,000	29,400
Still Images Reproduced (Hard Copies)	30,784	24,207	13,000
CD-ROMs Distributed	130,611	145,000	150,000
DVDs Distributed	0	0	65,000
Still Images Downloaded	1,014,111	1,650,000	2,000,000

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The Defense Visual Information Center (DVIC) is the official DoD central records center for the storage and preservation of significant visual information records depicting DoD operations and other activities. It provides these products to customers from the DoD, Federal and state agencies, and American public until such time as the records are either transferred to the National Archives and Records Administration or disposed of in accordance with applicable Federal records schedules. Large portions of the DVIC's holdings have been digitized to enable remote electronic access and plans are to digitize the majority of its holdings.

The DVIC's performance criteria reflect the evolution of imagery processes from film to digital technology. It includes the number of imagery items accessioned into DVIC holdings as a measure of the DVIC's mission as a DoD records center; the number of customer requests completed as a measure of the customers who received DVIC products and services; and imagery items requested by and delivered to customers as a measure of the DVIC's output. An imagery product is described as a motion or still media item or minute. The performance criteria provides a better measure of DVIC's efforts to accession and manage DoD record imagery and to satisfy customer's demands for products and services. With the amount of DVIC materials increasingly available on the Internet, the trend of satisfying customer demand via on-line is expected to expand in the foreseeable future. These products are used to directly support military operations, training, information activities, public affairs activities, and many other functions within the DoD.

Motion Media Accessioned (minutes) - In the prior and current year contract motion media screened was the measurable constant with a percentage of the screened material then being accessioned. The new PWS will measure minutes accessioned by the contractor since the government is taking on the screening responsibility. This will result in a Internet increase in the number of minutes accessioned in the out-years.

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Customer Requests Completed - Many major commands (DVIC primary customers) are currently involved with the war effort. With the majority of garrison operations forward deployed there has been a temporary reduction in customer requests. It is expected that in the out-years customer requests will increase with the rotation of commands to stateside and receipt of new imagery from the war effort.

Motion Media Duplication (minutes) - As customer requirements for digitized material continue to escalate we are building our distribution architecture to that of a digital medium and will measure output both in minutes and in items distributed, depending on the product. This will result in a reduction in the duplication of motion media minutes but an increase in the number of items (DVD, etc.) distributed.

Still Images Accessioned - There is an expected increase in FY06 and FY07 due to increased operational tempo for the U.S. military throughout the world and the inclusion of special collections (Stars and Stripes and OASD/PA) imagery.

Still Images Reproduced - Demand for DVIC still imagery holdings is rising as the DoD becomes more technically sophisticated and increases its usage of VI products. DVIC is providing more imagery to customers in a digital format. This trend is expected to continue in the out-years; so, while the total numbers for imagery distribution will continue to increase, the choice of medium will shift, reducing hard copy still demand.

CD-ROMs Distributed - In conjunction with the current increase in CD-ROM distribution there will be an additional increase in output. This will be driven by the transition from analog to digital formats.

DVDs Distributed - In conjunction with CD-ROM distribution larger digital still products and motion media, including productions, will be distributed on DVD medium. We anticipate a gradual growth in this distribution format in the out-years.

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Still Image Downloads - Expanded server capability and bandwidth increases will allow for an increase in the number of high resolution still imagery downloads.

The extensive record holdings of multimedia imagery of DoD operations, which are serviced by the DVIC, are essential to maintaining ready forces by supporting training, operational readiness, communications and public affairs requirements. Military academies and schools integrate DVIC products into their training aids for analysis of past operations and activities and developing new plans, equipment, and procedures. These products also aid in adapting military theories for the transformation of U.S. military forces for the future. Internal and external use of these products enhances the morale, motivation, recruitment, and retention of personnel by informing them of mission expectations and results. Improved information management techniques allow for rapid access to DVIC products at reduced costs and allows for public enlightenment, through the media, about relevant DoD operations and activities. These products also provide a permanent visual record of DoD heritage.

American Forces Radio and Television Service (AFRTS) and Defense Media Center (DMC)

<u>American Forces Network (AFN)/The Pentagon Channel:</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
RADIO & TELEVISION BROADCASTING			
Countries receiving radio and TV programming	177	177	177
Navy ships receiving radio & television programming	300	300	300
Hours of radio news, sports & info, 24 hours/day (5 channels)	43,800	43,800	43,800
Hours of radio music service, 24 hours/day (7 channels)	61,320	61,320	61,320
Hours of TV programming, 24 hours/day (8 channels)	70,080	70,080	70,080
TV & radio news programs produced by Pentagon Channel News Center	2,024	2,128	2,264
Number of radio/TV internal information spots produced	350	350	350
Pentagon TV Channel (24 hours a day/7 days a week)	8,760	8,760	8,760

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American Forces Radio and Television Service (AFRTS) communicates DoD policies, priorities, programs, goals and initiatives via its American Forces Network (AFN) satellite programming platform, which reaches DoD service members, civilians, co-located State Department members and their families overseas, and sailors onboard Navy ships. AFRTS also sets policy, manages worldwide resources including manpower standards, fiscal, equipment, maintenance and engineering assets for the AFN network and the Pentagon Channel.

The internal information provided to U.S. Navy ships has been significantly enhanced by the live reception of AFRTS TV (Direct-to-Ship) (DTS)) satellite transmissions that provide three channels of television, three radio services, and textual products such as *Stripes Lite* and the *Early Bird*.

The Pentagon Channel, a TV program service, broadcasts DoD and the primary Military Services' internal information programs, as well as live Pentagon events and briefings. This television service provides the U.S. and overseas audience immediate access to this information on a daily basis.

DoD radio and television internal information spots and news products are used to replace commercials in programming and provide DoD level information and news to the soldiers, sailors, airmen, Marines, DoD civilians and their families stationed overseas.

The Defense Media Center (DMC) is the sole source for procuring, acquiring, scheduling, and distributing stateside radio and television news, sports, and entertainment programming to authorized audiences worldwide. Through its broadcast center operation in Riverside, CA, DMC serves as the broadcast hub for the American Forces Network (AFN), providing satellite delivering of eight distinct channels of television, 12 channels of radio, overseas distribution of the Pentagon Channel, and program delivery to the Navy's Direct-to-Sailor (DTS) program. DMC contributes directly to the DoD corporate goals of

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keeping the U.S. military force serving overseas in touch, informed, and motivated to carry out for their mission.

The DMC also designs, acquires, and delivers highly reliable and available broadcast production and transmission equipment, systems, supplies, and life-cycle support services to AFRTS contingency operations and the Military Departments in a rapidly changing high technology environment.

- o **OUTPUT:** The DoD single source for commercial off the shelf broadcasting production, transmission equipment and systems for AFRTS customers in the DoD.
- o **OUTCOME:** Highly reliable and available broadcast production and transmission equipment and systems of DoD and Military Services' AFRTS operations.
- o **EFFICIENCY:** The standardization, design, and performance of equipment and systems enhance interoperability for joint operations, worldwide use, and reduce downtime and maintenance/repair costs.
- o **QUALITY:** Customer satisfaction surveys indicate users are receiving outstanding equipment and systems that are interoperable and perform to, or better than the specifications requested.

JVISDA	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>
Number of Titles of New/Initial Distribution (Ids) AV Productions Distributed/VIDEO	100	92	85
Number of Copies of New/Initial Distribution (Ids) AV Productions Distributed/VIDEO	8,147	7,495	6,895
Number of Titles of Visual Information Products Distributed CD-ROMS/DVD	222	250	300
Number of Copies of Visual Information Products distributed CD-ROMS/DVD	130,611	145,000	150,000
Number of Minutes for new Titles/Initial Distribution (Ids) AV Production Copies	187,381	172,385	158,585

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The mission of the DoD Joint Visual Information Services Distribution Activity (JVISDA) is to reproduce and distribute to US Forces worldwide current visual information and other multimedia training products created by the military services. Serves as the DoD activity for the lifecycle management of these products. With the amount of JVISDA materials increasingly available via the World Wide Web (WWW), the trend for satisfying customer demands via on-line is expected to expand in the foreseeable future. These products are in direct support of the warfighter worldwide in order to enhance and promote operations, training, and information.

Number of Titles of New/Initial Distribution (IDs) AV Productions Distributed:

The decrease in Titles of New/Initial Distribution AV Productions is the result of the military services making fewer new videotape productions.

Number of Copies of New/Initial Distribution (IDs) AV Productions Distributed:

The decrease in Audiovisual Production (AV) copies distributed is the result of the Military Services requesting less copies of new video production programs/Initial Distribution for point-to-point distribution.

Number of Titles of Visual Information Products Distributed:

The increase in titles is the result of the Military Services producing more CD-ROM/DVD titles versus videotape titles. The increase is the result of the Military Services requesting more copies of CD-ROM/DVD productions for point-to-point distribution.

Number of Minutes for new Titles/Initial Distribution (IDs) AV Production Copies:

The decrease in Audiovisual Production (AV) copies distributed is the result of the Military Services requesting less copies of new video production programs/Initial Distribution for point-to-point distribution.

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JVISDA products, by design, are training, educational, internal information and recruiting, and directly contribute to DoD corporate level goals by maintaining ready forces and ensuring they have the training necessary to provide the United States with the ability to shape the international security environment and respond to a full spectrum of crises. These products also directly support the DoD with the capabilities to recruit, retain, and develop personnel to maintain a highly skilled and motivated force capable of meeting tomorrow's challenge.

	FY2005	FY2006	FY2007
Joint Combat Camera Center			
Registered Users of Defense Imagery Server (DIS)	18,500+	25,000+	33,000+
Customer Imagery Requests Completed (Still/Video)	750S / 500V	750S / 500V	750S / 500V
Subscriber Accounts on DoD Image Gallery List Serve	7,527	11,000	14,000
Still Images Processed and Posted DIS	64,000	70,000	75,000
Total Images Accessed/Viewed on DIS	70,202,799	80,000,000	90,000,000
Total High-Resolution Images Downloaded from DIS	1,317,708	1,500,000	1,800,000
Average Unique IP's Accessing DIS Daily	5,600	6,000	6,500
Video Footage Received and Edited by JCCC	300.0 hours	400.0 hours	500.0 hours

The Joint Combat Camera Center (JCCC) serves as DoD's central reception, electronic processing, editing, and distribution point for all current joint-interest operational imagery captured by Combat Camera (COMCAM) and most Visual Information (VI) and Public

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Affairs (PA) Photographers and Videographers around the globe. The Secretary of Defense, Joint Staff, Combatant Commands, Military Departments, State Department, and other organizations in support of several mission areas use this imagery, received via satellite and Internet from deployed units worldwide to include ships at sea.

Customer Imagery Requests Completed (Still/Video) - JCCC receives still and video imagery requests daily from various DoD, DoS, and other government agency customers. These requests typically include website/library searches for specific still or video imagery, printing of still images, and recording of still or video imagery onto CDs, DVDs, or videotape. Working closely with OASD/PA many of these images and videos are also provided directly to the Media and other civilian customers.

Subscriber Accounts on DoD Image Gallery List Serve - The DoD Image Gallery is a list serve product containing 3-12 still images e-mailed to over 7,500 subscribers daily. These subscribers are not just the general public but contain numerous media contacts from around the world. Since all of the images are cleared for public release the Image Gallery is available to the general public via a list serve subscription. Each of the images are electronically linked to the DIS and can be downloaded as a high-resolution, low-resolution, or e-mailed file. The subscriber base for this product has increased 181% over FY-2004 and continues to grow daily.

Still Images Processed and Posted to DIS - More than 64,000 still images were posted to the DIS during FY-2005. This number represents a large portion of all still imagery transmitted to the JCCC during the year, with the remaining culled out for redundancy or inferior technical quality.

Total Images Accessed/Viewed on DIS - Over 70.2 million images were accessed on the DIS during FY-2005. This number represents all still images that were viewed or downloaded in high or low-resolution format by registered users.

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Total High-Resolution Images Downloaded from DIS - Over 1.3 million still images were downloaded in high-resolution format from the DIS. High-resolution image files are predominantly used for photo-quality printing in both large and small formats.

Average Unique IP's Accessing DIS Daily - The Defense Imagery Server averages more than 5,600 visits each day from unique, individual IP addresses. This equates to 25% of all registered users viewing or downloading imagery every day.

Video Footage Received and Edited by JCCC - The JCCC received nearly 300 hours of video footage, from service Combat Camera, Public Affairs and Visual Information units in FY-2005. Most of this footage was received via digital transmissions over Internet Protocols using FTP & Fast File Transfer. Some, however, were received in cooperation with AFRTS, via a NORSAT Satellite video link from Baghdad, Iraq to the Pentagon in Washington, DC. With the advent of new and more effective and efficient IP technologies, JCCC projects a substantial increase in video products received from around the world.

Stars and Stripes

Strategic Objective: Publish a daily (local) newspaper for OCONUS DoD Military and Civilians

The Stars and Stripes Newspaper is uniquely positioned to provide and maintain unit and individual readiness, quality of life and Morale support through dissemination of news and information important to the command environment and individual reader interests and entertainment.

OUTPUT: Circulation of 45,000 papers daily with an estimated 4:1 pass along rate.

OUTCOME: The survey of overseas Combatant Commands rates the *Stars and Stripes* as "fair" to "good" for accomplishing its mission.

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EFFICIENCY: Stars and Stripes reaches approximately 180K military and DoD personnel daily. The daily cost to the taxpayer is just 16 to 17 cents per reader.

Notes: This metric refers to cost associated with physically producing a Newspaper (i.e., paper, ink, plates, etc.); no value is assigned for the information and ideas actually printed.

Strategic Objective: Ensure readers have adequate information to exercise their 1st Amendment rights as US Citizens.

Stars and Stripes is dedicated to independent and unbiased news and information of the highest quality as a service to the U.S. military community overseas in peace and war with coverage of daily news and information making possible the continued, informed exercise of responsibilities of citizenship by DoD personnel and their families overseas.

OUTPUT: A daily newspaper that furnishes the readership with source information from all major news and wire services

OUTCOME: According to reader surveys, Stars and Stripes compared favorably against local hometown newspapers from around the US. This results in a better-informed service member.

EFFICIENCY: Reader complaints and survey results state the reporting within Stars and Stripes is fair and balanced. The cost of gathering and transmitting this information is just 2 cents a day per reader to the taxpayer.

QUALITY: Readership surveys rate *Stars and Stripes* as preferable to USA Today.

Notes: The metrics for information refers to the cost associated with the value of the ideas represented in the "News" in the paper that allows for an informed public.

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Strategic Objective: Archive Historical Information

Description: As an initiative, *Stars and Stripes* will continue to conserve and archive articles and information of importance to the military community overseas and make them available to become the most responsive, accurate, inclusive, and truthful source of information.

OUTPUT: To date, Stars and Stripes has archived 54 years of newspapers

OUTCOME: Stars and Stripes has fulfilled 1,300 requests per year for archived documents and has a goal of a "Not Available" rate of 1% or less.

EFFICIENCY: It takes 60 days to accession a year of publications and have them readily available to the public.

QUALITY: A Post accession condition report indicates that 90 % have shown no deterioration on quality.

Note: Costs associated with the physical act of archiving articles. No value is given to the original article or production costs.

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V. <u>Personnel Summary</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>FY</u> <u>2007</u>	Change FY 2005/ <u>FY 2006</u>	Change FY 2006/ <u>FY 2007</u>
<u>Active Military End Strength (E/S) Total</u>	267	317	317	50	0
Officer	30	46	46	16	0
Enlisted	237	271	271	34	0
 <u>Civilian End Strength</u>					
U.S. Direct Hire	235	263	263	28	0
 <u>Active Military Average Strength Total)</u>	267	317	317	50	0
Officer	30	46	46	16	0
Enlisted	237	271	271	34	0
 <u>Civilian FTEs</u>					
U.S. Direct Hire	263	263	263	0	0
 Average Annual Civilian Salary (\$ in thousands)	72	83	86	11	4

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

<u>OP 32 Line</u>	<u>*FY 2005 Actuals</u>	<u>Change FY 2005 / FY 2006</u>		<u>FY 2006 Estimate</u>	<u>Change FY 2006 / FY 2007</u>		<u>FY 2007 Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
101 Total Civilian Personnel							
Compensation	22,958	712	3,384	27,054	839	53	27,946
308 Total Travel	1,263	30	-503	790	17	0	807
771 Commercial							
Transportation	832	17	167	1,016	21	0	1,037
912 Rental Payments to GSA (SLUC)	1,635	41	268	1,944	49	-8	1,985
913 Purch Utilities (Non-Fund)	468	11	148	627	13	955	1,595
914 Purch Communications (Non-Fund)	26,702	606	-5,802	21,506	441	-20	21,927
915 Rents (Non-GSA)	0	0	49	49	1	0	50
917 Postal Services (U.S.P.S)	56	0	4	60	1	-1	60
920 Supplies & Materials (Non-Fund)	27,118	651	-24,655	3,114	69	-4	3,179
921 Printing & Reproduction	103	3	3,672	3,778	83	-4	3,857
922 Equipment Maint/Contract	7,612	183	-2,668	5,127	113	-5	5,235
923 Facility Sust, Restor, & Modern/Contract	1,907	46	100	2,053	45	253	2,351
925 Equipt Purchases (Non-Fund)	7,372	177	5,425	12,974	285	-13	13,246
989 Other Contracts	48,426	1,197	14,354	63,977	1,493	103	65,573

AMERICAN FORCES INFORMATION SERVICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

<u>OP 32 Line</u>	<u>*FY 2005</u> <u>Actuals</u>	<u>Change</u> <u>FY 2005 / FY 2006</u>		<u>FY 2006</u> <u>Estimate</u>	<u>Change</u> <u>FY 2006 / FY 2007</u>		<u>FY 2007</u> <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
673 DFAS	946	-26	18	938	-90	-1	847
672 PRMRF Purchases	600	-126	59	533	112	-11	634
Total	147,998	3,522	-5,980	145,540	3,492	1,297	150,329

* The FY 2005 Actual column includes \$9,100 thousand of FY 2005 Supplemental funds (PL 109-13), and \$3,000 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

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Fiscal Year (FY) 2007 Budget Estimates

Civil Military Programs (CMP)



February 2006

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CIVIL MILITARY PROGRAMS
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 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
Agency	104,719	2,513	6,301	113,533	2,498	-9,528	106,503

* The FY 2005 Actual column includes \$0 thousand of FY 2005 Supplemental funds (PL 109-13), and \$0 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

I. Description of Operations Financed:

Civil Military Programs DoD Civil Military Programs encompass outreach/service programs identified as: 1) the National Guard Challenge Program; 2) the DoD Innovative Readiness Training Program; and 3) the DoD STARBASE Program.

The National Guard Youth Challenge Program (32 U.S.C. 509) is a youth development program managed by the Assistant Secretary of Defense, Reserve Affairs, and operated by the National Guard Bureau. This program improves the life skills and employment potential of participants by providing military-based training and supervised work experience, together with the core program components of assisting participants to receive a high school diploma or its equivalent, leadership development, promoting fellowship and community service, developing life coping skills and job skills, and improving physical fitness, health and hygiene. It currently operates in 25 states and one territory, in accordance with agreements between the National Guard Bureau, the Governors, and Adjutant Generals of those locations. The eighteen-month program consists of three phases: a two-week pre-Challenge residential phase, a 22-week residential phase, and a 12-month post-residential phase.

The Innovative Readiness Training Program (IRT) (10 U.S.C. 2012) is managed by the Assistant Secretary of Defense, Reserve Affairs and operated by the military services in the U.S., its territories and possessions, and the Commonwealth of Puerto Rico, to provide expanded military readiness training in engineering, health care and transportation.

CIVIL MILITARY PROGRAMS
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (Continued)

The IRT program is analogous to the Overseas Deployment Training Program. Combat support and combat service support units and individuals provide the critical link between military and civilian communities by training in a realistic, hands-on setting that offers incidental benefit to local communities. A key example is the Alaskan Road Project, Annette Island, and Arkansas. These projects provide important military engineer and construction training, while simultaneously building a needed transportation artery within the local community.

The DoD STARBASE Program (10 U.S.C. 2193) is managed by the Assistant Secretary of Defense, Reserve Affairs, and operated by the military services. The program improves knowledge and skills of students in kindergarten through twelfth grade in mathematics, science, and technology. The program targets "at risk" (minority and low socio-economic) students and utilizes instruction modules specifically designed to meet specific math and science objectives. A motivational module is included to teach children how to set and achieve goals, take positive action in their lives, and build strong self-esteem. The program currently operates in 50 locations throughout the U.S. The Air Force, Air National Guard, Air Force Reserve, Navy, Navy Reserve, and Marine Corps participate in the program.

The Outdoor Odyssey Youth Development and Leadership Academy Program operates through a grant under the auspices of the Assistant Secretary of Defense, Reserve Affairs. Located at Roaring Run Camp, Somerset County, Pennsylvania, the program was designed to target "at-risk" youths and provide them the opportunity to participate in exercises and activities which develop self-esteem, confidence, respect and trust in others. Congress has added funds for this program in the past. The Department has included no funds in FY 2007 for the program.

II. Force Structure Summary: None

CIVIL MILITARY PROGRAMS
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

	<u>FY 2006</u>						
		<u>Congressional Action</u>					
A. <u>BA Subactivities</u>	<u>FY 2005</u> <u>Actuals</u>	<u>Budget</u> <u>Request</u>	<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>	<u>Current</u> <u>Estimate</u>	<u>FY 2007</u> <u>Estimate</u>
1. ChalleNGe	71,741	67,626	11,565	17.1	79,191	79,191	70,706
2. Innovative Readiness Training	16,050	17,370	0	0	17,370	17,370	20,000
3. Walking Shield	1,140	0	0	0	0	0	0
4. STARBASE	15,070	15,472	1,000	6.5	16,002	**16,472	15,797
5. Outdoor Odyssey	748	0	470		500	500	0
Total	104,719	100,468	13,035	13.0	113,063	113,533	106,503

** Includes \$470K no-year funds carried over.

B. <u>Reconciliation Summary</u>	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	100,468	113,533
Congressional Adjustments (Distributed)	14,500	
Congressional Adjustments (Undistributed)	-217	
Adjustments to Meet Congressional Intent	0	
Congressional Adjustments (General Provisions)	-1,688	
Subtotal Appropriated Amount	113,063	
Fact-of-Life Changes (CY to CY Only)	0	
Subtotal Baseline Funding	113,063	
Anticipated Supplemental	0	
Reprogrammings	0	
Price Changes	0	2,498
Functional Transfers	n/a	
Program Changes	n/a	-9,528
Current Estimate	113,533	106,503
Less: Wartime Supplemental	0	
Normalized Current Estimate	113,533	

CIVIL MILITARY PROGRAMS
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

III. Financial Summary (\$ in Thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		100,468
1. Congressional Adjustments		
a. Distributed Adjustments	14,500	14,500
b. Undistributed Adjustments - Unobligated Balances	-217	-217
c. Adjustments to meet Congressional Intent - 1% Rescission	-1,143	-1,143
d. General Provisions		-483
1) Sec 8087 - Advisory and Assistance Services	-217	
2) Sec 8125 - Economic Assumptions	-181	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-85	
e. Congressional Earmarks - Indian Lands Environmental Impact	-62	-62
FY 2006 Appropriated Amount		113,063
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Change - No-Year Carryover		470
FY 2006 Baseline Funding		113,533
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		113,533
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		113,533
6. Price Change	2,498	2,498
7. Functional Transfers		
8. Program Increases		
9. Program Decreases		
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases - Congressional add not carried forward		-9,528
c. Program Decreases in FY 2007		
FY 2007 Budget Request		106,503

CIVIL MILITARY PROGRAMS
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

The Office of the Assistant Secretary of Defense, Reserve Affairs has policy oversight and control over the DOD Civil Military Programs. Evaluation of the program is made by the Secretary, Deputy Secretary, the Under Secretary of Defense (Personnel and Readiness) and the Assistant Secretary of Defense (Reserve Affairs).

Challenge Youth Program Target Enrollment by Fiscal Year

<u>STATE</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Alaska	200	200	200
Arkansas	131	200	200
Arizona	224	224	224
California	300	200	300
Florida	250	220	220
Georgia	600	600	600
Hawaii	200	200	200
Illinois	707	675	675
Kentucky	220	200	200
Louisiana	1000	850	850
Michigan	200	200	200
Mississippi	400	400	400
Montana	200	200	200
North Carolina	200	200	200
New Jersey	200	200	200
New Mexico	200	200	200
Oklahoma	250	250	250
Oregon	220	200	200
Puerto Rico	200	200	200
South Carolina	450	200	200
Texas	200	200	200
Virginia	258	200	200
Washington	0	0	100
Wisconsin	200	219	219
West Virginia	200	200	200
Wyoming	0	100	200
TOTALS	6,838	6,938	7,238

CIVIL MILITARY PROGRAMS
Operation and Maintenance, Defense-Wide
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STARBASE Program Sites by Fiscal Year:

<u>Service</u>	<u>Number of Sites</u>		
	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>
USAF/AFR/ANG	38	37	38
Navy/Navy Reserve/Marine Corps	<u>12</u>	<u>15</u>	<u>16</u>
TOTALS	50	52	54

CIVIL MILITARY PROGRAMS
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2007 Budget Estimates

V. Personnel Summary: None

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

<u>Sub-program</u>	Change <u>FY 2005/FY 2006</u>				Change <u>FY 2006/FY 2007</u>				<u>FY 2007 Program</u>
	<u>FY 2005 Program</u>	<u>Price Rate</u>	<u>Price Growth</u>	<u>Program Growth</u>	<u>FY 2006 Program</u>	<u>Price Rate</u>	<u>Price Growth</u>	<u>Program Growth</u>	
	National Guard Youth Challenge	71,741	2.4	1,693	6,962	79,191	2.2	1,743	
Innovative Readiness Training	16,020	2.4	384	966	17,370	2.2	382	2,248	20,000
Walking Shield	1,140	2.4	72	-3,072	0	2.2	0	0	0
STARBASE	15,070	2.4	352	1,455	16,472	2.2	362	-1,037	15,797
Outdoor Odyssey	748	2.4	12	-10	500	2.2	11	-512	0
Total	104,719		2,513	6,301	113,533		2,498	-9,528	106,503

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Fiscal Year (FY) 2007 Budget Estimates Defense Acquisition University (DAU)



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DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

Budget Activity (BA) #3: Training

	FY 2005 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
DAU	103,421	2,859	-1,579	104,701	2,379	-2,409	104,671

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

I. Description of Operations Financed:

The Defense Acquisition University (DAU) is a government "corporate" university of the Department of Defense, Office of the Under Secretary of Defense (Acquisition, Technology, and Logistics) (DoD USD (AT&L)). To accomplish its mission of *providing practitioner training and services* to over 134,000 Department of Defense employees across 15 career fields, DAU provides a full range of certification training required for advancement, assignment-specific training, performance support, continuous learning opportunities, and knowledge sharing. In addition, DAU provides travel funds to the Service students to cover travel and per diem costs for the personnel that are brought to the various DAU campuses to be trained.

Established on August 1, 1992, the DAU is authorized by Title 10, United States Code 1746 and is chartered by Department of Defense Directive 5000.57. DAU maintains a headquarters staff for centralized academic oversight, a robust curriculum development center, and an e-learning and technology development directorate at Fort Belvoir, Virginia. In addition, DAU has five regional campuses strategically located where there is a high concentration of DoD AT&L workforce members.

DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (Continued)

- **West** - San Diego, California (serves workforce of 26,000)
- **Midwest** - Wright Patterson Air Force Base, Ohio (serves workforce of 20,000)
- **South** - Huntsville, Alabama (serves workforce of 27,000)
- **Mid-Atlantic** - Patuxent River, Maryland (serves workforce of 23,000)
- **Capital and Northeast** - Fort Belvoir, Virginia (serves workforce of 37,000).
The DSMC-School of Program Managers for executive and international training is also at Fort Belvoir.

DAU's products and services include more than training. To meet all its learning and development requirements, DAU created an overarching learning strategy, the **Performance Learning Model (PLM)** that promotes career-long learning and achievement. The PLM includes four main thrusts:

- Certification and assignment-specific training through resident training, hybrid, and distance learning courses
- Continuous learning through DAU's continuous learning modules
- Performance support through consulting, rapid deployment training, and targeted training
- Knowledge sharing through the AT&L Knowledge Sharing System (AKSS) and Acquisition Community Connection (Communities of Practice).

By developing and adopting this new learning strategy, DAU rapidly changed the traditional training paradigm of instruction limited to the classroom, to one that provides learning solutions 24 hours a day, seven days a week - the concept of anytime,

DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
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I. Description of Operations Financed: (Continued)

anywhere learning. With implementation of the PLM, the 134,000 workforce members now have more control over their career-long learning opportunities.

DAU strives to provide its customers with relevant learning solutions, a responsive faculty and staff, and a continuous connection to the broader AT&L community. Feedback and evaluation are imperative to becoming a "premier corporate university." DAU established robust evaluation and feedback mechanisms for each product and service to ensure DAU meets the community's needs. DAU carefully analyzes comments and results and makes timely, effective enhancements to the learning solutions.

AT&L Performance Learning Model (PLM):

The centerpiece of the DAU experience is the AT&L Performance Learning Model. This learning and development strategy provides each member of the AT&L Workforce with more control over his or her career-long learning opportunities. The PLM extends the learning experience from traditional classroom instruction to a variety of learning solutions that are available anytime, anywhere.

The four **PLM components include:**

- **Training** through web-enabled, hybrid, and classroom courses that include case-based instruction aimed at developing critical thinks.
 - **Training Courses: Certification, Assignment-specific, Executive and International:** DAU delivers more than 1,200 course offerings per year in a

DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (Continued)

classroom setting at one of our five regional campuses, ten satellite locations, or via the internet. Courses are also taught at customer sites. At the end of each course, DAU surveys students on several aspects of the course including course content, course work, faculty, and job applicability. For in-resident course, students take the survey on-line while they are still in the classroom. For distance learning courses, students must answer the survey before they can print the course completion certificate. Faculty members and course managers have full access to the results for their courses. Both faculty and course managers review results and work to address shortfalls. For selected courses, DAU e-mails follow-up surveys to students and their managers after 60 days. For some courses, DAU tries to determine the impact of the training on the organization after six months.

- **Continuous Learning** with self-paced, relevant training modules, available 24/7, to help meet continuous learning requirements and improve job performance;
 - **Continuous Learning Modules.** Our Continuous Learning Center (CLC) contains self-paced continuous learning modules that are available 24/7 to help meet continuous learning requirements and improve job performance. A course feedback survey is at the end of each DAU-developed Continuous Learning Module. Students must complete this survey before they receive their completion certificated. Course owners incorporate course improvements based on review of the survey results. Non-course comments or site specific technical questions about the CLC are e-mailed to our help desk.

DEFENSE ACQUISITION UNIVERSITY
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I. Description of Operations Financed: (Continued)

- **Performance Support** with rapidly delivered business solutions offered to students and their organizations supplementing the classroom experience through on-site consulting, targeted train, and rapid deployment training;
 - **Consulting, Targeted Training, and Rapid Deployment Training.** DAU provides performance support services to DoD and other government agencies to help them resolve individual projects and agency-level acquisition problems. DAU also provides immediate training on new policy initiatives. At the end of each consulting effort, the customer is asked to provide feedback. Following each targeted training event, students respond to an on-line course survey similar to the one used for certification and assignment-specific courses. DAU incorporates course improvements for both consulting and targeted training efforts.
- **Knowledge Sharing** through the AT&L Knowledge Sharing System and the Acquisition Community Connection connect with experts, peers, and technical resources.
 - **AT&L Knowledge sharing System, Acquisition Community Connection, and Virtual Library.** DAU hosts the AT&L Knowledge Sharing System (AKSS) and the Acquisition Community Connection (ACC). AKSS is the central gateway for all AT&L resources and information. ACC is the collaborative arm of AKSS with a variety of knowledge communities of practice. Users of DAU's knowledge sharing systems are asked to provide feedback through on-line comment areas. On the AKSS homepage, they can just click the "we want your feedback - again" button. Users of the ACC can provide feedback through the "contact us" link. DAU reviews comments weekly and incorporates improvements and suggestions as appropriate.

DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (Continued)

Building Compelling Evidence of Results for Our Stakeholders.

DAU has successfully met its challenge of serving significantly increasing numbers of students with no real increase in budget by improving in many areas. Since 1998, DAU increased students trained from 33,000 to 109,000 per year while reducing the faculty/staff from 643 to 540 and student travel costs from \$31M to \$17M per year. In FY 2005, the average cost per student is \$944, decline of 42% from 1998 which yields over \$50 million in projected cost avoidances over the next five years. This has allowed reprioritization of resources into e-learning initiatives, curricula modernization, and other greater initiatives. DAU's current faculty receives high marks from students and their supervisors Sven as cost per student has dropped dramatically. Along with our sector leadership recognition as a best-in-class corporate university (listed below), this provides stakeholders with compelling evidence that DAU has a considerable value-added contribution to the overall all mission of the organization:

2002 - Corporate University Best-in-Class (CUBIC) Awards

- Leader of the Year
- Best Overall Corporate University
- Best Virtual Corporate University / Best Use of Technology
- Runner-up Most Innovative Corporate University

2003 - Gold medal winner of Brandon Hall Best Practices for e-Learning

2003 and 2004 - Winner of the American Society of Training and Development BEST Award

(2004 1st place among 83 organization world-wide)

2003 - Winner of Corporate University Xchange Excellence Award for Measurement

2003 - Selected in Training Magazine Top 100

2004 - Selected by CLO Magazine for Two Best Practices

2004 - Chief Learning Officer of the Year by CLO Magazine

DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (Continued)

2005 - Top Leadership Development Program in Government from Executive Excellence Publishing

2005 - U.S. Distance Learning Award Winner from USDLA

DAU is also accredited by the Council on Occupational Education and has been featured in major magazines.

II Force Structure: N/A

III. Financial Summary (\$ in Thousands)

	FY 2005 Actuals	Budget Request	FY 2006			Current Estimate	FY 2007 Estimate
			Congressional Action				
A. Budget Activity (BA) 3			Amount	Percent	Appropriated		
Training							
Professional Development	103,421	105,601	-1,749	-1.7	103,852	104,701	104,671
Total	103,421	105,601	-1,749	-1.7	103,852	104,701	104,671

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

DEFENSE ACQUISITION UNIVERSITY
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2007 Budget Estimates

III. Financial Summary (\$ in Thousands):

<u>B. Reconciliation Summary</u>	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	105,601	104,701
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)- Unobligated Balances	-199	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-1,493	
Congressional Earmarks	-57	
Subtotal Appropriated Amount	103,852	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	103,852	104,701
Anticipated Supplemental Reprogrammings		
Price Changes		2,379
Functional Transfers	849	
Program Changes		-2,409
Current Estimate	104,701	104,671
Less: Wartime Supplemental		
Normalized Current Estimate	104,701	104,671

DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

III. Financial Summary (\$ in Thousands):

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request (Amended, if applicable)		\$105,601
1. Congressional Adjustments		-1,749
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances	-199	
c. Adjustments to meet Congressional Intent		
d. General Provisions	-1,493	
1) Sec 8087 - Advisory and Assistance Services	-199	
2) Sec 8125 - Economic Assumptions	-166	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-78	
4) 1 percent Rescission	-1,050	
e. Congressional Earmarks - Indian Lands Environmental Impact	-57	
FY 2006 Appropriated Amount		\$103,852
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
a. Functional Transfers		849
1) Transfers In		
a. DoD Defense Acquisition Career Manager (DACM) transfers from DLA to DAU. Includes two civilian billets and associated labor and non-labor funding.	849	
FY 2006 Baseline Funding		\$104,701
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		\$104,701

DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

III. Financial Summary (\$ in Thousands):

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		\$104,701
6. Price Change		2,379
7. Functional Transfers		
8. Program Increases		52
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007: Supplies deferred from FY06 to support approved Military to Civilian conversions (FY 2006 Baseline: \$1,673 thousand)	52	
9. Program Decreases		-2,461
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007	-2,461	
1) Student and DAU faculty/staff travel (FY 2006 Baseline: \$18,748 thousand)	-1,000	
2) Contract Services due to slight decrease in number of course offerings (FY 2006 Baseline: \$20,662)	-1,461	
FY 2007 Budget Request		\$104,671

DEFENSE ACQUISITION UNIVERSITY
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Fiscal Year (FY) 2007 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Evaluation is an important part of ensuring quality and mission success. DAU uses several methods to link and assess the impact of learning on individual and organizational performance. DAU uses the results of its evaluation program to improve faculty performance, delivery, facilities, content, curricula, relevance to the job, applicability, and impact on the organization. Evaluation data, comparatives, benchmarking, and trends are also a key element in DAU's overall performance measurement program. DAU evaluates all of its products and services to over 90,000 graduates per year. It is vital to show substantial evidence of "value-added contributions" to our stakeholders.

Each quarter during the Enterprise Performance Review and Analysis (EPRA), DAU reviews the quarter's performance and progress for all performance targets and selected operational metrics. At the end of the year, a enterprise-wide program review is conducted during the last quarter's EPRA and management decisions are made in regard to past performance in regard to next year annual performance plan and program funding and continuance.

Improvements brought about by the management processes implemented above yield the timely and reliable financial management data necessary to achieve the remarkable results DAU has achieved. As a result, management decisions are made based on in the context of past results and resources are allocated as appropriate. Specifics: Tracking and reporting macro models, comparative analyses and benchmarking by other organizations and internally comparing courses, regions, faculty, delivery methods, and environments.

DEFENSE ACQUISITION UNIVERSITY
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2007 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

	<u>Actual FY 2005</u>	<u>Workload Estimate FY 2006</u>	<u>Workload Estimate FY 2007</u>
Number of Offerings			
Resident	893	926	918
On-Site	414	321	321
Web-based	437	404	348
Total	1,744	1,651	1,587
Number of Students Trained			
Army	32,025	32,993	34,640
Navy	28,352	29,320	30,790
Air Force	25,233	26,201	27,510
DoD	12,669	13,637	14,320
Other	11,387	12,355	12,970
Total	109,666	114,506	120,230
Budget Activity #3:			
Training	\$103,421K	\$104,701K	\$104,671K
Avg Cost per Student	\$944	\$914	\$871

DEFENSE ACQUISITION UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

V. Personnel Summary:

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY 2005/</u> <u>FY 2006</u>	<u>Change</u> <u>FY 2006/</u> <u>FY 2007</u>
<u>Active Military End Strength (E/S) (Total)</u>	84	103	103	+19	-
Officer	53	66	66	+13	-
Enlisted	31	37	37	+6	-
 <u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	419	441	441	+22	-
 <u>Active Military Average Strength (A/S) (Total)</u>	84	103	103	+19	-
Officer	53	66	66	+13	-
Enlisted	31	37	37	+6	-
 <u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	414	437	437	+23	-
Memo: Military Technician Included	-	-	-	-	-
Memo: Reimbursable Civilians Included	-	-	-	-	-
Average Annual Civilian Salary	\$115,220	\$121,002	\$123,936	+5,782	+\$2,934

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

	FY 2005 Actual	Change from <u>FY 2005 to FY 2006</u>		FY 2006 Estimate	Change from <u>FY 2006 to FY 2007</u>		FY 2007 Estimate
		Price Growth	Program Growth		Price Growth	Program Growth	
101 Exec, Gen and Special Schedule	47,292	1,513	3,652	52,457	1,272		53,729
103 Wage Board	409	13	-1	421	10		431
199 TOTAL CIV PERS COMPENSATION	47,701	1,526	3,651	52,878	1,282		54,160
308 Travel of Persons	20,943	503	-2,698	18,748	412	-1,000	18,160
399 TOTAL TRAVEL	20,943	503	-2,698	18,748	412	-1,000	18,160
633 Defense Publication and Printing Svc	1,612	39		1,651	36		1,687
699 TOTAL PRINTING & PUBLICATION SVCS	1,612	39		1,651	36		1,687
912 Rental Payment to GSA (SLUC)	1,640	34		1,674	35		1,709
914 Purchased Communications (non IF)	427	10		437	10		447
915 Rents (non GSA)	104	2		106	2		108
920 Supplies and Materials (non SF)	1,684	40	-51	1,673	37	52	1,762
922 Equipment Maintenance by Contract	690	17		707	16		723
923 Facilities Maintenance by Contract	3,214	77	-900	2,391	53		2,444
925 Equipment Purchases (non SF)	3,493	84		3,577	79		3,656
932 Mgt and Prof. Support Services	65	2		67	1		68
933 Studies, Analyses, and Evaluations	1,318	32	-1,220	130	3		133
989 Other Contracts	20,530	493	-361	20,662	413	-1,461	19,614
999 TOTAL OTHER PURCHASES	33,165	791	-2,532	31,424	649	-1,409	30,664
9999 TOTAL	103,421	2,859	-1,579	104,701	2,379	-2,409	104,671

Fiscal Year (FY) 2007 Budget Estimates Business Transformation Agency (BTA)



February 2006

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**BUSINESS TRANSFORMATION AGENCY
Operation and Maintenance, Defense-Wide
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Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

Budget Activity (BA) 4: Administration and Service-wide Activities

	<u>FY 2005 Actual</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2006 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>
BTA	0	0	0	0	0	+179,255	179,255

I. Description of Operations Financed:

On October 7, 2005 the Deputy Secretary of Defense directed the establishment of the Defense Business Transformation Agency (BTA) by merging various Department of Defense (DoD) programs, systems, project and initiatives. The BTA is responsible for integrating the work of the Office of the Secretary of Defense (OSD) Principal Staff Assistants in the areas of business process reengineering, Core Business Mission Areas, and Investment Review Board (IRB) matters, as determined and revised by the Defense Business Systems Management Committee (DBSMC).

As the single agency responsible for these functions, the BTA will establish and enforce requirements, principles, standards, systems, procedures, and practices governing business transformation. The BTA will work to expand warfighter capabilities systematically, in support of national security requirements across the full spectrum of joint, interagency, and intergovernmental business operations. The BTA consolidates and streamlines the DoD business transformation activities, increases efficiency, and strengthens acquisition oversight in review and approval of business transformation initiatives, and eliminates redundancy and overhead in Defense, consistent with the President's Management Agenda.

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I. Description of Operations Financed, continued:

The Business Enterprise Architecture (BEA) assists in the consolidation of business systems across the Department of Defense (DoD). The BEA 3.0 provides the architectural framework for an information infrastructure for the DoD, including business rules, requirements, data standards, system interface requirements, and the depiction of policies and procedures. This framework is provided through a set of DoD Architecture Framework (DoDAF) products, including Operational, Technical, System, and All View products.

BEA 3.0 was developed under the DoD Tiered Accountability concept reflecting the Business Enterprise Priorities (BEP) within the Core Business Missions. Through this concept, a DoD Component is responsible for defining an enterprise architecture associated with its own tier of responsibility, while complying with the policy and BEA at the DoD Enterprise-level. Within the DoD Business Mission Area, the BEA and Component Enterprise Architectures provide the required guidance as part of a federated approach. Additionally, the BEA is federated with the Federal Enterprise Architecture (FEA) and other external architectures. Subsequent releases of the BEA will continue to use a federated approach to define and enforce the seams or interfaces between each tier, thus ensuring interoperability and information flow to support decision making at the appropriate level.

This federated approach for the BEA is markedly different from earlier attempts to manage a single, centralized architecture spanning the full range of functions and activities of the Department. This transformation effort focuses on providing tangible outcomes for a limited set of priorities, and on developing architectures that are linked, realistic, and actionable. The current scope, defined by the six BEPs, permits the BEA to develop and expand in a controlled and consistent fashion. The framework and architecture products developed for these BEPs may be extended to all defense business systems and

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I. Description of Operations Financed, continued:

initiatives. As new priorities are identified and existing priorities mature, DoD may refine and extend the BEA to address the required capabilities.

The Department will align key business transformation initiatives and systems modernization to warfighter priorities as it accelerates the pace of defense business mission area transformation, it. The ongoing focus of BTA will be the implementation of enterprise business processes. A horizontal management structure will facilitate development of business management processes that directly and efficiently support warfighter requirements, and will facilitate integrated business processes and business system transformation.

The Department's business objectives include improved requirements management, a single face to industry (our suppliers and vendors), and expanded use of business intelligence to achieve improved performance and greater cost efficiencies across the Department. DoD will further define and implement policies, procedures, standards and interface requirements for the Department that improve the preparation of a general ledger, eventually leading to submission of an auditable financial statement, and that improve asset visibility and accountability across the Department.

Specific objectives of the BTA:

- Support for Joint Warfighting Capability. Joint military requirements drive the need for greater commonality and integration of business and financial operations.
- Better Information for Strategic Resourcing Decisions. Access to reliable management information will provide DoD leadership with increasingly better opportunities to make sound decisions that impact the Department's human resource capabilities and requirements; the condition, status and location of assets supporting warfighters; and how DoD is investing funds to best enable the warfighting mission.

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I. Description of Operations Financed, continued:

- Reduced Cost of Business Operations. The Department will streamline costly, outdated, and redundant systems, procedures, and programs so that the DoD can more effectively deliver warfighting capabilities, deal with growing pressures on resources, and benefit from economies of scale.

- Improved Stewardship to the American People. The Department recognizes its responsibility to the American people to manage financial and human resources carefully as it supports joint warfighting requirements.

- Strategic Principles Guiding Transformation: Aligning for Success. The critical success factors for achieving business transformation within the defense environment include: senior leadership engagement and commitment; strong alignment between the transformation objectives and the core business mission; a business process-oriented focus; and clarity around goals, authority, accountability, and success measures.

The next phase of BTA has been specifically designed to focus on delivering meaningful and measurable progress toward defense business system modernization and transformation. The joint leadership of USD (AT&L) and USD (Comptroller) is preparing a Plan of Action and Milestones (PoA&M) for BTA, and is concurrently defining the metrics that will be used to characterize the Program's progress. The BTA is organized with seven operating divisions. They are Defense Business Acquisitions Executive (DBSAE), Agency operations, Transformation Planning and Performance, Transformation Priorities and Requirements, Information Strategy, Warfighter Support, and Investment Management. The mission, goals and responsibilities for division are described below.

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I. Description of Operations Financed, continued:
Defense Business Acquisitions Executive (DBSAE)

The Defense Business Systems Acquisition Executive (DBSAE) is a Flag Officer or equivalent Senior Executive Service (SES) position. This division includes the DBSAE and his or her supporting staff. The DBSAE is responsible for driving the successful implementation of Department of Defense systems and initiatives in support of the Department's Business Transformation goals. The mission of the DBSAE is to develop, coordinate, and integrate projects, programs, systems and initiatives providing DoD Enterprise-wide business capabilities to the warfighter.

The DBSAE exercises acquisition executive oversight for DoD Enterprise-level business systems assigned by the Defense Business Systems Management Committee (DBSMC), and serves as the Milestone Decision Authority (MDA) for specific programs as directed by the DBSMC. The division is responsible for managing resources, including fiscal, personnel and contracts, for assigned systems and programs. The DBSAE also serves as the DoD Component Acquisition Executive for business systems.

The DBSAE receives operational instruction from the Deputy Under Secretary of Defense for Business Transformation (AT&L) and Deputy Under Secretary of Defense for Financial Management (Comptroller), until an Agency Director is appointed.

Agency Operations

Agency Operations provides centralized support across the Business Transformation Agency. This support enables the divisions to complete their individual missions, contributing to the overall transformation mission of the Agency.

Agency Operations focuses on speed of execution, providing consistent measurable improvement. The functions of Agency Operations include administrative services,

BUSINESS TRANSFORMATION AGENCY
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I. Description of Operations Financed, continued:

personnel and staffing, contracting, budget, facility and space management, information technology, security and training. The division supports the monthly Defense Business System Management Committee (DBSMC) meetings; provides an interface with the Government Accountability Office (GAO), and assists with planning related to the National Security Personnel System (NSPS) and the establishment of the BTA charter. Agency Operations establishes and maintains a central repository for records, deliverables and policies for the BTA.

Transformation Planning & Performance

The Transformation Planning & Performance (TPP) division facilitates maximum resource utilization and increased performance within the Business Transformation Agency's time, cost and performance constraints.

TPP provides matrix support to all Agency processes and product development of designated deliverables, including the Business Enterprise Architecture (BEA) and the Enterprise Transition Plan (ETP). The BEA Team develops, maintains, and coordinates architecture content and updates; implements policies; aligns the architecture with the Core Business Missions (CBMs), Components, and the Federal Enterprise Architecture (FEA) and conducts testing of the architecture. The ETP Team maintains and coordinates content, format and revisions; collects, maintains and reports on enterprise program metrics; and provides updates to the ETP.

Transformation Planning & Performance also includes the Milestone Assurance and Enterprise Integration Teams. The Milestone Assurance Team defines and manages business related data standards and strategies. These data requirements are coordinated with the CBMs and support the data requirements for the Investment Review Boards (IRBs), BEA and ETP, as well as data reporting requirements. The Enterprise Integration Team ensures

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I. Description of Operations Financed, continued:

that standards are deployed consistently across the DoD Enterprise-level and that implementation standards across the Department include best business practices.

Transformation Priorities & Requirements

This organization is the primary link to the Principal Staff Assistants (functional business requirement owners) within the Office of the Secretary of Defense, as well as other DoD-level organizations including US Transportation Command, the Defense Logistics Agency, and the Defense Finance and Accounting Service. It ensures that the functional priorities and requirements of these client organizations are reflected in both the BEA and the Enterprise Transition Plan (ETP), and in the guidance for business system investment management. This organization is comprised of a mix of senior leaders from both government and industry with broad experience in business processes and systems technology.

Information Strategy

This office manages BTA information strategy, encompassing integration efforts, strategic planning, change management, technology visioning, and long-term internal and external communications. This office ensures that integrated best industry practices are applied to all areas of strategic planning and communications for the agency, establishing a nimble, entrepreneurial culture that leverages cutting edge technology in its solutions and its communications efforts.

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I. Description of Operations Financed, continued:

Warfighter Support Office

The Warfighter Support Office (WSO) addresses immediate business process and business system challenges that adversely impact current operations. WSO delivers near-term value by connecting the DoD's business mission to the warfighter, identifying and addressing frontline opportunities.

WSO has an externally facing customer focus, carrying the Business Mission Area forward to the Warfighting Mission Area. By serving as an advocate for the warfighter, WSO brings the voice of the warfighter to the business community. In addition, WSO carries the face of business transformation to the warfighter at the point of the spear.

Investment Management

Investment Management provides leadership in investment management for DoD Enterprise-level business systems, coordinates the efforts of the DoD 5000 series as it pertains to business systems, and provides Business Transformation Agency input for the Quadrennial Defense Review (QDR).

Investment Management provides leadership through supporting and coordinating Investment Review Board (IRB) processes and actions for certification. Investment Management is responsible for reporting on IRB certification status in Congressional Reports and Defense Business Systems Management Committee (DBSMC) meetings. In addition, Investment Management is responsible for updating and defining IRB data elements in the DoD Information Technology Portfolio Data Repository (DITPR) and conducting the systems inventory for the Office of Management and Budget (OMB).

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I. Description of Operations Financed, continued:
Business Enterprise Priority (BEP)

The integrated transition plan detailed in the Enterprise Transition Plan is organized around six DOD-wide Business Enterprise Priorities. These priorities cover a broad range of the Department's personnel, logistics, real property, acquisition, purchasing and financial requirements. During FY 2007, the BTA will fund the following BEP initiatives that are crucial in meeting BTA goals.

Name	BEP	Description	Impact
Navy PMRS	CSE	This initiative will provide six months of uptime (Oct-Mar) in anticipation of FPDS-NG transition	Navy will not be able to report contract actions.
ORCA EXPANSION	CSE	This initiative will develop a draft set of DFARS clauses; allows full deployment to DOD community of this federal system	Continued delay in total adoption by DoD; separate DFARS requires two methods of acquiring the majority of provision inputs from industry.
SPS Expanded Communities (New users for increment 2)	CSE	This initiative will enable contracting for other Defense Agencies communities through the Enterprise solution for contract writing, the Standard Procurement System (SPS) Increments 2 and 3. It will also align disparate business process around a common enterprise solution.	This initiative will enable the migration and retirement of many legacy component systems, Increases data integrity across the Department, reduce instances of misinterpreted or rejected transactions due to data element semantic conflicts by registering the equivalencies between Application Level and

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I. Description of Operations Financed, continued:

Name	BEP	Description	Impact
			Enterprise Level Data Elements, provides more accurate information transfer throughout the supply chain and reduces use of contract writing legacy systems.
SPS/FPDS-NG Support	CSE	This will incorporate FPDS-NG engine 3.1 into SPS, v4.2.3; providing enhanced pre-fills for multiple contract action reports (CARs) where software allocates and maintains data on which CLINs/SLINs belong on which multiple CAR and follows allocation logic through from basic to modifications.	Step backward in functionality for SPS users with FPDS-NG when Increment 3 begins to be deployed
Wide Area Workflow Expanded Functionality (WAWF)	CSE	This will enhance the usability of the Enterprise tool for Receipt and Acceptance (DD 250 processing), Wide Area Workflow (WAWF), throughout the Department, including vendor usage, interaction with modernization systems and enhanced functionality resulting in improved authenticity of acceptance information throughout the business process.	This initiative eliminates redundant program specific reporting systems in favor of a single face to industry, improves capabilities and sustainability of the enterprise solution, aligns disparate business process around a common enterprise solution, increases data integrity/entitlement efficiency across the Department, fulfills needs to solve two weaknesses.

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I. Description of Operations Financed, continued:

Name	BEP	Description	Impact
CPARS	CSE	Production sustainment shortfall for the Department collection system of past performance reporting	Reduction in support to the existing program supporting a DoD capability (performance reporting)
CPARS/PPIMS	CSE	This will complete the merge and maintenance for one year of the legacy Army system with the Department's past performance collection system.	Continued maintenance of two DoD systems doing essentially the same thing
PPIRS	CSE	This initiative expands the Federal Past Performance Information Retrieval System (PPIRS), to interface with Component primary delivery systems in order to collect quantitative performance information (such as on-time delivery) for statistical reporting (SR). This would provide the acquisition workforce and industry an enterprise view of this performance data.	Reduction in personnel supporting the program; will incur longer lead and response times

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I. Description of Operations Financed, continued:

Name	BEP	Description	Impact
Standard Procurement System (SPS)	CSE	This supports Increment 3 deployment; enables reaching remainder of communities (Major Weapon Systems) not covered in program budget. Aligns disparate business process around a common enterprise solution. This will enable the migration and retirement of many legacy component systems Increases data integrity across the department. Reduce instances of misinterpreted or rejected transactions due to data element semantic conflicts by registering the equivalencies between Application Level and Enterprise Level Data Elements. Provides more accurate information transfer throughout the supply chain Reduces use of contract writing legacy systems.	Inability to deploy SPS to remaining weapon systems communities; continued legacy system maintenance.
BCS3 Enhancement for Warfighter	MV		

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I. Description of Operations Financed, continued:

Name	BEP	Description	Impact
ITV Support of OIF - "Last Tactical Mile"	MV	This will develop a technical solution, specific requirements and costs to incorporate passive RFID effectively applying IT enablers to support Marine Corps battlefield distribution visibility from strategic to tactical level.	The Marine Corps is hoping to avoid a \$50M investment in an alternative type of RFID technology. This initiative is subject of paper going forward to SECDEF.
RFID Data Flow	MV	Initial implementations of RFID data flow architecture through DAASC to customer sites.	Combines DLMS Bridge initiative; timing significant as Services want to know feasibility of solution prior to implementation plans later this summer. (Has been briefed to Mr. Brinkley.)
Radio Frequency Identifier (RFID) (Waiting for Workbook)	MV	Within the collective suite of Automatic Identification Technology (AIT) applications, RFID is a family of technologies that enables hands-off processing of materiel transactions. RFID is a transformational technology and will play a vital role in achieving the DoD vision for implementing knowledge-enabled logistic support to the warfighter through fully automated visibility and	Improve visibility of information and assets throughout the DoD supply chain. Improve process efficiency of shipping, receiving, and inventory management. Reduce cycle time. Increase warfighter/customer confidence in the reliability of the DoD supply chain.

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I. Description of Operations Financed, continued:

Name	BEP	Description	Impact
		management of assets. Employment of RFID allows DoD to re-apportion critical manpower resources to warfighting functions and to streamline business processes, in partnership with industry, that benefits both enterprises	
Acquisition Spend Analysis Service (ASAS)	CSE	The Acquisition Spend Analysis Pilot (ASAP) (an OSD NII FY04 RAIN-NC pilot) demonstrated the ability to aggregate, using Net-Centric tenets, the Department's contractual data into a common data model in order to provide a enterprise view of spend. The expansion of ASAP into a deployable Acquisition Spend Analysis Service (ASAS) supports DoD-wide Strategic Sourcing by way of an enterprise wide spend analysis capability that can access data across disparate databases; aggregate that data to a common, enterprise view; and make data visible and available for analysis across the Department.	This initiative provides a common understanding view of spend (CDM) that is extensible across the Enterprise, provides a management tool to identify issues related to data quality, accuracy, and completeness, allows community to identify various sub-optimal purchasing trends, provides ability to compare workload across enterprise and look for opportunities to leverage across Agencies

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I. Description of Operations Financed, continued:

Name	BEP	Description	Impact
e-Strategic Sourcing (E-STRATS)	CSE	This initiative will provide the Department with a common capability for placement and management of task and delivery orders against previously competed, strategically sourced contracts.	E-STRATS will provide a single point of entry for access to DoD wide and Service/ Component specific multiple award contracts (strategically sourced), establishes common business processes for all stakeholders (such as: requirements and contracting personnel and vendors), enables monitoring of compliance with mandatory use contracts, serves as a catalyst on the approach for managing enterprise capabilities, supplies relevant benchmarks, scorecards, and information for DoD CAO reports to OMB/OFPP.
Integrated Data Environment	MV	This initiative will leverage DLA IDE-AV capability already being built by increasing the source data provisioning capability.	This initiative will improve asset visibility supporting COCOMs identified requirements, link acquisition, supply, and maintenance transactional data objects with storage and transportation transactional data objects, provide access to sources of Master Data Elements, and accelerate common operational picture for war-fighter.

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I. Description of Operations Financed, continued:

Name	BEP	Description	Impact
IUID	MV	Item Unique Identification (IUID) is the strategic imperative for uniquely identifying tangible personal property items that enables the accurate, timely recording of transactions in business, logistics, engineering and financial systems. IUID is one component of the overall Department strategic imperative for unique identification of real property, people, organizations, etc. Utilizes an evolutionary approach for UID of legacy items in inventory and operational use by 2010.	Provide item visibility regardless of platform or "owner". Supply data for logistics and engineering analysis. Provide an accurate source for property and equipment valuation/accountability. Improve access to historical data for use during systems design and throughout the life of an item. Provide better item intelligence for the warfighter for operational planning. Reduce workforce burden through efficiencies. Enable condition-based maintenance. Achieve lower life-cycle cost of item management.

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II. Force Structure Summary: N/A.

III. Financial Summary (\$ in Thousands):

	FY 2006						<u>FY 2007 Estimate</u>
	<u>FY 2005 Actual</u>	<u>Budget Request</u>	<u>Congressional Action</u>			<u>Current Estimate</u>	
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
<u>Business Transformation</u>	0	0	0	0.00%	0	0	<u>179,255</u>
Total	0	0	0	0.00%	0	0	179,255

III. Financial Summary (\$ in Thousands):

<u>B. Reconciliation Summary</u>	<u>Change FY 2006/FY 2006</u>	<u>Change FY 2006/FY 2007</u>
Baseline Funding	-	-
Congressional Adjustments (Distributed)	-	-
Congressional Adjustments (Undistributed)	-	-
Adjustments to Meet Congressional Intent	-	-
Congressional Adjustments (General Provisions)	-	-
Subtotal Appropriated Amount	-	-
Fact-of-Life Changes (CY to CY Only)	-	-
Subtotal Baseline Funding	-	-
Anticipated Supplemental	-	-
Reprogrammings	-	-
Price Changes	-	-
Functional Transfers	-	179,255
Program Changes	-	-
Current Estimate	-	179,255
Less: Wartime Supplemental	-	-
Normalized Current Estimate	-	179,255

**BUSINESS TRANSFORMATION AGENCY
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<u>C. Reconciliation of Increases and Decreases (\$ in thousands)</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		0
Congressional Adjustments		
FY 2006 Appropriated Amount		0
FY 2006 Baseline Funding		0
Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		0
FY 2006 Normalized Current Estimate		0
Price Change		
Functional Transfers		
Transfers In		
Transfer of Function, personnel & dollars from various DoD accounts to the Business Transformation Agency		+179,255
FY 2007 Budget Request		179,255

III. Performance Criteria and Evaluation Summary

The performance metrics for these resources are separately addressed in the Exhibit 300/Modified 300. Additional performance metrics, other than those reported, are currently under development.

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<u>IV. Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change FY 2005/ FY 2006</u>	<u>Change FY 2006/ FY 2007</u>
<u>Active Military End Strength (E/S)</u> <u>(Total)</u>					
Officer	0	0	+5	0	+5
<u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	0	0	150	0	+150
<u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	0	0	150	0	+150
 Average Annual Civilian Salary					

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

	FY 2006	Price	Program	FY 2007
	Program	Growth	Growth	Program
Executive, General and Special Schedules	0	0	23,458	23,458
Travel of Persons	0	0	723	723
Rental Payments to GSA (SLUC)	0	0	8,088	8,088
Purchased Utilities (Non-Fund)	0	0	4,001	4,001
Purchased Communications (Non-Fund)	0	0	6,815	6,815
Supplies & Materials (Non-Fund)	0	0	975	975
Equipment Maintenance by Contract	0	0	4,122	4,122
Equipment Purchases (Non-Fund)	0	0	10,128	10,128
Contract Consultants	0	0	151	151
Management & Professional Support Services	0	0	59,299	59,299
Studies, Analysis, & Evaluations			2,056	2,056
Other Intra-governmental Purchases	0	0	356	356
Other Contracts	0	0	59,083	59,083
<u>TOTAL</u>	0	0	179,255	179,255

Fiscal Year (FY) 2007 Budget Estimates

Defense Contract Audit Agency (DCAA)



February 2006

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DEFENSE CONTRACT AUDIT AGENCY
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 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	**FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
DCAA	381,227	11,544	-19,118	373,653	8,367	9,929	391,949

* The FY 2005 Actual column includes \$15,529.0 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

* * The FY 2006 Estimate column excludes \$914.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148).

The Defense Contract Audit Agency (DCAA) is responsible for providing audit services and financial advice to all Department of Defense (DoD) acquisition officials to assist them in achieving fair and reasonable contract prices and assuring compliance with contractual terms and conditions. DCAA responds to specific acquisition official requests for services across the entire spectrum of contract financial and business matters as well as fulfilling recurring audit work required to monitor cost performance and approve contract payments. Additionally, as part of the Iraq Reconstruction effort, DCAA is providing contract audit support on reconstruction and humanitarian efforts to all DoD components, including the U.S. Army Corps of Engineers. DCAA also supports Iraq effort of other Federal Agencies such as U.S. AID on a reimbursable basis.

As in the past, DCAA continues to return savings to the Government which far exceed the cost of DCAA operations. In FY 2005, the Agency audited \$118.7 billion of costs incurred on contracts, and reviewed 9,673 forward pricing proposals amounting to \$150.7 billion. Approximately \$2.7 billion in net savings were reported as a result of the audit findings associated with these audits. Thus, the **return on taxpayers' investment in DCAA was approximately \$6 for each dollar invested** (\$435 million in FY 2005, including reimbursables).

Significant changes between FY 2006 and FY 2007 include an increase in direct workyears to maintain an adequate level of contract audit services to DoD customers. DCAA's workload

DEFENSE CONTRACT AUDIT AGENCY
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I. Description of Operations Financed: (Continued)

originates primarily from the effort required to audit and monitor DoD acquisitions of equipment, materials, and/or services from civilian contractors and universities by expenditure of Procurement, and Research, Development, Test and Evaluation (RDT&E) funds appropriated by Congress each year. Other factors affecting contract audit workload are (i) DoD procurement policies, (ii) the implementation of existing Cost Accounting Standards (PL 100-679), (iii) audits performed for the military departments in connection with the Foreign Military Sales (FMS) Program, (iv) the interest by DoD officials and the Congress in the nature of costs charged to defense contracts, (v) audits for economy and efficiency, and (vi) requests for contract audit support from the Defense Procurement Fraud Unit and U.S. attorneys as they conduct investigations and prosecute the perpetrators of contract fraud.

Projected staffing requirements are commensurate with planned changes in DoD procurement levels, departmental acquisition streamlining initiatives, and required effort to complete audits of prior year contract expenditures. These staffing levels also reflect incorporation of previous Quadrennial Defense Review recommendations, Major Headquarters reductions, and related DoD initiatives.

DCAA's core metric is the cost per direct audit hour. Agency management monitors performance metrics continuously, and the Agency Performance Plan/Balanced Scorecard includes metrics. The Under Secretary of Defense (Comptroller) and DCAA agreed to a Performance Plan/Balanced Scorecard that links DCAA's performance standards to the President's Management Agenda, the DoD Balanced Scorecard Concept, and the Risk Management Framework of the Quadrennial Defense Review (QDR). The plan includes deliverables of the average cost per direct audit hour and timeliness in responding to customer requests for services. The Budget/Performance Integration Goal focuses on DCAA's two major product lines - forward pricing and incurred cost audits. DCAA's goal is to achieve an agency-wide average of 30 days or less cycle time on forward pricing

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I. Description of Operations Financed: (Continued)

audits. It also has a goal to complete the audits of at least 99% of adequate incurred cost submissions within 12 months of receipt at major contractors and corporate offices; and 99% of all other adequate incurred cost submissions within 24 months of receipt. The DCAA established these goals to meet contracting office needs for awarding and closing out contracting actions in a timely manner.

DCAA divides its work structure into the major functional categories described below:

1. **Forward Pricing Effort.** The Federal Acquisition Regulations (FAR) and Public Law 100-679, Cost Accounting Standards (CAS) require DoD procurement officials to comply with various administrative procedures before entering into contracts. These procedures include obtaining pertinent accounting and financial advice before making decisions related to prospective contract prices. The ultimate goal of forward pricing audit effort is to assist contracting officers in determining and negotiating fair and reasonable prices for negotiated Government contracts. DCAA furnishes pre-award services to contracting officers including:

a. Price Proposal Audits. DCAA performs these audits to determine the reasonableness of contractors' price proposals submitted in anticipation of negotiating Government contracts. Contracting officers specifically request price proposal audits, which must be accomplished within a short period to avoid delaying the procurement process. DCAA has no control over the number or timing of price proposal audits and must respond to each audit request as top priority.

b. Could Cost or Should Cost Studies and Participation on Integrated Product Teams (IPTs). Should cost studies are initiated by procuring activities who organize a team of specialists and review a contractor's price proposal to determine what a particular

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procurement could or should cost, depending on which study is being performed. DCAA auditors participate as members of the team of specialists. Such studies usually involve large major weapon system procurements. DCAA auditors also participate on IPTs that include representatives from all appropriate organizations and functional disciplines (normally DCAA, the buying activities, Defense Contract Management Agency, and the contractor). Working together with the team leader, the objective is to avoid rework at the end of process by identifying problems and finding potential solutions at the earliest possible point in the procurement process.

c. Forward Pricing Rate Reviews. DCAA performs these reviews to determine the reasonableness of projected labor, overhead, and other indirect expense rates submitted by a contractor prior to submission of price proposals. Contracting officers normally negotiate these rates separately; the contractor then uses the rates in subsequent price proposals. Since FY 2000, DCAA has been providing "rapid rates" services to major buying commands for contractors that are expected to do business with the Government during the year. The DCAA initiative is to proactively seek out and audit rate information from prospective Government contractors so that the information is readily available to buying offices upon their request. This initiative supports the Department's Civil-Military Integration/Commercial Buying activities and will both reduce the procurement cycle time and provide better data within the time frames available for decision-making.

d. Audits of Parts of Proposals and Agreed Upon Procedures. Audits of parts of proposals are audits of only specific cost elements within a proposal (e.g., only proposed material or labor costs, or overhead rates). Applications of agreed-upon procedures include cost realism reviews and all reviews of information other than cost or pricing data submitted in support of a price proposal. DCAA provides these services to meet the specific needs of contracting officers.

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e. System Surveys. DCAA performs these reviews to determine the reliability, propriety, and accuracy of contractors' estimating, accounting, internal control, and other systems relating to, or providing the basis for, Government contract costs or pricing. Systems surveys may be a joint team review that combines the experience and capabilities of the auditor and technical specialist, or they may be comprehensive reviews performed solely by auditors. Additionally, these reviews include effort to recommend corrective actions on conditions causing deficiencies disclosed in price proposal evaluations or other audit areas which require immediate reporting and resolution. This also includes the effort required to determine the status of corrective actions taken by contractors on previously disclosed deficiencies.

f. Other. This effort includes providing verbal information to procurement officials on labor rates, overhead rates, and similar factors for smaller procurements.

2. **Incurred Cost Effort.** The FAR requires DCAA to perform audits of claimed costs incurred and submitted by contractors for reimbursement under cost reimbursable, fixed price incentive, and other types of flexibly priced contracts to determine if the costs are acceptable in accordance with contract terms, FAR, and CAS rules and regulations, if applicable. Although the scheduling of incurred cost audits and CAS compliance audits is more flexible than customer requested audits, nonetheless, these audits must be accomplished in order for the Government to make final payment to the contractor. They include reviews of direct labor and material, indirect expenses, and performance and financial controls. Although the primary purpose of incurred cost audits is to express an opinion on the acceptability of costs claimed under Government contracts, knowledge of contractors' accounting, estimating, and internal control systems gained during these audits is invaluable to the evaluation of contractors' price proposals.

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3. **Operations Audits.** DCAA also performs a variety of economy and efficiency audits of contractor operations. DCAA operations audits are systematic reviews of contractor organizational units and functions to evaluate the reasonableness of methods and practices employed on Government contracts.

4. **Special Audits.** The contracting officer normally requests these audits that include reviews of termination claims, progress payment requests, equitable adjustment claims, hardship claims, escalation claims, and contractor financial capability. They must be accomplished within a short period to avoid adverse effects such as additional claims for interest on amounts due or contractor financial failure. DCAA has little control over the number or timing of these reviews and must respond to all such requests as a priority.

5. **Defective Pricing Reviews.** The Truth in Negotiations Act (TINA), as codified in 10 USC §2306a, requires contracting officers to obtain cost or pricing data from contractors before awarding a contract unless an exception applies. Under TINA the Government has the right to examine these records to evaluate the accuracy, completeness, and currentness of the cost or pricing data required to be submitted.

DCAA is responsible for performing these reviews, which assist in determining whether a contract or subcontract price was unduly increased because the contractor failed to furnish accurate, complete, or current cost or pricing information in negotiating a contract.

6. **Cost Accounting Standards.** Contracts and subcontracts not qualifying for an exemption are subject to CAS coverage as a condition of Government contracting. The FAR assigns DCAA responsibility for reviewing contractors' implementation and compliance with the CAS rules and regulations.

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7. **Other Direct Audit Effort.** DCAA's audit mission includes other audit-related activities such as providing on-site assistance to procurement and contract administration offices, contract audit coordinator programs, and negotiation support. Testing performed during development of Agency policies and procedures, and follow-up effort related to Congressional, General Accounting Office (GAO), DoD Inspector General (DoD IG), and other external requests, surveys, and reports are also a part of this activity. The major items within this activity are:

a. Financial Liaison. The Director, DCAA, establishes and maintains liaison auditors, as appropriate, at major procuring and contract administration offices. The primary functions of financial liaison auditors are to (i) facilitate effective communication and coordination between procurement officers and auditors, (ii) provide on-the-spot personal consultation and advice in connection with contractors' cost representations and related matters, (iii) provide DCAA management with information regarding specific awards, trends in type and volume of awards, and other data impacting on immediate or long range DCAA responsibilities, and (iv) provide DCAA management with information on the adequacy, responsiveness and timeliness of audit services rendered to procurement and contract administration offices.

b. Contract Audit Coordinator (CAC) Program. DCAA established a CAC program at the largest DoD contractors whose accounting functions, operations, and contract performance occur at multiple locations under the audit cognizance of multiple DCAA field offices. The program is designed to maintain effective communications and audit coordination at these contractor locations. The CAC program includes effort to (i) disseminate information, (ii) monitor and track problem areas to assure uniform resolution, (iii) arrange and attend CAC conferences, and (iv) coordinate with other DCAA personnel, contractor representatives, and cognizant procurement officials on CAC problems.

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c. Negotiation Conferences. A fundamental requirement of DCAA's mission is to provide contract audit services and to be the principal accounting and financial advisor to contracting officials. Many times, audit results involve complex accounting issues and/or quantitative analyses that dispute contractors' cost estimates or representations. On these occasions, the best interests of the Government are served by having auditors present at negotiations to further explain the audit position, perform analyses of additional contractor data presented at the negotiation table, and provide any other accounting and/or financial assistance the contracting officer may require during the negotiation process.

d. External Audit Interface. This activity includes effort expended to develop information and comment on reports from the GAO, DoD IG, or other government inspector general offices. This activity also includes effort related to discussions and conferences, and any interface involving any other government audit organization.

e. Suspected Irregular Conduct (SIC). This activity represents effort expended related to SIC referrals, and responses to requests from investigative agencies or the Department of Justice regarding fraud or other irregular practices. This activity includes the development of evidence for presentation to an U.S. attorney or a grand jury, and/or for use at a trial.

f. Audit Support and Planning. This activity represents effort expended by the field to prepare annual audit program plan information as well as effort expended on projects and studies requested by the regions or Headquarters. The projects normally relate to new and/or innovative ways of performing DCAA's audit mission, and often add to the body of knowledge needed to enhance Agency mission accomplishment through the development and application of improved audit and/or audit management technology and techniques.

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8. **Field Support.** This category includes support personnel in the five regional offices, the Information Technology Division, Technical Audit Services Division, and Defense Legal Services.

a. Regional Offices. These offices provide technical audit management and supervision, and logistical support in the form of personnel services, financial management, and administrative services to field office personnel.

b. The Defense Contract Audit Institute (DCAI). DCAI is an element of the Defense Contract Audit Agency that develops and delivers training for approximately 3,300 auditors in the contract auditing field and is an affiliated member of the Defense Acquisition University. The Institute directs and controls the development and delivery of classroom courses, one and two-day seminars, and computer based self-study courses. The Institute has program management responsibility for training and career development in the Defense Contract Audit Agency. It assures that programs of instruction, courses, and training materials meet DoD standards and Generally Accepted Government Auditing Standards (GAGAS). DCAI provides policy guidance to the regional offices and field audit offices, where appropriate, regarding training and education, and provides overall monitoring and evaluation of Agency training not conducted by the Institute. In addition, the Institute produces videos which support training objectives by providing educational material in a cost effective manner to the field auditors. The videos are also used to highlight important current events that have an impact on contract audit policy and procedures. The Institute, located on the south campus of the University of Memphis, often serves as a meeting center for various Agency groups. The Institute is co-located with the DCAA Information Technology Division and Technical Audit Services Center in Memphis, Tennessee.

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c. Information Technology Division (OIT). OIT is responsible for the development, maintenance, and enhancement of the DCAA Management Information System (DMIS) hardware and software to meet management, administrative, and audit requirements. It is also responsible for operating the Agency-wide telecommunications network, and defining and controlling data management standards.

d. Technical Audit Services Division (OTS). OTS conducts research and distributes information to the field on operations audits, quantitative audit techniques, computer assisted audit techniques, and other auditing topics that have Agency-wide application. OTS also provides technical assistance to auditors in planning reviews of contractor's electronic data processing systems and engineering operations; and supports the field offices in implementation of DoD electronic commerce initiatives.

e. Field Administrative Support. Field administrative support personnel provide administrative and resource management services to the Field Detachment, the Defense Contract Audit Institute, and the Defense Legal Services staff assigned to DCAA.

f. Other. This category includes personnel from the Defense Legal Service.

9. **Headquarters**. DCAA Headquarters performs the work normally associated with the central office of a professional organization. It develops policy and promulgates instructions and operating directives needed to perform the Agency mission. It performs oversight reviews of regional and field office operations, and advises regional offices on resource management matters, including the recruitment and training of personnel. In addition, Headquarters personnel interface with other DoD components as well as other Government agencies and Congressional committees on contract audit matters.

II. Force Structure Summary: Not applicable.

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III. Financial Summary (\$ in thousands)

	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		<u>Appropriated</u>	Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>Budget Activity (BA) 4</u>							
Defense Contract Audit Agency Total	381,227	379,947	-6,294	-1.7%	373,653	373,653	391,949
DCAA Operations	366,169	362,952	-6,294	-1.7%	356,658	356,906	374,900
DCAA Communications	2,958	4,095	-	-%	4,095	3,972	3,999
DCAA Major HQ	12,100	12,900	-	-%	12,900	12,775	13,050
* The FY 2005 Actual column <u>includes</u> \$15,529.0 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).							
* The FY 2006 Estimate column <u>excludes</u> \$914.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148).							
Memo: Audit Institute	5,314	5,605			5,605	5,605	5,734
DCAA Operations	5,296	5,587			5,587	5,587	5,715
DCAA Communications	18	18			18	18	19
DCAA Major HQ	-	-			-	-	-
Memo: Audit Operations	375,913	374,342			368,048	368,048	386,215
DCAA Operations	360,873	357,365			351,071	351,319	369,185
DCAA Communications	2,940	4,077			4,077	3,954	3,980
DCAA Major HQ	12,100	12,900			12,900	12,775	13,050

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III. Financial Summary (\$ in thousands):

B. <u>Reconciliation Summary</u>	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	379,947	373,653
Congressional Adjustments (Distributed)	-	-
Congressional Adjustments (Undistributed)	-716	-
Adjustments to Meet Congressional Intent	-3,777	-
Congressional Adjustments (General Provisions)	-1,596	-
Congressional Earmark	-205	-
Subtotal Appropriated Amount	373,653	373,653
Fact-of-Life Changes (CY to CY Only)	-	-
Subtotal Baseline Funding	373,653	373,653
Hurricane Supplemental	914	-
Title IX Supplemental	-	-
Price Changes	-	8,367
Functional Transfers	-	-
Program Changes	-	9,929
Current Estimate	374,567	391,949
Less: Hurricane Supplemental	-914	-
Normalized Current Estimate	373,653	391,949

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III Financial Summary (\$ in thousands): (Continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		379,947
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances		-716
c. Adjustments to meet Congressional Intent - 1 percent Rescission		-3,777
d. General Provisions		-1,596
1) Sec 8087 - Advisory and Assistance Services	-716	
2) Sec 8125 - Economic Assumptions	-598	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-282	
e. Congressional Earmarks - Mitigation of Environmental Impact on Indian Lands		-205
FY 2006 Appropriated Amount (subtotal)		373,653
2. War-Related and Disaster Supplemental Appropriations		914
a. Hurricane Supplemental	1,075	
b. 1 percent Rescission	-161	
3. Fact of Life Changes		
FY 2006 Baseline Funding		374,567
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		374,567
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
a. Hurricane Supplemental		-914
FY 2006 Normalized Current Estimate		373,653
6. Price Change		8,367

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III Financial Summary (\$ in thousands): (Continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
7. Functional Transfers		
8. Program Increases		13,965
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007		
1) Increase of 95 direct workyears to maintain an adequate level of contract audit services to DoD customers (FY 2006 Base: \$311,737K)	8,945	
2) Cost associated with career ladder promotions (FY 2006 Base: \$311,737)	2,500	
3) Information technology software maintenance renewal requirements (FY 2006 Base: \$636K)	1,141	
4) Increase in anticipated work counts for DFAS Services (FY 2006 Base: \$3,842K)	1,009	
5) Other program growth	370	
9. Program Decreases		-4,036
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Costs		
1) ADP Software (FY 2006 Base: \$1,200K)	-1,200	
c. Program Decreases in FY 2007		
1) Decrease in overtime and relocation services to support anticipated increase for promotions (FY 2006 Base: \$6,053K)	-1,606	
2) Decrease in equipment to support anticipated increase for promotions (FY 2006 Base: \$3,625K)	-749	
3) Other program decreases	-481	
FY 2007 Budget Request		391,949

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IV. Performance Criteria and Evaluation Summary:

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
<u>Execution of Workyears</u>			
Forward Pricing	690	625	625
Incurring Cost Effort:			
Regular Incurred Cost	1,363	1,194	1,284
CAS Compliance Audits	94	70	75
Total Incurred Cost	1,457	1,264	1,359
Operations Audits	41	45	45
Special Audits	563	530	530
Defective Pricing	87	80	80
Cost Accounting Standards: Disclosure Statements, Cost Impact Audits, Etc.	99	95	95
Other Direct Audit Effort:			
Procurement Support	271	278	278
Audit Support & Planning	340	330	330
Total Other Direct	611	608	608
Field Support:			
Regional Offices	270	274	274
Field Support	99	102	102
Total Field Support	369	376	376
Headquarters	82	83	83
Total Workyears	3,999	3,706	3,801

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IV. Performance Criteria and Evaluation Summary: (continued)

Performance Based Measures.

Overview. As a single mission organization, DCAA is chartered with the responsibility of providing a wide range of audit and financial advisory services supporting the negotiation, administration, and settlement of contracts for its customers. By virtue of this mission, DCAA must retain a cadre of trained, highly competent and professional employees. In a typical year, labor and related fringe benefits account for approximately 84 percent of DCAA's budget. Statutory and regulatory requirements, designed to ensure that the Government meets its fiduciary responsibilities to the public, drive the majority of DCAA's workload. In this capacity, DCAA supports the oversight and internal control responsibilities of the Office of the Secretary of Defense, the DoD Inspector General, the General Accountability Office, and the Congress.

DCAA's primary customers are contracting officers in the Department of the Army, Department of the Navy, Department of the Air Force, and Defense Contract Management Agency. Audit services provided by DCAA are key to making contract decisions; they help contracting officers ensure that DoD components obtain the best value from the goods and services they purchase. DCAA also performs - on a reimbursable basis - the majority of contract audit services for all other federal agencies.

Relationship of DCAA's Performance Plan to the Strategic Plan. DCAA implemented a formal Strategic Plan in 1992. Over the years, this Plan has become the mainstay for managing overall operations and migrating to the use of metrics for measuring performance. The Strategic Plan was founded on the Mission Statement, followed by a Vision Statement, Long-Term Strategic Goals, and a set of objectives designed to achieve those goals. Five goals, described below, provide the overall framework for managing the Agency's current needs and anticipated future challenges. The accomplishment of each strategic plan objective is monitored closely and reviewed by members of DCAA's Executive Steering

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IV. Performance Criteria and Evaluation Summary: (continued)

Committee through the use of milestone plans and performance metrics. These detailed metrics are directly related to the quality and cost measures contained in the Performance Plan. As depicted in the Chart below, DCAA's Strategic Plan plays an inter-active role in supporting the Performance Plan, as well as other Department of Defense initiatives.

DCAA Strategic Plan Goals

Goal 1: Quality of Worklife Environment

Foster a quality of work-life environment that promotes trust, teamwork, mutual respect, superior job performance and high morale.

Goal 2: Customer Satisfaction

Assure customer satisfaction by providing timely and responsive audits and financial services that meet or exceed customer requirements and expectations.

Goal 3: Professional Competence

Attain the highest level of professional competence through continuous improvement in the management and performance of audits and services.

Goal 4: Best Value Audit Services

Provide best value audit and financial services through continuous evaluation and improvement of audit and administrative processes.

Goal 5: Integrated IT Structure

Provide an Integrated Information Technology (IT) structure that promotes effectiveness and efficiency in providing services for internal and external customers.

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IV. Performance Criteria and Evaluation Summary: (continued)

Relationship of the Performance Plan to the President's Management Agenda (PMA) and the DoD Balanced Scorecard Concept (BSC)/Risk Management Framework. The measures selected for inclusion in the Performance Plan highlight the most important actions for successful accomplishment of the DCAA mission and support the President's and DoD's initiatives. Each measure in the Performance Plan can be linked to the PMA and the DoD BSC/Risk Management Framework. The measures have been grouped based on the PMA's five general initiatives and can be aligned similarly with the Balanced Scorecard Concept.

Alignment between the Performance Plan and DCAA's Planning, Programming, Budgeting, and Execution System (PPBES) Process. DCAA's Performance Plan provides a framework that supports budget requests and is meaningful for assessing the Agency's performance. DCAA uses key measures such as the Cost per Direct Audit Hour (CPDAH) rate and the dollars audited per hour for incurred cost and forward pricing efforts to identify the costs of performance and assess the impact of fiscal constraints. DCAA executives get information regarding the results of measures in the Performance Plan and other key measures each month. Management executives use this information to enable the Agency to meet the established goal measures. DCAA executives meet quarterly to discuss performance and to consider possible influencing factors, such as cost-benefit analysis and process improvements, which could impact the outcome of the previously developed goals.

Summary of Performance Based Measures. The chart below summarizes DCAA's Performance Plan and Performance Measures for FY 2005 through FY 2007. Detailed descriptions are provided for each of the measures, along with a column which displays how each Performance Plan measure is linked to the Strategic Plan.

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IV. Performance Criteria and Evaluation Summary: (continued)

<u>Notes</u>	<u>Performance Plan and Performance Measures</u>	<u>Link to Strategic Plan</u>	<u>FY 2005</u>			<u>FY 2006</u>	<u>FY 2007</u>
			<u>Goal</u>	<u>Actual</u>	<u>Results</u>	<u>Goal</u>	<u>Goal (Est.)</u>
	<u>Budget/Performance Integration:</u>						
1	Cost per Direct Audit Hour	Goal 4	\$107.85	\$105.32	Exceeded	\$108.90	TBD
2	Forward Pricing Dollars per Hour Variance	Goal 4	\$144.00	\$146.00	Exceeded	<10% var	<10% var
3	Contract Dollars Audited per Hour	Goal 4	\$63,000	\$66,600	Exceeded	TBD	TBD
4	Direct Hours per Auditor	Goal 4	1,589	1,602	Exceeded	1,590	1,590
5	Forward Pricing Cycle Time	Goal 2	30	27	Exceeded	30	30
6	Forward Pricing Audits within 60 Days	Goal 2	99%	99%	Met	99%	99%
7	Major/Corporate Incurred Cost Audits -Timely	Goal 2	99%	99%	Met	99%	99%
8	Non-Major Incurred Cost Audits - Timely	Goal 2	99%	100%	Exceeded	99%	99%
	<u>Human Capital:</u>						
9	CPA Exam Candidates	Goal 3	300	285	95% of Goal	300	TBD
10	Advance Degree Candidates	Goal 3	160	213	Exceeded	200	TBD
11	Average CPE Hours per Auditor	Goal 3	40	62	Exceeded	40	40
12	Workyears Executed	Goal 4	3,993	4,002	Exceeded	3,875	3,801
	<u>Competitive Sourcing:</u>						
13	Benchmarking Rates	Goal 4	\$114.90	\$112.55	Exceeded	\$116.24	TBD
	<u>Financial Management:</u>						
14	Financial Statement Audit Results	Goal 4	Unqualified No Material Weakness	Unqualified No Material Weakness	Met	Unqualified No Material Weakness	Unqualified No Material Weakness
15	Internal Control Review Results	Goal 4			Met		
	<u>E-Government:</u>						
16	Electronic Audit Reports	Goal 5	99%	99%	Met	99%	99%
17	Electronic Contractor Submissions	Goal 5	85%	87%	Exceeded	90%	90%
18	Electronically Approved Vouchers	Goal 5	75%	77%	Exceeded	80%	85%
19	Information Assurance Management	Goal 5	-	-100%	-	100%	100%

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IV. Performance Criteria and Evaluation Summary: (continued)

Description of Performance Plan Measures:

BUDGET AND PERFORMANCE INTEGRATION

1. Cost Per Direct Audit Hour (CPDAH). The DCAA developed the CPDAH metric to assist Agency management in measuring how well DCAA controls operating costs at the Agency, Regional and FAO levels. It also serves as a baseline in measuring DCAA's cost competitiveness. In addition, DCAA uses the CPDAH as the basis for benchmarking DCAA's hourly rate against the average rates of national accounting firms (adjusted for procurement expenditures and financial statement accruals for post-retirement benefits). To assess overall success in managing costs from year to year, the rate is restated in constant dollars for comparison purposes in prior years. The goal for FY 2006 is in the process of being finalized and will be higher than the FY 2005 actual rate.

2. Forward Pricing Dollars per Hour Variance. One of DCAA's key strategic objectives is to increase productivity and efficiencies in the performance of forward pricing audits. The measure for key dollar strata (i.e., \$1 million to \$5 million, \$5 million to \$15 million, etc.) is dollars audited per hour. Each year, productivity goals are established for each key strata based on consideration of prior-year performance and initiatives to increase productivity and efficiency. For FY 2006, DCAA's goal is to have less than a 10 percent variance between the composite goal for the key strata and the ultimate actual dollars per hour. The DCAA Management Information System (DMIS) is programmed to compute the composite dollars per hour goal based on the actual dollar value of proposals received for audit. Correspondingly, DMIS computes the actual dollars per hour for each assignment as well as a composite for each of the key strata and overall for all key strata. An overall composite goal for dollars per hour cannot be established in advance because DCAA has no control over the dollar value of the proposals that are submitted to DCAA for audit. However, DCAA can monitor its productivity in

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IV. Performance Criteria and Evaluation Summary: (continued)

performing forward pricing proposal audits by having dollars per hour goals for key strata.

3. Contract Dollars Audited Per Hour (Productivity). The "contract dollars audited per hour" performance measure was developed to assist DCAA in evaluating productivity associated with audits of dollars incurred and claimed by contractors under flexibly priced contracts. The metric is based on the contract dollars audited each year and direct audit hours expended. Each year, in accordance with DCAA's Strategic Plan Objective and goal setting processes, DCAA reviews the results of the prior years, identify potential process improvements and enabling actions, establish goals, and plan the audit workload for the following year. The FY 2006 goal is in the process of being finalized and will be higher than the FY 2005 actual rate.

4. Direct Hours Per Auditor. The direct hours per auditor metric measures, on average, how many direct hours an auditor works during the fiscal year. Most standard workyears equate to 2,088 hours, but for FY 2006, a workyear equals 2,080 hours. This workyear encompasses hours worked directly on audit assignments and indirect hours such as annual leave, holiday leave, sick leave, training, staff meetings and other activities. The direct hours per auditor statistic is a critical factor in accomplishing DCAA's audit workload and in managing costs. DCAA therefore established this metric to measure the quantity of direct assignment hours an auditor works on an annual basis while allowing sufficient time for other activities such as training and employee development. The FY 2006 goal is 1,590 direct hours per auditor.

5. Cycle Time on Forward Pricing Proposal Audits. Timeliness in responding to forward pricing actions has been a key focus of DCAA for many years. DCAA measures the number of days from receipt of a request for audit of a forward pricing proposal to the issuance of the audit report. The turnaround time goal for FY 2006 is 30 days.

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IV. Performance Criteria and Evaluation Summary: (continued)

6. Forward Pricing Audits Accomplished within 60 Days. DCAA strives to ensure that the percentage of audits accomplished within 60 days remains at a very high percentage. However, DCAA also recognizes that, on occasion, exceptions will arise causing cycle times on individual forward pricing audits to exceed the goal of 30 days (see 5. above). Keeping this in mind, the goal for FY 2006 was set at 99 percent.

7. Major and Corporate Incurred Cost Audits Issued Timely. For major (defined as those contractors with over \$90 million of flexibly-priced contract dollars per year) and corporate incurred cost audits, DCAA's objective is to issue reports within 12 months of receipt of an adequate submission. The FY 2006 goal is issuance of the audit reports for 99 percent of all submissions within 12 months of receipt.

8. Non-Major Incurred Cost Audits Issued Timely. For non-major (defined as those contractors with less than \$90 million of flexibly-priced contract dollars per year), DCAA's objective is to issue reports within 24 months of receipt of an adequate submission. The FY 2006 goal is to issue the audit reports for 99 percent of all submissions within 24 months of receipt.

HUMAN CAPITAL

9. Sponsor Auditor Candidates to Sit for CPA Exam. DCAA's Strategic Plan includes a goal to attain the highest level of professional competence through continuous improvement in the management and performance of audits and services. Encouraging DCAA's audit staff to obtain Certified Public Accountant (CPA) licenses is vital to improving the management and performance of services and to maintaining the professionalism of the workforce. DCAA has a strategic plan objective that by FY 2006, the percentage of CPAs and advanced degrees held by auditors will increase by 10 percent over FY 2003 levels. To meet this objective, DCAA provides financial support to candidates who take CPA exam

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IV. Performance Criteria and Evaluation Summary: (continued)

coaching courses and provides paid time off for employees to sit for the exam. For FY 2006, DCAA will measure its success for this objective based on a goal of 300 candidates taking the CPA exam.

10. Support Participants in Advanced Academic Degree Programs. As mentioned previously, DCAA has a strategic plan objective that by FY 2006, the percentage of CPAs and advanced degrees held by auditors will increase by 10 percent over FY 2003 levels. To meet this objective, DCAA provides financial support for tuition and books to participants in advanced academic degree programs. DCAA is also continuing its Director's Fellowship Program in Management in which highly qualified candidates from throughout the Agency are selected to participate in a challenging Masters of Science program aimed at developing future top management candidates. For FY 2006, DCAA's goal is to support 200 auditors as they participate in advanced academic degree programs.

11. Average CPE Hours per Auditor. All DCAA audit staff members must complete 80 hours of continuing professional education (CPE) over a two-year period in accordance with the Generally Accepted Government Auditing Standards (GAGAS) published by the Government Accountability Office (GAO). As a result, meeting the CPE requirement is critical to the accomplishment of DCAA's mission. The CPE requirement also supports DCAA's Strategic Plan goal to attain the highest level of professional competence through continuous improvement in the management and performance of audits and services. To comply with the auditing standards and to ensure that the DCAA staff is equipped with the latest technical and technological capabilities, DCAA has established a goal of achieving an average of 40 CPE hours per auditor in FY 2006.

12. Workyears Executed. This measure reflects execution of full-time equivalent workyears. It equals the total number of labor hours for all efforts divided by the total number of hours in the workyear (generally 2,088). Approximately 84 percent of

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IV. Performance Criteria and Evaluation Summary: (continued)

DCAA's expenditures are for payroll and benefits costs. DCAA has funded pay raises by aggressively seeking program/operating efficiencies and reductions to its infrastructure and support operations. The goal for FY 2006 workyears is 3,875.

COMPETITIVE SOURCING

13. Benchmarking Rates. DCAA's developed the Cost per Direct Audit Hour (CPDAH) metric (see additional detail in the Budget and Performance Integration measures) to assist Agency management in measuring how well DCAA controls operating costs. Management uses the CPDAH, adjusted for procurement expenditures and financial statement accruals for post-retirement benefits, as the basis for benchmarking DCAA's hourly rate against the rates national Public Accounting firms charge to the Government. The national firms compute the average rate by weighting the rates reflected in GSA contracts by the relative distribution of hours by labor category in DCAA's records for direct chargeable hours. To assess overall success in managing costs from year to year, the rate is restated in constant dollars for comparison purposes in prior years. The DCAA goal for FY 2006 is \$116.24 per hour. The benchmark rate for national Public Accounting firms is \$162.81.

FINANCIAL MANAGEMENT

14. Financial Statement Audit Results. DCAA's objective is to obtain an unqualified audit opinion based on an audit of its FY 2006 financial statements. DCAA was one of the first Department of Defense agencies to meet the DoD Comptroller's objective to obtain an unqualified opinion and has consistently done so since FY 2002.

15. Internal Control Review Results. As an audit organization with the utmost reputation for professional competence and integrity, DCAA strives to ensure there are no

DEFENSE CONTRACT AUDIT AGENCY
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IV. Performance Criteria and Evaluation Summary: (continued)

material weaknesses in its systems of internal controls. The goal is attaining internal control review results that indicate the existence of no material internal control deficiencies. DCAA has never had a material internal control weakness reported by either the internal reviews conducted under the Federal Manager's Financial Integrity Act (FMFIA) or the financial statement audits conducted by the CPA firm.

E-GOVERNMENT

16. Audit Reports Issued Electronically. Issuance of audit reports electronically via e-mail has resulted in significant reductions in the time for distributing DCAA findings to contracting officials. DCAA's objective is to issue 99 percent of all audit reports electronically in FY 2006.

17. Contractor Submissions Received Electronically. Receiving contractor submissions electronically allows for increased productivity and higher efficiency in performing audits. As a result, DCAA has a Strategic Plan objective to increase the percentage of electronic submissions. The goal for FY 2006 is 90 percent.

18. Public Vouchers Approved Electronically. DCAA updated its Strategic Plan in 2005 to include an objective to increase the number of public vouchers processed electronically. Use of the Wide-Area Work Flow (WAWF) initiative and other approved electronic billing processes will significantly reduce the audit and administrative time involved with manually processing public vouchers. DCMA's MOCAS (Mechanization of Contract Administration System) database provides a summary of the vouchers processed electronically versus via paper. The goal for FY 2006 is processing 80 percent of all vouchers electronically, with an eventual goal of 90 percent by the end of FY 2008.

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IV. Performance Criteria and Evaluation Summary: (continued)

19. Information Assurance Vulnerability Management (IAVM) Process Compliance. The IAVM program ensures a heightened level of information system security throughout DCAA by providing a positive control mechanism for potential information assurance vulnerabilities and corrective action. The methodology ensures that System Administrators (SAs) receive, disseminate, acknowledge, and comply with the system vulnerability alert notifications. The measure is defined as the percentage of IAVM alerts - including implementing corrective patches for systems/servers - that are processed timely as reported to the Defense Information Security Agency. Timely is defined as acknowledging receipt of an IAV alert or IAV bulletin within 5 days of receipt and reporting compliance with the alert or bulletin within 30 days from the date on the message. The goal for FY 2006 is to continue to timely comply with system vulnerability alert notifications 100 percent of the time.

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V. <u>Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY 2005/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
<u>Civilian End Strength (Total)</u>	4,106	3,490	4,075	-616	585
U.S. Direct Hire	4,101	3,485	4,070	-616	585
Foreign National Direct Hire	1	1	1	-	-
Total Direct Hire	4,102	3,486	4,071	-616	585
Foreign National Indirect Hire	4	4	4	-	-
Memo: Reimbursable Civilians Included Above	-507	-516	-516	-9	-
<u>Civilian FTEs (Total)</u>	3,942	3,706	3,801	-236	95
U.S. Direct Hire	3,937	3,701	3,796	-236	95
Foreign National Direct Hire	1	1	1	-	-
Total Direct Hire	3,938	3,702	3,797	-236	95
Foreign National Indirect Hire	4	4	4	-	-
Memo: Reimbursable Civilians Included Above	-507	-516	-516	-9	-
Average Annual Civilian Salary(\$ in thousands)	\$93,865	\$97,920	\$100,289		

DEFENSE CONTRACT AUDIT AGENCY
Operation and Maintenance, Defense-Wide
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VI. OP 32 Line Items as Applicable (Dollars in thousands):

OP 32 Line	Change from FY 2005 to FY 2006			FY 2006 Estimate	Change from FY 2006 to FY 2007		
	FY 2005 Actuals	Price Growth	Program Growth		Price Growth	Program Growth	FY 2007 Estimate
CIVILIAN PERSONNEL COMPENSATION							
101 Executive, General & Special Schedules	322,255	10,312	-20,830	311,737	7,482	9,839	329,058
103 Wage Board	103	39	-	142	4	-	146
104 Foreign National Direct Hire (FNDH)	51	39	-	90	2	-	92
105 Separation Liability (FNDH)	-	-	-	-	-	-	-
106 Benefits to Former Employees	-	-	-	-	-	-	-
107 Voluntary Separation Incentive Payments	26	-	-26	-	-	-	-
111 Disability Compensation	1,762	-	-351	1,411	-	102	1,513
199 Total Civilian Personnel Compensation	324,197	10,390	-21,207	313,380	7,488	9,941	330,809
TRAVEL							
308 Travel of Persons	13,488	324	-3,090	10,722	241	267	11,230
399 Total Travel	13,488	324	-3,090	10,722	241	267	11,230
OTHER FUND PURCHASES							
673 Defense Financing & Accounting Service	3,264	-88	666	3,842	-369	1,009	4,482
699 Total Purchases	3,264	-88	666	3,842	-369	1,009	4,482
TRANSPORTATION							
771 Commercial Transportation	694	14	4	712	15	-50	677
799 Total Transportation	694	14	4	712	15	-50	677
OTHER PURCHASES							
912 Rental Payments to GSA (SLUC)	8,810	220	226	9,256	231	-37	9,450
913 Purchased Utilities (Non-Fund)	40	1	-	41	1	-	42
914 Purchased Communications (Non-Fund)	2,958	71	943	3,972	87	-60	3,999
915 Rents (Non-GSA)	1,051	26	-	1,077	24	-	1,101
917 Postal Services (U.S.P.S.)	91	2	-	93	2	-	95
920 Supplies & Materials (Non-Fund)	5,571	134	700	6,405	144	-1,534	5,015
921 Printing & Reproduction	-	-	-	-	-	-	-
922 Equipment Maintenance by Contract	240	6	84	330	7	-	337
925 Equipment Purchases (Non-Fund)	2,754	66	805	3,625	80	-749	2,956
989 Other Contracts	17,174	378	1,337	18,889	416	1,141	20,446
998 Other Costs	895	-	414	1,309	-	1	1,310
999 Total Other Purchases	39,584	904	4,509	44,997	992	-1,238	44,751
9999 Total	381,227	11,544	-19,118	373,653	8,367	9,929	391,949

* The FY 2005 Actual column includes \$15,529.0 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

* The FY 2006 Estimate column excludes \$914.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148).

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Defense Contract Management Agency (DCMA)



February 2006

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**DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA)
Operations and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimate**

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

	<u>FY 2005</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>
DCMA	1,017,597	29,727	-20,300	1,027,024	22,443	-9,170	1,040,297

* The FY 2005 Actuals column includes \$1,015 thousand of FY 2005 Supplemental funds (PL 109-13), \$1,900 thousand of Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), and \$4,900 thousand of FY 2004/FY 2005 Title IX obligations.

* The FY 2006 Estimate column excludes \$7,630 thousand of FY 2005 Hurricane Supplemental funds.

I. Description of Operations Financed:

Defense Contract Management Agency (DCMA) is America's vital link between the warfighter and industry. As the eyes and ears of the warfighter in contractor facilities, DCMA uses its insight into contractor operations to produce predictive information about contractor capability to meet program goals and schedules. DCMA's most important mission is its role as a combat support agency. DCMA provides customers with unparalleled contract management and acquisition support services wherever and whenever needed. DCMA is committed to continuously improving customer service.

DCMA is committed to achieving customer-identified outcomes through the transformation of DCMA's business practices. DCMA has reduced backroom functions/indirect costs, focused efforts on high and moderate risk work, increased investment in training and Human Capital Strategic Planning initiatives, and changed the rules of engagement to focus on customer outcomes.

DEFENSE CONTRACT MANAGEMENT AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (continued)

As the military services and Defense Agencies continue to transform, DCMA is faced with many challenges. DCMA has focused its strategic programming process and implemented transformation goals which align the agency to meet the Nation's, Department's, and stakeholders' strategic objectives.

DCMA initiatives reflected in this budget submission include:

- Realigning the Agency's workforce by product line to better support customer outcomes, thus increasing focus on high and moderate risk workload while minimizing efforts on low risk routine workload.
- Increasing DCMA focus on Human Capital and Strategic Planning. Funds are required to reinvigorate Agency training efforts and ensure DCMA's workforce is postured to meet new workload; and
- Providing workforce shaping dollars (Permanent Change of Station, Separation, Management Directed Reassignments, relocation and recruitment bonuses for hard to fill locations and skills) to allow the Agency to adapt to workload changes in this dynamic environment.

Information Technology

DCMA continually strives to improve the efficiency and effectiveness of its business processes in order to support the nation's warfighter. The use of Information Technology (IT) is a major component of DCMA's success in this area; DCMA's workforce requires IT tools to perform their jobs and produce superior results.

Specifically, these efforts include applications that impact such vital DoD acquisition business matters as Pre-award Surveys of prospective contractors, contract price negotiation, material acceptances, contractor payment, and industrial workload analyses

DEFENSE CONTRACT MANAGEMENT AGENCY
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I. Description of Operations Financed: (continued)

and assessments. Visibility of key data and information at the team level supports performance-based management, allowing teams to self direct the application of limited resources to the appropriate priorities.

Ultimately, DCMA's customers, the Military Departments and Defense Agencies, benefit from these efforts because of increased access to information such as contractor delivery status, manufacturing progress, quality assurance metrics, status of negotiations with contractors, and faster and more accurate payments to contractors. DCMA customers will be better able to anticipate contract performance difficulties and work with DCMA to resolve them before they impact the warfighter.

In this budget submittal, DCMA displays its IT budget using the Global Information Grid (GIG) and Information Technology/Defense Information Infrastructure (IT/DII) reporting structure. The reporting structure includes: Functional Area Applications, Communication and Computing Infrastructure, Related Technical Activities and Information Assurance. This DCMA IT budget submission continues our focus on Web-basing all DCMA-unique software applications. There are two reasons why DCMA is pursuing such a course:

(1) Web-basing applications dramatically reduces the costs associated with fielding new software mission capabilities. Only a limited handful of central servers need to be updated versus updating the thousands of desktop computers used by the agency's employees.

(2) The move to Web-basing will make DCMA's software applications much more adaptable to the ongoing and future changes in the Department's procurement and financial management systems when they are implemented in accordance with the Department's Financial Management Modernization Improvement Program and Financial Management Enterprise Architecture.

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I. Description of Operations Financed: (continued)

IT infrastructure is vital to DCMA's mission and successful implementation of its initiatives. DCMA's technical architecture defines the computing and communications environment required to meet these goals. As new mission needs and business requirements are identified, DCMA updates its technical architecture.

IT computing and communications infrastructure covers the technical architecture (e.g., desktop computers, Local Area Networks (LANs), LAN servers, operating systems, wide area telecommunications, and system management utilities) needed to deploy, run, and productively use DoD-wide and DCMA-unique mission software applications, the Defense Messaging System, office productivity applications (e.g., Microsoft Office), and Knowledge Management and workgroup collaboration tools. As new mission needs and business requirements are identified, DCMA updates its technical architecture.

An illustrative example of a technical architecture update is the migration from client/server applications to Worldwide Web-based applications supported by a DCMA Integrated Database/Data Mart. This will allow us to improve our Information Assurance capabilities, implement DoD's mandated Public Key Infrastructure (i.e. digital identification and signature certificates, with secure data transmission protocols), and support DoD's Acquisition Excellence and Electronic Business/Electronic Commerce initiatives. These updates will also decrease database administration requirements, reduce software deployment and maintenance costs, increase adaptability to rapidly changing business and mission requirements, and dramatically reduce the time needed to field new functionalities. These updates will also allow us to centrally manage our systems resources for improved reliability and reduced maintenance expenses.

DCMA annually replaces one-third of its desktop personal computers and LAN servers because:

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I. Description of Operations Financed: (continued)

(1) It allows DCMA to keep up with the increases in computing power required by successive new generations of operating systems and Commercial-Off-The-Shelf (COTS) software, and to facilitate our transition to Web-based applications and improved central system management.

(2) This cycle matches manufacturers' standard three-year no-cost on-site repair or replacement warranties.

(3) Industry-wide experience shows that computer components (particularly, hard drive storage devices) start failing at accelerated rates in the fourth year after a computer or server's delivery.

(4) The costs of maintenance and repair services for computers and servers whose warranties have expired quickly mount up to the purchase prices for new equipment that would have been covered by three-year warranties.

(5) Computers and servers more than three years old generally cannot cope with the demands imposed by newer software such as the latest versions of Microsoft's Windows operating system and Office line of products. In addition, software vendors typically stop all technical support for their products two years after the introduction of any replacement products. That means that operation of older software on older machines soon results in significant and protracted interruptions of service for end users, and within a relatively short period of time becomes technically non-viable in any sense.

DISA Tier 2 and Processing

The Defense Information Service Agency (DISA) serves as a manager for all Defense Information Systems Network (DISN) activities. DISN is a wide-area communications component in the Global Information Grid (GIG). Through DISN, DCMA receives interoperable, secure Internet Protocol (IP) and Asynchronous Transfer Mode (ATM) data communication services. DISA also provides global voice services through the Defense

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I. Description of Operations Financed: (continued)

Switched Network (DSN) which is a worldwide private-line telephone network. DISA's charges for these services are included in DCMA's budget under DISA Tier 2 Long Haul.

DCMA's budget also includes charges for DISA Processing and Testbed services for the Mechanization of Contract Administration Services (MOCAS). The DISA Electronic Commerce Centers (DECCs) at Columbus, OH, and Odgen, UT, also maintain 14 test instances of MOCAS for testing MOCAS system modifications before they are put into production. Those test instances are very important given that MOCAS processes approximately 1.5 million contractor invoices worth \$70 billion each year. The agency's DISA processing charges include all expenses related to equipment depreciation and replacement, software, licensing fees, and the DISA labor required to operate and maintain these systems.

Reimbursable Earnings

DCMA performs contract management services on a reimbursable basis, and bills most of this reimbursable work monthly at a standard annual rate, for non-DoD customers including support of Foreign Military Sales (FMS), the National Aeronautics and Space Administration (NASA) and other civilian agency customers. Outside Continental United States (OCONUS) reimbursable work (limited in scope) is primarily reimbursed on an actual cost basis. Contract management hours in support of FMS in the Continental United States (CONUS) are computed based on an annual ratio of FMS contract disbursements to total contract disbursements and accounted for 54 percent of the DCMA's actual reimbursable budget for FY 2005. The table below shows the declining annual FMS ratio. We project that the ratio will decline to 4.0 percent in FY 2007, resulting in a decrease of approximately 35 civilian full-time equivalencies personnel. We anticipate that the FMS annual ratio for FY 2008-2011 will continue the declining trend, resulting in further decreases in FMS earnings.

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I. Description of Operations Financed: (continued)

Fiscal Year	Percent
2000	10.2
2001	7.3
2002	6.5
2003	6.2
2004	5.5
2005	4.7
2006	4.1
2007	4.0

The majority of the decreases in our DCMA's FMS earnings relate to significant reductions in FMS disbursements on FMS sales to Saudi Arabia. The level of DoD disbursements has significantly risen beginning March 2003 as a result of the war in Iraq. The increased pace of DoD disbursements has impacted the annual ratio (FMS disbursements/Total disbursements (FMS + DOD)).

DCMA hours worked in support of NASA and associated DCMA reimbursable earnings decreased approximately 27 percent from FY 1996 through FY 2000. However, from FY 2000 to FY 2001, the NASA hours stabilized and increased slightly (2.7 percent) due to delegated work to support Johnson Space Center for the Space Shuttle and the International Space Station. The September 11, 2001, terrorist attacks and other safety issues impacted scheduled launches and NASA hours from FY 2001 to FY 2003 decreased by 11.3 percent. During FY 2004 and FY 2005, NASA hours stabilized and increased by 4.9 percent from the FY 2003 actuals. Hurricane Katrina impacted DCMA NASA Product Operations surveillance of several NASA facilities (primarily the Michoud Assembly Facility (New Orleans, LA) and the Stennis Space Center (MS) at the end of FY 2005 and the beginning of FY 2006. We

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I. Description of Operations Financed: (continued)

anticipate earnings will slightly increase for FY 2006 (4.8 percent) and FY 2007 (7.5 percent) from the FY 2005 level.

Standard Procurement System (SPS)

The Standard Procurement System (SPS) is a joint information technology initiative, commenced in 1994 by the Department of Defense (DoD) to enhance readiness and support to warfighters through standardization and optimization of procurement systems and activities across the Army, Navy, Air Force, Marine Corps, Defense Logistics Agency (DLA), Defense Contract Management Agency (DCMA), and other Defense Agencies. During FY 2005, operational procurement professionals relied on SPS, which is currently the DoD's largest standard business system, to complete contract awards in excess of 73 billion dollars.

SPS supports contract writing and contract administration for over 21,000 (target over 43,000) procurement professionals. The Defense Finance and Accounting Service (DFAS) also uses SPS to obtain obligation and receipt data for contract disbursements and reconciliation. As a DoD program that affects three communities (logistics, finance, and acquisition), its broad spectrum of stakeholders exerts a range of influence:

- Assistant Secretary of Defense-Networks and Information Integration (ASD NII): Management and oversight of this ACAT IAM program. Acquisition control exercised thru the Overarching Integrated Product Team (OIPT).
- Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD AT&L): (a) Defense Procurement and Acquisition Policy (DPAP): Sponsor and Process Owner of this Joint Program. (b) Supply Chain Systems Transformation (SCST) in support of Defense Procurement and Acquisition Policy (DPAP): Functional management and oversight through the Weapon System Lifecycle Management Business

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I. Description of Operations Financed: (continued)

Mission Area (formerly the Acquisition Domain). Functional control exercised through the Acquisition Governance Board (AGB), Acquisition Governance Coordinating Committee (AGCC) and Contracting and Procurement IPT (CAPI).

- Defense Contract Management Agency (DCMA): Planning, Programming, Budgeting, and Execution (PPBE) exercised through the Program Manager, Program Executive Office (PEO), and DCMA.
- Department of the Army, Program Executive Office-Enterprise Information Systems (PEO-EIS): Program control and policy/direction exercised through the Program Manager and the PEO.
- Military Departments and Defense Agencies: Program influence provided via requirements levied through membership in the Acquisition Governance Board (AGB), Acquisition Governance Coordinating Committee (AGCC), Contracting and Procurement IPT (CAPI), Joint Requirements Board (JRB), Technical Working Group (TWG), Reports Working Group (RWG), Sustainment Requirements Board (SRB), Adapter Working Group (AWG), Clause Working Group, SPS Subcommittee of the Defense Acquisition Regulation Council and participation in decentralized product testing.

When fully deployed, SPS will enable retirement decisions for 13 major legacy systems. To date, SPS has been installed completely to five legacy system communities: Automation of Procurement and Accounting Data Entry (APADE) in the U.S. Navy, Base Contracting Automation System (BCAS) in the U.S. Marine Corps, Standard Army Automation Contracting System (SAACONS) in the U.S. Army, Federal Standard Automated Contracting System (SACONS) in other Defense Agencies, and Base Contracting Automation System (BCAS) in the U.S. Air Force.

Operation and Maintenance funds are being used for SPS support activities, such as Help Desk Support, Program Management Support, Personnel, Software Maintenance, and Travel.

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I. Description of Operations Financed: (continued)

Help Desk Support, under the sub-activity software maintenance/COTS, is approximately 56 percent of the Operations and Maintenance budget in all budget years and encompasses the following areas:

- Core help desk support provides SPS users assistance and a mechanism for reporting operational deficiencies and necessary functional system changes.
- Infrastructure support provides assistance to SPS system administrators with database management and corruption issues, software related connectivity issues, and issues relating to software reinstallation, database migrations and self-upgrades.
- Web support provides SPS users with a globally accessible product knowledge base that includes software updates and documents that help users operate the SPS software more efficiently. This medium also provides a real-time, online, ability to generate and monitor the status of service requests.

The management and oversight of SPS and its appropriated resources have been transferred, effective FY 2007, to the Business Transformation Agency (BTA) which was established on October 7, 2005. The following estimates are now included in BTA's SPS funding line: FY 2007, \$13.100 Thousand; FY 2008, \$12.368 Thousand; FY 2009, \$12.873 Thousand; FY 2010, \$13.218 Thousand; and FY 2011, \$13.471 Thousand.

II. Force Structure Summary: N/A

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III. Financial Summary (\$ in Thousands)

	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	FY 2006 Congressional Action			<u>Current Estimate</u>	<u>FY 2007 Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriation</u>		
A. BA 4 Sub Activities							
1. Contract Administration Services							
Personnel and Compensation and Benefits	937,602	928,560			928,560	949,548	935,158
Voluntary Separation Incentive Pay	1,000	0,000			0,000	0,000	0,000
PCS	11,172	14,996			14,996	12,130	14,465
Travel	24,259	24,141	-774	-3%	23,367	16,170	23,994
Training	14,287	20,893	-3,946	-19%	16,947	15,485	19,959
Finance and Accounting Services	7,055	6,500			6,500	7,355	6,655
Furniture and Non-ADP Equipment	3,346	2,030			2,030	1,894	1,936
Other Operating Costs	68,521	47,294			47,294	66,718	75,480
Sub Total	1,067,242	1,044,414	-4,720	-1%	1,039,694	1,069,300	1,077,647
2. DCMA Information Technology							
Functional Area Application Communication & Computing	0,495	0,701			0,701	0,911	0,925
Infrastructure	26,086	33,913	-12,578	-37%	21,335	20,206	33,172
Related Technical Activities	18,712	42,137			42,137	21,727	20,396
Information Assurance	1,511	2,787			2,787	1,830	3,159
Sub Total	46,804	79,538	-12,578	-16%	66,960	44,674	57,652
3. Information Services - DISA Processing	4,952	6,998			6,998	6,028	5,298
4. Information Services - DISA Tier 2	6,685	11,057			11,057	8,000	8,347
5. Standard Procurement	12,816	13,036			13,036	13,036	0,000

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III. Financial Summary (\$ in Thousands)

System (SPS)								
	Total	1,138,499	1,155,043	-17,298	-1%	1,137,745	1,141,038	1,148,944
	Less: Reimbursable Earning	120,902	110,721			110,721	114,014	108,647
Appropriated Operation & Maintenance		¹ 1,017,597	1,044,322	-17,298	-2%	1,027,024	² 1,027,024	1,040,297

* The FY 2005 Actual column includes \$1,015 thousands of FY 2005 Supplemental funds (PL-109-13), \$1,900 thousands of FY 2005 Hurricane Supplemental funds (PL 108-324, PL-109-61, and PL -109-62), and \$4,900 thousands of FY 2004/2005 Title IX obligations.

* The FY 2006 estimate column excludes \$7,630 thousands of FY 2006 Hurricane Supplemental funds (PL 1-9-148)

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III. Financial Summary (\$ in Thousands)

B. Reconciliation Summary

	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Finding	1,044,322	1,027,024
Congressional Adjustment (Distributed)		
Congressional Adjustment (Undistributed)	-1,968	
Congressional Adjustment (Earmark)	-562	
Congressional Adjustments (General Provisions)	-14,768	
Subtotal Appropriated Amount	1,027,024	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	1,027,024	1,027,024
Anticipated Supplemental	7,630	
Reprogramming		
Price Change		22,443
Functional Transfers		
Program Change		-9,170
Current Estimate	1,034,654	1,040,297
Less: Wartime Supplemental	-7,630	
Normalized Current Estimate	1,027,024	

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III. Financial Summary (\$ in Thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		1,044,322
1. Congressional Adjustments		-17,298
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances	-1,968	
c. Adjustments to meet Congressional Intent		
d. General Provisions	-14,768	
1) Sec 8087 - Advisory and Assistance Services	-1,968	
2) Sec 8125 - Economic Assumptions	-1,643	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-774	
4) 1 percent Rescission	-10,383	
e. Congressional Earmarks - Indian Lands Environmental Impact	-562	
FY 2006 Appropriated Amount		1,027,024
2. War-Related and Disaster Supplemental Appropriations		7,630
3. Fact of Life Changes		
FY 2006 Baseline Funding		1,034,654
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		1,034,654
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-7,630
FY 2006 Normalized Current Estimate		1,027,024
6. Price Change		22,443
7. Functional Transfers		-13,010
a. Transfers In		

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III. Financial Summary (\$ in Thousands)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
b. Transfers Out: The Standard Procurement System transferred to the Business Transformation Agency, established October 7, 2005.	-13,010	
8. Program Increases		34,966
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
1) Data collection system modification: Contract support to modify data collection systems to support collection and analysis of disparate data and to adapt management system to support managing by the diverse set of performance indicators. Supports the change from compliance-based management to performance-based management. (FY 2006 Baseline: \$0 thousand)	3,129	
c. Program Growth in FY 2007	31,837	
1) Training increase: FY 2006 baseline was artificially low due to realigning funds to support the workforce. Increased funding supports growing customer demands for technically-oriented support and critical skills. Funds are also required to increase leadership and multifunctional training for succession planning as the current workforce reaches retirement. (FY 2006 Baseline: \$15,485 thousand)	4,133	
2) Equipment: Re-establishes the replacement cycle, which was interrupted to support the workforce. The planned FY 2007 level supports cyclic IT replacement requirements. (FY 2006 Baseline: \$95 thousand)	12,578	
3) Communications services (DISA Tier 2): Due to increased bandwidth requirements. (FY 2006 Baseline: \$8,000 thousand)	738	
4) IT support for DCMA infrastructure: Technical contractor support for integrated services, record management, WAN GIG IP router, Unicenter training, and Network Directory Services. (FY 2006 Baseline: \$6,028 thousand)	2,416	

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III. Financial Summary (\$ in Thousands)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
5) Travel: Restore to FY 2005 level. The FY 2006 baseline was artificially low due to realigning funds to support the workforce. Supports the Agency's reorganization to align more closely to products and customers rather than geography. (FY 2006 Baseline: \$16,170 thousand)	7,468	
6) Other contracts: DCMA is increasing use of contractor support for temporary workload surge at specific locations rather than hiring full time permanent employees. Use of contractor support enables DCMA to hire product-specific, highly technical skills, such as engineering and software support, for short timeframes. (FY 2006 Baseline: \$3,000 thousand)	2,436	
7) Permanent Change of Station: Increased due to changing customer requirements. DCMA uses PCS to shape the workforce to match customer locations and product-specific skillset requirements. (FY 2006 Baseline: \$12,130 thousand)	2,068	
9. Program Decreases		-31,126
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007	-31,126	
1) Personnel compensation: Fewer FTEs. (FY 2006 Baseline: \$863,222 thousand)	-29,572	
2) DISA costs: Decreases in licenses, upgrades, production and testing costs for MOCAS. (FY 2006 Baseline: \$6,028 thousand)	-278	
3) IT: Replacing legacy Alerts Services with an E-Tool application and reduced commercial off the shelf requirements. (FY 2006 Baseline: \$10,709 thousand)	-1,276	
FY 2007 Budget Request		1,040,297

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IV. Performance Criteria and Evaluation Summary:

As a combat support agency, DCMA provides a full range of acquisition support to the military departments for acquisition of weapons and other critical equipment. DCMA provides acquisition planning and support services during the early phases of the acquisition cycle to help construct effective solicitations, identify and mitigate potential performance risks, select capable contractors and write contracts that are easily managed with less risk of costly modification. The Agency teams with Defense Components and defense contractors to ensure product, cost and schedule are in compliance with the terms and conditions for the contract and meet the needs of the war fighter. DCMA is also responsible for ensuring procured material is of satisfactory quality, delivered when and where needed and provided at reasonable price and meets performance requirements. The Agency's strategic goals and performance standards are oriented toward changing its culture into a performance-based management organization and focusing on achieving customer outcomes. DCMA's four strategic goals include: transforming the Agency into a customer-focused organization; embracing a performance-based culture; enabling DCMA's people to excel; and, ensuring fiscal responsibility by improving financial management through performance and budget integration. The DCMA has assigned specific targets for the ten mission performance standards associated with the Agency's performance-based mission outcomes discussed below:

1. Ensure 100 percent (FY 2005) certification of DCMA acquisition employees within 18 months of assignment in the Defense Acquisition Workforce Improvement Act (DAWIA) career field and level of their current position or have an approved waiver. The focus of this goal is to (a) accurately identify Defense Acquisition University (DAU) quota requirements and (b) prioritize the distribution of the DAU quotas received. This goal supports the President's Management Agenda regarding strategic management of human capital. DCMA achieved the goal.

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IV. Performance Criteria and Evaluation Summary:

2. Increase payments processed electronically to 96% by year-end for DCMA-managed contracts. An increase in productivity and efficiency is sought through use of increased electronic processing of invoices. This supports the President's Management Agenda item on expansion of electronic government. The FY 2005 goal target was 93 percent and we achieved 83 percent.

3. Increase acceptance documents for source acceptance received and processed electronically to 91% for DCMA administered contracts. The ultimate goal is to increase the percentage of day-to-day contract administration activities, such as DD250s, conducted electronically. This goal also supports the President's Management Agenda item on expansion of electronic government. The target in FY 2005 was 89 percent and the Agency achieved 80 percent.

4. Reduce the cost per unit of output for basic contract management services {in constant FY 2006 dollars} by three percent annually through improvements in productivity. DCMA has implemented a unit cost and activity-based management system. This goal applies to reducing unit costs in the Basic Contract Management cost pool while maintaining or improving performance in all other cost pools. The forecast assumes stable contract workload and no major change in delegation of contract authority. This goal supports the President's management agenda item related to budget and performance integration. The target goal in FY 2005 was -3 percent. The agency exceeded the targeted goal (-6.03 percent).

5. Achieve a rating of five or greater, on a six point scale, on 90 percent (FY 2005) of the responses regarding overall customer satisfaction. The goal is set for five or better because the Agency should strive for a minimum rating of "satisfied." Problems identified in the survey will be assessed for corrective action. The Agency achieved 93 percent.

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IV. Performance Criteria and Evaluation Summary:

6. Achieve closeout of contracts 94 percent (FY 2005) of the time within the Federal Acquisition Regulation/Defense Federal Acquisition Regulation Supplement-mandated timeframes. Since much of the documentation required to close out contracts is provided by the contractor and other organizations (i.e. Defense Contract Audit Agency, Defense Finance and Accounting Services, and program offices), DCMA will continue to team with them to work out systemic issues that would delay closeout. DCMA achieved the goal.

7. Close 90 percent (FY 2005) of all physically complete contracts with final acceptance dates older than five calendar years (from September 30 each year). DCMA strives to close all contracts within the FAR-mandated timeframe, but there is a population of contracts that are already late in closing. DCMA has put special emphasis on closing these contracts. This goal complements goal 6. DCMA achieved 86 percent.

8. Ensure 100 percent (FY 2005) of canceling funds identified as (1) "at risk" of canceling, and (2) will likely require replacement funds, do not cancel. DCMA works canceling funds to minimize the needs for its customers to pay for prior contractual obligations with current funds. DCMA achieved 93 percent.

9. Reduce the quantity of overage contracts on hand by 30 percent (FY 2005). Some of the documentation required to close out contracts is provided by other organizations. DCMA will continue to team with contractors and other agencies to resolve issues and close the contracts. This goal complements goals 6 and 7 above. DCMA achieved 34 percent.

10. Filling 95% of the Critical Mission Occupation Positions, as identified by the DOD/Business Planning Conference, receives special DCMA emphasis. This goal supports the President's Management Agenda regarding strategic management of human capital. The goal was 95 percent in FY 2005. This goal was not rated in FY 2005. This goal will be re-baselined in FY 2006.

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IV. Performance Criteria and Evaluation Summary:

Standard Procurement System (SPS)

Software Maintenance/COTS

Help Desk Support, under the sub-activity software maintenance/COTS, is approximately fifty-six percent of the Operations and Maintenance budget in all budget years. The SPS Joint Program Management Office monitors Help Desk metrics monthly for call volume and to ensure that the contractor is meeting the performance criteria. When working on service requests, the SPS Help Desk is required to meet target percentages for average response and average resolution times, as follows:

SPS Help Desk Metrics	50%	75%	100%
Monthly Average Response Times			
Severity 1 Service Requests	4 hours		8 hours
Severity 2 Service Requests	8 hours		16 hours
Severity 3 Service Requests	16 hours		2.5 weeks
Monthly Average Resolution Times			
Severity 1 Service Requests		24 hours	60 hours
Severity 2 Service Requests	44 hours		96 hours
Severity 3 Service Requests	5 weeks		10 weeks

Definitions:

Response time is the time it takes an Authorized Caller to be contacted by the first SPS Help Desk analyst who attempts to troubleshoot the Service Request.

Resolution time is calculated as the time required by the SPS Help Desk to identify a correct solution to an Authorized Caller's Service Request, minus any time the SPS Help Desk is awaiting a response from the Authorized Caller or 3rd party vendor Help Desk support staff. Resolution time commences when a Service Request is opened.

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V. Personnel Summary:

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	Change <u>FY2005/</u> <u>FY2006</u>	Change <u>FY2006/</u> <u>FY2007</u>
<u>Active Military End Strength (E/S) Total</u>	599	563	563	-36	0
Officer	507	496	496	-11	0
Enlisted	92	67	67	-25	0
 <u>Civilian End Strength Total</u>	 10,657	 10,639	 9,939	 -21	 -700
US Direct Hires	10,569	10,548	9,841	-21	-707
Foreign National Direct Hire	76	76	79	-	3
Total Direct Hire	10,645	10,624	9,920	-21	-704
Foreign National Indirect Hire	12	15	19	3	4
Memo: Reimbursable Civilian included					
 <u>Active Military FTEs Total</u>	 599	 563	 563	 -36	 0
Officer	507	496	496	-11	0
Enlisted	92	67	67	-25	0
 <u>Civilian FTEs Total</u>	 10,800	 10,588	 10,174	 -212	 -414
US Direct Hires	10,712	10,497	10,076	-215	-421
Foreign National Direct Hire	76	76	79	-	3
Total Direct Hire	10,788	10,573	10,155	-215	-418
Foreign National Indirect Hire	12	15	19	3	4
Memo: Reimbursable Civilian included	941	897	855	-44	-42
 Average Annual Civilian Salary	 84,801	 88,210	 90,243		

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V. Personnel Summary:

	Change from FY 2005 to FY 2006			FY 2006 <u>Estimate</u>	Change from FY 2006 to FY 2007			
	FY 2005 <u>Actuals</u>	Price <u>Growth</u>	Program <u>Growth</u>		Price <u>Growth</u>	Program <u>Growth</u>	FY 2007 <u>Estimate</u>	
<u>CIVILIAN PERSONNEL COMPENSATION</u>								
EXECUTIVE, GENERAL AND SPECIAL								
101	SCHEDULES	856,477	27,407	-20,662	863,222	20,897	-29,573	854,582
103	WAGE BOARD	353	11	-43	321	8	37	366
104	FOREIGN NATIONAL DIRECT HIRES (FNDH)	4,451	142	-38	4,555	110	-54	4,611
106	BENEFITS TO FORMER EMPLOYEES	545	0	1,015	1,560	0	-18	1,542
107	VOLUNTARY SEPARATION INCENTIVE PAY	1,000	0	-1,000	0	0	0	0
111	DISABILITY COMPENSATION	4,465	0	75	4,540	0	0	4,540
199	TOTAL CIVILIAN PERSONNEL COMPENSATION	867,291	27,560	-20,653	874,198	21,015	-29,572	865,641
<u>TRAVEL</u>								
308	TRAVEL OF PERSONS	27,049	649	-4,270	23,428	380	10,171	33,979
399	TOTAL TRAVEL	27,049	649	-4,271	23,428	380	10,171	33,979
<u>TRANSPORTATION</u>								
771	COMMERCIAL TRANSPORTATION	1,712	34	677	2,423	51	-649	1,825
799	TOTAL TRANSPORTATION	1,712	34	677	2,423	51	-649	1,825
<u>OTHER PURCHASES</u>								
901	FOREIGN NATIONALS INDIRECT HIRES	714	17	-271	460	11	-1	470
912	GSA LEASES	12,851	308	864	14,024	351	-726	13,649
913	PURCHASE UTILITIES (NON-FUND)	547	13	-41	519	12	41	572
914	PURCHASE COMMUNICATIONS (NON-FUND)	5,753	138	1,006	6,897	166	-1,065	5,998
915	RENTS AND LEASES (NON-GSA)	1,495	36	395	1,926	46	-380	1,592
917	POSTAL SERVICE (U.S.P.S.)	129	0	10	139	0	-10	129
920	SUPPLIES & MATERIALS (NON-FUND)	14,219	341	26	14,586	350	-1,575	13,361
921	PRINTING & REPRODUCTION	271	7	36	314	8	-33	289
922	EQUIPMENT MAINTENANCE BY CONTRACT	875	21	65	961	23	-55	929
923	FACILITY SUBSTAINMENT, RESTORATION,	1,019	24	2,302	3,346	80	76	3,502

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V. Personnel Summary:

	Change from FY 2005 to FY 2006			FY 2006 Estimate	Change from FY 2006 to FY 2007		
	FY 2005 Actuals	Price Growth	Program Growth		Price Growth	Program Growth	FY 2007 Estimate
AND MODERNIZATION BY CONTRACT							
925 EQUIPMENT PURCHASES (NON-FUND)	10,207	245	-10,357	95	2	12,579	12,676
931 CONTRACT CONSULTANTS	16,125	387	-16,512	0	0	0	0
MANAGEMENT AND PROFESSIONAL SUPPORT							
932 SERVICES	752	18	56	826	20	-47	799
989 OTHER CONTRACTS	37,434	898	22,920	61,252	1,470	1,611	64,333
998 OTHER COSTS (INTEREST)	462	11	-226	247	6	0	253
999 TOTAL OTHER PURCHASES	102,855	2,464	275	105,592	2,545	10,415	118,552
<u>INFORMATION SERVICES</u>							
647 DISA INFORMATION SERVICES (MEGACENTER)	4,952	84	992	6,028	-452	-278	5,298
671 COMMUNICATION SERVICES (DISA) TIER 2	6,685	-874	2,189	8,000	-390	737	8,347
TOTAL INFORMATION SERVICES	11,637	-790	3,181	14,028	-842	459	13,645
<u>FINANCIAL OPERATIONS</u>							
DEFENSE FINANCE AND ACCOUNTING							
673 SERVICES	7,055	-190	490	7,355	-706	6	6,655
TOTAL FINANCIAL OPERATIONS	7,055	-190	490	7,355	-706	6	6,655
TOTAL OPERATIONS AND MAINTENANCE (O&M)				1,027,024			
	1,017,597	29,730	-20,303	4	22,614	-9,341	1,040,297

*The FY 2005 Actual column includes \$1,015 thousands of FY 2005 Supplemental funds (PL 109-13), \$1,900 thousands of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), and \$4,900 thousands of FY 2004/2005 Title IX obligations (PL 108-287).

* The FY 2006 Estimate column excludes \$7,630 thousands of FY 2006 Hurricane Supplemental funds (PL 109-148).

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Defense Finance and Accounting Service



February 2006

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Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

Budget Activity (BA) 4: Administration and Servicewide Activities

	FY 2005 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
DFAS	4,734	120	-563	4,291	97	-3,936	452

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

I. Description of Operations Financed:

The Defense Finance and Accounting Service (DFAS) serves as the Executive Agent, responsible for finance and accounting activities within the DoD. It is the single organization responsible for finance and accounting operations, procedures, and systems. DFAS provides finance and accounting management and operational support for appropriated, non-appropriated, revolving and trust funds. DFAS operations touch a large population of customers through the payment of civilian and military personnel, military retirees, and annuitants; and through the collection and disbursement of a wide variety of DoD funds for contracts, debt management, security assistance, transportation and travel. While the Defense Working Capital Fund (DWCF) finances most DFAS functions, beginning in FY 2004, two programs are financed in the Operation and Maintenance, Defense-Wide appropriation:

1. **Program Management** provides for the management oversight of the DoD Overseas Military Banking Program and Travel Card Program. In FY 2006, the Travel Card Program transfers from DFAS to the Defense Human Resources Activity as a part of the Defense Travel Management Office to consolidate, streamline and centrally manage commercial travel policy for the Department of Defense.
2. **Intergovernmental Transaction System (IGTS)** encompasses the design, development and implementation of a transaction repository infrastructure to manage DoD buyer and seller exchange transactions for DoD entities that acquire goods or services from each

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other, or that have buyer/seller exchange transactions with other federal agencies. For the Financial Management Domain, IGTS provides a consolidated, standardized repository of transactions to facilitate the preparation of DoD-wide financial statements. For the Acquisition and Procurement Domain, IGTS provides the standard Reimbursable Order Writing System.

The IGTS program develops and executes a strategy to implement a DoD-wide solution for tracking intra-governmental buyer and seller transactions. The IGTS Program:

- Provides the means to accomplish inter-DoD elimination entry postings while facilitating DoD's migration to the OMB Intragovernmental Transaction Exchange.
- Incorporates the optimum system architecture including compliance with the DoD Business Enterprise Architecture (BEA) while re-utilizing technology where possible to achieve standardization and cost savings.
- Ensures compliance with the OMB Business Rules for intra-governmental transactions (OMB memo M-03-02, dated, October 4, 2002) and with the DoD Concept of the Operations for Intra-governmental Transactions dated October 23, 2003.
- Interfaces/integrates IGTS with other pertinent DoD systems to ensure completeness of accounting information.

In FY 2007, the IGTS program transfers from DFAS to the new Business Transformation Agency.

II. Force Structure Summary: N/A

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III. Financial Summary (\$ in Thousands)

	FY 2005 Actuals	Budget Request	FY 2006			Current Estimate	FY 2007 Estimate
			Amount	Percent	<u>Congressional Action</u> Appropriated		
A. Budget Activity (BA)Subactivities							
Program Management/IGTS	4,734	5,481	-90	1.6%	5,391	4,291	452
Total	4,734	5,481	-90	1.6%	5,391	4,291	452

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2006/FY 2006</u>	<u>FY 2006/FY 2007</u>
Baseline Funding	5,481	4,291
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)	-10	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-77	
Congressional Earmarks	-3	
Subtotal Appropriated Amount	5,391	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	5,391	
Anticipated Supplemental		
Reprogrammings		
Price Changes		
Functional Transfers	-1,100	
Program Changes		-3,936
Current Estimate	4,291	452
Less: Wartime Supplemental		
Normalized Current Estimate	4,291	452

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request (Amended, if applicable)		5,481
1. Congressional Adjustments		-90
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances	-10	
c. Adjustments to meet Congressional Intent - 1% Rescission	-54	
d. General Provisions		
1) Sec 8087 - Advisory and Assistance Services	-10	
2) Sec 8125 - Economic Assumptions	-9	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-4	
e. Congressional Earmarks - Indian Lands Environmental Impact	-3	
FY 2006 Appropriated Amount		5,391
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
a. Functional Transfers Out - Travel Card Program transfer to DHRA		-1,100
FY 2006 Baseline Funding		4,291
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item		
FY 2006 Normalized Current Estimate		4,291
6. Price Change		97
7. Functional Transfers - IGTS Transfer to Business Transformation Agency (BTA)		-3,500
8. Program Increases		
9. Program Decreases in FY 2007 - Decrease to Banking Program		-436
FY 2007 Budget Request	452	452

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IV. Performance Criteria and Evaluation Summary

The Defense Financial Institution Services Office manages the DoD Overseas Military Banking Program. This office oversees the day-to-day operations of a world-wide contract that provides banking products and services to authorized customers in overseas locations. This office also oversees the maintenance of regulations as they pertain to military banking and credit union located on DoD installations. The Office measures its performance through periodic customer satisfaction surveys.

Travel Card Program Management Office (PMO) provides fully qualified personnel to act as program managers for the Services and Defense Agencies, and serve as the Department of Defense's program manager and liaison with the General Services Administration and the Bank of America. In FY 2006, the Travel Card PMO transfers out of DFAS.

In FY 2006, IGTS will complete requirements gathering, implement an initial operating capability, and achieve Milestones A, B, and C. IGTS transitions out of DFAS in FY 2007.

<u>V. Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	Change FY 2005 to FY 2006	Change FY 2006 to FY 2007
<u>Civilian End Strength (Total)</u>	32	13	2	-19	-11
U.S. Direct Hire	11	11			-11
Total Direct Hire	11	11			
<i>Memo: Reimbursable Civilians Included</i>	21	2	2	-19	
<u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	25	90	2	65	-88
Foreign National Direct Hire	7	11			-11
Foreign National Indirect Hire	7	11		4	-11
<i>Memo: Reimbursable Civilians Included</i>	18	79	2	61	-77
Average Annual Civilian Salary					

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

<u>OP 32 Line</u>	<u>Change from FY 2005 to FY 2006</u>			<u>FY 2006 Estimate</u>	<u>Change from FY 2006 to FY 2007</u>		<u>FY 2007 Estimate</u>
	<u>FY 2005 Actuals</u>	<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
Civilian Personnel Compensation							
101 Executive, General and Special Schedules	672	23	121	816	20	-584	252
989 Other Contracts	4,062	97	-684	3,475	77	-3,352	200
Total	4,734	120	-563	4,291	97	-3,936	452

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

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Defense Human Resources Activity (DHRA)



February 2006

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Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

	FY 2005 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
DHRA	363,901	9,286	34,814	408,001	9,236	-42,885	374,352

* In FY 2005, this Field Activity received no supplemental funds.

* The FY 2006 Estimate column excludes \$10,000.0 thousand of FY 2006 Title IX obligations (PL 109-148).

I. Description of Operations Financed:

The Defense Human Resources Activity (DHRA) funding finances management and improvement of the Department's principal Human Resources Management (HRM) organizations and systems. DHRA administers personnel policies, maintains comprehensive databases, provides a variety of education, research, military recruiting and executive leadership training programs, and supports benefit, readiness, force protection and financial management efforts with operational programs. These programs use automation and innovative technology to enable the Department's policymakers, warfighters, and civilian managers to do their jobs more efficiently and effectively. DHRA resources support and reflect the commitment the Department of Defense is making to address and meet key human resources management issues.

DHRA's Travel Management Office (TMO) was created in FY 2006 to be the Department's lead and single focal point to consolidate, streamline and centrally manage commercial travel for the Department of Defense. This office will develop policies for the administration of commercial travel policy, regulations and directives so that all remain consistent.

In FY 2007, acquisition-related funds for the Defense Integrated Military Human Resources (DIMHRS) Personnel and Pay (Pers/Pay) program are transferred from DHRA to the Defense Business Transformation Agency (DBTA). Additional resources are transferred to DHRA to

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support Travel Management Office program efforts, to include Defense Travel System (DTS) operations, TMO contract support sustainment, Commercial Travel Office contract consolidation, Defense Travel Service Help Desk activities. To promote the development of programs in languages that are of strategic importance to the DoD, the Defense Language Office will award three-year grants to fifty select ROTC schools, and begin a program to prescreen and test military accessions for foreign language skill. Additional funds are provided to DHRA for employer outreach activities of the Employer Support to the Guard and Reserve (ESGR) program.

In FY 2007, there are program funding decreases to several programs: the Defense Enrollment Eligibility Reporting System (DEERS) program, the Regionalization and Systems Modernization (Reg/Mod) program, the National Security Personnel System (NSPS), and the Defense Leadership and Management Program (DLAMP).

DHRA programs include:

Defense Integrated Military Human Resources System (DIMHRS) Personnel and Pay (Pers/Pay)

The DIMHRS (Pers/Pay) initiative supports a totally integrated pay and personnel system for the DoD Components' operational requirements. From FY 2005-FY 2006, Joint Requirements and Integration Office (JR&IO) managed DIMHRS (Pers/Pay) design and development funds to support DoD-wide priorities and comply with Congressional mandates and Department policy. Beginning in FY 2007, acquisition and operation-related program funds transfer to the Defense Business Systems Acquisition Executive under the DBTA. Responsibility for providing functional direction and oversight for DIMHRS (Pers/Pay) will remain with the JR&IO. In future budget submissions, this funding will be consolidated and reflected in the Human Resource Management (HRM) Enterprise Functional Analysis line.

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Human Resource Management (HRM) Enterprise Functional Analysis

In the FY 2006 budget submission, funding to support HRM enterprise functional analyses was included in the Defense Integrated Military Human Resources (DIMHRS) Personnel and Pay (Pers/Pay) program. The transfer of DIMHRS (Pers/Pay) acquisition responsibility to the DBTA necessitates differentiation between the funds dedicated to the development and deployment of DIMHRS (Pers/Pay) and the funds required to continue the functional analyses that support the HRM enterprise.

HRM Enterprise Functional Analysis resources support functional policy analyses, workshops and change management activities; provide for business process reengineering (BPR) and analyses of alternatives; define/document functional requirements; and provide functional oversight for HR initiatives. The intent of these efforts is to resolve functional problems; develop and implement standard data across all Components; integrate core systems and databases within each Service; and consolidate processes and systems around the Military Life-Cycle functions.

The funding supports initiatives to ensure that the programs are cohesive and integrated; prevent duplication of effort; identify critical areas for future analysis; and provide essential linkages to other DoD programs. DHRA/JR&IO manages business process reengineering, requirements analysis documentation and maintenance, and change management for a wide range of HRM systems that includes, but is not limited to, DIMHRS (Pers/Pay), DIMHRS (Manpower), DIMHRS (Training), the Defense Travel System (DTS), recruiting, quality of life/MWR management, and records management.

Joint Requirements & Integration Office (JR&IO) Information Management (IM)

DHRA/JR&IO supports the Information Management responsibilities of the Office of the Under Secretary of Defense for Personnel and Readiness (OUSDP&R)). The office is responsible for information management, strategic plans, and mission area analyses. It provides oversight and execution of the HRM Core Business Mission Area and, as such, is

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responsible for initiating, coordinating, and executing project/program areas such as Interagency BPR, IM Analysis, Information Assurance, Critical Infrastructure Protection, Information Technology, Functional Data Administration, and Data Standardization. In the interagency personnel records area, JR&IO coordinates participation in budget and program reviews and supports working level and executive participation. JR&IO sponsors business processing reengineering projects and conducts prototype demonstrations of innovative work processes and enabling information technologies such as automated exchange of digitized personnel records.

HRM Core Business Mission Area

As part of the DoD Business Management Modernization Program (BMMP), the HRM Core Business Mission Area (CBMA) is responsible for the Department's most important resource - its people. The HRM CBMA is committed to developing and supporting policies and procedures to attract, retain, and motivate a highly qualified and diverse workforce capable of meeting mission requirements. To execute this responsibility, the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)) has established three sub-mission areas: Civilian Human Resources Management, Military Health System, and Military and Other HRM. The Director, JR&IO coordinates the activities of the three sub-mission areas and manages the Military and Other HRM sub-mission area. The Director, Civilian Personnel Management Service (CPMS) manages the civilian HRM sub-mission area. The Health Affairs Chief Enterprise Architect manages the Military Health System sub-mission area. The resources supporting civilian and military HRM sub-mission area activities are in the DHRA budget. The resources supporting the Military Health System sub-mission area are in the Defense Health Program budget.

The Military and Other HRM sub-mission area supports the entire life cycle of military personnel, from recruiting and initial entry through transition, and compensation and benefits. The sub-mission area also addresses law enforcement and personnel security.

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The Civilian HRM sub-mission area is charged with providing corporate level leadership in human resources management. The sub-mission area develops and manages civilian human resources programs and systems; develops and recommends policy and provides guidance on all aspects of civilian personnel management; and advises all levels of DoD management regarding civilian human resources issues.

The Military Health System sub-mission area oversees the Department of Defense - Health Affairs, Military Health System (MHS). The sub-mission area is responsible for ensuring the nation has a healthy fighting force available at all times, supported by a combat-ready healthcare system.

Defense Enrollment Eligibility Reporting System (DEERS), Real Time Automated Personnel Identification System (RAPIDS), and the Common Access Card (CAC). The DEERS, RAPIDS and CAC programs are interrelated and interdependent. DEERS is the Department of Defense (DoD) person data repository (PDR); CAC uses the DEERS database for authentication and personnel information; and RAPIDS is the system that supports the Uniformed Services Identification card program, provides on-line updates to DEERS, and issues the CAC to Service members, civilian employees, and eligible contractors to access DoD facilities and networks.

DEERS

DEERS contains personnel data on more than 26 million people with current or past employment or benefits relationships in the DoD. DEERS is the DoD's only centralized repository for all Service members, retirees, family members, DoD civilians, and selected contractors. It is the authoritative source for uniquely identifying people in the DoD and for providing identity management services for those individuals. It ensures only eligible beneficiaries receive benefits and entitlements (medical, dental, commissary privileges, exchange privileges, life insurance benefits and Montgomery GI Bill educational benefits) and automates the related processes. This improves the management,

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planning, and allocation of DoD benefits, thereby reducing fraud and abuse of DoD pay and benefits and entitlements programs.

DEERS provides over 22 applications and 25 interfaces to hundreds of systems supporting the Military Health System (MHS), and processes 3 million transactions daily. DEERS MHS benefits include reducing fraud and improving data quality by serving as the database of record for eligibility, enrollments, fees, and catastrophic cap/deductible. DEERS MHS provides portability of health care information, promotes One TRICARE through standardized processes, consistent correspondence, common enrollment application, and common applications for customer service, and improves third party collections by serving as the central repository for other health insurance.

The design of DEERS has allowed DoD to add enterprise solutions for new applications very quickly. This has resulted in better and more cost-effective service to the members and the war fighters. Leveraging the basic infrastructure to add these applications has proven beneficial in two ways: first, the time to develop and field is extremely short; and second, the information is consistent and uniformly available anywhere in the DoD.

The DEERS Support Office (DSO) assists Service members and their families by providing eligibility information for DoD medical and dental benefits packages including qualification and registration requirements. DSO customer service representatives are readily available to assist beneficiaries with any questions or problems associated with these programs. It provides a human touch for members and their families experiencing real problems in collecting entitlements and benefits. Sponsors and family members contact the DSO to request DEERS record changes, obtain assistance in resolving TRICARE claim denials, and check on eligibility for TRICARE, Medicare, the TRICARE Senior Pharmacy Program, and the TRICARE For Life Program.

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DEERS continues to evolve and seek new ways to enhance the Quality of Life for our Service members and their families. One example is a "self-service portal" that streamlines the process of verifying the member's enrollment and eligibility for benefits and entitlements. This portal permits beneficiaries, sponsors, and family members to view their DoD medical benefits and entitlements information, enroll/dis-enroll in TRICARE programs and view details on co-payments, catastrophic caps and other related functions.

DEERS serves as the flagship for identity management and authentication services promoting the Presidential initiatives for e-Government and Homeland Security. DHRA/DMDC developed the Personnel Identity Protection (PIP) program to place the Department in a leadership position on identity management. Using DEERS and the DEERS infrastructure, the PIP is the DoD's proactive approach to protect the identities of our Service members, employees, and families while securing access to Government assets through strong identity authentication.

Using PKI technology, physical access systems will link to DEERS in order to corroborate the credentials of users authorized access to a computer application, a Government building, or a military installation. To further the goal of protecting the identity of our military Members and their families, DoD civilian employees, affiliates, and contractor partners, the Department leveraged DEERS, by developing and enhancing additional identity protection systems to implement the PIP. These systems include the Defense Biometric Identification System (DBIDS), Defense National Visitors Center (DNVC), and the Defense Cross-Credentialing Identification System (DCCIS). PIP systems protect personnel identity by authenticating credentials in the logical and physical environments making it much more difficult to steal another person's identity, to use a stolen identity, or to gain unauthorized access to Government assets.

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RAPIDS and CAC

The RAPIDS and CAC programs are the DoD's enterprise solution for annually issuing four to five million Uniformed Services Identification and Privilege Cards to Service members, Active and Reserve components, civilian employees, retired members, eligible family members, and selected contractors. Deployed to over 1,450 locations around the world, including fixed-sites, mobilized (forward-deployed) activities, Navy ships and deployable units, RAPIDS provides the means to collect family member information so that eligible family members are appropriately categorized, entered into DEERS, and issued identification credentials that correctly reflect their entitlements and privileges. RAPIDS systems are deployed to forward locations including the Balkans, Afghanistan, Djibouti, Kuwait, Qatar, and Iraq.

The CAC is a technologically advanced identification credential, enabling the DoD to reform business processes and better serve and support DoD's total workforce. Because it contains the Public Key Infrastructure (PKI) digital certificates, it is the key to protect the DoD information technology infrastructure, conduct electronic commerce with DoD's business partners, move to secure web-based business processes using PKI credentials, and comply with Homeland Security Presidential Directive (HSPD-12). The CAC has an integrated circuit chip. The information stored on this chip is tightly controlled and used primarily as an authentication token for identification, logical and physical access, benefits, and other e-business applications, to digitally sign documents such as email, encrypt information, and establish secure web sessions to access and update information via the Internet.

As the authentication database for CAC PKI, DEERS stores information related to the digital certificates. DEERS is the authoritative source for the family member account and is DoD's contribution to and in support of the e-authentication President's Management Agenda project. The CAC is DoD's passport to the electronic world. Technology on the CAC provides authentication of cardholders with digital credentials,

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eliminating the need for a multitude of user identities and passwords to access different systems. Both the digital signature and the authentication allow the DoD to move business and commerce toward e-business and paperless goals by replacing cumbersome, paper-based systems. The CAC will be the principal card used for physical access to DoD buildings and controlled access spaces.

The CAC is the DoD solution to meeting the needs of interoperable Federal credentials under Homeland Security Presidential Directive (HSPD-12). In addition, CACs are issued to all Coast Guard, Public Health Service, and National Oceanographic and Atmospheric Administration members and to selected members of all other Federal departments assigned overseas.

This mandated program has the promise of interoperable identity cards seamlessly used among Federal Agencies by October 2006. Additionally, DHRA/DMDC is working with Federal partners in the Department of Homeland Security (DHS) to support Emergency Support Function (ESF) access control processes, e.g., First Responder Passport. These projects continue to demonstrate the identity management and authentication services forged within DoD that can be leveraged throughout the Government.

Human Resources Strategic Assessment Program (HRSAP)

The HRSAP's primary mission is to provide the Department with a personnel survey capability. The HRSAP is one of the largest survey programs in the world and quickly and accurately assesses the attitudes and opinions of members of the DoD community. The HRSAP annually fields 8+ surveys, primarily via the Web, to over 500,000 people - Active-duty and Reserve component members, military spouses, DoD civilians, and Service Academy students. HRSAP provides empirically based personnel data quickly and routinely to senior Defense leaders for use in program evaluation and policy formulation. The average turnaround time from first fielding a survey to providing results is less than 18 weeks.

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Statistical Information Analysis Division (SIAD)

SIAD is responsible for applying information technology strategies to meet reporting requirements of the DoD and for supporting management processes within the Department in the functional areas of DoD workforce (military and civilian), military casualties and procurement information. Customers include OASD(AT&L), DoD components, other Federal Government organizations, state and local governments, Congress, and the public. Key SIAD initiatives and activities for FY 2006 and FY 2007 will focus on complete integration of functionally transferred SIAD workforce, casualty and procurement, statistical reporting responsibilities and capabilities with mainstream DHRA mission activities.

Regionalization and Systems Modernization

The Defense Civilian Personnel Data System (DCPDS) is the largest automated human resources (HR) system in the world, providing the HR transaction processing and information system to support the DoD civilian workforce worldwide. DCPDS supports over 800,000 civilian employee records that include appropriated and non-appropriated fund (NAF) employees, and local national and National Guard Bureau (NGB) personnel. Systems support is provided through 22 DOD Regional Service Centers (RSCs) and over 300 Customer Support Units (CSUs) worldwide.

The development and operation of a single, modern enterprise civilian HR information system ensures a coherent, standardized, and cost-effective system for the entire Department. Consistent with the DoD Human Resources Strategic Plan, DCPDS provides management systems and tools that support total force planning and informed decision-making. The DHRA budget contains the resources for the maintenance, sustainment, and operation of DCPDS. Enhancements for DCPDS include a corporate data warehouse, integration of employee self-service functionality, and incorporating other HR automated system solutions. In collaboration with the Program Executive Office (PEO) National Security Personnel System (NSPS), DHRA's Civilian Personnel Management Service (CPMS) is

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developing, testing, and deploying the system changes for NSPS implementation. Funding will ensure that sufficient resources are available for the Department's IT system development and transition to NSPS through FY 2007.

The combined results of the Department's restructuring of civilian HR operations, improving and reengineering business processes, and completing the fielding of DCPDS, have greatly streamlined HR operations and reduced the number of required staff, with savings already reflected in the Defense budget. These initiatives have been implemented systematically to achieve the highest level of efficiency and improve civilian HR operations worldwide.

DCPDS was designed to improve and simplify personnel transaction processing, the delivery of personnel services, and retrieval of timely civilian workforce information. The DHRA/CPMS is responsible for functional and technical oversight of DCPDS. Since DCPDS development and deployment, the contracted operation, maintenance, sustainment, and enhancement of DCPDS have been facilitated by the DCPDS system integrator, Lockheed Martin Information Technology (LMIT). With the upgrade to web technology in 2003, users access the DCPDS Oracle HR commercial-off-the-shelf (COTS) application through a standard web browser, taking advantage of Internet technology and HR commercial-off-the-shelf (COTS) improved system navigation.

In addition to using COTS software, DoD developed customized codes to support 12 demonstration projects, 11 unique local national applications to support requirements for 17 countries, NAF employees, and NGB employees. Other applications developed by DoD and incorporated into DCPDS are: COREDOC, used to support the position classification process and develop position descriptions; AutoRIF, for conducting reduction-in-force actions; a web-based Customer Support Unit (CSU) application for standard report retrieval and ad hoc querying; and Productivity to track and capture information on the status and timeliness of personnel action processing.

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National Security Personnel System

The National Security Personnel System program was authorized under the National Defense Authorization Act for FY 2004 (signed by the President on November 24, 2003). The legislation allows DoD to build a new civilian personnel management system. It will change how civilians are hired, assigned, rewarded, advanced, and removed, as well as how appeals are handled and how labor management relations are conducted -- all within the context of merit system principles, accommodation of veterans' preference, and respect for bargaining. NSPS will enable the Department to acquire, develop, and sustain an agile and responsive workforce to meet the demands of DoD's ever-changing national security mission.

The DHRA budget includes costs of the Program Executive Office activities and operations associated with the overarching design, development, and implementation planning of NSPS. This includes centrally developed core training modules; deployment planning, scheduling, and monitoring; development of regulations and DoD-level directives, policies, procedures, and other issuances needed to implement NSPS; development of DoD level communications tools (e.g., key messages, press kits); management of statutory collaboration process with employee unions (including sponsorship of formal meetings); modification and development of HR information systems to accommodate NSPS; and program evaluation (surveys, data collection and analysis, reporting). The Components bear the costs primarily for the preparation and execution of NSPS deployment, including training delivery, Component-unique IT systems modifications, program office operations, deployment execution, distribution of communications materials, and development of Component-unique supplemental guidance, policies and procedures.

The program is administered and managed by the NSPS Program Executive Office, established in May 2004, which will oversee and coordinate actions to design and implement the system, in cooperation and partnership with the Defense Components and the Office of Personnel Management.

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Office of Complaint Investigations (OCI)

OCI performs alternative dispute resolution (ADR) and conducts timely Equal Employment Opportunity (EEO) investigations on alleged violations of the Civil Rights Act or anti-discrimination laws.

OCI's Alternative Dispute Resolution (ADR) program is integral to DoD in meeting Equal Employment Opportunity Commission (EEOC) regulation requirements for dealing with complaints of discrimination. OCI's success, resolving cases through ADR, improves DoD EEO statistics, reduces EEO case processing times, lowers administrative and legal costs, frees agency resources, and enhances employee morale. Military Departments, Defense Agencies, and OCI have developed a joint goal to increase the use of ADR at the formal level of the complaint process.

DoD complies with EEOC federal sector complaint processing regulations (29 CFR Part 1614) when EEO cases are investigated within 180 days. Additional emphasis has been placed on timeliness through the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act), 29 CFR Part 1614, which grants EEOC authority to sanction agencies that do not comply with regulatory timeframes, and EEOC Management Directive 715, which grants EEOC oversight authority over agencies' EEO case processing and allows EEOC to conduct evaluations of agency EEO programs to ensure compliance with EEOC policy and statutes.

Civilian Assistance and Re-Employment (CARE) Program

Since the beginning of FY 1989, the Department of Defense (DoD) has been downsizing, reorganizing, realigning, transforming, and closing bases. Despite prolonged organizational and employee upheaval, the Department has been extremely successful in effectively reducing the number of civilian positions in a humane and efficient manner without mission disruption as a result of careful strategic planning and implementing flexibilities that allow Commanders and Agency Heads the freedom to manage and

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restructure organizations through authority delegations and innovative legislative and transition assistance tools. From FY 1989 through FY 2005, DoD has reduced its civilian employment by over 418,000 positions and, by September 2009, projects reduction of several thousand additional positions. These projections do not include administration reductions and realignment initiatives (including the imminent round of base realignments and closures (BRAC) and the redeployment of forces from Asia and Europe).

The Civilian Assistance and Re-Employment (CARE) Division manages the operation of all DoD civilian reduction and career transition assistance programs, including the DoD Priority Placement Program (PPP), the Voluntary Early Retirement Authority (VERA), and the Voluntary Separation Incentive Pay (VSIP), which are designed to alleviate the adverse effects of restructuring/reshaping the DoD workforce. These Congressional, policy, and programmatic efforts support the achievement of necessary reductions with minimum workforce disruption. Such efforts are consistent with providing a Human Resources (HR) program that ensures the readiness of tomorrow's integrated force structure and by benchmarking HR processes and practices against industry best practices as outlined in the Department of Defense Human Resources Strategic Plan.

Injury/Unemployment Compensation Program (ICUC)

The ICUC Division provides consolidated technical and administrative services to support DoD Component administration of the injury and unemployment compensation programs in accordance with applicable laws and regulations.

ICUC is responsible for developing and implementing policy, program guidance, advisory services, and training media in compliance with the Federal Employees' Compensation Act (FECA) and the Unemployment Compensation for Federal Employees (UCFE) regulations. Advisory services to DoD Components, Commands, and Installations are supported by 19 liaisons in ten offices collocated with the Office of Workers' Compensation Program (OWCP) Districts. Liaisons serve as the primary point of contact between Injury

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Compensation Program Administrators (ICPA) and claims adjudication staff at the OWCP District.

Quarterly, ICUC performs centralized, consolidated case review and claims verification process for all DoD unemployment claims. This process includes recoupment of erroneous payments made by the State Employment Servicing Agencies (SESA) on behalf of DoD. Since FY 1994, ICUC has audited 458,755 unemployment claims, resulting in recoupment of more than \$10.2 million.

ICUC plans, designs, and develops improvements to the Defense Injury and Unemployment Compensation System (DIUCS) including Electronic Data Interchange (EDI), Injury and Unemployment claims management modules, and the Defense Portal Analysis Center (DefPAC) virtual library and statistical reporting application. DIUCS is the foundation of DoD's standard enterprise-wide civilian human resources (HR) system for injury compensation and unemployment compensation program management for all DoD Components.

Defense Leadership and Management Program (DLAMP)

The Defense Leadership and Management Program (DLAMP) was established in April 1997, by DoD Directive 1430.16, as a DoD-wide program to produce world-class civilian leaders for key senior-level leadership positions throughout DoD. DLAMP is a key component of the Department's succession management strategy, preparing DoD for the anticipated wave of retirement of current senior leaders during this decade and beyond. DHRA/CPMS is responsible for program management and stewardship of centralized DLAMP funding.

DLAMP is designed to ensure that future leaders have a joint perspective; substantive knowledge of national security mission; a shared understanding, trust, and sense of mission with military leaders; and strong leadership and management skills. To meet those objectives, DLAMP provides a comprehensive, individually tailored program of graduate education, Professional Military Education, assignments, and leadership courses.

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The DHRA assesses the DLAMP curriculum continually. For example, as DoD implements the National Security Personnel System, DLAMP curriculum will be updated to ensure alignment with critical leadership competencies identified through DoD training and education transformation efforts. Additionally, DLAMP is the focal point for a study to produce a joint learning continuum for civilian leadership development across DoD, building upon work produced through the Quadrennial Defense Review, related DoD Component initiatives, government-wide efforts such as the Office of Personnel Management review of Executive Core Qualifications, and best practices in leader development throughout the public and private sectors. Through these efforts, DLAMP will remain well positioned to provide the skill sets that DoD civilian leaders need to succeed today and in the future.

Over 40 percent of the DLAMP budget is associated with the lease costs of the Executive Management Training Center in Southbridge, MA.

Pipeline Reemployment Program

In December 2004, the Defense Safety Oversight Council (DSOC) endorsed the Pipeline Reemployment Program for Defense Employees (Pipeline). The Office of the Secretary of Defense (OSD) authorized the Pipeline Program, and approved funding and Full Time Equivalent (FTE) positions to support these efforts. This program provides DoD organizations with over-hire authority and civilian pay authority necessary to reemploy partially recovered employees suffering from job-related injuries and illnesses. Pipeline addresses two basic issues that have historically hindered reemployment efforts by installations: resource allocation and funding. The Pipeline Program removes these barriers by providing both to the DoD installation for a period of up to one year. Returning injured employees to suitable productive duty as soon as they are able and improves an employee's sense of value to the organization while minimizing the cost of workers' compensation disability payments.

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Joint Advertising, Market Research and Studies (JAMRS)

JAMRS is comprised of three programs: (1) Joint Advertising; (2) Joint Market Research; and (3) Joint Military Recruiting Studies. Together, these programs provide marketing communications and marketing solutions in order to:

- bolster the effectiveness of the Department's recruiting programs by providing the Services with core functions including corporate-level market research, personal contact information on millions of prospective recruits, and the tracking of the effectiveness of the Services' individual advertisements;
- eliminate redundancies within each of the Services' advertising and market research efforts yielding substantial cost savings; and
- provide the corporate-level campaign designed to complement the advertising efforts of the individual Services. This campaign has been designed to build advocacy among parents, teachers, coaches, who are the primary influencers of youth, and to demonstrate the values and benefits of service to our country. Specifically, the current campaign is focusing on encouraging parents to "get the facts" about Military service and engage in a two-way conversation about the Military with the young people in their lives.

Joint Advertising

Joint Advertising is the corporate-level, recruiting advertising arm of the Department. FY 2006 funding, which includes \$10 million provided in Title IX of Public Law 109-148, allows this program to:

- execute an enhanced corporate marketing communications campaign to increase the likelihood that adult influencers, in particular parents of potential recruits, will have a two-way conversation and get the facts about military service;
- upgrade and update internet websites such as www.todaysmilitary.com and www.myfuture.com that present military service as a smart choice; and

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- monitor the Services' individual advertisements by sponsoring the Department's central advertising tracking system.

FY 2007 funding levels will include managing the lead generation programs and maintaining JAMRS internet websites.

Joint Market Research

The mission of Joint Market Research is to conduct studies that enable the Department to develop research-based communications and marketing strategies/solutions for its target markets. FY 2006 funding, which includes \$10 million provided in Title IX of Public Law 109-148, allows this program to:

- Conduct two youth polls and two influencer polls on attitudes and opinions of military service;
- Enhance the Recruit Market Information System (RMIS) to meet the expanding needs of the Services' Recruiting Commands;
- Conduct market segmentation analyses; and
- Conduct research on important influencer target markets such as:
 - o Educators (teachers and guidance counselors)
 - o Parent of youth who have applied to the Military

FY 2007 funding levels will include conducting two youth polls and one influencer poll that capture attitudes and opinions of these key target audiences on the Military and military service; and maintaining the Recruit Market Information System (RMIS), a web-based system that contains demographic data on the youth market and enables the Services to establish recruiting goals for their geographic recruiting areas.

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Joint Military Recruiting Studies

Joint Military Recruiting Studies is a program of separate studies to help ensure that Joint and Service recruiting resources are allocated effectively and efficiently while contributing to the Department's overall goal of recruiting, retaining, and developing military personnel. FY 2007 funding will include producing the annual Population Representation in the Military Services Report and assessing the effects of medical entrance standards on enlistment.

Defense Resources Management Institute (DRMI)

The Defense Resources Management Institute is a jointly staffed DoD resource management educational institution operating under the supervision of a Policy Guidance Council. The Institute provides integrated professional education to selected military and civilian personnel involved in resource allocation and management. It is located at the Naval Postgraduate School in Monterey, California.

Office of the Actuary

Responsibilities of the DoD Office of the Actuary (OACT) have grown dramatically over the last fifteen years as a result of the Chief Financial Officers and Federal Financial Management Acts. OACT participates in financial statement audit committees for the Military Retirement Fund (MRF) and the Medicare-Eligible Retiree Health Care Fund (MERHCF) and chairs the former. In addition, the Medicare-Eligible Retiree Health Care Fund was recently created, along with a Medicare-Eligible Retiree Health Care Board of Actuaries. OACT is tasked with assisting in the Fund's implementation and providing support to the Board. In particular, OACT is responsible for computing DoD and Treasury Fund contributions for inclusion in annual budgets and for estimating the Funds' liability to be reported in DoD and government-wide annual financial statements. This brings to four the number of trust funds for which OACT makes calculations, including liabilities of and contributions to the MRF, the Education Benefits Fund, the Voluntary Separation Incentive Fund, and the MERHCF. The MRF and MERHCF financial statements are

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audited annually by the DoD IG. The MRF statements are the only statements in DoD that have consistently received an unqualified audit opinion. OACT calculates DoD's and Treasury's required annual contributions into each of the Funds using methods and assumptions approved by the DoD Retirement, Education Benefits, and Retiree Health Care Boards of Actuaries. These amounts are needed for annual budgets. Congress continues to modify military benefits for active duty personnel, retirees and survivors, and Reserve personnel (e.g., pay table reform, retirement benefit changes for post-1986 members, 30-year paid-up survivor benefits, and skilled nursing and home health care limitations). OACT is responsible for producing cost estimates for legislative proposals involving military benefits (such as Combat-Related Special Compensation and Concurrent Receipt Disability Pay) and for adapting retirement and retiree health care system valuation models to legislated changes. The number of benefit changes enacted requiring cost estimates is expected to continue to grow.

Quadrennial Review of Military Compensation (QRMC)

By law, the President is required to direct a complete review of the principles and concepts of the compensation system for members of the uniformed services. In the current environment, it is imperative that the Department of Defense continue to provide human resource policies and programs to ensure that we have the right size military force and that our military personnel have the requisite skills, abilities, and motivation to execute assigned missions effectively and efficiently. The 10th QRMC will undertake this review beginning in FY 2006 with completion in FY 2007. It will follow on a larger Secretary of Defense initiative establishing a Defense Advisory Committee on Military Compensation. Both efforts are to ensure that the compensation system is appropriate to secure manpower needs. The QRMC will publish a report of its findings in FY 2006.

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Defense Personnel Security Research Center (PERSEREC)

PERSEREC performs personnel security research and analysis for DoD Components and members of the intelligence community, and evaluates improvements to personnel security procedures, programs, and policies. This effort includes:

- conducting long-term programmatic research for the security and intelligence communities;
- carrying out rapid-response studies and analyses in support of policy formulation and systems operation;
- disseminating research information to security policymakers and practitioners; and
- developing innovative tools, systems, and job aids for security professionals.

PERSEREC's research program supports the goals of the Intelligence Reform and Terrorism Prevention Act of 2004 by conducting projects to improve policy and practice in five areas: granting interim clearances; expediting investigations and adjudications; ongoing assessments of cleared personnel; augmenting periodic reinvestigations; and assessing the impact of information technology on applicants' rights.

Across these areas, PERSEREC specializes in translating practical problems related to security policy and programs into researchable questions, collecting and analyzing empirical data, and then reporting recommendations and findings in a way that is useful to policymakers and practitioners. Recent examples include: drafting the new adjudication guidelines for determining eligibility for access to classified information; successfully beta testing in 2005 an Automated Continuing Evaluation System (ACES) which greatly improves the ongoing monitoring of personnel with high-level security clearances; and completing research and recommendations regarding the use of a "Phased Periodic Reinvestigation," which resulted in a 2004 national policy change allowing government agencies to conduct required continuing evaluation of Top Secret clearance holders faster, more cost-effectively, and without additional risk.

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PERSEREC products include briefings to policymakers; technical and management reports; full-scale computer systems; desktop aids, and intranet/internet applications. PERSEREC also offers consultation and recommendations on many subjects related to personnel security.

Department Advisory Committee on Women in the Services

The Defense Department Advisory Committee on Women in the Services (DACOWITS) provides the Department of Defense, through the Principal Deputy Under Secretary of Defense (Personnel and Readiness) (PUSD(P&R)), with advice and recommendations on matters and policies relating to the recruitment and retention, treatment, employment, integration, and well-being of highly qualified professional women in the Armed Forces. In addition, the Committee provides advice and recommendations on family issues related to the recruitment and retention of a highly qualified professional military.

Federal Voting Assistance Program

By law, The Federal Voting Assistance Program (FVAP) submits a Report to the President and Congress after every presidential election on the effectiveness of assistance under the Uniformed and Overseas Citizens Absentee Voting Act, 42 USC 1973ff (UOCAVA), including a statistical analysis of voter participation and a description of federal and state cooperation in carrying out the provision of the Act. The FVAP conducts a post election survey to determine participation in the electoral process by citizens covered by the UOCAVA, assesses the impact of efforts designed to simplify and ease the process of voting absentee, evaluates other progress made to facilitate absentee voting participation.

Defense Language Office

The lessons of Operation Iraqi/Enduring Freedom and the Global War on Terrorism have demonstrated that the Department's foreign language capability has not kept pace with the changing global environment. The Defense Language Roadmap directed the Under Secretary

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of Defense for Personnel and Readiness to establish the Defense Language Office (DLO) to ensure a strategic focus on meeting present and future requirements for language and regional expertise among military and civilian employees. The DLO's mission is to transform the way language and regional expertise is valued, developed, and employed for national security. The focus is to increase language and regional expertise capabilities required for current and future operations and to support the President's National Security Language Initiative for the Federal government and academia. Responding to the Strategic Planning Guidance, the office oversees and manages the implementation of a comprehensive Department-wide Language Transformation Roadmap to achieve these ends. The Defense Language Office identifies policy, procedural, and resource needs associated with providing needed language capability. It recommends, oversees, and evaluates policies and programs for language training, testing, and sustainment. The office oversees language policy regarding the development, management, and utilization of civilian employees and members of the Armed Forces; monitors trends in the promotion, accession, and retention of individuals with these critical skills; and explores innovative concepts to expand Defense foreign language capabilities. In addition, the office conducts research and analyzes studies, legislation, reports and lessons learned from the Global War on Terrorism and current military operations as they pertain to language and regional area expertise.

Sexual Assault Prevention and Response Office (SAPRO)

The Sexual Assault Prevention and Response Office (SAPRO) provides a single point of accountability for sexual assault policy matters in the Department of Defense. The SAPRO will oversee implementation of the new set of sexual assault policies for the Department of Defense, revising or expanding them as necessary; develop and evaluate Department-wide training; establish and maintain metrics and reports of sexual assault; oversee the capability of the Department to respond to the needs of victims of sexual assault; maximize opportunities for accountability and prosecution of sexual assault perpetrators, and coordinate policies related to the role and training of Victim's Advocates and other

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first responders. SAPRO will conduct field visits and review annual reports received from the Military Departments to determine the efficacy of sexual assault policies and programs, and prepare annual reports to the Congress on the Department's policies and initiatives in this area.

Support of the Guard and Reserve (ESGR)

ESGR's mission is to gain and maintain active support from public and private employers for the men and women of the National Guard and Reserve as defined by demonstrated employers' commitment to employee military service. Chartered by Presidential Proclamation in 1972 to develop and promote a positive, supportive relationship between National Guard and Reserve component service members and their employers, ESGR is now a community-based national network of 56 state and territory committees consisting of over 3,400 volunteers. ESGR provides free education, consultation and, if necessary, mediation for employers of Guard and Reserve employees.

The ESGR Headquarters not only provides training, guidance, direction, and financial and logistics support to these state and territory Committees, it creates and manages national employer education, advertising and outreach programs designed to further penetrate the employer community at all levels. These programs seek to increase employer awareness of their rights and responsibilities under the law as well as how they, through their support of their Guard and Reserve employees, are inextricably linked to the defense of the nation. ESGR is the central focal point within DoD for advising the senior Service staffs, Reserve Component chiefs, and DoD civilian leadership in the development of regulations, policies, and legislation concerning employer relations programs. It also provides resources for surveys, educational seminars, training workshops, management of information, and maintenance of information systems. ESGR provides educational program support and awareness to the Reserve components down to the unit level through their Military Unit Liaison program.

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As current operations continue to place unprecedented demands on the Reserve Components, the success of ESGR's mission is critical to recruiting and retention programs of the Reserve components. ESGR plans to expand national advertising and outreach programs aimed at employers and continue streamlining the administration of the contract and employer outreach program management at the state level.

Travel Management Office (TMO)

The TMO was established in FY 2006 to be the Department's lead and single focal point to consolidate, streamline and centrally manage commercial travel for the Department of Defense. This new organization's primary mission will be to operate the commercial travel program for the Department of Defense. This office will develop policies for the administration of commercial travel policy, regulations and directives so that all remain consistent. The consolidation of existing commercial contracts includes efforts found in 105 various commercial travel office contracts managed by approximately 56 contracting offices. The consolidation includes both Small Business set-aside awards (increasing from DoD's previous 6 percent to 12 percent) and full and open competition awards.

Labor

Funding is for costs associated with salary and benefits for DHRA employees.

Operations

Costs are associated with the day-to-day operations of this Field Activity that enable DHRA to support a variety of offices throughout the Department of Defense and other Federal Agencies. Included in Operations are payments for rent, utilities, communications, general training, supplies, equipment, printing, postage, inter-service support agreements, the Defense Finance and Accounting Service, and other costs.

II. Force Structure Summary: n/a

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III. Financial Summary (\$ in Thousands):

	FY 2006							FY 2007 Estimate
	FY 2005 Actuals	Budget Request	Congressional Action			Current Estimate		
			Amount	Percent	Appropriated			
A. Budget Activity (BA) Subactivities								
3. Training and Recruiting	51,340	39,726	-5,023	-13	34,703	34,703	33,089	
Joint Advertising & Marketing Research Studies (JAMRS) *	26,709	7,171	0	+0	7,171	7,171	7,239	
Defense Leadership & Management Training (DLAMP)	23,349	31,183	-5,000	-16	26,183	26,183	24,520	
(Note: includes Southbridge facility lease - fixed cost)	(10,302)	(10,657)	0	0	(10,657)	(10,657)	(11,100)	
Defense Resource Management Institute (DRMI)	1,282	1,372	-23	-2	1,349	1,349	1,330	
4. Administrative & Service-wide Activities	312,561	363,072	-6,174	-2	356,898	373,298	341,263	
Defense Integrated Military Human Resource System (DIMHRS) **								
DIMHRS (Pers/Pay) Acquisition**	11,100	35,600	3,408	+10	39,008	39,008	0	
DIMHRS Functional Analysis **	18,929	13,931	-277	-2	13,654	13,654	13,954	
HRM Enterprise Functional Analysis	0	0	0	n/a	0	0	1,661	
Joint Requirements & Integration Office (JR&IO) Information Management	2,682	2,739	-54	-2	2,685	2,685	2,797	
Human Resources Management Domain	6,975	8,949	11	-1	8,960	8,960	8,963	

* In FY 2005, this Field Activity received no supplemental funds.

* The FY 2006 Estimate column excludes \$10,000.0 thousand of FY 2006 Title IX obligations (PL 109-148).

** For display purposes, DIMHRS funding is shown for two efforts: 1) program acquisition (acquisition/operations), and 2) functional analysis (oversight/requirements) definition. Acquisition transfers to the BTA in FY 2007. Functional analysis remains in DHRA. Subsequent DHRA budget submissions will reflect functional analysis (oversight/requirements) funding requirements.

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III. Financial Summary (\$ in Thousands):

	FY 2006							FY 2007 Estimate
	FY 2005 Actuals	Budget Request	Congressional Action			Current Estimate		
			Amount	Percent	Appropriated			
A. Budget Activity (BA)Subactivities								
Defense Enrollment Eligibility Reporting System (DEERS)	50,532	55,277	-1,247	-2	54,030	54,030	47,186	
Real Time Automated Personnel Identification System (RAPIDS)	25,535	28,290	-641	-2	27,649	27,649	27,365	
Common Access Card (CAC)	16,659	17,921	-405	-2	17,516	17,516	17,314	
Statistical Information Analysis Division (SIAD)	444	390	-3	-1	387	387	346	
Human Resources Strategic Assessment Program (HRSAP)	4,445	4,681	-107	-2	4,574	4,574	4,431	
Regionalization and Systems Modernization (Reg/Mod)	28,065	34,402	-236	-1	34,166	34,166	32,037	
National Security Personnel System (NSPS)	10,425	10,495	-72	-1	10,423	10,423	7,758	
Office of Complaint Investigations (OCI)	862	353	-2	-1	351	351	358	
Civilian Assistance and Re-Employment (CARE)	96	77	-1	-1	76	76	78	
Injury/Unemployment Compensation (ICUC)	96	106	-1	-1	105	105	107	
Defense Business Fellows (DBF)	0	4,812	-4,812	-100	0	0	0	
Pipeline Re-Employment Program	3,181	12,193	-124	-1	12,069	12,069	12,607	
Employer Support of the Guard and Reserve (ESGR)	7,739	8,529	-178	-2	8,351	8,351	9,327	
Office of the Actuary	649	130	-1	-1	129	659	679	
Quadrennial Review of Military Compensation (QRMC)	1,125	367	-7	-2	360	360	358	

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III. Financial Summary (\$ in Thousands):

A. Budget Activity (BA)Subactivities	FY 2006							FY 2007 Estimate
	FY 2005 Actuals	Budget Request	Congressional Action			Current Estimate		
			Amount	Percent	Appropriated			
Defense Personnel Security Research Center (PERSEREC)	2,604	1,159	-12	-1	1,147	2,509	2,587	
Department Advisory Committee on Women in the Services (DACOWITS)	251	310	-3	-1	307	307	302	
Federal Voting Assistance Program (FVAP)	2,367	1,044	-10	-1	1,034	2,112	2,177	
Defense Language Office (DLO)	2,232	1,350	-20	-1.5	1,330	1,920	6,334	
Sexual Assault Prevention & Response Office (SAPRO)	3,567	2,575	-19	-.7	2,556	2,234	2,150	
Travel Management Activities (TMO)	0	0	0	n/a	0	8,742	18,437	
IMPACT JEMS (Congressional Add)	0	0	1,000	n/a	1,000	1,000	0	
Labor	81,849	92,992	0	0	92,992	97,826	100,202	
Operations	30,152	24,400	-2,361	-10	22,039	21,625	21,748	
Total	363,901	402,798	-11,197	-3	391,601	408,001	374,352	

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III. Financial Summary (\$ in Thousands):

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2006/FY 2006</u>	<u>FY 2006/FY 2007</u>
Baseline Funding	402,798	408,001
Congressional Adjustments (Distributed)	-4,600	-
Congressional Adjustments (Undistributed)	-751	-
Adjustments to Meet Congressional Intent	-	-
Congressional Adjustments (General Provisions)	-5,632	-
Congressional Earmark	-214	-
Subtotal Appropriated Amount	391,601	408,001
Fact-of-Life Changes (CY to CY Only)	-	-
Subtotal Baseline Funding	391,601	408,001
Anticipated Supplemental - JAMRS	10,000	-
Reprogrammings	-	-
Price Changes	-	9,236
Functional Transfers	16,400	-40,324
Program Changes	-	-2,561
Current Estimate	418,001	374,352
Less: Wartime Supplemental - JAMRS	-10,000	-
Normalized Current Estimate	408,001	374,352

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III. Financial Summary (\$ in Thousands):

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request (Amended, if applicable)		402,798
1. Congressional Adjustments		-4,600
a. Distributed Adjustments		
1) Defense Integrated Military Human Resources System (DIMHRS)	+4,200	
2) Defense Business Fellows (DBF)	-4,800	
3) IMPACT JEMS(Jobs/Employment for Military Spouses)	+1,000	
4) Defense Leadership and Management Program (DLAMP) Program Growth	-5,000	
b. Undistributed Adjustments		-751
1) Unobligated Balances	-751	
c. Adjustments to meet Congressional Intent		
d. General Provisions		-5,632
1) Sec 8087 - Advisory and Assistance Services	-751	
2) Sec 8125 - Economics Assumptions	-627	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-295	
4) One Percent Rescission	-3,959	
e. Congressional Earmarks - Sec 8044 - Indian Lands Environmental Impact		-214
FY 2006 Appropriated Amount		391,601
2. War-Related and Disaster Supplemental Appropriations		+10,000
a. Title IX		
1) Joint Advertising and Market Research Studies (JAMRS)	+10,000	
3. Fact of Life Changes		+16,400
a. Functional Transfers		
1) Transfers In		
Defense Travel Management Office (TMO) - Transfers resources from DFAS and others to consolidate, streamline, and centrally manage DoD commercial travel. Adjustments: Travel Management Activities (+\$8,742), Labor (+\$4,834), Operations (+2,824). (FY 2006 Baseline \$0)	+16,400	

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III. Financial Summary (\$ in Thousands):

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
2) Transfers Out		
b. Technical Adjustments		-
c. Emergent Requirements		-
FY 2006 Baseline Funding		418,001
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		418,001
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers - JAMRS	-10,000	
FY 2006 Normalized Current Estimate		408,001
6. Price Change		+9,236
7. Functional Transfers		-51,400
a. Transfers In		
b. Transfers Out		
1) DIMHRS (Pers/Pay) (Acquisition) - Acquisition-related program funds transfer to the Business Transformation Agency (BTA) in FY 2007. (FY 2006 Baseline \$39,008)	-51,400	
8. Program Increases		+27,641
a. Annualization of New FY 2006 Program -		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007		
1) DIMHRS (Pers/Pay) (Acquisition) - Provides for sustainment costs for DIMHRS program implementation. Funds transfer to the Defense Business Transformation Agency in FY 2007. (FY 2006 Baseline \$39,008)	+11,401	
2) Defense Travel Management Activities		
a) Defense Travel Management Office - Provides for program costs for Defense Travel Management Office (TMO) to consolidate, streamline, and centrally manage DoD commercial travel. (FY 2006 Baseline \$8,742)	+9,415	

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III. Financial Summary (\$ in Thousands):

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
b) HRM Enterprise Functional Analysis - The transfer of functional oversight for the Defense Travel System to DHRA requires additional resources to support business process reengineering, requirements analysis documentation and maintenance, and change management. (FY 2006 Baseline \$0)	+1,661	
3) Defense Language Office - Additional resources in FY 2007 will be used to award 3-year grants at fifty select ROTC schools to promote the development of programs in languages that are of strategic importance to the DoD. Funds will also support a centrally-managed program to pre-screen and test military accessions for foreign language skill. (FY 2006 Baseline \$1,330)	+4,372	
4) ESGR - With current operations increasing mobilizations and demobilizations of Guard and Reserve personnel, additional resources will provide increased contact between Selected Reserve units and employers, support marketing and employer outreach campaigns, and conduct surveys to assess employer attitudes toward employee participation in the Guard and Reserves. (FY 2006 baseline \$8,351)	+792	
9. Program Decreases		-19,126
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2007 Decreases		
c. Program Decreases in FY 2007		
1) One-Time Congressional Add - IMPACT JEMS	-1,000	
2) DEERS - The modernization effort and transition are completed in FY 2006, eliminates legacy system operating and maintenance costs; reduces the total overall DEERS program cost. (FY 2006 baseline \$54,030)	-8,033	

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III. Financial Summary (\$ in Thousands):

3) NSPS - Currently scheduled training development efforts and initial modifications of human resource information systems are completed in FY 2006, reduced funding required in FY 2007. (FY 2006 Baseline \$10,423)	-2,894
4) Regionalization/Modernization (Reg/Mod)- Renegotiation of the DCPDS sustainment contract has reduced required funding. (FY 2006 Baseline \$34,166)	-2,881
5) DLAMP - The DLAMP program has been redesigned to include the Candidate Development Program, focused on ensuring future civilian leaders have the skills required to operate successfully in the joint environment. As a result, intake of new students into the program will decrease in FY 2007. (FY 2006 Baseline \$26,183)	-2,239
6) RAPIDS - Protracted testing and delivery of hardware and software technology refreshment accommodate decreases to this program. (FY 2006 Baseline \$27,649)	-892
7) Common Access Card - The program decrease reflects adjustments to "e-authentication" initiatives in FY 2007. (FY 2006 Baseline \$17,516)	-587
8) HRSAP/Surveys - Reduction reflects a decrease in the number of surveys to be performed in FY 2007. (FY 2006 Baseline \$4,574)	-244
9) Human Resource Management Domain - Decrease is due to reduced contractor support. (FY 2006 Baseline \$8,960)	-194
10) Operations - Streamlined operations throughout DHRA will reduce funding required in FY 2007 (FY 2006 Baseline \$21,625)	-162

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374,352

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IV. Performance Criteria and Evaluation Summary:

The Defense Human Resources Activity's programs provide exceptional, innovative support to the Department's Personnel and Readiness goals and transformation initiatives including improved information management, administrative services to the DoD components on human resource matters, and research and analysis of human resources information and policies. DHRA's programs and associated systems result in measurably improved service, performance, and satisfaction for users throughout the Department. All programs have a clear mission with clear, achievable, and measurable goals.

The Field Activity measures performance against a defined set of Core Values from the overarching Strategic Plan, including Client Service and Satisfaction, Budget and Performance Integration, Strategic Workforce Planning, Quality Assurance and Improved Financial Management. Programs use a variety of tools, including program assessments, headquarters management control reviews, biennial customer satisfaction reviews, and documented metrics to ensure program goals are met or exceeded.

Each program narrative describes its relationship to the performance goals established in the OUSD P&R's Strategic Plan, the President's Management Agenda, and the Field Activity's Strategic Planning Documents. DHRA programs improve the effectiveness, efficiency and productivity of personnel and readiness operations throughout DoD and play an essential role in achieving Departmental goals associated with the Strategic Management of Human Capital, Improved Financial Performance, Expanded Electronic Government, and Budget and Performance Integration.

Defense Integrated Military Human Resources System (DIMHRS) Personnel and Pay (Pers/Pay)

The Performance goals of the DIMHRS (Pers/Pay) System focus on transforming all aspects of military personnel and pay management to support the requirements to streamline procedures essential to war fighting for the global war on terrorism, which requires high

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IV. Performance Criteria and Evaluation Summary:

morale, support for joint operations, and effective management decisions. The program will design, develop, test and deploy a fully integrated military personnel and pay system, using a Commercial-Off-the-Shelf (COTS) platform, to enable human resources transformation and provide superior, world class operating capabilities at a lower cost. The OUSD (P&R) aligned its performance goals and measures with the President's Management Agenda and risk management framework. The information management program supports the "Strategic Management of Human Capital" as the primary performance metric. The following measures and goals support this responsibility and are related to the four risk factors from the balanced scorecard concept: Force Management Risk, Operational Risk, Future Challenges Risk, and Institutional Risk.

FY 2005 goals and metrics:

- Continued development of Personnel and Pay functionality for all DoD Components; and
- Conducted Go-Forward Assessment of the program, as directed by the DepSecDef

FY 2006 goals and metrics:

- Complete Go-Forward Assessment of the Army, as directed by the DepSecDef;
- Conduct Go-Forward Assessments of the Air Force, Navy, and Marine Corps, as directed by the DepSecDef;
- Re-Baseline the program;
- Complete development of the enterprise software driven by the Military Personnel and Pay Business Standards that will be used by all Components; and
- Begin Testing.

In FY 2007, DIMHRS (Pers/Pay) Acquisition program transfers to the DBTA.

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IV. Performance Criteria and Evaluation Summary:

HRM Enterprise Functional Analysis

The JR&IO HRM enterprise systems functional analysis supports functional policy analyses, workshops and change management activities; provides for business process reengineering (BPR) and analyses of alternatives; defines/documents functional requirements; and, provides functional oversight for HR initiatives.

The following performance goals and metrics are for budget years FY 2006 through FY 2007:

- defining, documenting, and maintaining functional requirements for Departmental enterprise HRM systems including the Defense Integrated Military Human Resources System (DIMHRS) for Personnel and Pay (Pers/Pay) and the Defense Travel System (DTS);
- conducting Business Process Reengineering and prototype information management initiatives in the mission area of military personnel and readiness;
- building stakeholder awareness, understanding, and acceptance of change relative to HRM CBMA information technology initiatives;
- identifying functions and processes associated with the Manpower business area toward defining the scope of DIMHRS (Manpower);
- applying Business Process Reengineering/Improvement (BPR/I) techniques with focus on adopting commercial software, common industry standards, streamline processes and standardized data across the Department, with the documentation of functional requirements for DIMHRS (Manpower); and
- resolving Military Personnel and Pay issues.

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IV. Performance Criteria and Evaluation Summary:

Joint Requirements and Integration Office Information Management(JR&IO IM)

The OUSD (P&R) has aligned its performance goals and measures with the President's Management Agenda and the Department's Balanced Scorecard Concept's risk management framework. The information management program supports the "Strategic Management of Human Capital" as the primary President's Management Agenda initiative. The following measures and goals support this responsibility.

Information Management performance goals ensure that OUSD(P&R) has the functional support necessary for policy management, Departmental representation in various committees, Business Process Reengineering management, Planning, Programming, and Budget processes, and Military Personnel and Pay Issues Resolution.

The following performance goals and metrics are for budget years FY 2006 through FY 2007 and apply to the Balanced Scorecard Concept of Institutional Risk:

- providing timely support for the development of Departmental Human Resources Information Technology (IT) policies;
- completing documentation of Inter-Agency interface requirements;
- participating in E-Gov initiatives to make military personnel information available electronically to all authorized Federal users to provide benefits and entitlements, expedite employment clearances, and respond to other routine uses of military records;
- achieving full operating capability for the Defense Personnel Records Imaging System (DPRIS);
- participating in the Planning, Programming, Budgeting, and Execution process to obtain and fully use resources in support of military personnel and readiness IM initiatives.

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IV. Performance Criteria and Evaluation Summary:

Human Resources Management Core Business Mission Area

The following performance goals and metrics are for budget years FY 2006 through FY 2007 and apply to the Balanced Scorecard Concept of Institutional Risk:

- establishing the baseline Human Resources Management (HRM) Core Business Mission Area architecture (CBMA);
- ensuring that the HRM policies and priorities are reflected in the BMMP;
- ensuring the HRM Business Standards are reflective of current HRM policies and priorities;
- maintaining and updating the HRM Business Standards to reflect changes in HRM policy and/or priorities;
- ensuring constant and consistent collaboration of HRM transformation activities that impact other mission areas;
- ensuring consistent integration of policies and priorities across HRM functions and/or mission areas;
- verifying efforts to automate HRM functions are consistent and are in accordance with the documented HRM Business Standards; and
- establishing an inventory of HRM Business Mission Area systems.

Defense Enrollment Eligibility Reporting System (DEERS), Real Time Automated Personnel Identification System (RAPIDS), and the Common Access Card (CAC)

The DEERS, RAPIDS and CAC programs are interrelated and interdependent. DEERS is the Department of Defense (DoD) person data repository (PDR); CAC uses the DEERS database for authentication and personnel information; and RAPIDS is the system that supports the Uniformed Services Identification card program, provides on-line updates to DEERS, and issues the CAC to Service members, civilian employees, and eligible contractors to access DoD facilities and networks.

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Defense Enrollment Eligibility Reporting System (DEERS), Real Time Automated Personnel Identification System (RAPIDS), and the Common Access Card (CAC) performance goals include:

- Establishing and maintaining the highest standards of accuracy for over 26 million records and worldwide access times for over 3 million transactions processed daily
- 99.5 percent availability for the database outside of scheduled maintenance
- Posting of updated information from the uniformed services no more than 24 hours from receipt
- Support of Service member mobilizations within 24 hours of notification
- Average issuance times of less than 15 minutes for all DoD Identification card forms;
- 97 percent availability for the RAPIDS system, as measured as an aggregate, across all locations
- Incorporate new benefits or entitlements as directed by Congressionally mandated dates
- Ensure card technology remains state-of-the-art, interoperable, and sufficiently secure to facilitate e-Government and secure electronic transactions
- Facilitate smart card program implementation by other Government agencies and pioneer smart card technology advancement within the Federal Government via support for the Government Smart Card HSPD-12 standards sponsored by the National Institute of Standards and Technology (NIST)
- Provide processes, procedures and lessons learned to other Government agencies to reduce life-cycle costs to the Government

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- Maintain User Outreach Program to promote usage of the CAC and PK-enabled application development, provide information and presentations to the user community, and plan major educational events at least 4 times per year
- Ensure CAC adheres to Federal Government HSPD-12 and remains a leader in the standardization of smart cards
- Provide essential post-issuance capability
- Limit times required to download necessary client software to not more than 2 minutes
- Provide technical support for the "aggregate buy" of smart cards in the Federal Government
- Consistently measure the level of beneficiary support and maintain an average response time of less than 2 weeks for written queries
- Answer beneficiary phone calls in under one minute wait time
- Respond to Panograph retrieval requests within 24 hours to assist in the identification of casualties
- Create and retain accurate reporting required by law or regulation for MGIB, verification of military education, actuarial data, PERSTEMPO, linguist tracking, child and spouse abuse, federal parent locator, Defense incident reporting which feeds the National Incident Based Reporting System, EEO, Census, and demographics data
- Provide accurate information and analysis for decision makers in DoD and other Federal Government entities

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Human Resources Strategic Assessment Program (HRSAP) performance goals include:

- Administer nine or more surveys per year providing a tabulation of responses report, briefing, summaries of research
- Ensure data are available within 90 days of closing the survey field
- Provide data for monthly recruiting and retention SECDEF updates;
- Provide data for measures and metrics for DoD's Balanced Scorecard quadrant "Force Management Risk
- Use scientifically accepted methods for survey item development (e.g., ensure reliable, valid results and maintain internal consistency of reported scales at not less than .70), and statistical design (e.g., stratified random sample designs and weighting that results in acceptable margins of error not to exceed +/- 5 percent in reported results for 90 percent of pre-established interest groups)

Statistical Information Analysis Division (SIAD) performance goals include:

- Complete recurring DoD reports and publications on schedule and within congressionally mandated deadlines
- Maintain an average response time of two weeks or less for routine written queries; one week or less for FOIA requests; one week or less for web-based inquiries.

Regionalization and Systems Modernization

The Defense Civilian Personnel Data System (DCPDS) provides civilian HR information system support for the DoD civilian workforce worldwide, replacing the legacy DCPDS, and supporting over 800,000 employee records and approximately 1.5 million position records. Combined with the regionalization of civilian HR servicing, DCPDS has enabled a significant improvement in the servicing ratio (the number of personnelists to employees served).

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- Servicing Ratio. Achieved significant savings by improving the 1:66 ratio at program inception to 1:80 currently. Additional gains are expected.
- System Technology. Improved systems performance gained through upgrades to the system software and employment of newer, more scaleable technology to facilitate further consolidation of the DCPDS technical infrastructure.

The Economic Analysis (EA) for DCPDS projected approximately \$200 million in annual savings with reduced costs attributable to decreases in HR staff and facilities costs, and the elimination of duplicate legacy system maintenance.

- Post Implementation Review (PIR). PIR in 2005 validated the results of reviews completed in April 2003 and August 2004 and supported the EA savings projection of approximately \$200 million per year over the lifecycle of the program through FY 2011.
- Annual Program Review. Annual PIR is in conformance with the Information Technology Management Reform Act and the Federal Acquisition Reform Act.

Sustainment, operation, and maintenance of DCPDS are managed by the DHRA/CPMS through outsourcing to a performance-based, firm fixed-price contract.

- Contractor Performance. Established and implemented system and vendor performance metrics to assess contractor performance.
- Service Level Agreement (SLAs). Exercised contract management oversight by DHRA/CPMS leveraged use of an automated system that captured performance metrics (such as system uptime, network availability, and patch time) to increase efficiency and reduce costs. SLAs scored 4.45 out of 5.0.

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The success of the Regionalization and Systems Modernization Program is measured by systems development accomplishments, the quality of system functionality, positive customer feedback.

- Key Measure. Attainment of the 1:80 ratio to measure the number of civilian HR staff supporting serviced population across DoD.
- Customer Satisfaction. Continued increases in customer satisfaction indicate 70 percent customer satisfaction.
- Savings Realized. Program continues to save approximately \$200 million per year, as projected by the DCPDS Economic analysis.
- Consolidation. Consolidated operations include a Corporate Management Information System (Data Warehouse), as well as Air Force and Army regional databases on single instances.

Through 2007, DHRA's CPMS will develop, test and deploy the DCPDS software changes for the National Security Personnel System (NSPS) implementation.

- Future Development. Projects will include an integrated staffing suite, further consolidation of enterprise operations, and steps toward integration of personnel and payroll operations.
- Strategic Initiatives. Program supports the goals of the President's Management Agenda, the DoD HR Strategic Plan, and the Department's active participation in the HR Lines of Business (LOB), and the selection of DoD as one of five Federal-wide Shared Service Centers.

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National Security Personnel System

The design and implementation of NSPS must meet a number of Key Performance Parameters (KPPs). A KPP is a capability or characteristic that is so significant that failure to meet a minimum "threshold" can be cause for that element, concept, or system to be reevaluated, or the program to be reassessed or terminated. To meet the approved six KPPs, the Department has approved the following NSPS performance goals for Fiscal Years 2006/2007:

- High Performing Workforce and Management: Employees and supervisors are compensated and retained based on their performance and contribution to mission.
 - Develop a performance management system that links to the DoD and Component strategic plans and aligns individual performance expectations to the plans and mission requirements.
 - Develop a performance management system that allows for variations in missions without incurring excess cost for support processes.
 - Develop a performance management system that links contribution to salary and rewards and enables DoD to compete successfully in hiring and retaining high performing employees
 - Develop a performance management system that is contemporary and ensures performance, rewards, and compensation.
 - Develop a performance management system that is credible, understandable, and achieves trust among employees and supervisors.
 - Ensure that supervisors are trained to communicate performance expectations and provide feedback to employees.
 - Ensure that employees are trained to understand how to succeed in performance.

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- Agile and Responsive Workforce and Management: Workforce can be easily sized, shaped, and deployed to meet changing mission requirements.
 - Develop tools and authorities to expand or reduce the workforce rapidly and easily to meet emergent mission requirements, fluctuating workload, mission realignments and establishments/disestablishments of units.
 - Develop readily identifiable workforce skills in order to assign employees to meet new mission requirements.
 - Develop incentives and simplified rules to facilitate permanent and temporary relocation of employees to meet mission requirements.
 - Increase flexibility in employment of term and temporary employees along with core and permanent employees to meet unit force structure needs and/or changing conditions.
 - Set broad pay bands that allow for employees to be reassigned in support of mission requirements with less need for formal assignments and temporary job changes.
 - Facilitate competency based hiring, growth throughout a career, retraining in case of obsolete skills, succession planning, a multi-skilled workforce, and contemporary occupational qualifications.
- Credible and Trusted: System assures openness, clarity, accountability, and adherence to the public employment principles of merit and fitness.
 - System design is accessible, understandable, accountable and merit-based.
 - System provides for due process and for fair and expeditious resolution of workforce issues and concerns.

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- System fosters a labor-management relationship that addresses employee concerns and employees' rights to organize and bargain collectively, while meeting DoD mission.
- System includes a performance management system that meets statutory requirements for fairness and equity, adequate agency resources, system training and retraining for supervisors and employees, ongoing performance reviews and feedback, performance pay decisions based on individual performance, and compliance with merit principles.
- **Fiscally Sound:** Aggregate increases in civilian payroll, at the appropriations level, will conform to OMB fiscal guidance.
 - System ensures cost discipline in civilian payroll costs and supports managing civilian human resources to budget at the unit level.
 - Funded implementation costs are measured against the projected costs published in the Federal Register.
 - Through 2008, the amount allocated for compensation of employees covered by NSPS is not less than it would have been had NSPS not been implemented for those employees.
 - After 2008, NSPS ensures that employees in aggregate are not disadvantaged by being in NSPS, in terms of the overall amount allocated for compensation.
 - System provides for pay control reference points to ensure employees are not compensated too high or too low based on their work responsibilities and the current labor market.
- **Supporting Infrastructure:** Information technology support, training, and change management plans are available and funded.

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- Develop change management training that will include:
 - Understanding, communicating and dealing with change
 - Developing and communicating performance expectations
 - Performance feedback and coaching.
- Develop technical and operational training for managers, supervisors, employees and officials with NSPS program responsibilities to include:
 - Human Resource System flexibilities, such as staffing, reduction in force, etc.
 - Labor-management relations
 - Discipline and appeals
 - Implementation and operation of the performance management system
 - Pay pool management and processes
 - Information Technology (IT) system processes that are changed and/or created due to NSPS.
- DoD Information Technology(IT) system modifications provide:
 - Seamless processing and payroll actions across DOD systems from the Defense Civilian Personnel Data System (DCPDS) flowing to the Defense Finance and Accounting Service (DFAS)
 - "Mass conversion" of employees into NSPS and mass update capabilities
 - Interoperability between DCPDS and standard DoD/Component systems for Priority Placement, Automated Staffing and Referral, Priority Placement, Automated Reduction in Force
 - Automated performance management and administration tools and processes for the Department
 - Automated pay modeling tools
 - Good access to data for those who possess permissions.

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- Schedule: NSPS will be operational and stable in sufficient time to evaluate it before the Labor Relations system sunset date [by statute, November 2009].
 - Internal milestones for system development, implementation, and evaluation of NSPS lead effectively to the Department being able to justify repeal of the Labor Relation system sunset date
 - Implement NSPS using a spiral approach that rolls out the system to a set of organizations and employees and allows for evaluation and incorporation of system improvements before the next spiral increment
 - System will be phased in for no more than 300,000 employee before the Secretary of Defense assesses the NSPS performance management system and determines that it meets the statutory criteria

Office of Complaint Investigations (OCI)

Alternative Dispute Resolution: OCI performance criteria calls for ADR to be offered on 100 percent of EEO cases, for ADR to be the preferred method of closing EEO cases, and for EEO Investigators to actively encourage early dispute resolution. For every complaint OCI resolves early, DoD avoids an estimated \$40,000 to \$80,000 in case processing costs and potential, additional, litigation costs of between \$161,000 and \$310,000.

- Since FY 2001 OCI processed over 17,235 EEO complaints; resolved 5,258; and avoided potential processing and litigation costs of between \$315 million and \$1.1 billion.
- By FY 2006 OCI will offer ADR on 100 percent of available EEO cases; increase early resolutions to over 50 percent; avoid potential processing and litigation cost of between \$103 million and \$403 million; reduce processing time to less than 120 days; and develop new efficiencies that will improve DoD No FEAR statistics.

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Timely EEO Investigations: OCI works closely with the Military Departments and Defense agencies to accomplish the joint goal of completing DoD EEO cases in less than 180 days.

- During FY 2005: The No FEAR Act served to renew the emphasis DoD places on eliminating old cases. OCI's average time for investigation was 135 days, mainly due to the inclusion of case amendments and the additional 180 days allowed for processing amended cases.
- By FY 2007 OCI: OCI will continue to work with the Military Departments and Defense agencies to execute joint goals, implement new efficiencies to increase the number of cases closed within 180 days, and meet still undefined No FEAR Act and EEOC MD-715 requirements.

Established OCI metrics will track the following:

- Percentage of cases closed by resolution out of cases received during the FY.
- Percentage of cases completed (investigated) within 120 days of receipt by OCI during FY.

Civilian Assistance and Re-Employment (CARE) Program

The CARE Program implements the requirements of the DoD Directive 1400.20, "DoD Program for Stability of Civilian Employment" and supports the goals of the DoD Civilian Human Resources (HR) Strategic Plan and the President's Management Agenda, Strategic Management of Human Capital. The CARE Program mission is to provide guidance and assistance to the DoD Components in administering DoD workforce drawdown and restructuring programs while reducing the civilian workforce humanely and efficiently. Congressional approval of the Base Realignment and Closure (BRAC) Commission recommendations will significantly increase CARE mission requirements during the next 6 years. The DoD Priority Placement Program (PPP) is the Department's cornerstone placement program. The CARE Program has the following performance goals in Fiscal Year (FY) 2006/2007: Continue efforts to

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prepare for the effects of BRAC (e.g., maintain and update BRAC Transition website, participate in BRAC forums, and train cadre of PPP registration counselors to augment local HR staffs for BRAC PPP registration).

- Integrate the PPP with HR policy changes resulting from the National Security Personnel System (NSPS)(e.g., paybanding, noncompetitive actions).
- Develop a PPP narrative resume to better assist managers in making selections from Program referrals.
- Publish updated DoD Instruction 1400.20, DoD Program for Stability of Civilian Employment," and DoD 1400.25-M, Civilian Personnel Manual Subchapter 1702, "Voluntary Separation Programs," to provide current policy and procedural guidance.
- Administer recently established PPP Assessment Program, including field visits. This initiative provides a systematic approach to ensuring program compliance and determining the level of program expertise within field organizations.
- Continue robust PPP and CARE Program workforce briefings at downsizing activities, including BRAC installations. In FY 2005, briefings were conducted at 26 installations in the U.S. and overseas. The demand for this service will increase significantly during implementation of BRAC actions.
- Complete distance-learning modules for the Priority Placement Program Basic Course and other CARE Programs (e.g., Voluntary Separation Incentive Programs (VSIP) and Voluntary Early Retirement Authority (VERA)).
- Develop on-line employee briefings to supplement live CARE Program briefings with narrated on-line versions to make information more accessible to the field.

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Care Program success will be measured by the following metrics:

- The number of displaced employees placed through PPP.
- The percentage of placements of PPP registrants. The historical placement rate of 38 percent makes DoD's transition programs a model for other Federal agencies.
- The number of employees who accept VSIP and/or VERA to mitigate the effects of downsizing or other restructuring actions.
- The number of employees involuntarily separated due to reduction in force. Historically, the Department has maintained an overall involuntary separation rate of less than 10 percent of total reductions.
- The satisfaction of managers who receive employees placed through PPP;
- PPP assessment program results will provide critical data in focusing training efforts as the Department moves into the next round of BRAC, and the redeployment of the Department's forces from Asia and Europe.
- The quality of training provided to program managers and their subsequent administration of the program.
- Program success is measured in the Civilian Personnel Management Service's (CPMS) Strategic Plan, i.e., Goal 1 (Become the "Provider of Choice" for human resources products and services.), Goal 2 (Continuously seek and employ innovative solutions. Use state-of-art technology to enhance business practices. Reach for future technology and uncharted ideas to improve programs, processes, and services.), and Goal 4 (Sustain customer service orientation in the delivery of CPMS products and services).

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Injury/Unemployment Compensation Program (ICUC)

The success of the Injury Compensation Program is measured by cost containment through effective case management, and efficient return-to-work programs, as well as overall customer satisfaction. DoD is a leader in Federal Government for cost containment of workers' compensation claims. In FY 2005, DoD Components were billed \$600 million for injury compensation claims, or 2.5 percent less than FY 2004 costs of \$615 million. Excluding DoD, the rest of government experienced a .6 percent increase over FY 2004 costs. Since 1994, the Government-wide injury compensation bill increased by 28.7 percent. In contrast, the DoD injury compensation bill decreased 1.0 percent providing DoD a cost avoidance of \$174 million. Adjusted for inflation, DoD's injury compensation costs since 1994 have decreased by 26.3 percent.

The ICUC Division has the following performance goals in fiscal year 2006/2007:

- Assist DoD Components to exceed President Bush's Safety, Health, and Return-to-Employment (SHARE) Initiative goals and DoD stretch goals in the areas of Timeliness of Filing and Lost Production Day Reductions.
- Design, develop, and implement improvements to the DIUCS Suite of Applications to assure better quality, communication, and workflow management for workers' compensation case management within the DoD Installations.
- Review legislative reform for Federal workers' compensation programs and unemployment compensation programs, and revise CPM 1400.25, Subchapters 810 and 850 as required.
- Increase the number of Home Visit Programs by 10 percent over FY 2005 target to ensure that they are receiving appropriate benefits and to assess return-to-work potential.
- Manage and support the DSOC Workers' Compensation Task Force Sub-committee

Defense Leadership and Management Program (DLAMP)

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The mission of the Defense Leadership and Management Program (DLAMP) aligns directly with the President's Management Agenda (Strategic Management of Human Capital), the DoD Human Capital Strategic Plan, and other key Departmental or governmental goals. The overall goal of the program is to develop a cadre of highly capable senior civilian leaders with a joint perspective on managing the Department's workforce and programs, available to fill critical positions throughout DoD. The performance goals for DLAMP for FY 2006/2007 are:

- Lead the development of a DoD-wide competency-based model for civilian leader development across the continuum from entry to senior level.
- Use this new model to revalidate and revise, as needed, the DLAMP curriculum.
- Resolve the issue of whether DoD should establish a Senior Executive Service Candidate Development Program.
- Operate and continuously evaluate and improve DLAMP.
 - Facilitate program completion by approximately 200 participants annually.
 - Track the selection of DLAMP graduates into senior leadership positions.
 - Continue new program intake of up to 350 participants annually to reach full operational capacity of 1500-1700 participants.
 - Maintain diversity of the DLAMP cadre, toward the goal of developing a senior civilian workforce that is as richly diverse as America itself.
 - Design a pilot program to support temporary developmental assignments in the joint environment for selected participants.
- Increase and enhance use of the Southbridge, MA Executive Management Training Center.

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A comprehensive program evaluation will be conducted, focusing on return on investment. It includes specific metrics and strategies for analyzing stakeholder satisfaction, selection patterns, program retention, the connection between DLAMP developmental experiences and achieving results on the job, and related program indicators.

Pipeline Reemployment Program

The Pipeline Reemployment Initiative for Defense Employees (Pipeline) was implemented in FY 2005 as a means to improve DoD's return-to-work efforts. Pipeline provides over-hire authority, and funding for salary and benefits for the first year of reemployment. The initiative removes budget and staffing constraints experienced by installations when integrating injured employees back into the work force.

- To date the Pipeline Program has assisted with 191 reemployments at a potential lifetime cost avoidance of \$155 million.

Performance goals for fiscal years 2006/2007 include:

- Assist DoD installations in reemploying 200 injured employees with the use of Pipeline funding and FTE positions.
- Design, develop, and implement a marketing strategy for the program that informs and encourages participation in Pipeline at all levels of the DoD organization.
- Conduct site visits to DoD installations where Pipeline funding and FTE positions are being under-utilized, or where the program's success can be replicated in other installations.

Joint Advertising, Market Research and Studies (JAMRS) Program

All JAMRS programs support the OUSD (P&R) performance metrics for recruiting goals, which meet the objectives of the President's Management Agenda initiative of Strategic Management of Human Capital and fall primarily in the Force Management quadrant of the

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Balanced Scorecard. The program supports efforts to target the right number, quality, and job mix of military recruits. Recruit quantity, quality, and critical skills fill are measured in the Balanced Scorecard and reported in the Annual Defense Report and Performance Assessment Review.

Joint Market Research performance evaluation will be based on the results of a year-end satisfaction survey of the Services' Recruiting Commands. Results will be compared and analyzed in future years using FY 2002 base year as a benchmark. It includes satisfaction scales for each of the major projects within the program as well as the following overall measures:

- Overall satisfaction with Joint Market Research services;
- "Joint Market Research has been helpful in meeting my organization's objectives;"
- "Intend to use Joint Market Research as key resources in the future;" and
- "Would recommend the information and services provided by Joint Market Research."

Joint Military Recruiting Studies performance will also be assessed as part of a year-end satisfaction survey.

Employer Support of the Guard and Reserve (ESGR)

ESGR has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. This program has metrics in place to measure and evaluate its performance. It focuses on the balanced scorecard concept of Force Management Risk and Future Challenges Risk by ensuring support for Guard and Reserve service members is in place to facilitate deployments when needed. The program also addresses the OUSD P&R's efforts to improve Quality of Life for Service members.

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Furthermore, ESGR utilizes a program of monthly and quarterly management control reviews to ensure accountability and optimal utilization of resources.

Performance goals include:

- growth of employer commitment;
- expansion of ESGR awareness through polling;
- increased awareness by employers of their vital duty to the national defense by providing a positive work environment conducive to the service of Guard and Reserve members; and
- continued monitoring of morale and productivity, and investing in training and professional development.

Metrics used to measure the program's performance include:

- the number of employment conflicts processed and resolved;
- the number of "Statements of Support" signed by Federal and state agencies and private employers;
- evidence of companies implementing policies as a result of "Bosslifts," "Briefings with the Boss," and other Employer Outreach programs;
- the number of volunteers trained at annual, regional, and local committee sponsored sessions;
- Service members briefed at CONUS Replacement Centers; Employer recognition awards processed; and
- Number of media impressions.

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Defense Resource Management Institute (DRMI)

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concepts (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk and Future Challenges Risk. Metrics to measure and evaluate its performance in achieving programmatic objectives remain in place. The DRMI will continue to conduct Defense Resources Management Courses, International Defense Management courses, and a Senior International Defense Management course. It will also conduct Mobile International Defense Management Courses and achieve other training objectives defined by Departmental leadership in support of transformation. This program addresses the BSCs of Institutional and Future Challenges Risk, and provides education in support of Improved Financial Performance and Budget and Performance Integration as described in the President's Management Agenda.

Office of the Actuary

This program has been reviewed to ensure compliance with the President's Management Agenda, Performance Management Goals of the OUSD (P&R), and the Balanced Scorecard Concept (BSC) quadrants established by the Department including: Force Management Risk, Operational Risk, Institutional Risk, and Future Challenges Risk. Metrics to measure and evaluate its performance remain in place. This program focuses on the balanced scorecard concept of Institutional Risk by ensuring the Department is able to accurately forecast and meet its obligations regarding entitlements and benefits. This office supports the OUSD (P&R)'s efforts to define and meet requirements and accurately project payment of retired pay. This program supports the President's Management Agenda's Government-wide Initiatives involving the Strategic Management of Human Capital, and Improved Financial Performance.

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FY 2007 goals include:

- contributing to receiving a favorable audit opinion on the Military Retirement Fund's (MRF) annual financial statements;
- providing actuarial expertise to HA/OUSD(C) groups working to obtain a favorable audit opinion on the retiree health care liability reported in DoD and government-wide financial statements;
- ensuring that the Medicare-Eligible Retiree Health Care Fund remains funded on an actuarially sound basis by providing support to the DoD Medicare-Eligible Retiree Health Care Board of Actuaries in calculating DoD and Treasury required trust fund contribution amounts for annual budget preparation;
- ensuring that the MRF remains funded on an actuarially sound basis by providing similar support to the DoD Retirement Board of Actuaries for calculations related to the MRF and the Voluntary Separation Incentive Fund;
- ensuring that the DoD Education Benefits Fund remains funded on an actuarially sound basis by providing similar support to the DoD Education Benefits Board of Actuaries for calculations related to the DoD Education Benefits Fund;
- assisting policymakers in evaluating proposed benefit changes by providing cost estimates; and
- ensuring that all four trust funds are projected to remain solvent over the 100-year projection period.

Defense Personnel Security Research Center (PERSEREC)

PERSEREC's Defense-Wide Operation and Maintenance performance goals for FY 2007 include:

- developing and implementing automated decision aids for adjudicators;
- implementing career path and certification programs for security generalists;

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- improving the efficiency and effectiveness of personnel security screening systems; and
- implementing an Automated Continuing Evaluation System (ACES) to better monitor personnel with security clearances.

FY 2007 funds will be equally allocated across goal areas. PERSEREC's goals are consistent with the following 2005 Quadrennial Defense Review Execution Roadmaps issued by the Deputy Secretary of Defense: "Implement new policies, procedures and processes for dramatic improvement" and "support development of a national security career path across the interagency."

Performance will be evaluated by assessing the extent to which research results lead to improvements in the efficiency, effectiveness and fairness of the DoD personnel security system. Two performance criteria are employed: productivity is measured by the number of new projects initiated each fiscal year, and implementation rate is measured by an index reflecting the degree to which the results of applied research projects improve security policies or operations. Metrics to measure and evaluate its performance remain in place. This program supports the OUSD P&R's Human Resources Strategic Plan and the President's Management Agenda initiatives including the Strategic Management of Human Capital. It supports the Balanced Scorecard Concepts of Force Management and Operational Risk.

Department Advisory Committee on Women in the Services

The Defense Department Advisory Committee on Women in the Services (DACOWITS) advises DoD on specified matters important to retaining highly qualified professional women and military families within all the Services. Performance criteria include: 1) assistance to the Department of Defense by advising on specified matters relating to the recruitment and retention, treatment, employment, integration, and well-being of highly qualified

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professional women in the services; 2) advice on family issues related to the recruitment and retention of a highly qualified professional military; 3) conducting approximately 14 installation visits, 4 business meetings, and subsequent research gathering information on women in the services and family related matters. The DACOWITS provides an annual report with substantive policy or legislative recommendations to the Department of Defense at the end of one year of effort. The Committee serves as a conduit of information and advice to the Department of Defense on issues relating to women in the services and family related matters.

Federal Voting Assistance Program

BY law, FVAP submits a Report to the President and Congress after every presidential election year on the effectiveness of assistance under the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA), including a statistical analysis of voter participation and a description of federal and state cooperation in carrying out the provisions of the Act. The FVAP conducts a post election survey to determine participation in the electoral process by citizens covered by the UOCAVA, assesses the impact of efforts designed to simplify and ease the process of voting absentee, evaluates other progress made to facilitate absentee voting participation, and identifies any remaining obstacles to voting by these citizens.

Performance measurement is derived from the UOCAVA, NVRA, DoD Goals and Objectives, and FVAP mission and strategic plan. Performance criteria are established in FVAP performance plans. Individual accomplishments towards the overall mission are evaluated on a continuing basis through daily feedback and discussion as well as formally during the performance review cycles. Accomplishments are documented and forwarded through the chain of command on an annual basis.

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IV. Performance Criteria and Evaluation Summary:

Defense Language Office

The mission of the Defense Language Office (DLO) aligns directly with the Force Management quadrant of the Secretary of Defense Risk Management Framework, as well as Operational and Future Challenges Risk and responds directly to the Strategic Planning Guidance. The DLO also supports the goals of the President's Management Agenda, Strategic Management of Human Capital, particularly with regard to the need to address critical skills. The DLO develops policy to institutionalize and improve Defense foreign language capability. The performance goals for the Office for Fiscal Year 2006/2007 are:

- Establish updated policies to support the development of the Department's Foreign Language Capability and Regional Expertise;
- Publish a Department of Defense Instruction providing guidance for language program management, to include testing, training and sustainment of language capability;
- Establish accession, education, and utilization policies and conduct program reviews of DoD Components' plans to ensure a robust Foreign Area Officer program;
- Develop and manage a program for the distribution of grants to colleges and universities with Reserve Officer Training Corps (ROTC) programs to develop foreign language courses in languages of critical importance to DoD;
- Provide central management of a program to screen and test military accessions to identify those with a high aptitude for learning a foreign language;
- Develop a foreign Language Readiness Index to measure our ability to meet prescribed language missions;
- Participate in the development and sustainment of a personnel information system that maintains accurate data on all DoD personnel skilled with foreign language regional expertise;
- Track progress of the 43 action items on the Transformation Roadmap and brief the Under Secretary of Defense for Personnel and Readiness and the Secretary of Defense.

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IV. Performance Criteria and Evaluation Summary:

- Manage and support the Defense Language Steering Committee;
- Facilitate the continued fielding of the Defense Language Proficiency Test 5;
- Conduct a study of civilian employees for language and regional expertise in the force; and
- Execute the President's National Security Language Initiative for the federal government and academia.

The office will establish metrics to track progress:

- A Balanced Scorecard will be used to track the performance of the Defense Language Program; and
- A process and metrics to track the accession, separation and promotion rates of language professionals and Foreign Area Officers will be developed.

Sexual Assault Prevention and Response Office (SAPRO)

The SAPRO supports the objectives of the Force Management Risk quadrant of the Secretary of Defense's Risk Management Framework and also helps to mitigate Operational Risk in deployed locations. The ultimate goal of the SAPRO is to prompt a change in culture that prevents sexual assault, and in the event of a sexual assault, instill confidence in victims to come forward and report. The SAPRO has the following performance goals in Fiscal Year 2006/2007:

- Oversee implementation of sexual assault policies and revise them if necessary;
- Evaluate the need for revised or follow-on policies and instructions;
- Disseminate information on DoD's sexual assault policies;
- Establish evaluation procedures of Services implementation to include field visits;
- Develop and coordinate policies related to the roles of the Sexual Assault Response Coordinator (SARC) and Victim's Advocate (VA);

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IV. Performance Criteria and Evaluation Summary:

- Review and consolidate Military Department Annual Reports for forwarding to Congress; and
- The office will establish performance metrics to track program progress and participate in establishing and maintaining systems to track reports of sexual assaults.

Travel Management Office

The TMO is a new office with the following performance goals in Fiscal Year 2006/2007:

- Consolidate all remaining existing commercial travel office contracts DoD-wide, reduce the number of personnel currently administering those services, and realize cost savings by achieving economies and efficiencies;
- Standardize DoD travel requirements across the Department;
- Administer the 31 small business set-aside contracts awarded as part of the consolidation effort;
- Manage the DoD portion of the travel card program;
- Provide usability recommendations and sustainment training for DTS ;
- Communicate travel policy and implementation guidance to DoD travelers via automated means; and
- Collaborate with the federal travel team to find best solutions for business intelligence and data mining of travel statistics for the Department.

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<u>V. Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change FY 2005/ FY 2006</u>	<u>Change FY 2006/ FY 2007</u>
<u>Active Military End Strength (E/S)</u>					
<u>(Total)</u>					
Officer	17	17	17	0	0
Enlisted	2	2	2	0	0
<u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	801	901	901	+100	0
<u>Active Military Average Strength</u>					
<u>(A/S) (Total)</u>					
Officer	17	17	17	0	0
Enlisted	2	2	2	0	0
<u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	777	891	891	+114	0
Average Annual Civilian Salary	\$105,340	\$109,792	\$112,459	+\$4,452	+\$2,667

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

	<u>Change FY 2005/2006</u>			<u>Change FY 2006/2007</u>			<u>FY 2007</u>
	<u>FY 2005</u>	<u>Price</u>	<u>Program</u>	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	
	<u>Actual*</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate*</u>	<u>Growth</u>	<u>Growth</u>	<u>Estimate</u>
EXEC, GEN & SPEC SCHEDULE	81,849	2,619	13,298	97,766	2,370	1	100,137
BENEFITS TO FORMER EMPLOYEES	50	2	8	60	1	4	65
TOTAL CIVILIAN PERSONNEL COMP	81,899	2,621	13,306	97,826	2371	5	100,202
TRAVEL OF PERSONS	7,824	188	433	8,445	186	406	9,037
TOTAL TRAVEL	7,824	188	433	8,445	186	406	9,037
DEFENSE FINANCE & ACCT SERV	1,184	(32)	140	1,292	(124)	209	1,377
TOTAL FINANCIAL OPERATIONS	1,184	(32)	140	1,292	(124)	209	1,377
COMMERCIAL TRANSPORTATION	404	8	-110	302	6	42	350
TOTAL TRANSPORTATION	404	8	-110	302	6	42	350
RENTAL PAYMENTS TO GSA LEASES	5,743	144	432	6,319	158	-25	6,452
PURCHASED UTILITIES	798	19	3	820	18	3	841
PURCHASED COMMUNICATIONS	1,689	41	6	1,736	38	120	1,894
POSTAL SERVICE (U.S.P.S.)	1,968	0	79	2,047	0	149	2,196
SUPPLIES & MATS (NON-FUND)	2,420	58	4	2,482	55	(89)	2,448
PRINTING & REPRODUCTION	819	20	47	886	19	(13)	892
EQUIPMENT MAINT BY CONTRACT	1,517	36	(30)	1,523	34	(8)	1,549
EQUIPMENT PURCHASES (NON-FUND)	3,007	72	87	3,166	70	(64)	3,172
CONTRACT CONSULTANTS	65	2	(67)	0	0	0	0
STUDIES, ANAL, & EVAL	2,595	62	(2,657)	0	0	0	0
OTHER CONTRACTS	251,917	6,046	23,142	281,105	6,404	(43,620)	243,889
OTHER COSTS	52	1	(1)	52	1	0	53
TOTAL OTHER PURCHASES	272,590	6,501	21,046	300,136	6,797	(43,547)	263,386
TOTAL	369,901	9,286	34,814	408,001	9,236	(42,885)	374,352

* In FY 2005, this Field Activity received no supplemental funds.

* The FY 2006 Estimate column excludes \$10,000.0 thousand of FY 2006 Title IX obligations (PL 109-148).

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Defense Information Systems Agency (DISA)



February 2006

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**DEFENSE INFORMATION SYSTEMS AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 President's Budget**

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

Budget Activity (BA) 04: Administrative and Service Wide Support

	<u>FY 2005 Actuals*</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2006 Estimate**</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>
DISA	1,168,312	1,366	-151,200	1,018,478	26,676	-46,536	998,618

* The FY 2005 Actual column includes \$799 thousand of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), 85,248 thousand of Iraq Freedom Fund transfers, and \$39,613 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

** The FY 2006 Estimate column excludes \$40,000 thousand of FY 2006 Title IX obligations (PL 109-148), and \$5,546 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148). The FY 2006 Estimate column includes \$500 thousand reprogrammed from FY 2006 Emergency Relief Fund.

I. Description of Operations Financed:

The Defense Information Systems Agency (DISA) is the combat support agency that plans, engineers, acquires, fields, and supports global net-centric solutions to serve the needs of the President, Vice President, Secretary of Defense, warfighters and other Department of Defense (DoD) Components, under all conditions of peace and war. DISA provides telecommunications and information technology services common to the DoD components more effectively, economically, and efficiently than they could do individually. In support of the DoD goals for net centricity and interoperability, DISA provides products and leads activities that enable jointness. DISA operates under the direction, authority, and control of the Assistant Secretary of Defense (Networks and Information Integration (ASD (NII))). DISA's responsibilities include:

- Providing secure Joint Command, Control, Communications, and Computer Systems in support of peacetime, contingency, war or other crisis;
- Supporting contingency and wartime planning with the Joint Staff and the Combatant Commands (CoCOM);

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I. Description of Operations Financed, continued:

- Maintaining effective communications for deployed elements in Afghanistan, Kuwait, Qatar, and Iraq in support of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) as well as in Bosnia and Kosovo;
- Acting as a force provider for USSTRATCOM Joint Force Headquarters-Information Operations, with responsibilities for global network operations and network defense capabilities;
- Providing support for Senior Leadership Communication capabilities for the President and Vice President, the Secretary of Defense and other DoD executives;
- Providing network-centric enterprise services for the Global Information Grid (GIG) in the form of applications and services;
- Providing enterprise-wide computing services for DoD;
- Supporting Joint Exercises;
- Supporting Homeland Defense in cases of natural disaster, terrorism and other contingencies, such as the Hurricane Katrina event;
- Protecting the Global Information Grid (GIG), including telecommunications, information systems, and information technology that processes unclassified, sensitive and classified data.
- Providing electromagnetic spectrum access to meet DoD's global mission, and provide planning, international spectrum coordination, and other spectrum management services.

DISA is organized and structured in support of DoD's strategic framework: to incorporate the goals and objectives in the President's Management Agenda; to address customer

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I. Description of Operations Financed, continued:

requirements and priorities; and to implement the DoD and DISA Balanced Scorecard strategies. The most relevant DoD priorities include: (1) successfully pursue the Global War on Terrorism; (2) strengthen joint and combined warfighting capabilities; (3) transform the Joint Force; and (4) streamline DoD processes.

DISA aligns its mission, essential tasks, goals and strategies, and program resource structure across six mission areas. These mission areas reflect the DoD goals and represent DISA's focus on key activities. Subsequent sections provide detailed descriptions of the mission areas:

1. Transition to a net-centric environment to transform the way DoD shares information by making data continuously available in a trusted environment.
2. Build and sustain the GIG transport infrastructure that eliminates bandwidth constraints and rapidly surges to meet demands, whenever and wherever needed.
3. Operate, manage, and defend the GIG to enhance critical warfighting and business capabilities in a secure, net-centric environment.
4. Transition to DoD enterprise-wide capabilities for communities of interest, e.g. command and control, combat support, that exploit the GIG for improved decision-making.
5. Deliver capabilities, based on established requirements, more effectively, economically, and efficiently, than we do today.

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I. Description of Operations Financed, continued:

6. Execute Special Missions to provide communications support required by the President as Commander in Chief including day-to-day management, fielding, operation and maintenance of communications and information technology.

The first five categories reflect the customer support strategies of the DISA Balanced Scorecard; the sixth category represents DISA's critical special mission to support the Commander in Chief.

Significant Program Changes:

The FY 2007 budget reflects on-going DISA activities in the context of their support to the Secretary of Defense's strategic direction. DISA is strengthening support to net-centric operations, funding increased information and network operation security while sustaining legacy programs in order to transition to the Net-Centric Enterprise Services (NCES) program. Understanding that DISA must continue essential operations including support to the Global War on Terrorism (GWOT), provide support for Homeland Defense requirements such as Hurricane Katrina, maintain support to existing and developing applications and other legacy functions as well as maintain support to the Presidential and special missions, such as the US Secret Service information system support, the DISA senior leadership is ensuring that actions are risk adjusted to ensure continued operational support for our warfighter and other stakeholder and customer base.

Beginning in FY 2007, the DISA is responsible for CENTRIXS upgrades in support of Combatant Commander's allied and coalition operations as well as key integration testing for the Distributed Common Ground System (DGCS) supporting intelligence requirements. The FY 2007 resources reflect the realignment of Operations and Maintenance (O&M) funding

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I. Description of Operations Financed, continued:

to customer accounts in the Services and Defense Agencies to support their requirements for the Defense Information Network System (DISN). In addition, testing operations previously funded in O&M have transferred to Research, Development, Testing and Evaluation (RDT&E) funding to be consistent with the Major Range and Test Facility Base (MRTFB) concept implementation begun in FY 2006. Based on the Secretary of Defense's priorities, DISA has increased information security to ensure network operations and communications. This submission also reflects the transfer of E-Commerce activities from DISA to the newly established Business Transformation Agency (BTA).

FY 2006 to FY 2007: The net program change between FY 2006 and FY 2007 (Price Change +\$26,676 Program Change -\$46,536) reflects the transfer of direct funding DISN activities to the service and agency customer accounts; realignment of testing from O&M, DW to RDT&E, and transfer of the E-Commerce program to the new BTA while at the same time increasing support to the Information Systems Security/Information Assurance program requirements and to Combatant Commanders' command and control capabilities.

Key DoD/DISA initiatives reflected in this budget submission include:

- Support for force provider responsibilities maintaining USSTRATCOM Global Network Operations and Defense missions assigned by the Secretary of Defense;
- Support to the CoCOM equipment upgrades for the CENTRIXS program;
- Expansion of the National (nuclear) Command and Control (NC2) program;
- Expansion of Computer Network Defense improvements for Computer Emergency Response Teams, expanding SIPRNet protection capabilities, and countering Insider Threat activities;

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I. Description of Operations Financed, continued:

- Incorporation of Defense Collaborative Tool Set and Information Dissemination Management into the Net-centric Enterprise Services (NCES, a key transformation initiative;
- Transfer of critical sustainment support of E-Commerce activities and testing, including Wide Area Workflow (WAWF) from DISA to the BTA;
- Increased funding to support initial phase of the White House Situation Support Staff upgrade of the Situation Room;
- Conversion of additional military billets to civilian positions, as a result of the Secretary of Defense's initiative to return military billets to the Services in support of military functions. This civilian conversion increases training, payroll and benefits costs to maintain the capabilities previously supported by military personnel; and
- Maintaining human resource initiatives to retain and reshape DISA's workforce to meet future requirements, increase quality and technical depth, particularly in light of the Base Realignment and Closure (BRAC) decisions that will centralize DISA national capital assets located in commercial and government facilities in Northern Virginia to new facilities in Fort Meade, Maryland. This includes emphasis on retention and recruitment of the critical skills utilizing the Career Management Program, Executive Leadership Development and Intern programs;
- Continued use DISA Total Cost Allocation Model that assigns costs of shared services to products and services; to identify the total cost of a program; to avoid unintended subsidy to the Defense Working Capital Fund and gain visibility and insight into cost and consumption of shared services and address efficiencies.

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I. Description of Operations Financed, continued:

Support to the Global War on Terrorism (Supplemental):

- The FY 2005 estimate includes \$85,248 thousand of Iraq Freedom Funds from the 2005 Appropriations Act for Defense and the Reconstruction of Iraq and Afghanistan that provided support for telecommunications, hardware/software, circuitry, equipment, and personnel. Transmission services included fiber backbone to support Central Command (CENTCOM) and European Command (EUCOM) bandwidth requirements. Resources supported commercial SATCOM requirements that provided direct, critical communications links for CENTCOM, SOCOM and warfighters operating in the Central Area of Responsibility. The funding also supported Collaborative Force-Building Analysis, Sustainment and Transportation efforts that included system administration, licenses, updates and service packs for enclave hardware. Information Dissemination Management/Content Staging provided improved delivery of critical information, including imagery, intelligence, and Microsoft Outlook PST archive files supporting split-based (concurrent Tampa-Qatar) operations. The funding also supported Information System Security Program efforts that included accelerated security system installs and sustainment for the monitoring of the SIPRNet guards, NIPRNet, network Demilitarized Zones (DMZs) and Coalition Networks in direct support of USCENTCOM; Enterprise Policy Monitoring devices; Gold Disk enhancements; improvements to the security of the Domain Name System; and IA tools for the Strategic Tactical Entry Point sites. DISA Network Operations Common Operational Picture (NETCOP) system was implemented to support the Theater NetOps Center - Central Area (TNC-CENT) in Bahrain. Global Command and Control System - Joint Integrated Imagery and Intelligence (I3) provided software development and fielding in support of USCENTCOM's critical intelligence requirements. In addition, these supplemental resources purchased a data replication capability to ensure redundant, robust, storage of critical National Security Council files to support national-level decision makers at fixed and deployed locations.

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I. Description of Operations Financed, continued:

- Additional half a million dollars in support of the Situation Room technical upgrade for the Commander-in-Chief Global War on Terrorism (GWOT) information requirements.
- FY 2004/2005 Title IX O&M, Defense-wide funding provided and additional \$39,613 thousand in support of telecommunications hardware and software; circuitry; network management; maintenance support; and commercial SATCOM essential activities.
- Support for Hurricane Katrina Activities (Supplemental): The Defense Information Systems Agency provided emergency services and supplies at the Agency's Slidell, Louisiana facility due to damage incurred as a result of Hurricane Katrina.

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I. Description of Operations Financed: By MISSION AREA

1. Transition to Net Centric Environment: The ability to conduct network-centric operations is central to DoD's warfighter and business transformation. Transition of investment in legacy enterprise programs (Information Dissemination Management (IDM), Defense Collaboration Tool Suite (DCTS)) into the Net-Centric Enterprise Services (NCES) in preparation for fielding of Increment One capabilities in FY 2007. Funding for the Global Information Grid Engineering Services reflects increased support to Net-Centric Systems Engineering processes and standards based requirements. The budget reflects a slight increase to Advanced Information Technology Services for Advanced Concept Technology Demonstrations. The following programs comprise the Transition to Net Centric Environment mission area:

Mission Area Component (\$ in thousands)	FY 2005 Actuals	FY 2006	FY 2007
a. Net-Centric Enterprise Services	22,897	24,912	28,857
b. Global Information Grid Engineering Services	57,653	59,650	60,903
c. Defense Collaboration Tool Suite	11,952	11,198	0
d. Advanced Information Technology Services	6,809	5,741	6,501
e. Coalition Warrior Interoperability Demonstration	2,094	1,981	1,304
f. Information Dissemination Management	11,012	7,483	0
Transition to Net Centric Environment Total	112,417	110,965	97,565

a. Net-Centric Enterprise Services (NCES) is a key-supporting infrastructure to the DoD GIG and a key component of DoD's strategy for meeting its transformation goals. NCES will eliminate duplicative services by providing a common set of interoperable services that support users in the warfighter and business domains. Through the use of shared

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services and information, the NCES program will use net-centricity to securely interconnect people, information and capabilities, independent of time or location. NCES will substantially improve planning at multiple echelons, provide ubiquitous access to information and services, significantly shorten decision-making cycles, and improve interoperability. NCES will provide the services that support the exchange of information between producers and consumers (human or information systems) while leveraging Web Services-Security and Network Operations capabilities to protect the information from unauthorized use or access. These services will allow users and information systems to find and access relevant, to provide information for others, and collaborate in a more effective manner. These services will be delivered to the DoD community via four product lines: Services Oriented Architecture Foundation, Content Discovery/Delivery (formerly the Information Dissemination Management Program); DoD Enterprise Collaboration, and the Defense on Line Portal.

NCES is the acquisition program responsible for enabling the Core Enterprise Service (CES) portion of the GIG Enterprise Services (GIG ES). As part of the larger GIG ES, NCES will support all joint Functional Concepts including Force Application, Battlespace Awareness, Command and Control, Force Protection, and Focused Logistics. NCES will enable information sharing for the entire DoD to include conventional and nuclear warfighters and their support, military operations other than war, business activities, and interface between DoD and non-DoD organizations. NCES will provide the common enterprise-wide services upon which DoD computer applications will rely as the department transforms to net-centric warfare concepts. NCES capabilities, deployed on Defense networks, will provide a consolidated, services-based IT infrastructure that reduces overall costs to deploy and maintain IT systems supporting day-to-day business and warfighter operations.

NCES O&M can be categorized into four major cost areas; Production Management, Hosting Facility Support, Integrated Logistics, and Sustainment. Production Management includes all costs that encompass a variety of functions for services and documentation, beginning

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I. Description of Operations Financed - by Mission Area, continued:

with the registration of services, the delivery and check-in of software and documentation, storage, and the build, packaging, reproduction and installation of core enterprise services offerings. Production management costs can be grouped into six subcategories; services engineering data documentation costs, services operations documentation costs, services maintenance support documentation costs, services user documentation costs, support documentation costs, and technical manuals.

Hosting Facility Support (Site Support) costs are required to activate and ensure full mission capability of NCES deployed at each operational site. Hosting Facility Support costs includes system administration, data base administration, system engineering, support for managed services, and costs to ensure specific security requirements are satisfied at each NCES operational site.

Integrated Logistics Support includes both contract and government furnished training costs. These costs result from all deliverable training services, devices, accessories, aids, equipment and parts used to facilitate instruction through which personnel will learn to operate and maintain the system, and users will learn to exploit the benefits of the NCES Core Enterprise Services. Integrated Logistics encompasses all effort associated with providing equipment used for training, as well as all travel, personnel costs, services, and facilities. Integrated Logistics can be grouped into four subcategories; core enterprise services training, equipment training, facilities training, and other training.

Mission critical support for NCES Core Enterprise Services (CES) is necessary after initial operational capabilities (IOC) and full operational capabilities (FOC) have been achieved at each site. The O&M resources include civilian pay and benefits, travel and overhead costs as well as sustainment of the services. The NCES sustainment support for

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I. Description of Operations Financed - by Mission Area, continued:

NCES is required to keep the fielded system fully operational during its life cycle, including maintenance of pilot, testing, and operational environments. The Sustainment components that make up NCES are as follows:

1. Program Management: resources required for program management during the sustainment phase of NCES. Management includes the costs incurred in the process of acquiring, employing, and retraining needed personnel. This includes fully burdened salaries, benefits, relocation expenses, retirement actuarial, required TDY, and all costs associated with the personnel of the deployed NCES. It also includes the services, studies and support resources needed to manage the program after deployment.
2. Quality Assurance: sustainment resources required after FOC for Global System Problem Reports fixes, software upgrades, and services integration maintenance (e.g., all post FOC software investment required to maintain systems integration).
3. System Security Maintenance: resources required for system security fixes and security system upgrades.
4. Help Desk Services: resources required for 24x7x365 availability support, call management, problem management, documentation and reporting.

b. Global Information Grid Engineering Services (GIG ES) includes the Chief Technical Officer (CTO) and the Systems Engineering, Architectures, and Integration (SEAI) Center.

The Chief Technical Office reviews critical Global Information Grid (GIG) technologies and programs to establish and implement technology strategies for DISA programs and services. This effort supports end-to-end reviews of solutions, programs, and services to ensure consistency with GIG architecture and standards and provide assessments of new commercial technologies. These efforts involve the identification and recommendation of innovative engineering techniques, technologies and products that are critical to DISA in

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I. Description of Operations Financed - by Mission Area, continued:

its role of instantiating the GIG architecture. GIG ES supports information exchanges with the Services, OSD, the Combatant Commanders, and the Joint Staff to identify opportunities, issues, and solutions to improve DISA products; and harmonize cross-enterprise activities relative to DISA programs and the GIG.

The GIG-ES program performs a broad spectrum of activities for DOD communications planning and investment strategy, to include: application assessments; contingency planning; network capacity planning and diagnostics; evaluation of horizontal (cross-cutting) operational and system architectures; setting character-oriented message standards; and systems-level modeling and simulation. SEAI develops across-theater information awareness for Combatant Command through application solutions for integrated networks, to include DOD's missions in Iraq and Afghanistan and the Defense Information Systems Network (DISN), by: 1) supporting the development and consistency of DOD's GIG Architectures and ensuring that critical GIG programs are consistent with them and with each other; 2) developing standardized DISA systems engineering and integration processes to improve systems integration across DISA for all DISA-developed communication systems and services; 3) developing, maintaining, and supporting enforcement of DOD's standards profile of the Joint Technical Architecture (JTA) and ensuring that such standards are relevant to evolving DOD future communication needs; and 4) providing the underlying modeling and simulation and analytical support for end-to-end DISA and DOD systems engineering and assessment. These SEAI operations are to provide DOD decision makers - from the OSD level to the warfighter - with services and a suite of tools capable of identifying key points of impact on DOD command and control information systems and recommending tradeoffs of within the GIG configuration with regard to prioritized performance, availability, and security.

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I. Description of Operations Financed - by Mission Area, continued:

Performance criteria and evaluation of the SEAI mission can be divided into two areas:

1) systems engineering, modeling and simulation and 2) interoperability standards.

SEAI's systems engineering, modeling and simulation area is measured by its impact on DOD communications planning and investment strategy, with criteria based on SEAI's performance of a broad spectrum of technical activities. These include application assessments; contingency planning; network capacity planning and diagnostics; system architecture evaluation; technical and operational assessments of emerging technologies; and systems-level modeling and simulation.

The CTO's tasks are composed of multiple short-suspense technology research/exploration components with a concrete deliverable targeted at some facet of the DISA mission. Engineering support is provided for CTO technical reviews of DISA programs, at least 4 reviews supported per month.

c. Defense Collaboration Tool Suite (DCTS) provides COCOMs, Military Services, and Defense Agencies with interoperable collaboration capability, including voice and video conferencing, document and application sharing, instant messaging, and whiteboard capability in support of planning and executing combat operations. This allows warfighters to interact, share plans, maps, and other information, and strategize on operational requirements through remote means rather than through physical meetings. DCTS funding supports installation, integration and training for more than 200 DCTS sites. Sustainment efforts also provide 24X7 help desk, software distribution services, hardware and software maintenance, enterprise collaboration services, deployable technical and systems administration support, and enterprise software licenses. In FY 2005 DCTS, fielding on the unclassified network will greatly increase availability to users previously only available on classified networks. The unclassified capability will support warfighters temporarily displaced from their home base. FY 2007 resources

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I. Description of Operations Financed - by Mission Area, continued:

reflect transfer of the capability to NCES collaboration program. After 2006, DCTS capabilities are transitioned to the NCES core services collaboration capabilities.

d. Advanced Information Technology Services (AITS) expedites the fielding of mature products into operational information systems that support the COCOMs and our nation's warfighters. The primary mechanism for the transition of technology is the Advanced Concept Technology Demonstrations (ACTDs). ACTDs support the early and inexpensive evaluation of maturing advanced technology to solve important military problems. If an ACTD is successful and proves its military utility, the capability may transition to a full acquisition program. The warfighter evaluates the technology to determine its military utility before commitments are made for formal acquisition. Products that result from ACTDs may be put under DISA, or they may be given to a Military Service, DoD Agency, or Combatant Command (COCOM).

Additionally, the Advanced Information Technology Services - Joint Program Office (AITS-JPO): a) engineers/reinforces components for leave behind [(US only) after the Military Utility Assessment (MUA) proves that a particular capability is useful and should be fielded] and integration into the GIG; b) augments transitioning products with improved security, scalability, and NCES compliance; and c) provides advanced, hardened capabilities known as Leading Edge Services (LES). Evolving ACTD capabilities will be built upon and contribute to NCES. As components mature in an ACTD, some outputs will be network services. These services will transition into the NCES systems of record.

e. Coalition Warrior Interoperability Demonstration (CWID) (formerly referred to as the Joint Warrior Interoperability Demonstration) is the Chairman of the Joint Chiefs of Staff (CJCS) annual event that enables the U.S. Combatant Commands (COCOMs), national civil authorities and the international community to investigate Command, Control,

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I. Description of Operations Financed - by Mission Area, continued:

Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) solutions that focus on relevant and timely objectives for enhancing coalition interoperability and exploring new partnerships. This event is conducted in a simulated operational environment. In general, this consists of a U.S. lead coalition operation with a multinational task force staff conducting simulated coalition operations at the CoCOM, component and force execution echelons or equivalent interagency level. The environment may include homeland security missions. The CWID provides a forum for exploring solutions. Funding provides network engineering through contract support to the host CoCOM and allows the host command to execute the CWID. FY 2007 increase supports expanded CWID Joint Coalition requirements directed by the Joint Staff.

f. Information Dissemination Management (IDM), now called Content Staging/IDM, integrates government-off-the-shelf (GOTS) and commercial-off-the-shelf (COTS) advanced information management technology to provide Information Awareness, Access, Delivery Management, and Support services to C4ISR (surveillance and reconnaissance) systems to enhance their information dissemination performance. IDM is a key enabler for achieving Information Superiority meeting the warfighter's requirements for a responsive, integrated and secure system and supporting information flow from national centers to tactical warfighters and coalitions. Retrieval of information is via smart pull, and management of information products is via various communications paths. Resources support the installation, mobile training, technical assistance visits, and sustainment activities that include helpdesk.

The sustainment strategy consists of transition to NCES and maintenance releases, onsite augmentation at CoCOM locations, user involvement, configuration management processes, maintenance of a 24x7 help desk and automated help environment, mobile training, and technical assistance. Program Office resources transition to NCES in FY 2006. In FY 2007, this capability will be provided under the auspices of the NCES program.

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2. Eliminate Bandwidth Constraints: A robust information transport infrastructure that enables increased and rapid information sharing around the globe is a vital precursor to net-centric operations. The extensive investments made in the GIG terrestrial infrastructure under the GIG Bandwidth Expansion program were integrated with the DISN in FY 2006, providing DoD with a single, integrated, world-class transport network. During the FY 2006 Budget development, the Department transferred GIG BE and DISN appropriated funding to the Military Departments. This funding will be used by the Services and Agencies to fund essential sustainment activities by means of the subscription-based methodology to recover DISN costs. DISA balanced risks in this area with the new subscription based cost recovery and with offsets in other mission lines by assuming greater institutional risk and reducing key cross-cutting modeling and simulation capabilities and limiting growth in standards activities to only small increases over the FY 2005 funded levels. Included in this Mission area are:

Mission Area Component (\$ in thousands)	FY 2005 Actuals	FY 2006	FY 2007
a. Global Information Grid-Bandwidth Expansion	15,722	0	0
b. DoD Teleport Program	12,132	7,970	7,197
c. Joint Spectrum Center	14,293	15,567	19,958
d. Defense Spectrum Office	9,320	8,637	8,413
e. Defense Information Systems Network Enterprise Activities	310,067	147,211	91,952
f. Defense Information Systems Network Subscription	0	17,211	18,193
Eliminate Bandwidth Constraints Total	361,534	196,596	145,713

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I. Description of Operations Financed - by Mission Area, continued:

a. Global Information Grid-Bandwidth Expansion (GIG-BE) acquisition provided the robust network foundation to enable worldwide network-centric operations. The program connects key intelligence, command, and operational locations with high bandwidth capability over physically diverse routes. This initiative corrected longstanding sub optimization and shortages in the acquisition and use of access bandwidth, which had hampered the deployment of joint applications and slowed network response times. FY 2005 funds provided leased communication circuits; support staff; and program management support to the GIG-BE acquisition for cost analysis, including earned value management, scheduling of the master plan, acquisition support and documentation. In FY 2006 any close out activities of this program were supported by the DISN, as the program responsible for incorporating all GIG-BE capabilities based on completion of the acquisition activities in December 2005.

b. DoD Teleport Program (Teleport) is a satellite communications (SATCOM) gateway that links the deployed warfighter to the sustaining base. It provides high-throughput, multi-band, and multi-media telecommunications services for deployed forces of all Services, whether operating independently or as part of a Combined Task Force (CTF) or Joint Task Force (JTF), during operations and exercises. The DoD Teleport provides centralized integration capabilities, contingency capacity, and the necessary interfaces to access the DISN in a seamless, interoperable and economical manner. DoD Teleport is an upgrade of satellite telecommunication capabilities at selected Standardized Tactical Entry Point (STEP) sites. The Teleport system provides deployed forces with interfaces for multi-band and multimedia connectivity from deployed locations to online DISN Service Delivery Nodes (SDN) and GIG information sources and support. The Teleport system and its capabilities support the Agency's transformational initiatives/goals and the President's Management Agenda by enabling effective communications for the warfighter through early implementation of net-centric capability; enhancing the capability and

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I. Description of Operations Financed - by Mission Area, continued:

survivability of space systems and supporting infrastructure; and continuing to develop a joint interoperable Networks and Information Integration (NII) architecture. Teleport provides seamless access to the DISN and GIG, which supports the DoD/Joint Staff/DISA goals by providing a global, secured interoperable information transport infrastructure.

FY 2006/2007 funding provides program management support to the DoD Teleport Program to include salaries, office supplies, equipment, travel of the PM staff, and funding for use of the communications circuits.

c. Joint Spectrum Center (JSC) exists to ensure the DoD's effective use of the Electromagnetic (EM) spectrum in support of national security and military objectives. The JSC serves as the DoD technical center of excellence for EM spectrum matters in support of the Unified Commands, Joint Staff, ASD (NII), Services, and Defense Agencies. The JSC supports the Electronic Protection missions of Information Warfare as they relate to spectrum supremacy. It is responsible for developing and maintaining DoD standard information systems that support DoD spectrum related activities and processes, including necessary activities to improve the global electromagnetic spectrum information systems. Specifically, the JSC designs, develops, and maintains DoD automated spectrum management systems, evaluation tools, and databases employed by the Unified Commands, Services, and Defense Agencies. The JSC provides technical assistance to DoD activities in support of spectrum policy decisions and ensuring the development, acquisition, and operational deployment of systems that are compatible with other spectrum dependent systems operating within the same electromagnetic environment. The JSC is the DoD focal point for technical spectrum related support, Electromagnetic Environmental Effects, and EM interference resolution assistance to operational units including deployable support to CoCOMs Joint Task Forces. The JSC mission is integral to other vital activities such as Information Operations (IO), Command and Control (C2), Protect and other defensive

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I. Description of Operations Financed - by Mission Area, continued:

Information Warfare activities directed by the Joint Staff. Funds support salaries and benefits, communications services, facility operations, and contract support for spectrum management databases and analyses. In FY 2005/2006, JSC consolidated production and developmental servers to reduce contract administration and maintenance costs. FY 2007 increases supports analysis of required capabilities for the global spectrum supportability capabilities based on requirements levied by the Secretary of Defense.

d. Defense Spectrum Office (DSO) develops policy and reallocation strategies to ensure balanced utilization of spectrum amongst national security, public safety, and nation economic opportunities. DSO proposes actions necessary to enhance DoD's global access to the spectrum for current and future use. The activity leverages and guides enabling technology to ensure future warfighter requirements will be met and those spectrum management policies and procedures to avoid unreasonable limitation of the use of emerging spectrum-dependent technologies having military value. These efforts support the overarching strategy of assuring spectrum supportability to achieve net-centric warfare for DoD. FY 2005 through FY 2007 funds provide resources for salaries and contract support for spectrum policy development and related analyses.

e. Defense Information Systems Network (DISN) Enterprise Activities and Subscription Payments is the DoD's consolidated worldwide telecommunications infrastructure that provides end-to-end information transport for DoD operations, providing the warfighters and the Combatant Commanders with a robust Command, Control, Communications, Computers and Intelligence (C4I) information transport infrastructure. The DISN continues to evolve to meet DoD requirements including Mobile Satellite Services (MSS), DISN-Global Broadcast Services Integration (GBS), National Command Authority (NCA) Conferencing Enhancement Project (NCEP) and the GIG-BE, each has added specific activities/requirements. The DISN goal is to span the tactical, terrestrial and space

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I. Description of Operations Financed - by Mission Area, continued:

strategic domains seamlessly, to provide the interoperable telecommunications connectivity and value-added services required to plan, implement, and support any operational mission. Driven by both evolving technology, and rapidly increasing customer requirements, the DISN is undergoing a transformation process in two forms: first, technological transformation-driving initiatives such as GIG-BE and the DISN Next Generation (DISN NG) replacement acquisition contracts and, second, the business transformation process being implemented through the DoD Enterprise Communications assessments. These initiatives share a common theme - to provide DISN services to the "edge". The vision of "power to the edge" is the availability of a ubiquitous, secure, robust, trusted, protected, and routinely used wide-bandwidth that is populated with the information and information services that our forces need. One of the keys to achieving "power to the edge" is the availability of the ubiquitous IP environment. A primary mission of the DISN, in coordination with Service and CoCOM initiatives, is to provide that environment along with a unique set of interoperable real-time services (e.g., secure/non-secure voice, video-teleconferencing) through the evolution of the Internet Protocol (IP) into a converged IP Environment that, from a warfighters' perspective, is a single physical and logical interface for IP-based services regardless of applications type or classification/access level and provides the levels of performance and availability appropriate for each mission.

The key elements of a ten-year evolutionary timeline are, first, the expansion of the secured core to the edge of the IP network, providing the ubiquitous IP network needed to support net-centric warfare, and second, the use of Net-Centric Enterprise Services (NCES) to achieve IP-convergence in the user interface and applications services. The resulting program requires the maintenance of the current operational baseline services while integrating and transitioning to service those newer offerings such as the GIG-BE and the DISN NG. This resulting breakout consists of the legacy DISN environment through

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I. Description of Operations Financed - by Mission Area, continued:

FY 2007 with the integration of GIG-BE, the replacement services for the current DISN associated with the DISN NG, and the optimization of the DISN topology; the transformational vision for the post-GIG-BE and DISN NG transition period from FY 2008 through FY 2011 when the secure IP transport core is expanded further toward the edge and NCES services begin to appear as a basic offering of the DISN service infrastructure; and the end state of FY 2015 when High Assurance Internet Protocol Encryptor (HAIPE) implementation has progressed to the information/applications level, the secured core has been extended into the base-level infrastructure, and DISN services have fully exploited the convergence enablers from the NCES program.

The O&M funding sustains the legacy assets of the DISN through the GIG-BE transition and into the follow-on transformation period associated with the IP convergence effort. The funding is concentrated within three areas, the first being the purchase of telecommunication services that are an integral part of the DISN infrastructure and not covered under the portion of DISN funded by the Defense Working Capital Fund (DWCF). This includes leases for commercial satellite communications capabilities supporting specific DoD mission areas such as Kosovo. The second major expense area is that of contractor operational support and maintenance activities, again associated primarily with satellite communications, particularly those contracts for the operation of the Defense Satellite Communications System (DSCS) Operational Control System (DOCS), the maintenance of the DOCS supporting ground controller equipment, the DSCS Technical Assistance support contract, and the SATCOM Engineering Laboratory. Critical contractor operational support work associated with the network management, customer-provisioning support, and network database management are contained within this second expense area. Finally, varied system equipment maintenance acquisitions are supported.

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I. Description of Operations Financed - by Mission Area, continued:

The DoD Enterprise assessments developed a new Price and Governance Process for DISN. The major change between FY 2006 and FY 2007 funding reflects next phase of implementation of the new DISN governance process that involved the transfer of direct DISN funding in DISA to Services and Defense Agency customers supporting the restructured customer billing concept. The preponderance of telecommunications operations of the DISN are supported through the Defense Working Capital Fund billing and rate processes. FY 2007 funding provides DISA appropriated activities with the resources for the five sites based on direction from the DoD rate board, and support to the SATCOM engineering activities, GIG contract support providing for utilization of the GIG-BE expanded capabilities as directed by DoD acquisition requirements. The bulk of operations of the DISN are supported through the Defense Working Capital Fund billing and rate processes.

3. GIG Network Operations and Defense: Transformation demands the continued evolution of the GIG in order to provide continuous flow of information from the highest strategic levels to the lowest echelon on the joint battlefield and among the nodes of the net-centric force. However, relying on net-centric capabilities increases operational vulnerabilities unless the information infrastructure can be reliably protected and managed. Network Operations (NetOps) is the operational construct that the Commander, USSTRATCOM, will use to operate and defend the GIG. The Joint Concept of Operations (CONOPS) for GIG NetOps, issued May 2004, defines DISA's roles and responsibilities associated with the NetOps operational hierarchy and the capabilities needed to implement NetOps with the emerging operational hierarchy.

In addition to the NetOps program, the Operate and Defend the GIG mission area includes the Information Systems Security Program, the ISSP. This Information Assurance program reflects significant increases in FY 2006 and FY 2007 as a result of the Secretary of Defense's decision to support expanded Computer Emergency Responses Teams (CERT)

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requirements and added SIPRNET protections and to add emphasis on Insider Threat activities to improve computer network defense. As a result of extensive senior DoD review, the Department provided additional funding for intrusion detection and persistent monitoring activities. Finally, this mission area contains the Pacific and Europe Field commands as well as the field offices co-located with the 9 COCOMs; and the Joint Staff Support Center (JSSC).

Mission Area Component (\$ in thousands)	FY 2005 Actuals	FY 2006	FY 2007
a. Network Operations	15,329	14,670	12,479
b. Info Systems Security Program/Info Assurance	205,212	219,180	259,653
c. Field Commands and Field Offices	48,163	42,532	45,966
d. Joint Staff Support Center	6,034	6,296	6,974
GIG Network Operations and Defense Total	274,738	282,678	325,072

a. Network Operations (NetOps) NetOps is the operational construct to operate and defend the GIG. The goal of NetOps is to assure timely net-centric services across strategic, operational, and tactical boundaries in support of DoD's full spectrum of warfighting, intelligence, and business missions. NetOps Service Assurance goals include: assured system and network availability, assured information protection, and assured information delivery. Capabilities include: applications and systems management, Enterprise Service Management/Network Management, Information Assurance/Computer Network Defense, and Content Staging/Information Dissemination Management.

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I. Description of Operations Financed - by Mission Area, continued:

DISA has extensive expertise in NetOps, exercising operational direction and management control of the Defense Information System Network (DISN) and its predecessor, the Defense Communications System.

Achieving shared situational awareness of GIG system, network, and information availability is a critical enabling capability for NetOps. The primary purpose is to improve the quality and timeliness of collaborative decision-making regarding the employment, protection and defense of the GIG. To be fully effective, this GIG situational awareness must be available and shared in near real time by the relevant decision-makers.

The O&M resources provide system integration support to:

- Provide commercial off the shelf (COTS) hardware (H/W) and software (S/W) as well as H/W and S/W license maintenance, and technical support for three operational sites
- Integrate, customize, and implement new COTS H/W and S/W at three operational locations
- Sustain operations of DISA NETCOP systems at all operational sites, including salaries, travel, training requirements.
- Engineer/integrate requirements; add functional capabilities; integrate new DISA management systems

b. Information Systems Security Program (ISSP)/Information Assurance (IA) is focused on designing and deploying proactive protections, deploying attack detection, and performing Information Assurance (IA) operations to ensure that adequate security is provided for information collected, processed, transmitted, stored, or disseminated on the GIG. These efforts include tasks associated with affording protection to telecommunications,

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information systems and information technology that process sensitive and classified data as well as efforts to ensure the confidentiality, authenticity, integrity, and availability of the information and the systems.

The DISA ISSP resources fund operational costs such as payroll, benefits and travel for civilian personnel, office supplies and materials, as well as funds to purchase test and prototype equipment, operate and maintain test and operational equipment, obtain technical and programmatic consulting services, and provide grants to identify improved programmatic and technical processes to support these goals in the DoD IA Strategic Plan:

PROTECT INFORMATION by safeguarding data as it is being created, used, modified, stored, moved, and destroyed, on the communication networks, within the enclave, at the enclave boundary, at the client, and within the computing environment to ensure that all information has a level of trust commensurate with mission needs. To support this goal DISA:

- assesses emerging security technologies to determine their applicability to all DoD systems and applications;
- develops and executes security certification plans and performs cost/risk assessments and tradeoff studies;
- develops IA technical standards which ensure compatibility and interoperability between GIG systems;
- prepares guidance and tools for incorporating IA into DISA/DoD applications;
- develops software filters, and integrates and sustains guarding technology;
- maintains the Public Key subscriber registry and other DoD PKI products;
- provides SATCOM / wireless security;

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- provides voice over Internet Protocol (IP) security measures; and
- provides client / server enterprise license provides certificate maintenance and directory services.

DEFEND SYSTEMS AND NETWORKS to ensure that no access is uncontrolled and all systems and networks are capable of self-defense is accomplished by "building in" technologies that recognize, react, and respond to threats, vulnerabilities, and deficiencies. To support this goal DISA:

- maintains baseline GIG IA network defense architecture;
- sustains and improves coalition networks;
- performs penetration testing, onsite security reviews and risk assessments, and assists in the resolution of accreditation issues;
- performs vulnerability analysis and sustains system to track known and emerging IA vulnerabilities;
- develops, fields and operates automated capabilities to monitor and report security policy compliance;
- maintains a central repository for network information used to validate user authorizations;
- provides on-site assistance to Combatant Commanders to prepare for and respond to information warfare attacks;
- fields tools and infrastructure (such as Analysts Workstations) to reduce and correlate voluminous amounts of data generated by sensor systems that look for intrusions and anomalies at the enclave, network and host levels;

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I. Description of Operations Financed - by Mission Area, continued:

- produces an automated tool to set permissions, make registry changes, install patches, and disable unneeded services;
- distributes software patches for DoD systems;
- operates distributed host information database that translates names into addresses;
- tests, fields and sustains subnets that sit between trusted internal networks and non trusted external networks which allow outsiders to get shared data while keeping them away from unshared data;
- provides the Coast Guard and DoD enterprise antivirus software;
- assesses, acquires and implements enterprise tools to patch vulnerabilities in systems;
- develops, maintains, and provides militarized versions of operating systems; and
- sustains intrusion detection systems that are used to detect and report actual and attempted intrusions.

PROVIDE INTEGRATED IA SITUATIONAL AWARENESS/IA COMMAND AND CONTROL (C2), which involves providing decision makers and network operators at all command levels the tools for conducting IA/Computer Network Defense (CND) operations in Net-Centric Warfare (NCW). To support this goal DISA:

- maintains, enhances and operates a suite of computer incident reporting and tracking databases to support sharing data between DoD and other Federal activities;
- provides data analysis tools to detect potential attacks and determine impact to mission or business functions when a problem in the information systems infrastructure occurs;

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- provides expertise at Combatant Commanders sites identifying critical IA security deficiencies, implementing system improvements, and analyzing the effectiveness of IA programs; and
- provides an Enterprise Sensor Grid for network boundaries, Common Operational Picture (COP), and User Defined Operational Picture.

TRANSFORM AND ENABLE IA CAPABILITIES innovatively by discovering emerging technologies, experimentation, and refining the development, delivery and deployment processes to improve cycle time, reduce risk exposure and increase return on investments is necessary to create a broader awareness, understanding, and knowledge base from which the IA community can grow. To support this goal DISA:

- co-sponsors with the National Security Agency (NSA) a forum for DoD organizations and the IA community at large to identify and resolve relevant IA issues, develop strategies, and demonstrate new technologies; and
- provides a web-based repository for disseminating documents, IA related links, resources and additional support to DoD IA professionals.

CREATE AN IA EMPOWERED WORKFORCE that is well equipped to support the changing demands of the IA environment requires the establishment of baseline certifications across the enterprise. To support this goal DISA:

- develops, refreshes, and delivers hands-on IA classroom training to security professionals, system and network administrators, and system users throughout the joint community;

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- develops and disseminates standardized Computer Based Training (CBT), Web Based Training (WBT) and video overviews, descriptions and guide products identifies and disseminates new and emerging DoD/Federal training standards and IA personnel certification requirements via conferences, workshops, and Distance Learning (DL) initiatives; and
- identifies and disseminates new and emerging DoD/Federal training standards and IA personnel certification requirements via conferences, workshops, and Distance Learning (DL) initiatives.

The O&M program growth between FY 2006 and FY 2007 expands the ISSP capabilities and protections. The increases provide funds for supplies and materials, equipment operation and maintenance contracts, facility operation and maintenance contracts, equipment purchases, and engineering and technical services to:

- PROTECT INFORMATION by providing SATCOM Wireless Security, Voice Over Internet Protocol (VOIP) Security, Public Key Infrastructure and Global Directory Services.
- PROVIDE INTEGRATED IA SITUATIONAL AWARENESS/IA C2 using an Enterprise Sensor Grid for Network Boundaries/Common Operational Picture/User Defined Operational Picture and a CoCOM and Agencies License for Situational Awareness Software.
- Support identification of new and emerging technologies and enhancement of existing services to DEFEND SYSTEMS AND NETWORKS by providing, for IA representative supporting COCOMs, additional Sensor Grid Engineering efforts, fielding Analyst Workstations, enterprise policy monitoring, and implementing vulnerability/patch management systems, and a scanning software license for the DoD. Augments defenses by bolstering the NIPRNET/Internet Gateways and providing for firewalls and inspections at SIPRNET enclaves. Increase in equipment operation and maintenance

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contracts and equipment purchases for COCOMs, Military Services, and DoD Agencies to provide for network defense enhancements to Coalition Networks.

c. Field Commands and Field Offices DISA's three Field Commands and seven Field Offices are forward deployed and co-located with the COCOMs (USJFCOM, USTRANSCOM, USSOUTHCOM, USSTRATCOM, USSOCOM, USCENTCOM, USNORTHCOM, USEUCOM, USPACOM).

DISA Field Commands and Offices serve as a liaison between DISA and the COCOMs/Component Commanders on DISA support issues and policies. The Field Offices ensure that issues identified by Commanders are resolved in a timely manner and function as the focal point within DISA for theater-unique requirements. They maintain a proactive role with other Field Office/Commands and COCOM representatives, managing requirements from identification to delivery of DISA services. In addition, DISA's Continental U.S. Regional Operations Support Center (CONUS RNOSC) exercises centralized management of CONUS network operations and are responsible for the real-time operational direction, monitoring and control of the DISN within CONUS.

d. Joint Staff Support Center (JSSC) conducts 24x7 watch/monitor operations in the National Military Command Center (NMCC) for Command, Control, Communications and Computer Systems (C4), strategic threat operational warning, and National Military Joint Intelligence Center (NMJIC) Global Command and Control System (GCCS) operations. JSSC provides the Joint Staff with software-applications support relating to operational capabilities in conventional and nuclear planning and operations. JSSC also provides studio and remote video and audio recordings, electronic graphics, post production editing for training, informational, gun camera and battle damage assessment assistance, guidance for video teleconferencing networks and operations, and operation of the NMCC secure cable television system. Funding provides salaries and benefits for JSSC staff and contract equipment maintenance and support. Increased funding in FY 2007 supports

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increased equipment maintenance and contract labor to support additional GCCS requirements.

4. Exploit the GIG for Improved Decision Making: This mission area funds key Command and Control activities including the Global Command and Control System-Joint (GCCS-J); the Global Combat Support System (GCSS), National Military Command System (NMCS); Defense Message System (DMS); Common Operating Environment (COE); Joint Command and Control (JC2); Joint Interoperability Test Command (JITC). The GCCS Family of Systems programs to deliver C2 capabilities specified in their respective requirements documents, and plan to transition GCCS to a joint, net-centric C2 capability. DISA continues to support key GCCS-J activities to develop and field joint C2 capabilities until a successor set of capabilities is formally approved. Included in this mission area are other programs including JITC support services (FY 2005 \$10,527; FY 2006 \$12,285; FY 2007 \$12,852); and Counter Drug Transfer (FY 2005 \$13,317; FY 2006 \$142; FY 2007 \$148). Electronic Commerce transfers from DISA in FY 2006 to the Business Transformation Agency (BTA) under the auspices of OSD Acquisition, Technology and Logistics. During the FY 2007 decision cycle, testing activities in DISA were realigned from O&M to research and development funded JITC Major Range and Test Facility. In addition, the Slidell Test Facility was closed by Base Realignment and Closure decisions.

Mission Area Component (\$ in thousands)	FY 2005 Actuals	FY 2006	FY 2007
a. Global Command and Control System-Joint	92,982	92,929	95,422
b. Global Combat Support System	14,442	15,721	16,127
c. National Military Command System	4,038	4,274	30,862
d. Electronic Commerce	27,478	21,065	0

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Mission Area Component (\$ in thousands)	FY 2005 Actuals	FY 2006	FY 2007
e. Defense Message System	24,993	20,262	18,121
f. Common Operating Environment	10,350	14,105	15,605
g. Testing	31,192	30,761	0
h. Combined Enterprise Regional Information Exchange System	0	0	27,000
i. Joint Command and Control Program	408	10,541	8,191
j. Other programs (listed above)	23,844	14,528	13,000
Exploit the GIG for Improved Decision Making Total	227,478	224,186	226,511

a. Global Command and Control System-Joint (GCCS-J) is the DoD Joint Command and Control (C2) System of Record and is an essential component for successfully accomplishing DoD Transformation objectives focusing on new Information Technology (IT) concepts, injecting new technologies, incrementally fielding relevant products and seeking to identify revolutionary technological breakthroughs. GCCS-J implements the Joint Chiefs of Staff validated and prioritized C2 requirements. The GCCS-J suite of mission applications/systems provides critical joint warfighting C2 capabilities by presenting an integrated, near real-time picture of the Battlespace for planning and execution of joint military and multinational operations. GCCS-J is a DoD major IT investment, designated as an Acquisition Category (ACAT) IAM Major Automated Information System (MAIS) program. GCCS-J is being implemented in an evolutionary manner through distinct blocks, using spiral development. Each block is self-contained, targets a specific set of user requirements and delivers multiple releases of GCCS-J functional capabilities. With each spiral release, GCCS-J will continue accelerated evolution towards a more net-centric,

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I. Description of Operations Financed - by Mission Area, continued:

web-based, open system standards approach to providing C2 capabilities and services that will evolve GCCS-J into the basis of a single integrated Joint C2 architecture. It will provide incremental improvements that incorporate cutting-edge hand-held technologies, web-based, networked applications that can quickly access many sources of data and application logic.

GCCS-J is used by all nine COCOMs at over 650 sites around the world, supporting more than 10,000 joint and coalition workstations. This effort provides 24x7 global helpdesk support via the Joint Operations Support Center (JOSC) and the National Military Command Center.

Increased funding between FY 2006 and FY 2007 is attributed to implementation of GCCS-J v4.2, GCCS-J v4.3 requiring sustainment and maintenance funding, this version is characterized by two force projection mission applications rebuilt to implement new business rules and an n-tier, net-centric architecture. These mission applications will validate infrastructure and developer guidance produced during Block V, and will pave the way for more significant transformations in subsequent releases. In addition, enhancements are included across the spectrum of mission areas.

Collaborative Force Analysis, Sustainment and Transportation System (CFAST). CFAST provides for rapid development of campaign plans in a coordinated and iterative fashion. The Joint Staff transferred funding in FY 2006 to support the final increment of Version 3.X. Continued funding in FY 2007 and out will be addressed after the USJFCOM has determined follow on requirements. CFAST Version 3.X introduces a more sophisticated planning capability and the ability to do near execution planning/re-planning during crisis and execution, which is needed to advance the current CFAST prototype and enable it to support the Joint Staff's expanding rapid deployment mission. The enhanced CFAST

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I. Description of Operations Financed - by Mission Area, continued:

system will equip the Joint Staff with user-intuitive capabilities for rapidly determining transportation requirements, performing course of action analyses, and projecting delivery profiles of troops and equipment by air, land, and sea. The improved system will be tailored for use by the COCOMs component Services, regional commanders, Joint Task Forces (JTFs), and the Service staffs as a planning, forecasting, analysis, and execution tool for both deliberate and crisis action planning.

b. Global Combat Support System (GCSS) The GCSS is an initiative that provides end-to-end visibility of retail and unit level Combat Support (CS) capability up through the National Strategic Level, facilitating information interoperability across and between CS and Command and Control (C2) functions. GCSS for the Combatant Command/Joint Task Force Commander (CC/JTF) is fielded as a GCCS-J mission application, providing decision makers with fused CS data and C2 information on the same workstation. In conjunction with other Global Information Grid (GIG) elements including GCCS-J, DISN, DMS, GCSS (CC/JTF) will provide the Information Technology (IT) capabilities required to move and sustain joint forces throughout the spectrum of military operations. Between FY 2005 through FY 2007, the program will incrementally implement the next-generation architecture that includes implementation of a more robust Continuity of Operations Plan (COOP), failover, Enterprise System Management (ESM), and security processes and tools to enable the program to become fully net-centric.

In FY 2005 through FY 2007, GCSS (CC/JTF) maintains and supports fielded capabilities at the Combatant Commands and supporting Component Headquarters. This includes delivering system upgrades in the form of major software releases, and updated and rapid fixes in support of prioritized Combatant Command requirements to support day-to-day and combat operations. In addition, Operation and Maintenance funding will be used for ESM and

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I. Description of Operations Financed - by Mission Area, continued:

problem resolution support, and to address increases in hardware maintenance, and software licenses and maintenance costs associated with system evolution. Operation and Maintenance funds will be used to support improved Continuity of Operations (COOP), failover, security enhancements. as well as provide training and onsite functional and technical support at the Combatant Commands, to assist users with new capability , and to support exercises and demonstrations as directed by the Joint Staff.

c. National Military Command System (NMCS) provides Senior Leaders, National Military Command Centers (NMCC), Executive Travel Fleet, Office of the Secretary of Defense (OSD), Chairman, Joint Chiefs of Staff (CJCS), and the President of the United States support to maintain C2 capabilities, ensure continuous availability of emergency messaging, and maintain situational and operational awareness. DISA Command Center Engineering, within the Strategic Communications Branch, provides innovative and cost-effective engineering solutions to ensure that the NMCS components and facilities located at the NMCC and NMCC Site R provide the Joint Staff with the necessary emergency messaging, situation awareness, crisis action, and operational capabilities. The goal of this support is to provide overall configuration management and guide the future evolution of the many systems in the NMCS while continuing to meet users' needs. Projects support the Director's objective of providing responsive, timely, and accurate information to the warfighter. The program provides concept development, requirements definition and calibration, technical specifications, proofs-of-concept, testing, rapid prototyping, technology insertions, systems engineering and integration and technical assessments. Additionally, support provides informed, decision-making linkage between DoD Executive Leaders and the Combatant Commanders of the Unified and Specified Commands.

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I. Description of Operations Financed - by Mission Area, continued:

In FY 2005 through FY 2007 configuration management of NMCS assets including C2 systems and facilities (including transition planning for relocation of current NMCC/HEMP Facility to new NMCC); technical assessments and engineering support to modernize the NMCS via technology insertions and implementation of an Information Resources Management (IRM) infrastructure; migration of NMCS messaging systems to Defense Message System (DMS) architecture; and mirroring of NMCC systems at the Alternate NMCC via the Site R Integration Program.

d. Electronic Commerce (eCommerce) efforts support, facilitate, and accelerate the application of paperless electronic business practices and associated information technologies to improve and enhance DoD's business processes. eCommerce focuses on implementing eBusiness applications to support the paperless contracting life cycle, to include developing an infrastructure and architecture to support electronic business. The eBusiness vision is to develop, implement and sustain common enterprise-wide solutions that support strategic information exchange in the DoD marketplace. Funding for this portfolio supports the operations and maintenance of the applications using in house and contractor support, and the payments to the DoD enterprise computing for transaction storage. Resources also support the required actions to ensure that the products remain supportable, such as licences, operating environment and security upgrades. E-Commerce delivers applications that provide users the capabilities to make their business processes more efficient and less paper intensive, thus allowing functional business owners to migrate from manual processes to more efficient eBusiness solutions. The DoD pursues ways to improve and increase the use of eCommerce processes throughout the Department in order to meet operational mission requirements more effectively and efficiently.

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I. Description of Operations Financed - by Mission Area, continued:

In FY 2006, the Deputy Secretary of Defense established the Business Transformation Agency (BTA) to consolidate all business improvements under the auspices of the Undersecretary of Defense for Acquisition, Technology and Logistics. As a result, the Ecommerce program transfers from DISA to the BTA with resource transfers in FY 2007.

e. Defense Message System (DMS) is the Warfighter's Message System, providing secure, accountable, and reliable messaging and directory service at DoD sites worldwide. DMS is integrated writer-reader capable, organizational messaging system that is accessible worldwide (to include tactically deployed military personnel) and interfaces to Allies and Defense contractors. DMS provides a disciplined interoperable organizational messaging environment that leverages commercial products to the maximum. DMS uses Commercial Off-the-Shelf (COTS) and modified COTS components to provide multi-media messaging and directory capabilities that complement and leverage the GIG. DMS capability exceeds that of pure COTS applications. DMS incorporates state-of-the-art information technologies, including automated access controls for compartments, code words, and caveats. It provides the full range of messaging services to meet organizational and individual messaging needs throughout the DoD. National Security Agency class 4 Public Key Infrastructure (PKI) certificates are used for authentication and access control. DMS reliably handles information of all classification levels (Unclassified to Top Secret), compartments, and special handling instructions. Funding supports the DMS program office and the activities required to sustain the system and maintain capabilities. DMS funding reduction FY 2006 through FY 2007 supports program office activities and essential software upgrades to maintain the capabilities of the DMS system.

f. Common Operating Environment (COE) promotes and enhances interoperability of command and control systems and related capabilities across the DoD. The COE's Common

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I. Description of Operations Financed - by Mission Area, continued:

Operational Picture provides a single view of battle space situational awareness to commanders from tactical to strategic echelons. Funding continues through FY 2011 to support COE customers as they transition to NCES. The COE is nearing the end of its life cycle and is transitioning to a sustainment mode. The military departments, services, and defense agencies are preparing plans to transition legacy Information Technology (IT) systems, including those based upon the COE, to the GIG's joint, net-centric environment. COE sustainment activities are planned in coordination with the definition and implementation of the Net Centric Enterprise Services (NCES) program to ensure that the transition to a net-centric environment is fully coordinated with and supported by the COE customers' current and future IT investments.

In FY 2005, COE enhanced its foundation components to provide a robust starting point for its customers' transition to net-centricity. In FY 2006 through FY 2007, COE supports technology-refresh activities for its customers and posture them for transition to a net-centric environment. During the transition to a net-centric environment, COE customer requirements for COE sustainment services, including mission critical operational support, will continue. These requirements include cross-program, inter-service/inter-agency support for resolution of critical engineering issues, Information Assurance Vulnerability Analysis (IAVA), and computer incident emergency response reporting. Other services provided by the project office include trouble shooting, integration and testing support, patch releases for critical software failures, information assurance/computer security integration support, software configuration management, and software asset distribution services.

g. Testing provides civilian salary and operating costs associated with the expanded test mission. This area funds the laboratory equipment and supplies necessary to effect lab consolidation; software and hardware maintenance and licensing; technical support

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I. Description of Operations Financed - by Mission Area, continued:

contracts, Information Technology equipment, communications, travel, and training. Provides funding to operate and maintain testing facilities, and test contractor support. In FY 2007 Operation and Maintenance funds are realigned to the MRTFB concept funding through Research, Development, Testing and Evaluation.

5. Deliver Capabilities Effectively/Efficiently: This mission area funds the DISA Management Headquarters activities, payments levied to fund the costs that DISA incurs as a Pentagon and deployment site tenant, as well as the Shared Services Units, the organizational activities required to run an agency and support the major programs and functions in their efforts to deliver capability to the warfighter and other customers.

Funds for the International Cooperative Administrative Support Service (ICASS) are also included, ICASS is a cost sharing system for the administrative support that the U.S. State Department provides to Federal Departments and Agencies, to include the DoD.

DISA's performance metrics concept commits the agency to provide greater transparency, quality, and timeliness of financial information; and to manage all costs to ensure best value for our customers. As a necessary first step towards these goals, DISA established a methodology for consistently assigning shared costs across programs and activities. These shared costs include, but are not limited to: facilities operations and maintenance costs for the National Capital Region, force protection costs both prior and subsequent to 9-11, DFAS bills, centralized costs of financial information systems, vendor management costs of awarding and administering contracts, operating costs of payroll and human resources management systems for civilian and military personnel, centralized training and career development efforts, travel services, disability payments to the Department of Labor, and the operating and investment costs of DISA's internal LANs, WANs, and IT services. These shared costs also include the pay and benefits of the

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I. Description of Operations Financed - by Mission Area, continued:

government staff involved in managing or providing these shared services. In the past, these costs were allocated to the legacy organizations that originally incurred these costs, rather than the consumers of these services.

Implementing this initiative significantly improves DISA's presentation of the total cost of programs to OSD, OMB, and Congress, and addresses weaknesses identified by GAO and OMB. It will preclude unintended subsidies to Defense Working Capital Fund operations in the agency, addressing concerns in this area expressed by both GAO and Congressional Committees. This initiative redistributes costs across programs and activities in DISA to identify the total cost of ownership of a program. Most importantly, the implementation of this methodology does not decrease the amount of direct funding available to any program or activity in the agency. However, in the future, as program decisions are made this allocation will identify the increase the support costs incurred by a specific program, those increases will be apparent in changes to the program resources.

Mission Area Component (\$ in thousands)	FY 2005 Actuals	FY 2006	FY 2007
a. Management Headquarters	31,317	32,720	33,294
b. Pentagon Reservation Maintenance Revolving Fund	13,508	13,363	14,583
c. Shared Service Units	35,151	32,402	28,428
Deliver Capabilities Effectively/Efficiently Total	79,976	78,485	76,305

a. Management Headquarters activities include technical and administrative support essential to the operation of DISA and supporting the Global Net-Centric solutions,

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I. Description of Operations Financed - by Mission Area, continued:

including the Director of DISA and the supporting staff elements. Additionally, Management Headquarters accounts for Agency-wide congressionally mandated functions, such as the Equal Employment Opportunity Office and the Inspector General. Funds the salary and operating support to the DISA Headquarters function that provides Agency-wide policy guidance, reviews and evaluates overall program performance; allocates and distributes Agency resources, and conducts mid and long range planning, programming, and budgeting. Provides funds for direct administration support such as general office supplies, equipment and equipment maintenance as they relate to the Director, DISA and the headquarters elements.

b. Pentagon Reservation Maintenance Revolving Fund (PRMRF) funds the tenant charges and real property operations for DISA's use of space at the Pentagon and Site R. Provides resources for the DISA proportional share of the Command Communications Survivability Program, which fixes vulnerabilities in the command communications systems of Pentagon senior leaders. Also, implements the Unified Command Center and Resource and Situation Awareness Center, and increased security and protection costs.

c. Shared Services Units (SSUs) resources are allocated across the products and services contained in the business and mission activities. The model uses four primary cost drivers: (1) number of authorized billets (civilian and military), (2) number of DISANet accounts (civilian, military, and contractor), (3) number of tenants in National Capitol Region facilities (civilian, military, and contractor), and (4) amount of dollars in the business and mission projects.

- **Chief Financial Executive (CFE)** funds the salaries and operating expenses of the CFE to provide financial services support and financial automation support to the Agency and perform requirements of the Chief Financial Officer (CFO) Act and the Government

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I. Description of Operations Financed - by Mission Area, continued:

Performance and Results Act as well as the Budget and Performance Integration goal of the President's Management Agenda (PMA). CFE conducts economic analyses, cost estimating and program and organizational assessments. A major challenge is to provide accurate, reliable, and timely financial information to support DISA's planning, engineering, acquiring and fielding of the Global Net-Centric solutions and operating the GIG. Funds the payments due to the DFAS and contract support in the areas of accounts payable and support (receiving, processing and filing DISA vendor and intra-government invoices/bills); enhancements to the Defense Financial Management System in support of Agency operations; continuing implementation of the CFO Act to include preparation of the annual, Agency-wide financial statements and implementation of metrics associated with the Balanced Scorecard. FY 2006 funding initiated the business process reengineering and requirements analysis to transition DISA to the Defense Enterprise Accounting Management System (DEAMS), the DoD integrated Financial Management System, as well as the auditing and related activities to implement the Financial Management Improvement Plan requirements. FY 2007 continues implementation and contractor support for a clean financial audit opinion.

- Component Acquisition Executive (CAE) funds the salaries and operating costs of the CAE and the Major Acquisition Program Managers, including professional training and certification requirements. CAE focuses on all acquisitions managed by DISA to include Major Automated Information Systems, Information Technology Services, and other programs, projects and services being acquired by DISA. The purpose of the CAE program activities is to provide expert advice on acquisition policy, related procurement logistics and policies, and achieve successful implementation of net-centric vision by providing tailored acquisition policies, procedures, tools, and lifecycle oversight and career management in compliance with statutory and regulatory requirements.

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I. Description of Operations Financed - by Mission Area, continued:

- Manpower, Personnel and Security (MPS) funding is used to develop and implement plans, programs and oversight worldwide in the areas of civilian personnel, military personnel, human resource development, organization and manpower program administration, payroll, travel, transportation mail management visual information, force protection and security, real estate facilities, rent and supply services. Funds provide physical protection of the DISA workforce through guard contracts, personnel security investigations and maintain closed circuit television components, perimeter fence sensors, and access control devices to protect existing systems and personnel within DISA. In addition, MPS administers the workforce management initiatives. This area funds the Strategic Management of Human Resources, to facilitate development of the DISA workforce competencies that will support the recruitment/retention of the right skills and capabilities to implement DISA's transformation goals. In FY 2005 through FY 2011, DISA has funded a dynamic intern program aimed at acquiring and revitalizing the workforce to meet the challenges to support the transformation-hiring plan. DISA has also funded recruitment bonuses, a one-time cash payment made to a newly appointed employee as an inducement for hard to fill positions, as well as relocation and advancement of hires and other grants and contributions. Funding is provided for the Disability Compensation costs assigned to the Agency by the Department of Labor as well as resources to reimburse individuals for the Mass Transit Benefit.

- Procurement and Logistics (P&L) provides expert advice in areas of contracting and logistics support to the Agency. Specific program activities include providing acquisition solutions, strategy and planning, policy and services, promoting full and open competition; directing the agency business development activities and implementing automated acquisition tools, processes, and performance metrics. P&L funds the civilian salaries, operating expenses and contracts in support of acquisition and logistics management for agency systems. It includes funds for contract close out support as

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I. Description of Operations Financed - by Mission Area, continued:

required by the Federal Acquisition Regulation Accelerating Implementation Support, Electronic Document Management System usage, Source Selection tool support, Standard Procurement System support, and Acquisition Planning Execution engineering support. Funds also provide administrative support for office supplies and equipment.

- Strategic Planning and Information (SPI) supports the Director, DISA, in decision making; strategy-development, and aligning DISA program execution to plan, engineer, acquire, field and support Global net-centric solutions; operating the DISANet, DISA's internal networks; information assurance and management of DISA information technology resources, funds the performance metric activities associated with the Balanced Scorecard. SPI funds provide operational network support in both the classified and unclassified environments for over 8,500 DISA employees and contractors in 35 locations worldwide. This entails all aspects of planning, procuring, systems integration, installation, and operation and maintenance of the local area networks in support of DISA internal customers as well as external customers including OSD and the Joint Staff. SPI funds the DISA Knowledge Management (KM) Project and the Enterprise Data and Global Exchange portal (EDGE) that generates, captures, integrates and disseminates information and knowledge relevant to the DISA mission. FY 2005 through FY 2007 funding for the Edge significantly extends capabilities to the DISA workforce.

6. Special Missions: Reliable, robust, and redundant communication and information systems are critical to positive control over U.S. Armed Forces. DISA plans, develops, and supports Command, Control, and Communications (C3) that serve the needs of the President and the Secretary of Defense under all conditions of peace and war. The Special Mission Activity provides operational telecommunications and other related support to the President of the United States, the Vice President, the First Lady, the United States Secret Service (USSS), the Executive Office of the President, the White

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I. Description of Operations Financed - by Mission Area, continued:

House Staff, the National Security Council (NSC), the White House Press Office, the White House Military Office (WHMO), the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and others by direction. These activities consists of several sub-activities: White House Communications Agency (WHCA) including support to the US Secret Service (USSC), White House Situation Support Staff (WHSSS), White House Support, Senior Leadership Communications System (SLCS), Crisis Management System (CMS) for formerly referred to as Secure Video Teleconferencing System (SVTS), Minimum Essential Emergency Communications Network (MEECN), and Communications Management Control Activity (CMCA). All of these sub-activities support the CINC communications ranging from modern enterprise information technology to highly secure and survivable command and control of nuclear forces. The Special Mission Activity consists of:

<u>Mission Area Component (\$ in thousands)</u>	<u>FY 2005</u> <u>Actuals</u>	<u>FY 2006</u>	<u>FY 2007</u>
White House Communications Agency	89,770	105,374	108,581
White House Situation Support Staff, Senior Leadership Communications System	6,124	6,227	5,801
Secure Video Teleconferencing System	7,874	7,882	9,324
Minimum Essential Emergency Communications Network	5,066	7,336	5,045
Communications Management Control Activity	1,086	850	884
Special Mission Area Total	109,920	127,669	129,635

White House Communication Activity (WHCA): White House Communications Agency (WHCA) is a joint service military agency under operational control of the White House Military Office (WHMO) and the administrative control of DISA. WHCA's budget for FY 2006-2007

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I. Description of Operations Financed - by Mission Area, continued:

supports operations and maintenance of items necessary to provide instantaneous secure and non-secure voice and data/record communications support to the President, the Vice President, the First Lady, the United States Secret Service, (USSS), the Executive Office of the President, the White House Staff, the National Security Council (NSC), the White House Press, WHMO, and others by direction. Based on enactment of Public Law 109-163, WHCA provides the President and Vice President audiovisual and photographic services in the NCR and at trip sites worldwide. These funds cover personnel costs and contract support costs which will support Presidential podium, master control and event switch, and other audio support. Beginning in 2007, WHCA will fund the costs of maintaining an annex site based on Presidential direction.

United States Secret Service (USSS) - WHCA's budget supports the IT requirements for the USSS, providing information systems support to the USSS mission of protecting the President and Vice President. The WHCA USSS support in FY 2006 is \$7,900 thousand; for FY 2007 it is \$8,900 thousand. Seventy-five percent of these funds provide wireless and telecommunications support for President, Vice President, and First Lady at trip sites; with the remainder supporting requirements in the National Capital Region (NCR); and at their private residents.

White House Situation Support Staff (WHSSS): Funds provide for classified communications, computer, and intelligence systems for the National Security Advisor, White House Situation Room, the NSC staff, and other White House offices as well as information systems used by the NSC, including pay, benefits and support costs for civilian personnel. In FY 2005 WHSSS received funding from the Iraqi Freedom Fund for costs associated with installing and maintaining the NSC data replication capability. In addition, on December 2005, WHSSS received \$500 thousand from the Emergency Relief Fund (Supplemental) for planning and design phase of the West Wing Situation Room upgrade.

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I. Description of Operations Financed - by Mission Area, continued:

The FY 2007 budget reflects the increased cost of maintaining classified executive information systems support to the NSC.

Crisis Management System (CMS) (formerly Secure Video Teleconferencing System): CMS provides state-of-the-art video teleconferencing - SVTS, Crisis Management Network (CMN), and the National Intelligence Watch Officers Network (NOIWON) to the President, Vice President, National Security Advisor, and others as directed by the National Security Council (NSC), both in fixed and mobile modes. Funding supports the cost of maintenance, life-cycle equipment replacement, and engineering support.

Communications Management Control Activity (CMCA): Resources provide support to both the USSS and the Department of Defense for special activities such as candidates in Presidential elections, Olympics, and other special events as directed. CMCA funds provide for pay, benefits and support costs for personnel, as well as minor equipment purchases and miscellaneous contract support.

Minimum Emergency Essential Communications Network (MEECN): Supports a highly survivable communications network capable of transmitting Single Integrated Operational Plan (SIOP) messages and crisis conferences with the President, Vice President, Secretary of Defense, and the Chairman of the Joint Chiefs of Staff to the Combatant Commands and to deployed US nuclear forces.

II. Force Structure Summary: Not Applicable

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III. Financial Summary (\$ in thousands)

	<u>FY 2005 Actuals</u>	<u>Budget Request</u>	<u>FY 2006 Congressional Action</u>			<u>Current Estimate</u>	<u>FY 2007 Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriation</u>		
A. <u>Budget Activity (BA) 4</u>							
Transition to Net Centric Environment	112,417	117,787	-1,932	1.6	115,855	110,965	97,565
Eliminate Bandwidth Constraints	361,534	207,849	-13,412	6.5	194,437	196,596	145,713
GIG Network Operations and Defense	274,159	308,180	-5,056	1.6	303,124	282,678	325,072
Exploit the GIG for Improved Decision Making	241,306	213,532	-3,503	1.6	210,029	222,085	224,328
Deliver Capabilities Effectively/Efficiently	78,976	69,281	-1,136	1.6	68,145	78,485	76,305
Special Missions	109,920	128,496	-1,608	1.3	126,888	127,669	129,635
Total	1,168,312	1,045,125	-26,647*		1,018,478	1,018,478	998,618

The FY 2005 Actual column includes \$799 thousand of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), 85,248 thousand of Iraq Freedom Fund transfers, and \$39,613 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

The FY 2006 Estimate column excludes \$40,000 thousand of FY 2006 Title IX obligations (PL 109-148), \$5,546 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148). The FY 2006 Estimate column includes \$500 thousand of FY 2006 Emergency Relief Fund.

* Net of Congressional Reduction of \$27,147 and Congressional increase of \$500 from Emergency Relief Fund

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III. Financial Summary (\$ in thousands): (continued)

<u>B. Reconciliation Summary</u>	<u>Change FY 2006/FY 2006</u>	<u>Change FY 2006/FY 2007</u>
Baseline Funding	1,045,125	1,018,478
Congressional Adjustments (Distributed)	-10,000	
Congressional Adjustments (Undistributed)	-1,951	
Congressional Adjustments (Earmarks)	-557	
Congressional Adjustments (General Provisions)	-14,639	
Subtotal Appropriated Amount	1,017,978	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	1,017,978	
Anticipated Supplemental	45,546	
Reprogrammings from Emergency Response Fund	500	
Price Changes		26,676
Functional Transfers		-65,365
Program Changes		18,829
Current Estimate	1,064,024	998,618
Less: Wartime/Hurricane Supplemental	-45,546	
Normalized Current Estimate	1,018,478	

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III. Financial Summary (\$ in thousands): (continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request (Amended, if applicable)		1,045,125
1. Congressional Adjustments		-27,147
a. Distributed Adjustments - Program Growth	-10,000	
b. Undistributed Adjustments - Unobligated Balances	-1,951	
c. Adjustments to meet Congressional Intent		
d. General Provisions	-14,639	
1) Sec 8087 - Advisory and Assistance Services	-1,951	
2) Sec 8125 - Economic Assumptions	-1,629	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-768	
4) 1 percent Rescission	-10,291	
e. Congressional Earmarks - Indian Lands Environmental Impact	-557	
FY 2006 Appropriated Amount		1,017,978
2. War-Related and Disaster Supplemental Appropriations		45,546
a. Global War on Terrorism	40,000	
b. Hurricane Katrina	5,546	
3. Fact of Life Changes		
FY 2006 Baseline Funding		1,063,524
4. Reprogrammings (requiring 1415 Actions)		500
a. Increases		
1) Iraq Freedom Fund Transfers		
2) Defense Emergency Response Fund	500	
b. Decreases		
1) Iraq Freedom Fund Transfers		
2)		
Revised FY 2006 Estimate		1,064,024
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-45,546

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III. Financial Summary (\$ in thousands): (continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 Normalized Current Estimate		1,018,478
6. Price Change		26,676
7. Functional Transfers		
a. Transfers In		
b. Transfers Out		-65,365
1) E-Commerce Program (4e.), including Wide Area Workflow, to the newly established Business Transformation Agency to consolidate transformation business programs in this new agency.	-21,065	
2) Defense Information Systems Network (2e.) funding to Army, AF, Navy, USMC, Defense Agencies to fund the customer accounts, supporting the DISN governance and new subscription rates.	-44,300	
8. Program Increases		92,351
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
1) Spectrum Management Improvements and Assessments - Provides funding for Spectrum Analysis to improve existing electro-magnetic spectrum information systems and data. (2c. FY 2006 Baseline, \$15,576)	4,391	
c. Program Growth in FY 2007		
1) CENTRIXS Equipment Requirements for Combatant Commands - Provides funds to expand coalition infrastructure/CENTRIXS upgrades for EUCCOM, JFCOM, SOUTHCOM, PACOM, and CENTCOM based on JCS requirements. (4h. FY 2006 Baseline, \$0)	27,000	
2) Information Systems Security Program (ISSP) Based on DoD QDR priorities, provides for improvements in network protection (SIPR and NIPR) and persistent monitoring; and adds required IA training for these improvements. Implements additional expense investment threshold requirements based on reduced costs of licenses and security products; transfer of Procurement, Defense Wide to O&M, Defense Wide to align with the Expense/Investment criteria. (3b. FY 2006 Baseline, \$219,180)	35,020	

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III. Financial Summary (\$ in thousands): (continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
3) National Military Communication System, funds improvements required to implement the Ground Distributed Network for the National (Nuclear and Senior Leadership) Command and Control (NC2) (4c. FY 2006 Baseline, \$4,274)	25,940	
9. Program Decreases		
a. Annualization of FY 2006 Program Decreases		-73,522
b. One-Time FY 2006 Increases: Emergency Relief funds in support of the White House Situation Room	-500	
c. Program Decreases in FY 2007		
1) C4IFTW funds for Joint Test and Assessment (FY 2006 Baseline, \$1,000)	-1,000	
2) Integration of DCTS capabilities into the NCES program (1c. FY 2006 Baseline, \$11,198)	-11,198	
3) Integration of IDM capabilities into the NCES program (1f. FY 2006 Baseline, \$7,483)	-7,483	
4) Transfer of O&M, Testing activities to RDT&E, Defense Wide, to create a single coherent testing program concept under auspices of the Major Range and Test Facility Concept/ Joint Interoperability and Test Center (4g. FY 2006 Baseline, \$30,761)	-30,761	
5) Efficiencies Reductions to DISN (2e. FY 2006 Baseline, \$147,211 (adjusted for Transfer of Function reduction of \$44,300 listed above)	-10,959	
6) Realignment amongst O&M Programs; selected programs include DMS (-2,141) NETOPS (-2,191), DSO (\$-.5), MEECN (-\$2,209) and Support efficiencies.	-11,621	
FY 2007 Budget Request		998,618

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IV. Performance Criteria and Evaluation Summary:

DISA's principle approach to performance-budget integration and performance measurement is budgeting to our strategies and using a balanced scorecard (BSC) to manage and execute our strategies. The BSC also provides the "pyramid" of outcomes structure, with top-level goals, supported by strategies. Next down on the pyramid, the higher-level strategies have outcome as well as output measures, and the customer focused goal and strategies are at the top. The customer perspective strategies and measures are supported by financial, internal process, and learning and growth perspective strategies and measures. Top corporate level, or Level 1 strategies and measures, are supported by lower level strategies and measures developed by subordinate organizations

Initiatives associated with each strategy are the means for attaining the performance desired, and measures illustrate whether the targets for each measure are being achieved. Initiatives are resourced (e.g., funded) and have or are associated with a schedule. Scorecard owners brief the DISA senior leadership quarterly on their progress in executing their strategy. The reviews have proven invaluable in that they provide an opportunity to discuss strategy and obtain an integrated view of Agency performance. They also strengthen individual accountability and ensure alignment with Corporate-level priorities.

The text below provides DISA's top-level goals, the strategies for the customer perspective, the linkage to the 2001 Quadrennial Defense Review (QDR) as well as the more recent March 2005 National Defense Strategy, the DoD risk management framework, the *DoD Performance and Accountability Report (PAR)* for FY 2005, and the *President's Management Agenda (PMA)*. This shows that DISA's performance budget is aligned to DOD's performance budget. The text below also displays for DISA's customer perspective strategies select performance metrics and provides a brief evaluation and assessment of key results for

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IV. Performance Criteria and Evaluation Summary: (continued)

FY 2005 used by DISA to support ongoing strategic and tactical decision-making. Similar information is maintained for the other perspectives, and other DISA perspective strategies and measures track to DOD PAR strategies and measures, such as civilian recruiting cycle time. DISA's first implementation of the performance budget based on the BSC is occurring with the FY 2006 budget. Select performance data by Subactivity Group (SAG) is presented below.

DISA's top-level goals:

- DISA Strategic Goal 1: Enable the net-centric force (customer "C" perspective)
- DISA Strategic Goal 2: Build confidence in DISA's financial stewardship (financial perspective)
- DISA Strategic Goal 3: Improve planning, engineering, acquiring, fielding, supporting, and operating innovative net-centric services and solutions (Internal process perspective)
- DISA Strategic Goal 4: Become the employer of choice for outstanding people with the right skills (learning and growth perspective)

Strategies for DISA Strategic Goal 1: Enable the net-centric force:

Corporate Strategy C-1: Transition to a net-centric environment to transform the way DoD shares information by making data continuously available in a trusted environment

- Activity Group: Transition to Net-centric Environment
- Measure: Number of customers using enterprise services

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IV. Performance Criteria and Evaluation Summary: (continued)

- o Targets and evaluation and assessment of results: New measure. FY 2005 target of 7,000 customers for Net-Centric Enterprise Services (NCES) program services achieved.
- Note: This strategy includes initiatives such as to execute the Net-Centric Enterprise Services (NCES) program, to develop managed services concept for both processing power and storage, and to plan for transition of applications and operating systems to IPv6.

C-1 Linkages:

- *National Defense Strategy/QDR:* Strengthen intelligence; Operating from the global commons; and Conducting network-centric operations. /Leveraging information technology and innovative concepts to develop an interoperable, joint C4ISR architecture and capability that includes a tailorable joint operational picture.
- Risk Management Framework: Operational, Future Challenges, and Institutional Risk
- DoD PAR FY 2005 Strategic Goal/ Performance Goal/ Metric: Strategic Goal 4: Balancing Future Challenges Risks - execute future missions successfully against an array of prospective challengers/ Performance Goal 4.1 - Define and develop transformational capabilities
 - o Metric 4.1.2 Make Information Available on a Network that People Depend On and Trust./ Number of systems that support the Internet Protocol Version 6 (IPv6) and Number of systems that meet information assurance standards
 - o Metric 4.1.4 Populate the Network with New, Dynamic Sources of Information to Defeat the Enemy/ Percentage of DoD information available via net-centric solutions.
- President's Management Agenda (PMA): Expanded Electronic Government (expanded electronic government with the warfighter and other DOD employees and industry as the "citizen customer")

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IV. Performance Criteria and Evaluation Summary: (continued)

Corporate Strategy C-2: Build and sustain a GIG transport infrastructure that eliminates bandwidth constraints and rapidly surges to meet demands, wherever needed

- Activity Group: Eliminate Bandwidth Constraints

- Measure: % of GIG Bandwidth Expansion (GIG-BE) sites operational
 - Targets and evaluation and assessment of results: The GIG-BE program has achieved the milestone of Full Operational Capability (FOC), effective December 20, 2005.

- Note: This strategy includes initiatives such as to transition to DISN Next Generation (e.g., develop formal implementation plan, implement service delivery nodes, retire legacy circuits), and to plan to transition communication networks to IPv6.

C-2 Linkages:

- *National Defense Strategy/QDR:* Operating from the global commons; Conducting network-centric operations. /Enhancing the capability and survivability of space systems and supporting infrastructure

- Risk Management Framework: Operational and Future Challenges

- DoD PAR FY 2005 Strategic Goal/ Performance Goal/ Metric: Strategic Goal 4: Balancing Future Challenges Risks - execute future missions successfully against an array of prospective challengers/ Performance Goal 4.1 Define and develop transformational capabilities.
 - Metric 4.1.2 Make Information Available on a Network that People Depend On and Trust/ Number of systems that support the Internet Protocol Version 6 (IPv6) and Number of systems that meet information assurance standards
 - Metric 4.1.4 Populate the Network with New, Dynamic Sources of Information to Defeat the Enemy/ Percentage of DoD information available via net-centric solutions.

- President's Management Agenda (PMA): Expanded Electronic Government

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IV. Performance Criteria and Evaluation Summary: (continued)

Corporate Strategy C-3: Provide NetOps technical expertise and integrated solutions for GIG network operations and defense

- Activity Group: Operate and Defend the GIG
- Measure M: Percentage improvements in Theater NetOps Centers NetOps capabilities
 - Targets and evaluation and assessment of results: New measure without data, so other intermediate measures are being used, such as the percentage of NetOps criteria achieved. Target of 48% by end of FY 2005 was exceeded at 57.3 percent.
- Measure M: Percentage completion implementing Net Common Operational Picture
 - Targets and evaluation and assessment of results: Target of 90 percent exceeded by 2 percent.
- Notes: This strategy includes initiatives such as to implement applicable portions of DOD IA Strategic Plan and Information Operations Roadmap.

C-3 Linkages:

- *National Defense Strategy/QDR:* Operating from the global commons; Conducting network-centric operations. /Assuring information systems in the face of attack and conducting effective information operations
- Risk Management Framework: Operational and Future Challenges
- DoD PAR FY 2005 Strategic Goal/ Performance Goal/ Metric: Strategic Goal 4: Balancing Future Challenges Risks - execute future missions successfully against an array of prospective challengers/ Performance Goal 4.1
 - Metric 4.1.2 Make Information Available on a Network that People Depend On and Trust/ Number of systems that support the Internet Protocol Version 6 (IPv6) and Number of systems that meet information assurance standards
 - Metric 4.1.4 Populate the Network with New, Dynamic Sources of Information to Defeat the Enemy/ Percentage of DoD information available via net-centric solutions.
- President's Management Agenda (PMA): Expanded Electronic Government

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IV. Performance Criteria and Evaluation Summary: (continued)

Corporate Strategy C-4: Transition to DOD enterprise-wide capabilities for communities of interest, e.g., warfighting, business, and intelligence, that exploit the GIG for improved decision-making

- Activity Group: Exploit the GIG for Improved Decision Making
- Measure M: Number of customers using DISA-provided community of interest capabilities/programs/ projects/ services that are transitioned to net-centric
 - Targets and evaluation and assessment of results: New measure without data, so other intermediate measures are being used, such as the average number of community of interest (COI) capabilities downloaded/accessed/shipped to DOD customers are being used. Targets have not yet been set, however average downloads of 3,000 to 20,000 are being recorded.
- Note: This strategy includes initiatives such as to transition to the Joint Command and Control (JC2) capability and implement Multinational Information Sharing.

C-4 Linkages:

- *National Defense Strategy/QDR*: Strengthen intelligence; Operating from the global commons; and Conducting network-centric operations. /Leveraging information technology and innovative concepts to develop an interoperable, joint C4ISR architecture and capability that includes a tailorable joint operational picture.
- Risk Management Framework: Operational, Future Challenges, and Institutional Risk
- DoD PAR FY 2005 Strategic Goal/ Performance Goal/ Metric: Strategic Goal 4: Balancing Future Challenges Risks - execute future missions successfully against an array of prospective challengers/ Performance Goal 4.1 Define and develop transformational capabilities
 - Metric 4.1.2 Make Information Available on a Network that People Depend On and Trust.
 - Metric 4.1.4 Populate the Network with New, Dynamic Sources of Information to Defeat the Enemy/ Percentage of DoD information available via net-centric solutions.
- President's Management Agenda (PMA): Expanded Electronic Government

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IV. Performance Criteria and Evaluation Summary: (continued)

Corporate Strategy C-5: Deliver capabilities, based on established requirements, more effectively, economically and efficiently than we do today.

- Activity Group: Deliver Capabilities More Effectively and Efficiently
- Measure: % of programs delivering products and services within established Acquisition Program Baselines (APBs) for performance, cost, and schedule
 - o Targets and evaluation and assessment of results: Six of six programs identified for FY 2005 met APBs.
- Measure: Unit costs for services delivered
 - o Targets and evaluation and assessment of results: Twelve services with both unit cost data and targets all reported costs within targets for FY 2005.

C-5 Linkages:

- *National Defense Strategy/QDR:* Implementation guideline of continuous transformation. / Modernize DoD business processes and infrastructure.
- Risk Management Framework: Operational and Institutional Risk
- DoD PAR FY 2005 Strategic Goal/Performance Goal/ Metric:
 - o Strategic Goal 3: Balancing Institutional Risk - Align the organization and its resources to support the warfighter/ Performance Goal 3.3 - Realign Support to the Warfighter/
 - Metric 3.3.1: Reduce Customer Wait Time (Days)
 - Metric 3.3.2: Reduce Major Defense Acquisition Program Annual Rate of Acquisition Cost Growth; and
 - Metric 3.3.3: Reduce Major Defense Acquisition Program Cycle Time
 - Metric 3.3.4: Reduce Major Defense Acquisition Program Operating and Support Cost Growth
 - o Strategic Goal 3: Balancing Institutional Risk - Align the organization and its resources to support the warfighter/ Performance Goal 3.4 - Streamline the Decision Process, Improve Financial Management, and Drive Acquisition Excellence
 - Metric 3.4.1: Support Acquisition Excellence Goals
 - o President's Management Agenda (PMA): Budget and performance integration.

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<u>V. Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY 2005/</u> <u>FY 2006</u>	<u>Change</u> <u>FY 2006/</u> <u>FY 2007</u>
<u>Active Military End Strength (E/S) (Total)</u>	1,535	1,636	1,512	101	-124
Officer	355	393	362	38	-31
Enlisted	1,180	1,243	1,150	63	-93
<u>Reserve Drill Strength (E/S) (Total)</u>	146	198	198	52	-
Officer	54	70	70	16	-
Enlisted	92	128	128	36	-
<u>Reservists on Full Time Active Duty (E/S)</u>	2	2	2	-	-
Officer	1	1	1	-	-
Enlisted	1	1	1	-	-
<u>Civilian End Strength (Total)</u>	2,623	2,762	2,453	139	-309
U.S. Direct Hire	2,546	2,657	2,348	111	-309
Total Direct Hire	2,546	2,657	2,348	111	-309
Foreign National Indirect Hire	5	5	5	-	-
Memo: Reimbursable Civilians Included	72	100	100	28	-
<u>Active Military Average Strength (A/S) (Total)</u>	1,535	1,636	1,512	101	-124
Officer	355	393	362	38	-31
Enlisted	1,180	1,243	1,150	63	-93
<u>Reserve Drill Strength (A/S) (Total)</u>	146	198	198	52	-
Officer	54	70	70	16	-
Enlisted	92	128	128	36	-
<u>Reservists on Full Time Active Duty (A/S) (Total)</u>	2	2	2	-	-
Officer	1	1	1	-	-
Enlisted	1	1	1	-	-
<u>Civilian FTEs (Total)</u>	2,563	2,647	2,335	84	-312
U.S. Direct Hire	2,498	2,572	2,255	74	-317
Total Direct Hire	2,498	2,572	2,255	74	-317
Foreign National Indirect Hire	5	5	5	-	-
Memo: Reimbursable Civilians Included	60	70	75	10	5
 Average Annual Civilian Salary (\$ in thousands)	 \$108	 \$115	 \$116	 \$7	 \$1

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

<u>OP 32A Line</u>	<u>*FY 2005</u> <u>Actuals</u>	<u>Change from</u> <u>FY 2005 / FY 2006</u>		<u>**FY 2006</u> <u>Estimate</u>	<u>Change from</u> <u>FY 2006 / FY 2007</u>		<u>FY 2007</u> <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
Executive, General and Special Schedules	270,009	6,174	18,464	294,647	6,777	-42,005	259,419
Wage Board	179	4	-30	153	4	-157	0
Disability Compensation	663		265	928		168	1,096
Total Civilian Personnel Compensation	270,851	6,178	18,699	295,728	6,781	-41,994	260,515
Travel of Persons	23,832	572	5,831	30,235	665	-862	30,038
Total Travel	23,832	572	5,831	30,235	665	-862	30,038
Communications Services Tier 2 Pentagon Reservation Maintenance	13,123	-2,756	2,515	12,882	2,705	-1,560	14,027
Defense Finance and Accounting Services (DFAS)	8,387	-226	3,517	11,678	-1,121	737	11,294
Communications Services (DWCF)	145,952	-19,120	-110,162	16,670	2267	-4,604	14,333
Cost Reimbursable Purchases	48	1	-49	0	0	0	0
Total Purchases	201,257	-21,527	-138,500	41,230	3,852	-5,428	39,654
Commercial Transportation	2,456	49	100	2,605	57	31	2,693
Total Transportation	2,456	49	100	2,605	57	31	2,693
Rental Payments to GSA Leases (SLUC)	18,574	464	-129	18,909	473	1,653	21,035
Purchased Utilities (non-DWCF)	2,537	61	111	2,709	60	119	2,888
Purchased Communications (non-DWCF)	37,582	902	-7,524	30,960	681	-1,675	29,966
Rents (non-GSA)	105	3	36	144	3	8	155
Postal Services (USPS)	149	0	135	284	0	0	284

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	*FY 2005	Change from		**FY 2006	Change from		FY 2007
		FY 2005 /	FY 2006		FY 2006 /	FY 2007	
OP 32A Line	Actuals	Price	Program	Estimate	Price	Program	Estimate
		Growth	Growth		Growth	Growth	
Supplies & Materials (non-DWCF)	7,928	190	-497	7,621	168	94	7,883
Printing & Reproduction	245	6	41	292	6	51	349
Equipment Operation & Maint by Contract	463,443	11,123	-4,740	469,826	11,218	11,587	492,631
Facility Operation & Maint by Contract	16,255	390	-3,401	13,244	409	-1,914	11,739
Equipment Purchases (non-DWCF)	34,542	829	-4,311	31,060	683	-3,968	27,775
Contract Consultants	2,004	48	-754	1,298	29	1	1,328
Management and Professional Support	466	11	-477	0	0	311	311
Studies, Analyses and Evaluations	2,637	63	-2,280	420	9	-33	396
Engineering and Technical Services	5,312	127	-2,733	2,706	60	-42	2,724
Locally Purchased Fuel (non- DWCF)	13	2	-15	0	0	0	0
Other Intra-governmental Purchases	14,277	343	9,738	24,358	536	-4,650	20,244
Grants/Subsidies/Contributions	0	0	50	50	1	-1	50
Other Contracts	63,557	1,525	-20,772	44,310	975	180	45,465
Other Costs	290	7	192	489	11	-5	495
Total Other Purchases	669,916	16,094	-37,330	648,680	15,322	1,716	665,718
Total Activity Group	1,168,312	1,366	-151,200	1,018,478	26,676	-46,536	998,618

* The FY 2005 Actual column includes \$799 thousand of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), 85,248 thousand of Iraq Freedom Fund transfers, and \$39,613 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

** The FY 2006 Estimate column excludes \$40,000 thousand of FY 2006 Title IX obligations (PL 109-148), and \$5,546 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148). The FY 2006 Estimate column includes \$500 thousand of FY 2006 Emergency Relief Fund.

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Defense Logistics Agency (DLA)



February 2006

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Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

<u>Budget Activities (BA)</u>	<u>FY 2005</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>
Defense Logistics Agency	378,384	9,129	-53,910	333,603	5,435	-41,536	297,502

* The FY 2005 Actual column includes \$12.0 million of FY 2005 Supplemental funds (PL 109-13), \$5.3 million of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and \$45.0 million of FY 2004/FY 2005 Title IX obligations (PL 108-287).

* The FY 2006 Estimate column excludes \$20.0 million of FY 2006 Title IX obligations (PL 109-148).

I. Description of Operations Financed:

Budget Activity (BA) 2 Mobilization Warstoppers: The DLA operation and maintenance (O&M) appropriation finances Warstoppers because preparedness measures must be taken for certain supply items, and critical industrial capability must be preserved to support the Department's readiness and sustainment requirements.

Budget Activity (BA) 4 Administration and Service-Wide Activities: The DLA O&M appropriation finances contracts, supplies, equipment maintenance, communications, salaries, awards, personnel, benefits, travel, per diem, and training for two activities:

- Other Logistics Services (OLS) are associated with DLA's logistics mission such as price comparability, hardcopy maps, unemployment, morale, welfare & recreation, and homeless blankets; and
- Other Logistics Programs (OLP) are program offices for which DLA is either the executive agent or the budget administrator.

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I. Description of Operations Financed: (Continued)

Narrative Explanation of Changes: The FY 2007 program decreases are primarily attributable to Congressional adds in FY 2006 (Commercial Technologies for Maintenance Activities \$-10,424K, Logistics Integration Center \$-1,022K, Supply Chain Management \$-13,031K, PartNet/NET Inventory and Subassembly \$-1,840K, Procurement Technical Assistance Program \$-7,406, and Defense Microelectronics Activity \$-1,750). Also in FY 2007, the Logistics Enterprise Support Program transfers from DLA to the Defense Business Transformation Agency (DBTA) (\$-6,023).

Other Logistics Services (OLS) (FY 2007: \$221.651 million; no full-time equivalents) includes multiple programs associated with the DLA logistics mission as well as Departmental and Congressionally added programs. DLA is either the executive agent responsible for program oversight and policy guidance or the budget administrator responsible for administrative support for these programs, described in the paragraphs that follow:

1. Unemployment Compensation
2. Price Comparability
3. Morale, Welfare and Recreation (MWR)
4. Continuing Health
5. Counter-Drug Activities
6. Contingency Operations
7. Disability Compensation
8. Procurement Technical Assistance Program (PTAP)
9. Inventory Management, Catalog Production & Distribution of Hardcopy Maps
10. Logistics Transformation
11. Homeless Blankets
12. Defense Finance and Accounting Service (DFAS)
13. Counter-terrorism/Force Protection

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I. Description of Operations Financed: (Continued)

14. Joint Electronics Commerce Program (JECPO)
 15. Joint Total Asset Visibility (JTAV)
 16. Government Industry Data Exchange Program (GIDEP)
 17. Federal Employee Compensation Act (FECA) Surcharge
 18. Small Business Administration Support
 19. Base Support
 20. OPM Investigations
 21. Radio Frequency Identification (RFID)
 22. Mobilization Warstoppers
 23. Department of Justice Litigation Support
 24. Alaska Logistics Center
 25. Title IX (Public Law 108-287)
 26. FY 2005 Supplemental
 27. FY 2005 Hurricane Supplemental Funds
 28. Commercial Technologies for Maintenance Activities
 29. PartNet/NET Inventory and Subassembly
 30. Center for Supply Chain Management
 31. Logistics Integration Center (LOGIC)
 32. Managerial Support
 33. Defense Environmental Restoration Account
-
1. Unemployment Compensation: (FY 2007: \$11.9 million) DLA pays the Unemployment Compensation for all Defense Agencies.
 2. Price Comparability (FY 2007: \$77.8 million) supports military unique (DoD-mandated) tasks, such as readiness support, that a commercial distribution company would not experience. When DLA's prices do not include these costs, customers can compare DLA prices with private-sector prices while minimizing risks to readiness. For example,

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I. Description of Operations Financed: (Continued)

a commercial operation would either dispose of inventory demanded only in wartime (War Reserve Materiel) or charge the customer for the costs of retaining this inventory. By funding the cost of retaining this inventory outside customer prices, DLA can reduce the materiel surcharge (Cost Recovery Rate) to achieve more comparable pricing. The Price Comparability baseline also includes peacetime contingency planning and Command and Control Center costs, and the Department's hazardous and ozone depleting substances programs.

3. Morale, Welfare and Recreation (MWR): (FY 2007: \$13.1 million) MWR programs and services provide support that is vital to the readiness of the DoD civilian and military community. Funding is based on cost estimates for operating DLA MWR activities.
4. Continuing Health (FY 2007: \$.5 million) provides coverage for DLA employees affected by reductions-in-force and BRAC.
5. Counter-Drug Activities funding is for approved counter narcotics projects, mandated drug testing, and drug abuse education. This program funding is budgeted at the Department level with DLA reimbursement in the year of execution.
6. Contingency Operations (FY 2007: \$1.5 million) funding covers Agency costs incurred in support of Bosnia and Kosovo contingency operations.
7. Disability Compensation (FY 2007: \$.8 million) funding is required to cover disability compensation for the Clothing Factory (DSCP) closed by BRAC 1993. Funding is required for DSCP BRAC employees that currently receive disability compensation through DLA.

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I. Description of Operations Financed: (Continued)

8. Procurement Technical Assistance Program (PTAP) (FY 2007: \$19.8 million) 10 USC 2412 Chapter 142 authorizes the Secretary of Defense, acting through the Director, DLA, to enter into cost sharing cooperative agreements with state and local governments, nonprofit organizations, Indian tribal organization and Indian economic enterprises to establish and conduct procurement technical assistance programs. Activities include helping business firms market their goods and/or services to DoD, other Federal agencies and state and local governments. Under the PTAP statute, the amount of matching funds DLA can provide to a recipient is limited to \$.3 million per fiscal year for eligible entities providing assistance on a regional (less than statewide) basis or \$.6 million per fiscal year for eligible entities providing assistance on a statewide basis.
9. Inventory Management, Catalog Production & Distribution of Hard Copy Maps (FY 2007: \$26.6 million) DLA serves as the DoD Integrated Materiel Manager and Distributor of approximately 70,000 map items that transferred from the National Imagery and Mapping Agency in 1996.
10. Logistics Transformation (FY 2007: \$8.0 million) DLA is studying specific initiatives that offer the potential for DoD to transform the current "mass model" logistics structure into world-class integrated supply chains focused on warfighter needs. Initiatives complement ongoing reengineering efforts with the Services, consistent with the Logistics Functional Requirements and Joint Vision 2010. Specifically, funds will:
 - Provide analysis of operational logistics and Focused Logistics capabilities to support continuous review and development of the DoD Logistics Transformation Strategy and the Focused Logistics Roadmap;

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I. Description of Operations Financed: (Continued)

- Support the BRAC Industrial Joint Cross Service Group Deliberations and Analytical Requirements;
- Accelerate implementation of performance based logistics:
 1. Assess commercial benchmarks relative to application on DoD weapon system performance targets.
 2. Establish "customer-facing" metrics such as delivery performance time definite delivery and perfect order fulfillment.
- Establish "internal efficiency" metrics such as inventory days of supply.
- Identify and understand DoD Field-level Maintenance Costs;
- Ensure synchronization of the various enterprise integration programs under way within the Services and Agencies;
- Provide DoD supply chain metrics and analyses that support SECDEF objectives to improve readiness, decrease support costs, and reform DoD processes and organizations;
- Provide Material Readiness Strategic Roadmap and Maintenance Transformation;
- Implement a modern integrated supply chain by incorporating new innovations and best practices into DoD supply chain policies and processes;
- Coordinate the information technology requirements and functional capability within DUSD/L&MR activity; and
- Establish a formal integration and qualification structure to accelerate performance-based logistics initiatives within the Services and Agencies.

These tasks will help to accelerate the transition and transformation of the Department's logistics capabilities. They enable DoD to move toward the objective of transforming DoD logistics capabilities to support joint forces conducting distributed adaptive operations and integrating logistics capabilities from source

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I. Description of Operations Financed: (Continued)

of supply or service to point of effect across Services and Defense Agencies. They support the management goals of achieving credibility and effectiveness in acquisition and logistics and using technologies to create future capabilities, systems and strategies. They also support the SECDEF's objectives of improving readiness, decreasing support costs, and reforming DoD processes and organizations.

11. Homeless Blankets (FY 2007: \$3.4 million) The Stewart B. McKinley Homeless Assistance Act of 1987 requires DLA to provide blankets to qualified US 501(C)3 organizations working with the homeless. Homeless shelters request blankets, which are issued on a first-come, first-served basis up to the amount of funding.
12. Defense Finance and Accounting Service (DFAS) (FY 2007: \$1.4 million) DFAS requires reimbursement for accounting services provided to the activities and programs reflected in Other Logistics Services, Other Logistics Programs, and Warstoppers.
13. Counterterrorism/Force Protection (FY 2007: \$3.3 million) provides equipment and sustainment of additional security personnel in support of the Global War on Terrorism (GWOT).
14. The Joint Electronic Commerce Program Office (JECPO) (FY 2007: \$0.0 million) There is no O&M budget request for this program. It was disestablished and associated developmental funding realigned from DLA to the Defense Information Systems Agency (DISA) in FY 2004. DLA retained operational sustainment of the DoD Electronic Mall in O&M through FY 2005 and will fund associated costs through its Defense Working Capital Fund beginning in FY 2006.
15. The Joint Total Asset Visibility (JTAV) (FY 2007: \$0.0 million) There is no O&M budget request for this program. It was chartered to provide all DoD users with timely and accurate joint logistics and personnel asset information to support Joint

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I. Description of Operations Financed: (Continued)

Vision 2020 and Focused Logistics. The JTAV capability will enable national supply chain integration that is crucial to streamlined and responsive logistics and personnel support. Beginning in FY 2006, the JTAV capability will be absorbed by the Integrated Data Environment (IDE) initiative and DLA will fund its costs through its Defense Working Capital Fund.

16. Government Industry Data Exchange Program (GIDEP): (FY 2007: \$.2 million) As a buying command, DLA is a Joint Logistics Commanders (JLC) GIDEP member and shares in the funding support. GIDEP provides technical information for sharing with government and industry. Through GIDEP, DLA program managers can query and issue safety alerts to the GIDEP community. An example includes Urgent Data Requests which are queries to the GIDEP community to solve reliability and maintainability problems on specific parts, components, materials, processes or to request critical information not available from other sources.
17. Federal Employees' Compensation Act (FECA) Surcharge (FY 2007: \$2.1 million) pays the FECA surcharge to the Department of Labor for the Agency civilian pay accounts.
18. Small Business Administration Support (FY 2007: \$.2 million) pays the Small Business Administration costs incurred to certify firms that claim small disadvantage business status.
19. Base Support (FY 2007: \$.4 million) supports the requirements for Agency's Public Works Department base support services.
20. OPM Investigations: (FY 2007: \$.2 million) supports Office of Personnel Management (OPM) security investigations costs.

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I. Description of Operations Financed: (Continued)

21. Radio Frequency Identification (RFID) was a one-time Congressional add in FY 2005 for passive and active RFID DLA requirements.

22. Mobilization Warstoppers: (FY 2007: \$50.5 million) Funding for Warstoppers recognizes that the Department must take extra preparedness measures for certain supply items, and that critical industrial capability must be preserved to support the Department's readiness and sustainment requirements. This concept applies to items such as chemical protective suits, nerve agent antidote auto-injectors, meals-ready-to eat, and tray pack assemblies. Peacetime demand for these items is inadequate to sustain an industrial base sufficient for readiness and mobilization. DLA uses a rigorous business case evaluation to obtain a return on investment that maximizes warfighter benefits. These funds do not fall within the purview of the Defense Working Capital Fund (DWCF) because it emphasizes customer-provided relationships. The Warstoppers program, mandated by law, is the single Agency program for the preservation of essential production capability. It provides the means to invest in improving industry responsiveness without purchasing finished goods inventory. It includes the funding of Industrial Preparedness Measures (IPMs) that support the "surge" of go-to-war material to increase supply availability of spares and troop support items as directed in Defense planning documents. Industrial Base Maintenance Contracts (IBMC) currently preserve critical production capabilities for nerve agent antidotes with a minimal annual investment. Industrial readiness or preparedness investments enable DLA to provide surge capability for critical weapon systems and troop support items as a more cost-effective alternative to War Reserve Materiel (WRM).

23. Department of Justice (DOJ) Litigation Support There is no budget request for this program in FY 2007. In FY 2005, it funded DOJ environmental litigation support.

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I. Description of Operations Financed: (Continued)

24. Alaska Logistics Center was a one-time Congressional add in FY 2005.
25. Title IX was funding in FY 2005 for DLA Defense Distribution Center Theater Consolidation Shipping Point function due to the Global War on Terrorism.
26. FY 2005 Supplemental provided funding in FY 2005 largely for Warstoppers Lithium Battery Industrial Preparedness projects in support to the Global War on Terrorism.
27. FY 2005 Hurricane Supplemental was funding provided for hurricane relief efforts.
28. Commercial Technologies for Maintenance Activities (CTMA) was a Congressional add in FY 2006.
29. PartNet/NET Inventory and Subassembly was a one-time Congressional add in FY 2006.
30. Center for Supply Chain Management was a one-time Congressional add in FY 2006.
31. Logistics Integration Center (LOGIC) was a one-time Congressional add in FY 2006.
32. Managerial Support (FY 2007: \$.04 million) includes:
 - **Prior Year Invoices:** For bills received after the close of the fiscal year.
 - **Interest Penalty:** Penalties incurred due to payment processing delays.
 - **Official Representation Funds (ORF):** Special and official functions or ceremonies attended by DoD personnel and distinguished non-DoD personnel. Since FY 1998, all DLA activities have been required to use O&M funds for ORF functions.

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I. Description of Operations Financed: (Continued)

- Investigative Activities: DLA confidential investigations.
- Director's Medallion: The DLA Director presents medallions to DLA personnel for special accomplishments.

33. Defense Environmental Restoration Account (DERA): The Environmental Restoration Account, established by Congress in FY 1984, funds environmental programs for Installation Restoration Projects at DoD sites. These resources are used for achieving and maintaining compliance with the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendment and Reauthorization Act of 1986, and the National Contingency Plan. The Defense Environmental Restoration Program (DERP) provides centralized management for the cleanup of DoD hazardous waste sites. DLA uses the DERA to support the goals of the DERP. DLA implements the DoD DERP program through the Installation Restoration Program (IRP) to achieve this mission. IRP-financed operations include a comprehensive program to identify, investigate and clean up contamination from hazardous substances, pollutants, and contaminants at active DLA sites as well as formerly-owned or used properties and Potentially Responsible Party sites (third-party sites) where DLA is named as a responsible party.

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Other Logistics Programs (OLP) (FY 2007: \$75.851 million and 283 FTEs) are multiple program offices for which the Defense Logistics Agency (DLA) is either the executive agent or the budget administrator. Personnel (FTEs) work exclusively on the respective programs. The O&M appropriation funds the contracts, supplies, equipment maintenance, communications, salaries, awards, personnel benefits, travel, per diem, and training in support of these programs. The Activity Group, described below, includes:

1. DLA Program Direction
 - 1.1. DLA Information Operations
 - 1.1.1. Logistics Enterprise Support Program (LESP)
 - 1.1.2. Automatic Identification Technology (AIT)
 - 1.2 Law Enforcement Support Office (LESO)
 - 1.3 Defense Standardization Program Office (DSPO)
2. OSD Program Direction With Administrative Support From DLA
 - 2.1. Defense Property Accountability System (DPAS)
 - 2.2. Defense Microelectronics Activity (DMEA)
 - 2.3. Business Process Reengineering Center (BPRC)
 - 2.4. Defense Acquisition Career Management (DACM)
 - 2.5. Continuity of Operations Program (COOP)
 - 2.6. DoD Classified Program
 - 2.7. Defense Policy Analysis Office (DPAO)

1.1 DLA Information Operations is responsible for providing comprehensive, best practice technological support to the DoD/DLA logistics community resulting in the highest quality information systems, efficient and economical computing, data management, electronic commerce, and telecommunications services.

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I. Description of Operations Financed: (Continued)

- 1.1.1 Logistics Enterprise Support Program (LESP) (FY 2007: \$7.1 million) LESP transfers to the Business Transformation Agency (BTA) in FY 2007. The funding requested for FY 2007 supports the Defense Information Infrastructure (DII) which did not transfer with LESP.
- 1.1.2 Automatic Identification Technology (AIT) (FY 2007: \$3.2 million and 2 FTEs) is a suite of technologies (e.g., bar codes, smart cards, satellite tracking systems, and radio frequency identification (RFID) tags) that are used to capture, aggregate, and transfer data automatically to Automated Information Systems (AIS). This use of AIT in conjunction with AIS provides timely visibility of all logistics assets, whether in-process, in-storage, or in-transit. Current DoD policy requires the use of active (high capacity) RFID to mark certain consolidated shipments and passive RFID tags for the case, pallet, and item packaging for unique identification items.

1.2 Law Enforcement Support Office (LESO) (FY 2007: \$1.2 million and 12 FTEs) administers the transfer to Federal and State agencies of excess DoD personal property suitable for use by agencies in law enforcement activities, including counter-drug and counter terrorism activities under Section 1033 of the FY 1997 National Defense Authorization Act. In FY 2004, the Department transferred Drug Interdiction and Counterdrug Activities, Defense, funding for LESO to DLA.

1.3 Defense Standardization Program Office (DSPO) (FY 2007: \$5.4 million and 13 FTEs) transferred from OUSD(AT&L) to DLA in FY 1999. The DSPO mission is to develop and manage DoD-wide policies and procedures to implement Public Laws related to standardization, acquisition, and metrication. Associated actions require the DSPO to identify, influence, develop, manage, and provide access to standardization processes, products, and services for warfighters, the acquisition community, and the logistics community to promote interoperability, reduce total ownership costs, and sustain readiness. DSPO is

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I. Description of Operations Financed: (Continued)

authorized by Sections 2451-2452 of Title 10, which established the Defense Standardization Program (DSP), and the DoDI 4120.24, which implements the DSP in the DoD.

2.1 Defense Property Accountability System (DPAS) (FY 2007: \$12.3 million and 6 FTEs) is an integrated system that provides accounting and accountability for DoD-owned property. The Under Secretary of Defense Acquisition, Technology and Logistics (OUSD(AT&L)) provides program management oversight.

2.2 Defense Microelectronics Activity (DMEA) (FY 2007: \$15.2 million, 125 direct-funded FTEs and 31 reimbursable FTEs) is chartered to take advantage of the capabilities and payoffs of advanced technologies to solve operational problems in weapon systems, increase operational capabilities, reduce operation and support (O&S) costs, and reduce the effects of Microelectronics Diminishing Manufacturing Sources and Material Shortages (DMSMS). The DoD is increasingly reliant on the use of "smart" weapons based on microelectronics; all future engagement scenarios depend on the use of these systems. Likewise, the use of microelectronics has exploded in the commercial world, driving the semiconductor industry to supersede successive generations of semiconductor technologies with new technologies every 18 months. The growth in commercial products has driven DoD's share of the semiconductor market below 0.1%. DoD must rely on technologies that become obsolete every 18 months and an industry in which DoD has no influence due to low market share. This is a Defense-wide issue since many systems across the Department use the same microelectronic process technologies.

The DMEA reverse-engineers microelectronic devices, using a unique and innovative methodology, to determine their function and specifications, analyze possible solutions, and design, build, and test the best solution. The DMEA strategy creates a comprehensive mix of commercially-viable solutions for DoD. Industry views this process favorably because DMEA converts components from non-producible to producible and enables industry

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to support the warfighter's requirements. The DMEA also evaluates the entire spectrum of microelectronics for current and future obsolescence issues, evaluates the feasibility of potential solutions, fosters technologies that address the problem, recommends solutions at all complexity levels, provides guidance, and recommends policy and procedure changes. The DMEA also gives government organizations streamlined access to state-of-the art technologies and engineering expertise. The DMEA assists system managers by applying both available leading-edge technologies and innovative applied research and development (R&D) approaches to develop solutions to current problems. DMEA was established by the Deputy Secretary of Defense under the authority, direction, and control of the Deputy Under Secretary of Defense for Logistics and Materiel Readiness (DUSD(L&MR)). DLA provides financial and administrative services as requested by DUSD(L&MR).

2.3 Business Process Reengineering Center (BPRC) (FY 2007: \$1.9 million and 17 FTEs) is a management analysis discipline that redesigns processes, organizations, and the culture of DoD activities, and is applied by functional leaders using improvement tools and techniques. The redesign approach can be radical or incremental to achieve dramatic improvements over time. BPR results in highly streamlined processes by providing for a cross-functional, integrated analysis of multiple activities or functions that contribute to a shared purpose. BPR, chartered to support the Under Secretary of Defense Acquisition, Technology and Logistics (USD(AT&L)), can include data modeling, and migration systems selection and support services necessary to carry out activities such as:

- 1) Strategic planning, outlining vision and goals;
- 2) Activity modeling of current and future processes, including cross-functional and integration analyses;
- 3) Data modeling (including data standardization) associated with activity modeling;
- 4) Benchmarking to identify and evaluate best practices and their application to DoD;

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I. Description of Operations Financed: (Continued)

- 5) Development of functional economic analyses;
- 6) Planning for BPR implementation and assessment;
- 7) Analysis leading to the selection of migration systems following BPR;
- 8) Development and identification of BPR tools.

2.4 Defense Acquisition Career Management transfers to the Defense Acquisition Agency (DAU) in FY 2006.

2.5 Continuity of Operations (COOP) (FY 2007: \$28.0 million, 50 direct-funded FTEs and 13 reimbursable FTEs), under the staff cognizance and oversight of the Office of the Secretary of Defense, transferred to DLA in FY 1994.

2.6 DoD Classified Program (FY 2007: \$1.5 million, 11 direct-funded FTEs, 3 reimbursable FTEs) transferred to DLA in FY 2001.

2.7 Defense Policy Analysis Office transfers to the Department of the Air Force in FY 2006.

II. Force Structure Summary: N/A

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III. Financial Summary (\$ in thousands):

A. <u>Budget Activity (BA)</u>	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		<u>Appropriated</u>	<u>Current Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
BA 2 Mobilization Warstoppers	46,227	39,693	-698	-1.8	38,995	38,995	50,497
BA 4							
Other Logistics Services (OLS)							
Unemployment Compensation	9,604	11,526	-202	-1.8	11,324	11,324	11,904
Price Comparability	57,986	76,132	-1,343	-1.8	74,789	74,789	77,753
Morale, Welfare and Recreation	12,474	13,361	-235	-1.8	13,126	13,126	13,107
Continuing Health	30	442	-8	-1.8	434	434	456
Counter Drug Activities	575	-	-	-	-	-	-
Contingency Operations	706	1,504	-27	-1.8	1,477	1,477	1,460
Disability Compensation	645	774	-14	-1.8	760	760	799
Procurement Technical Assistance Program	26,038	20,009	6,648	33.2	26,657	26,657	19,837
Inventory Mgmt, Catalog Production & Distribution							
Hard Copy Maps	24,307	28,230	-497	-1.8	27,733	27,733	26,639
Logistics Transformation	7,569	8,058	-142	-1.8	7,916	7,916	7,999
Homeless Blankets	3,217	3,426	-60	-1.8	3,366	3,366	3,401
Defense Finance & Accounting Service	3,277	13,157	-232	-1.8	12,925	12,925	1,358
Counter-terrorism/Force	2,714	3,027	-52	-1.7	2,975	2,975	3,308

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III. Financial Summary (\$ in thousands):

A. <u>Budget Activity (BA)</u>	FY 2006						
	<u>FY 2005 Actuals</u>	<u>Budget Request</u>	<u>Congressional Action</u>			<u>Current Estimate</u>	<u>FY 2007 Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
Protection							
Joint Electronics Commerce Program Office	2,043	-	-	-	-	-	-
Joint Total Asset Visibility	7,065	-	-	-	-	-	-
Government Industry Data Exchange Program	210	189	-2	-1.1	187	187	187
FECA Surcharge	-	2,181	-39	-1.8	2,142	2,142	2,115
Small Business Admin Support	117	205	-2	-1.0	203	203	215
Base Support	-	400	-7	-1.8	393	393	387
OPM Security Investigations	-	151	-2	-1.3	149	149	186
Radio Frequency Identification	4,500	-	-	-	-	-	-
Department of Justice Litigation Support	3,000	-	-	-	-	-	-
Alaska Logistics Center	7,645	-	-	-	-	-	-
Commercial Technologies for Maintenance Activities	-	-	10,200	-	10,200	10,200	-
PartNet/NET Inventory and Subassembly	-	-	1,800	-	1,800	1,800	-
Center for Supply Chain Mgmt	-	-	12,750	-	12,750	12,750	-
Logistics Integration Center (LOGIC)	-	-	1,000	-	1,000	1,000	-
Managerial Support	126	44	-	-	44	44	43
Defense Environmental	15,419	-	-	-	-	-	-

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III. Financial Summary (\$ in thousands):

A. <u>Budget Activity (BA)</u>	FY 2006						
	<u>FY 2005 Actuals</u>	<u>Budget Request</u>	<u>Congressional Action</u>			<u>Current Estimate</u>	<u>FY 2007 Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
Restoration Account							
Total Other Logistics Services	189,267	182,816	29,534	15.4	212,350	212,350	171,154
Title IX	45,000	-	-	-	-	-	-
FY 2005 Supplemental	12,000	-	-	-	-	-	-
FY 2005 Hurricane Supplemental	5,300	-	-	-	-	-	-
Total OLS Including Supplementals	251,567	182,816	28,836	15.8	212,350	212,350	171,154
Other Logistics Programs (OLP)							
DLA Information Operations:	8,219	16,456	-300	-1.8	16,156	16,156	10,330
<i>Memo: Logistics Enterprise</i>							
<i>Support Program</i>	5,657	13,074	-234	-1.8	12,840	12,840	7,100
<i>Memo: Automatic ID</i>							
<i>Technology</i>	2,562	3,382	-66	-2.0	3,316	3,316	3,230
Law Enforcement Support Office	1,090	1,245	-54	-4.3	1,191	1,191	1,233
Defense Standardization Program							
Office	5,144	5,473	-125	-2.3	5,348	5,348	5,384
Defense Property Accountability							
System	10,241	11,204	-211	-1.9	10,993	10,993	12,318
Defense Microelectronics							
Activity	14,687	15,427	1,171	7.6	16,598	16,598	15,244
Business Process Reengineering							
Center	1,771	1,879	-40	-2.1	1,839	1,839	1,850
Defense Acquisition Career Mgmt	521	849	-	-	849	-	-
Continuity of Operations	22,870	29,337	-634	-2.2	28,703	28,703	28,018

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III. Financial Summary (\$ in thousands):

A. <u>Budget Activity (BA)</u>	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
Program							
DoD Classified Program	1,385	1,456	-26	-1.8	1,430	1,430	1,474
Defense Policy Analysis Office	14,662	-	-	-	-	-	-
Total Other Logistics Programs	80,590	83,326	-219	-0.3	83,107	82,258	75,851
Total Defense Logistics Agency	378,384	305,835	28,617	9.4	334,452	333,603	297,502
FY 2005 Supplemental (included in Total)	12,000	-	-	-	-	-	-
Title IX Supplemental (included In total)	45,000	-	-	-	-	-	-
FY 2005 Hurricane Supplemental (included in total)	5,300	-	-	-	-	-	-
Title IX (not Included in total)	-	-	20,000	-	20,000	20,000	-

* The FY 2005 Actual column includes \$12.0 million of FY 2005 Supplemental funds (PL 109-13), \$5.3 million of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), \$45.0 million of FY 2004/FY 2005 Title IX obligations (PL 108-287).

* The FY 2006 Estimate column excludes \$20.0 million of FY 2006 Title IX obligations (PL 109-148).

NOTE: The Logistics Enterprise Support Program transfers to the Business Transformation Agency in FY 2007.

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III. Financial Summary (\$ in Thousands) (Continued)

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2006/FY 2006</u>	<u>FY 2006/FY 2007</u>
Baseline Funding	305,835	333,603
Congressional Adjustments (Distributed)	34,250	
Congressional Adjustments (Undistributed)	-641	
Adjustments (Earmarks)	-183	
Congressional Adjustments (General Provisions)	-4,809	
Subtotal Appropriated Amount	334,452	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	334,452	333,603
Anticipated Supplemental	20,000	
Reprogrammings		
Price Changes		5,435
Functional Transfers	-849	-5,715
Program Changes		-35,821
Current Estimate	353,603	297,502
Less: Wartime Supplemental	-20,000	
Normalized Current Estimate	333,603	

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III. Financial Summary (\$ in Thousands) (Continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		305,835
1. Congressional Adjustments		
a. Distributed Adjustments		34,250
1) Procurement Technical Assistance Program	7,000	
2) Commercial Technologies for Maintenance Activities	10,200	
3) PartNet/NET Inventory and Subassembly	1,800	
4) Center for Supply Chain Management	12,750	
5) Logistics Integration Center (LOGIC)	1,000	
6) Defense Microelectronics Activity (DMEA)	1,500	
b. Undistributed Adjustments - Unobligated Balances		-641
c. Adjustments to meet Congressional Intent		
d. General Provisions		-4,809
1) Sec 8087 - Advisory and Assistance Services	-641	
2) Sec 8125 - Economic Assumptions	-535	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-252	
4) 1 Percent Rescission	-3,381	
e. Congressional Earmarks - Indian Lands Environmental Impact		-183
FY 2006 Appropriated Amount		334,452
2. War-Related and Disaster Supplemental Appropriations		20,000
FY 2006 Title IX Supplemental	20,000	
3. Fact of Life Changes		-849
a. Functional Transfers	-849	-
Defense Acquisition Career Management (DACM) Transfer to Defense		
Acquisition Univeristy (DAU)		
b. Technical Adjustments		-
c. Emergent Requirements		-
FY 2006 Baseline Funding		353,603
4. Reprogrammings (requiring 1415 Actions)		

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III. Financial Summary (\$ in Thousands) (Continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Revised FY 2006 Estimate		353,603
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-20,000
FY 2006 Normalized Current Estimate		333,603
6. Price Change		5,435
7. Functional Transfers		
a. Transfers In		
b. Transfers Out		-5,715
The Logistics Enterprise Support Program (LESP) is realigned from DLA to the Business Transformation Agency (BTA)	-5,715	
8. Program Increases		
a. Annualization of New FY 2006 Program		-
b. One-Time FY 2006 Increases		-
c. Program Growth in FY 2007		14,180
1) Warstoppers increase based on lessons learned from Global War on Terrorism with increases to land based (Class IX) parts/repair and medical readiness (Base: \$38,995)	10,644	
2) Continuing Health increase due to estimated requirements for employee benefits (Base: \$434)	12	
3) Disability Compensation increase due to estimated requirements for employee benefits (Base: \$760)	22	
4) Small Business Administration costs to certify small disadvantage business status (Base: \$203)	8	
5) Counter-terrorism/Force Protection increased equipment and training (Base: \$2,975)	268	
6) Security investigations increase to support estimated workload costs by Office of Personnel Management (Base: \$149)	34	
7) Unemployment increase due to estimated requirements (Base: \$11,324)	329	
8) Price Comparability increase due to depot management costs for war	1,760	

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III. Financial Summary (\$ in Thousands) (Continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
reserve, war time essential and disaster relief items (Base: \$74,789)		
9) Increased contractor support for the Defense Property Accountability System (Base: \$10,993)	1,081	
10) Increased contractor support for the Law Enforcement Support Office (Base: \$1,191)	13	
11) Increase for the Classified Program is due to additional labor requirements (Base: \$1,430)	9	
9. Program Decreases		
a. Annualization of FY 2006 Program Decreases		-
b. One-Time FY 2006 Decreases		-1,750
1) Defense Microelectronics Activity decrease due to a one-time Congressional add in FY 2006 (Base: \$16,598)	-1,750	
2) Commercial Technologies for Maintenance Activities decrease due to prior year Congressional add (Base: \$10,200)	-10,424	
3) Logistics Integration Center decrease due to prior year Congressional add (Base: \$1,000)	-1,022	
4) Supply Chain Management decrease due to prior year Congressional add (Base: \$12,750)	-13,031	
5) PartNet/NET Inventory and Subassembly decrease due to prior year Congressional add (Base: \$1,800)	-1,840	
c. Program Decreases in FY 2007		-48,251
1) Blankets decrease due to estimated costs (Base: \$3,366)	-39	
2) PTAP decrease due to prior year Congressional add (Base: \$26,657)	-7,406	
3) Logistics Transformation increase due to program requirements for Department transformation initiatives (Base: \$7,916)	-91	
4) DFAS decrease due to one-time system and workload costs (Base: \$12,925)	-10,326	
5) Morale, Welfare and Recreation decrease due to previous year gym equipment purchases (Base: \$13,126)	-307	
6) DLA Mapping decrease due to one-time relocation costs in previous year (Base: \$27,733)	-1,704	
7) Contingency Operations for Bosnia and Kosovo support (Base: \$1,477)	-49	
8) Base Support decrease due to estimated requirements for Agency Public	-15	

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III. Financial Summary (\$ in Thousands) (Continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Works Department services (Base: \$393)		
9) FECA surcharge decrease due to estimated costs (Base: \$2,142)	-75	
10) Interest Penalty decrease due to estimated requirements (Base: \$1)	-1	
11) Government Industry Data Exchange Program decrease due to estimated support requirements (Base: \$187)	-4	
12) Decreased contractor support for Logistics Enterprise Support Program (Base: \$12,840)	-308	
13) Decrease for the Business Process Reengineering Center is for reduced contractor support and labor (Base: \$1,839)	-33	
14) Decrease for Automatic Identification Technology is due to reduced contractor support costs (Base: \$3,316)	-159	
15) Decrease for the Defense Standardization Program Office is due to reduced contractor support costs (Base: \$5,348)	-86	
16) Decrease is due to the Defense Continuity Program Office (part of Continuity of Operations Program) operation funding requirements (Base: \$28,703)	-1,331	
FY 2007 Budget Request		297,502

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IV. Performance Criteria and Evaluation Summary

Other Logistics Services (OLS) includes multiple programs for which DLA is either the executive agent responsible for program oversight and policy guidance or the budget administrator responsible for administrative support. Measures used for all programs to track performance are *customer satisfaction* and *funding execution*. Performance criteria follow:

Customer Satisfaction is measured through surveys, comment cards and informal as well as formal customer feedback. Customer satisfaction is also measured through Congressional inquiries and appeals as related to the program execution of Congressional adds. Problems identified in this measure are assessed for corrective action.

Funding execution's goal to obligate 100 percent of funds received through improved financial management processes, increased training and more aggressive execution plans. Budget estimate accuracy is an important execution success factor for Unemployment, Continuing Health Benefits, Disability Compensation. DLA tracks trends and reviews aged accounts to assess the accuracy of previous funding levels. DLA requires programs that perform at less than projected execution rates to reassess financial plans.

The Warstoppers Program enhances DoD's wartime readiness by funding activities that improve DLA's capability to meet the Services' and Combatant Commanders' wartime requirements. The program also funds industrial preparedness measures that preserve critical industrial capability and accelerate the production of critical spares and troop support items, such as Medical, Clothing & Textiles, and Subsistence Rations. Comprehensive industrial base assessments, plans to address capability shortfalls, and industrial preparedness measures form the basis for the metrics. The Warstoppers Program metrics are requirements validation, industry capability validation, requirements offset capability, and resource availability/management and percent of items with surge

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IV. Performance Criteria and Evaluation Summary (Continued)

coverage. The metrics account for coverage of war reserve requirements, surge testing, and return on investment which is calculated against the offset of unfunded War Reserve Requirements identified by the Services. Warstoppers averages \$5 offset for every \$1 invested in industrial surge capabilities.

The Procurement Technical Assistance Program (PTAP) evaluates the performance of our resource investment by requiring the Procurement Technical Assistant (PTA) Centers, established with the award of the PTA Cooperative Agreement, to submit PTA Performance Data Reports bi-annually. The first report covers the first six months of performance and the second, or final report provides the accumulative data for the entire year and is submitted 90 days after the expiration date of the PTA Cooperative Agreement's performance period. The report tracks the number of Active Clients, Outreach Events, Initial and Follow-up Counseling Sessions by category of Small Business Concerns, Other Businesses, and the number and dollar value of prime and subcontract awards. The dollar value of prime and subcontract awards is used to calculate the number of jobs that may have been created as a result of the PTAC's efforts. Procedure for validating the data submitted in the Performance Data Reports must be available during on-site reviews of the Program.

The Morale, Welfare & Recreation performance metrics track readiness support as it relates to quality child care, physical fitness and family support programs and relocation assistance; Non-Appropriated Fund accountability and reinvestment; and customer service provided in the areas of recreation activities such as lodging, pools, dining facilities and information, ticketing and reservations.

The Counter-terrorism/Force Protection metrics include execution of planned systems requirements and sustainment of security personnel.

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IV. Performance Criteria and Evaluation Summary (Continued)

The Environmental Restoration Program funded by DERA uses two Measures of Merit (MOM) which are categorized by risk (MOM#R1) and phase (MOM#R2). Table 1 shows estimates for site cleanup by risk category (MOM#R1) at the end of FY 2006 and FY 2007:

Category	FY 2006	FY 2007
High Risk	2	0
Medium Risk	1	0
Low Risk	2	1

Table 2 shows projected status by activity type (MOM#R2) at the end of FY 2006 and FY 2007:

Category	FY 2006	FY 2007
Investigation	1	0
Cleanup	16	14
Response Complete	360	363

The Defense Property Accountability System exists to field and sustain an integrated system for accounting and accountability of DoD-owned property for the Departments of the Army and Navy and most Defense Agencies. DPAS performance focuses on customer satisfaction, data quality and data reliability. In 2004, customer satisfaction programs included Call Center operations, training, and customer outreach and communication via deployment of a new web-site. In FY 2004, the DPAS Quality Assurance function substantially improved DPAS data accuracy and reliability through continued analysis and follow-up. In FY 2005, the Department of the Army will be deploying DPAS at all Army Government-owned contractor-operated sites.

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IV. Performance Criteria and Evaluation Summary (Continued)

The Defense Microelectronics Activity (DMEA) leverages the capabilities and payoffs of advanced technologies to solve operational problems, increase operational capabilities, reduce operation and support costs, extend useful life, and reduce the effects of diminishing manufacturing sources in weapon systems. Customer satisfaction, which is DMEA's critical performance measure, is measured through surveys and formal and informal customer feedback. Individual projects performing below expected customer satisfaction rates must initiate recovery plans to ensure that this measure is achieved. Customer satisfaction has risen from 94% in FY 2002 to 96% in FY 2004; DMEA plans to maintain this rating through FY 2007.

DMEA also measures its funding execution, and consistently obligates over 99% of its funding. DMEA will maintain or improve its obligation rate in FY 2006 and 2007 through strong financial management processes and aggressive execution plans.

The Defense Standardization Program Office (DSPO) develops policies, procedures and guidance ensuring standardized policy across the Military Departments and Defense Agencies. The qualitative performance indicators for the DSPO are:

- Effectiveness of the DSP as a single source for information exchange and coordination of all defense standardization efforts, measured by increased number of organizations participating in information exchange, and increased customer satisfaction based on survey results; and
- Success in institutionalized development and use of performance and Non-Government Standards (NGSs) in the DoD, measured by increased usage of performance and NGSs, and decreased usage of military-unique specifications and standards.

The Business Process Reengineering Center (BPRC) proposes redesign of processes, organizations and culture to streamline functions and reduce inefficiencies across the

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IV. Performance Criteria and Evaluation Summary (Continued)

Department. It also contributes to improvements in the E-Business areas of logistics systems modernization, acquisition reporting, information technology (IT), and internal processes and business practices. Performance measures track the development of network architecture, support to the Future Logistics Enterprise, end-to-end procurement process integration and modernization, integrated digital environment acquisition life-cycle, and, the Acquisition Technology & Logistics (AT&L) IT modernization and knowledge management portal capability. The continuing mission for FY 2007 is to support these initiatives and to identify opportunities for business process improvements throughout the OUSD(AT&L) organization.

V. <u>Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY 2005/</u> <u>FY 2006</u>	<u>Change</u> <u>FY 2006/</u> <u>FY 2007</u>
<u>Active Military End Strength (E/S) (Total)</u>	21	21	21	-	-
Officer	3	3	3	-	-
Enlisted	18	18	18	-	-
<u>Civilian End Strength (Total)</u>	290	283	284	-7	1
U.S. Direct Hire	290	283	284	-7	1
<i>Memo: Reimbursable Civilians Included</i>	40	44	48	4	4
<u>Active Military Average Strength (A/S) (Total)</u>	21	21	21	-	-
Officer	3	3	3	-	-
Enlisted	18	18	18	-	-
<u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	272	278	283	6	5
<i>Memo: Reimbursable Civilians Included</i>	35	42	47	7	5
Average Annual Civilian Salary	\$113,926	\$113,007	\$113,562	-919	555

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

<u>OP 32 Line</u>	<u>Change from</u> <u>FY 2005 / FY 2006</u>			<u>FY 2006</u> <u>Estimate</u>	<u>Change from</u> <u>FY 2006 / FY 2007</u>		<u>FY 2007</u> <u>Estimate</u>
	<u>FY 2005</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
Civilian Personnel Compensation							
101 Executive, General and Special Schedules	27,890	892	-1,232	27,550	669	-608	27,611
103 Wage Board	48	2	-	50	1	-	51
107 Voluntary Separation Incentive Pay	100	-	-100	-	-	-	-
199 Total Civilian Personnel Compensation	28,038	894	-1,332	27,600	670	-608	27,662
Travel							
308 Travel of Persons	1,109	28	-540	597	14	-15	596
399 Total Travel	1,109	28	-540	597	14	-15	596
Supplies & Materials Purchase							
415 DLA Managed Supplies & Materials	1	-	-1	-	-	-	-
416 GSA Managed Supplies & Materials	15	-	-15	-	-	-	-
499 Total Supplies & Materials Purchases	16	-	-16	-	-	-	-
Other Fund Purchases (Exclude Transportation)							
671 Communications Services (DISA) Tier2	368	6	-367	7	-	-	7
673 Defense Finance & Accounting Services	3,277	-88	9,737	12,926	-1,241	-10,326	1,359
679 Cost Reimbursable Purchases	180,723	4,337	-61,322	123,738	2,282	64	126,084
699 Total Purchases	184,368	4,255	(51,952)	136,671	1,041	-10,262	127,450
Transportation of People							
771 Transportation	36	-	-30	6	-	-	6

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<u>OP 32 Line</u>	<u>Change from</u> <u>FY 2005 / FY 2006</u>			<u>Change from</u> <u>FY 2006 / FY 2007</u>			<u>FY 2007</u> <u>Estimate</u>
	<u>FY 2005</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
799 Total	36	-	-30	6	-	-	6
Other Purchases							
912 Rental Payments to GSA Leases (SLUC)	1	-	-	1	-	-	1
913 Purchases Utilities	452	11	152	615	14	-1	628
914 Purchase Communications	7	-	-	7	-	-	7
915 Rents (Non-GSA)	40	1	-1	40	1	-1	40
920 Supplies & Materials	616	13	-22	607	13	-78	542
923 Facility Maintenance by Contract	309	7	-106	210	4	-153	61
925 Equipment Purchase	151	4	-129	26	1	-	27
987 Other Intra-Govt Purchases	18,349	440	-6,091	12,698	278	1,081	14,057
989 Other Contracts	144,843	3,475	6,185	154,503	3,399	-31,497	126,405
998 Other Costs	49	1	-28	22	-	-1	21
999 Total Other Purchases	164,817	3,952	-40	168,729	3,710	-30,651	141,788
Total Operation & Maintenance	378,384	9,129	-53,910	333,603	5,435	-41,536	297,502

- The FY 2005 Actual column includes \$12.0 million of FY 2005 Supplemental funds (PL 109-13), \$5.3 million of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and \$45.0 million of FY 2004/FY 2005 Title IX obligations (PL 108-287).
- The FY 2006 Estimate column excludes \$20.0 million of FY 2006 Title IX obligations (PL 109-148).

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Defense Legal Services Agency (DLSA)



February 2006

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DEFENSE LEGAL SERVICES AGENCY
Operations and Maintenance, Defense-Wide
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Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) #: Administration and Service-Wide Activities

	*FY 2005 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
DLSA	44,035	1,102	-7,360	37,777	1,273	-3,512	35,538

* The FY 2005 Actual column includes \$11,000 thousand of FY 2005 Supplemental funds (PL 109-13).

I. Description of Operations Financed:

The Defense Legal Services Agency (DLSA) provides legal services to the Office of the Secretary of Defense, Department of Defense Field Activities, and the Defense Agencies.

The largest component of DLSA, the Defense Office of Hearings and Appeals (DOHA), adjudicates numerous types of cases that arise from all Military Departments and Defense Agencies. DOHA provides hearings and issues decisions in personnel security clearance cases for contractors performing classified work for all DoD components and over 20 other Federal Agencies and Departments. In addition, DOHA conducts personal appearances and issues decisions in security clearance cases for DoD civilian employees and military personnel. DOHA also conducts hearings and issues decisions in cases involving claims for DoD Dependent Schools benefits and TRICARE payment for medical services. DOHA's claims function includes review of uniformed service and carrier claims for loss or damage of household goods and review of waiver applications. DOHA traditionally provides support to the Deputy General Counsel (Legal Counsel). DOHA functions as the point of contact for selection of third party neutrals in DOHA alternative dispute resolution processes.

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I. Description of Operations Financed: (Continued)

The number of referrals to DOHA for completed industrial security clearance investigations is increasing, resulting in a backlog of cases requiring due process. In FY 2006 additional personnel and related costs are provided to adjudicate the personnel security clearance case backlog. FY 2007 reflects a decrease in personnel associated with the decrease in the case backlog.

Pursuant to the Secretary of Defense's issuance of Military Commission Order Number 1 (March 21, 2002), the Office of Military Commissions (OMC) was established under DLSA to facilitate preparation for and trial of cases before military commissions. The OMC is responsible for the appointing authority function, the prosecution function, and the defense function. In addition, appellate review panels are mandated. The OMC deals with the trials of enemy combatants who violate the laws of war. It is comprised of four sections; 1) the appointing authority (similar to a convening authority), which includes the Office of the Legal Advisor, 2) the prosecution office, 3) the defense office, and 4) the Review Panel (Judges who consider appeals). The OMC has a total of 65 military and 51 civilians assigned. The OMC originated by Presidential Order and was implemented by order of the Secretary of Defense. Tribunals are now in their initial stages, with ten cases presently referred for trial. Some are in various stages of collateral constitutional litigation. The OMC is expected to last a number of years and encompass heavy logistical and travel costs.

All customary expenses required to operate a government activity are financed, including salaries and benefits, travel, rental of office space, rental of equipment, communications, and the cost of supplies and equipment.

II. Force Structure Summary: N/A

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III. Financial Summary: (\$ in Thousands)

	*FY 2005	Budget	FY 2006			Current	FY 2007
			Congressional Action				
A. BA Subactivities	<u>Actuals</u>	<u>Request</u>	<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>	<u>Estimate</u>	<u>Estimate</u>
DLSA HQ	5,138	5,000	-83	-1.6	4,917	4,917	4,800
DOHA	27,616	17,000	-279	-1.6	16,721	16,721	16,000
OMC	11,281	16,412	-273	-1.6	16,139	16,139	14,738
Total	44,035	38,412	-635	-1.6	37,777	37,777	35,538

* The FY 2005 Actual column includes \$11,000 thousand of FY 2005 Supplemental funds (PL 109-13).

B. <u>Reconciliation Summary</u>	<u>Change</u>	<u>Change</u>
	<u>FY 2006/FY 2006</u>	<u>FY 2006/FY 2007</u>
Baseline Funding	38,412	37,777
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)	-72	
Congressional Adjustments (Earmarks)	-21	
Congressional Adjustments (General Provisions)	-542	
Subtotal Appropriated Amount	37,777	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	37,777	37,777
Anticipated Supplemental		
Reprogrammings		
Price Changes		1,273
Functional Transfers		
Program Changes		-3,512
Current Estimate	37,777	35,538
Less: Wartime Supplemental		
Normalized Current Estimate	37,777	

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III. Financial Summary: (\$ in Thousands) (continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		38,412
1. Congressional Adjustments		-635
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances	-72	
c. Earmarks - Mitigation of environmental impacts on Indian lands	-21	
d. General Provisions	-542	
1) Sec 8087 - Advisory and Assistance Services	-72	
2) Sec 8125 - Economic Assumptions	-60	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-28	
4) 1 percent Rescission	-382	
FY 2006 Appropriated Amount		37,777
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding		37,777
4. Reprogramming (requiring 1415 Actions)		
Revised FY 2006 Estimate		37,777
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		37,777
6. Price Change		1,273
7. Functional Transfers		

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III. Financial Summary: (\$ in Thousands) (continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
8. Program Increases		888
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007	888	
1) Travel - Increase related to Guantanamo Bay detainees. (Baseline FY 2006: \$1,950 thousand)	49	
2) Commercial Transportation - Increase for transportation of household goods for new hires. (Baseline FY 2006: \$4 thousand)	31	
3) Other Intra-Government Purchases - Increase to support document scanning and retrieving support (Baseline FY 2006: \$1,746 thousand)	25	
4) Other Contracts - Increase to support technology and translation support for Guantanamo trials. (Baseline FY 2006: \$1,192 thousand)	783	
9. Program Decreases		-4,400
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007	-4,400	
1) Manpower - Full time equivalents are reduced from 259 to 235. Reflecting progress of Guantanamo trials and reduced backlog. (Baseline FY 2006: \$28,942 thousand)	-2,953	
2) Decreases for rent, communications, equipment and supplies associated with the labor reductions. (Baseline FY 2006: \$3,939 thousand)	-1,447	
FY 2007 Budget Request		35,538

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IV. Performance Criteria and Evaluation Summary:

The Defense Legal Services Agency (DLSA) provides legal services to the staff elements of the Office of the Secretary of Defense and the Defense Agencies. DLSA's activities include providing opinions and counseling on legal compliance issues affecting policy formulation and implementation; participation in developing the Department's legislative program, including drafting legislation and comments; negotiations on behalf of DoD clients with private entities and other Government agencies; ensuring proper use of Government funds and property; adherence to ethical standards; and participation in contractual matters.

The Defense Office of Hearings and Appeals (DOHA), the largest component of DLSA, provides hearings and issues decisions in personnel security clearance cases for contractor personnel doing classified work for all DoD components and over 20 other Federal Agencies and Departments and conducts personal appearances and issues decisions in security clearance cases for DoD civilian employees and military personnel. DOHA also conducts hearings and issues decisions in cases involving the special education programs of the Department of Defense's overseas and domestic school systems, and TRICARE payment for medical services.

DOHA also adjudicates various financial claims including, but not limited to, claims related to uniform services members' pay, allowances, travel, transportation, retired pay, and survivor benefits; claims by transportation carriers for amounts collected from them for loss and damage incurred to property incident to shipment at Government expense; claims for proceeds of sale of unclaimed property coming into the custody or control of the Army, Navy, Air Force or Coast Guard; and petitions for waivers of debts owed by employees to the Government. DOHA also provides Alternative Dispute Resolution Services.

DLSA is evaluated on the basis of the quality and timeliness of its myriad of services; adherence to appropriate standards of professional conduct and Department of Defense ethical and adjudicative standards; the professional independence, impartiality and competence exhibited by its attorneys; and its overall responsiveness to the needs of its clients.

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IV. Performance Criteria and Evaluation Summary:

Industrial Security Clearance Review (ISCR) Program

The due process hearings and appeals of the Industrial Security Program are DOHA's central mission. The Industrial Security Program was created as a result of the Supreme Court's decision in *Greene v. McElroy*, 360 US 474, 79 S. Ct. 1400, 3 L. Ed.2d 1377 (1959). In response to the *Greene* decision, President Eisenhower signed Executive Order 10865 on February 20, 1960. Executive Order 10865 requires a hearing in which contractor employees be given the opportunity to appear before the decision-maker to confront and cross-examine witnesses and attempt to rebut the Government's case.

Executive Order 10865, as amended by Executive Order 10909, Executive Order 11382 and Executive Order 12829 mandate the due process. Executive Order 12829, January 6, 1993, established DoD as the executive agent for the entire federal government's implementation of the National Industrial Security Program (NISP) along with continuing responsibility for implementation of the procedural requirements of Executive Order 10865. Executive Order 12968, signed August 2, 1995 by President Clinton extended the opportunity to appear personally before a decision maker to all clearance holders and applicants. DOHA implements these personal appearances for the Department.

Personal Appearance (PA) Program

Executive Order 12968 mandates that the "opportunity to appear personally" be part of security clearance due process for all military and civilian clearance applicants. The appearances are handled by the same DOHA Administrative Judges who handle cases involving Defense contractors. This decision was made in part due to the collective experience of the DOHA Administrative Judges in convening industrial security clearance hearings and the logic of centralizing security clearance due process proceedings generally in the

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IV. Performance Criteria and Evaluation Summary:

Department. DOHA is the only DoD entity with experience providing a clearance applicant with the opportunity to appear personally as a regular part of due process. The workload associated with the personal appearance cases DOHA handles is currently increasing as a result of security clearance reinvestigation backlogs being worked.

Claims Appeals Board

The Claims Appeals Board has ultimate settlement authority over many different types of claims and related matters. This authority resulted from legislation in 1995 and 1996 which transferred claim settlement responsibility from the Comptroller General to, among others, the Secretary of Defense. The Board is a streamlined reconstitution of the portion of the GAO/OGC division which considered uniformed service and carrier claims. Under Title 31, United States Code, Section 3702, the Secretary of Defense now settles claims involving uniformed service members' pay, allowances, travel, transportation, retired pay, and survivor benefits. Additionally, he settles claims by transportation carriers involving amounts collected from them for loss or damage incurred to property incident to shipments at government expense. The Secretary's responsibilities in these areas are not restricted to DoD. The Secretary also has the statutory responsibility for settling the accounts of deceased DoD service members.

As a result of a recent Office of Management and Budget (OMB) Determination Order, the Secretary was given the OMB Director's general claims settlement authority over most activities within DoD, and the bulk of the waiver authority within the Federal government. The Secretary now exercises the former authority of the Comptroller General to consider applications by service members and DoD employees to waive overpayment debts exceeding \$1,500, and upon request advises non-DoD agencies on waiver applications by their civilian employees.

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IV. Performance Criteria and Evaluation Summary:

Claims appeals board workload is expected to increase. The number of carrier claims regarding loss and damage increased dramatically during the last year that such claims were considered at GAO, and they continue to increase. Changes to GAO's statutory authority to relieve certifying, disbursing and other accountable officers of financial liability may result in added responsibilities.

<u>V. Personnel Summary:</u>	<u>FY</u> <u>2005</u>	<u>FY</u> <u>2006</u>	<u>FY</u> <u>2007</u>	<u>Change</u> <u>FY 2005/</u> <u>FY 2006</u>	<u>Change</u> <u>FY 2006/</u> <u>FY 2007</u>
<u>Active Military End Strength (E/S)</u>	17	59	57	42	-2
(Total)					
Officer	8	30	30	22	
Enlisted	9	29	27	20	-2
<u>Civilian End Strength (Total)</u>	158	259	235	101	-24
U.S. Direct Hire	158	259	235	101	-24
<u>Active Military Average Strength (A/S)</u>	17	59	57	42	-2
(Total)					
Officer	8	30	30	22	
Enlisted	9	29	27	20	-2
<u>Civilian FTEs (Total)</u>	159	259	235	100	-24
U.S. Direct Hire	159	259	235	100	-24
Average Annual Civilian Salary	97	91	93	-6	2

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

<u>OP 32 Line</u>	<u>*FY 2005 Actuals</u>	<u>Change from FY 2005 to FY 2006</u>		<u>FY 2006 Estimate</u>	<u>Change from FY 2006 to FY 2007</u>		<u>FY 2007 Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
101 Executive, General and Special Schedules	19,049	667	9,226	28,942	897	-2,953	26,886
308 Travel	1,440	35	475	1,950	43	49	2,042
672 PRMRF Rent	712	-150	404	966	203	-187	982
771 Commercial Transportation	0	0	4	4	0	31	35
912 Rental Payments to GSA	1,900	48	-13	1,935	43	-953	1,025
914 Purchased Communications	101	2	197	300	7	-32	275
920 Supplies & Materials	215	5	-100	120	3	-1	122
921 Printing/Reproduc tion	8	0	92	100	2	-17	85
922 Equipment Maintenance	4,026	97	-4,078	45	1	-3	43
925 Equipment	468	11	-6	473	10	-254	229
987 Other Intra-Govt Purchases	6,370	153	-4,777	1,746	38	25	1,809
989 Other Contracts	9,738	234	-8,780	1,192	26	783	2,001
998 Other Costs	8	0	-4	4	0	0	4
Total	44,035	1,102	-7,360	37,777	1,273	-3,512	35,538

The FY 2005 Actual column includes \$11.0 thousand of FY 2005 Supplemental funds (PL 109-13).

Fiscal Year (FY) 2007 Budget Estimates

Defense Prisoner Of War/Missing Personnel Office (DPMO)



February 2006

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**DEFENSE PRISONER OF WAR (POW)/MISSING PERSONNEL OFFICE
Operations and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates**

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) #4: Administrative and Servicewide Activities

	<u>FY 2005</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>
DPMO	15,302	408	129	15,839	319	33	16,191

I. Description of Operations Financed:

In 1996, Title 10, United States Code, Section 1501 directed the Secretary of Defense to establish an Office of Missing Persons to provide planning, policy and oversight within the Department of Defense for all issues pertaining to personnel recovery and for personnel accounting from all conflicts; past, present and future. The Secretary delegated this authority to the Defense Prisoner of War (POW)/Missing Personnel Office (DPMO). DPMO reports to, advises, and assists the Under Secretary of Defense for Policy and the Assistant Secretary of Defense for International Security Affairs for all matters relating to the process for investigation and recovery related to missing persons. In addition, DPMO has policy and oversight responsibility within the Department of Defense for the issue of enemy POWs.

The Deputy Assistant Secretary of Defense for POW/Missing Personnel Affairs (DASD-POW/MPA) is the principal policy proponent on the Prisoner of War/Missing Personnel issue. He directs for the ASD/ISA, all policy, national security, and intelligence aspects of the subject of Service Members, civilians and selected foreign personnel who are unaccounted as a result of current and previous national conflicts. In an effort to build public credibility and trust, the DASD-POW/Missing Personnel Affairs maintains channels of communication on POW/MPA matters among the Department of Defense, Congress, POW/Missing Personnel families, veteran's organizations and the general public.

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
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I. Description of Operations Financed: (continued)

In addition, the DASD for POW/Missing Personnel Affairs provides support to the presidentially-mandated US-Russia Joint Commission on POW/MIAs. The commission works to ascertain the facts regarding American servicemen for whom there has been no accounting and whose fate remains unknown and may be resolved as a result of information available in the Former Soviet Union. Additional work by the Commission has been expanded to include research initiatives in a number of East European countries.

DPMO is responsible for several key mission areas. These include: Policy, Control, and Oversight; Outreach; Personnel Recovery; Personnel Accounting and Information Gathering in Southeast Asia, Northeast Asia, and throughout the world to account for those missing from all conflicts including WWII and the Cold War.

II. Force Structure Summary: (N/A)

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2007 Budget Estimates

III. Financial Summary (\$ in Thousands):

	<u>FY 2006</u>						
	<u>Congressional Action</u>						
<u>A. Budget Activity (BA)</u> <u>Subactivities</u>	<u>FY 2005</u> <u>Actuals</u>	<u>Budget</u> <u>Request</u>	<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>	<u>Current</u> <u>Estimate</u>	<u>FY 2007</u> <u>Estimate</u>
DPMO Operations	15,302	16,105	-266	1.7	15,839	15,839	16,191
					<u>CHANGE</u>	<u>CHANGE</u>	
B. <u>Reconciliation Summary:</u>					<u>FY 2006/FY 2006</u>	<u>FY2006/FY2007</u>	
Baseline Funding					16,105	15,839	
Congressional Adjustments (Distributed)							
Congressional Adjustments (Undistributed)					-30		
Congressional Adjustments (Earmarks)					-9		
Congressional Adjustments (General Provisions)					-227		
Subtotal Appropriated Amount					15,839		
Fact-of-Life Changes (CY to CY Only)					0		
Subtotal Baseline Funding					15,839	15,839	
Anticipated Supplemental Reprogrammings							
Price Changes							319
Program Changes							33
Current Estimate					15,839	16,191	
Less: Wartime Supplemental							
Normalized Current Estimate					15,839	16,191	

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		16,105
1. Congressional Adjustments		-266
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances	-30	
c. Earmarks	-9	
d. General Provisions	-227	
1) Sec 8087 - Advisory and Assistance Services	-30	
2) Sec 8125 - Economic Assumptions	-25	
4) Sec 8109 - Excessive Growth in Travel and Transportation	-12	
5) 1 percent Rescission	-160	
FY 2006 Appropriated Amount		15,839
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding		15,839
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		15,839
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		15,839
6. Price Change		319
7. Functional Transfers		
8. Program Increases		33
a. Annualization of New FY 2006 Program		

**DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
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Fiscal Year (FY) 2007 Budget Estimates**

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007		
1) Increase in contract support for archival and research support in Asia and Russia. (Baseline FY 2006, \$2,549 thousand)	33	
9. Program Decreases		
FY 2007 Budget Request		16,191

IV. Performance Criteria and Evaluation Summary

In 1996, Title 10, United States Code, Section 1501 directed the Secretary of Defense to establish an Office of Missing Persons. This legislation required the existing office (DPMO) to greatly expand the scope of its roles and responsibilities to include establishing comprehensive and uniform procedures for determining and updating the status of missing persons, their personnel files and contents and mandated case review dating September 2, 1945. Under these requirements, the mission has expanded to encompass policy oversight of the personnel recovery process as well as the traditional personnel accounting effort. DPMO's efforts to fulfill these requirements have yielded results in the following areas:

Outreach

DPMO continues an aggressive outreach effort with many highly successful programs. For example, eight Family Update meetings are held annually at major cities across the United States. Since the inception of this program, we have reached more than 12,000 family

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 President's Budget

IV. Performance Criteria and Evaluation Summary (Continued)

members, face-to-face, through this and our twice-yearly annual government briefings in Washington. During these meetings, Vietnam war, Cold war, Korean war and WWII family members have access to government experts who explain the use of cutting-edge technologies to identify remains, including mitochondrial DNA, archival research, and other important topics. Families are able to review details of their loved one's case and discuss issues with subject matter experts. As a result of these programs, stakeholders and others interested in our mission of the fullest possible accounting, regularly express their approval and support of the U.S. government's efforts.

To build awareness and foster support for our world-wide accounting effort, DPMO officials meet with members of the local media to help generate wider public understanding of the DoD commitment to missing service members and their families. We also contact the staffs of local Congressional representatives to ensure they are aware and supportive of these events in their districts. We also invite them to attend the Family Update meeting. DPMO's multi-pronged outreach program continues to target a variety of audiences. DPMO continues to conduct special meetings and distribute news releases and other items of interest to families, veterans' organizations and legislative members. Each year National POW/MIA Recognition Day posters are printed and distributed to military members, veterans' organizations, family organizations and constituencies to increase public awareness.

The DPMO Internet Web Site has been reconfigured to a more user-friendly format with useful information for researchers and family members. Our Internet web site has been very positively received, receiving more than 400,000 "hits" in one week from interested readers. Interest remains high on progress in Vietnam War and Korean War accounting efforts. The Coincidental Travel Assistance Program (Coin Assist) provides transportation

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IV. Performance Criteria and Evaluation Summary (Continued)

for family members to attend annual government briefings. The expansion of this program to include Korea, Cold, Vietnam, and the Persian Gulf wars has contributed significantly to the number of family members who attend the annual Korean/Cold War government briefing. Family members express great appreciation for the government's efforts to account for those still missing.

DPMO advises other parts of the USG on issues affecting the issue of personnel recovery, determining the fate of the missing, and communicating with families of the missing. DPMO monitors activities related to the issue of the missing that are conducted by non-government organizations and other governments and conducts liaison with these entities when appropriate. This includes participating in two regional updates by the National League of Families, as well as participation in the national conventions by several Veterans Service Organizations.

DPMO also hosts Casualty Conferences, attended by all the members of the personnel accounting community. These meetings provide an opportunity for DoD's accounting community to work through issues and come to agreement on what the community could do as a whole to advance the accounting mission.

Policy and Personnel Recovery

In 2005, DPMO completed an interagency personnel recovery needs assessment with the goal of building a national architecture. The final report for the National Personnel Recovery Architecture (NPRA) study addressed the scope and requirements for personnel recovery from a national perspective. Since the report's release, DPMO has been building a plan to implement the key findings and has begun implementing parts of the plan. The

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V. Performance Criteria and Evaluation Summary (Continued)

implementation plan is divided into four types of effort including: 1) developing national personnel recovery policy and updating current DoD personnel recovery policy; 2) advising and assisting interagency partners through education and training; 3) updating DoD's approach to survival, evasion, resistance, and escape (SERE) and Code of Conduct training; and 4) addressing the issue of contractors deploying with the force. This fourth effort will be the focus of additional efforts in 2006 as increasing numbers of contractor personnel become involved in Iraq and Afghanistan in rebuilding efforts.

Transition operations in Iraq present several challenges to personnel recovery policy, as interagency partners and government contractors populate a very high threat environment. Advising and assisting interagency partners through education and training is critically important. Fully trained and equipped DoD and interagency personnel, from a personnel recovery perspective, mitigate risk in high threat environments. While most personnel recovery programs across the interagency are in their infancy, DPMO will invest significant time and subject matter expertise over the next two years to ensure that policy guidance, terminology, doctrine, and operations remain synchronized as interagency programs come on line.

DPMO made progress on the issue of contractors deploying with the force and their use in high threat environments, providing inputs to the new DoD policy on Contractor Personnel Authorized to Accompany the U.S. Armed Forces. DPMO is assessing the training and funding requirements necessary to comply with this policy.

At the request of the National Security Council's Hostage Working Group, DPMO prepared a draft National Security Presidential Directive for personnel recovery in 2005. Currently, several different policy options are being considered that will, for the first

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
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V. Performance Criteria and Evaluation Summary (Continued)

time, direct personnel recovery at the national and interagency levels. The implementation plan for the NPRA study gives DoD the leverage to begin building DoD's piece of the national personnel recovery system in FY 2006 and beyond.

DPMO is working with the Executive Agent Action Office, the Joint Personnel Recovery Agency and Service personnel recovery offices, to define and shape the Core Captivity Curriculum initiative. A joint and modular approach to resistance training, this project will help align Service schools and provide better, more thorough training without increasing the required number of training days. The Core Captivity Curriculum also addresses current DoD deficiencies in experiential training for hostage and peacetime governmental detention.

DPMO continued to support high profile family visits in 2005 in conjunction with our captivity support mission. DPMO supported the Colombian hostage families, the Maupin family, and the Bell and Bradley families with regard to their roles in captivity support, media involvement and repatriation support. DPMO is incorporating these issues into personnel recovery directives and instructions.

DPMO is working through the NATO Search and Rescue (SAR) Panel, the NATO Standardization Agency Working Group and NATO Air Group 1, to persuade the European Union (EU) to adopt NATO personnel recovery standards. As the EU develops its organic military capability, future interoperability with U.S. forces will depend on EU nations training and equipping to NATO standards. DPMO made significant contributions to inject "Joint Personnel Recovery" into the NATO Terms of Reference and helped rewrite Allied Technical Publication (ATP) 10, Civil SAR and ATP 62, Combat Search and Rescue (CSAR). DPMO was also instrumental in the continuing development of NATO documents for Personnel Recovery.

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V. Performance Criteria and Evaluation Summary (Continued)

These documents will assist in integrating coalition partners' Locate-Tag-Track devices and advanced survival radios into a combined C4ISR recovery architecture.

As the DoD policy proponent for personnel recovery, DPMO supports personnel recovery technology initiatives. DPMO continues its support for the development and fielding of the Global Personnel Recovery System (GPRS) program and other solutions to personnel recovery challenges. GPRS reduces risk for the isolated operator, recovery forces and commanders and staffs while increasing situational awareness by providing secure over-the-horizon, two-way communications and precise location data. GPRS and technologies like it promote and allow for interagency and international interoperability.

In 2006, DPMO codified policy for DoD Support to Civil Search and Rescue. This policy outlines and codifies DoD responsibilities during civil search and rescue operations and serves as the first of six DoD publications DPMO has slated for revision in 2006 and 2007.

DPMO is currently planning the 2007 (7th annual) Worldwide DoD Personnel Recovery Conference for January 2007. The conference's purpose is to heighten awareness of personnel recovery at the highest levels of the U.S. government; facilitate the exchange of ideas within the recovery community; identify and resolve policy-level issues pertaining to personnel recovery within DoD; and chart a course for the future of personnel recovery. In preparation of the conference, DPMO will complete a comprehensive review of action and emphasis items from the previous six personnel recovery conferences.

DPMO annually participates in the Multi National Force Standard Operating Procedures workshop in U.S. Pacific Command. This is an opportunity to promulgate current personnel

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V. Performance Criteria and Evaluation Summary (Continued)

recovery policy and ensure that any shortfalls and gaps are identified. DPMO also participates in the Tiger Team monitoring the hostage situation in Colombia, along with Department of State and U.S. Southern Command.

Southeast Asia

DPMO continues to focus on increasing the level of cooperation between the U.S. and Vietnam, Laos and Cambodia and among the Indochina countries themselves. DPMO sponsored the 2005 POW/MIA Consultations, the third multilateral meeting of the four countries. Once again, the central focus of the talks was to obtain cross-border information that would account for Americans, particularly those lost along the Ho Chi Minh Trail. In each country, DPMO focused on expanding the breadth, pace and flexibility of investigations and recovery operations. Nation-specific efforts included maintaining the on-the-ground, all-year intelligence effort in Cambodia, as well as working closely with the Government of Laos to implement a more flexible recovery strategy that will enable joint recovery teams to take advantage of favorable weather windows.

In Vietnam, DPMO continued discussions with the Vietnamese Government, moving forward on a new initiative to conduct additional research in Vietnam's archives. DPMO efforts resulted in U.S. investigators regaining access to previously restricted provinces in Vietnam's Western Highlands. Additional investigations are planned, as is a recovery.

DPMO continues its work with the archival research program in Laos covering each of the primary ministries and the Prime Minister's office. Progress was also made in developing an archival research program in Vietnam focused on the targeted archives of the Ministry of National Defense. The execution of this program in FY2006 and beyond will grant access

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V. Performance Criteria and Evaluation Summary (Continued)

to information that was previously denied and holds the best opportunity for new information from this conflict. Analytic assessments also increased the effectiveness of joint and unilateral investigations and research that aided accounting for missing Americans. During technical discussion with each of the three countries, analysts provided information to support operations, the Last Known Alive cases, oral history interviews, the successful use of trilateral witnesses, and bilateral case preparations. In a series of department-wide multi-agency discussions, analysts moved forward the cases of more than 670 individuals by defining new next steps in the investigative process. These programs will continue in FY2006 and FY2007. Continued leads development through the archival research programs, the trilateral experts meetings, and the multi-agency discussions will support the operational elements of the community.

To further supplement the analysis, DPMO is developing policy and community consensus for how to expand the family reference sample database. This will include a robust inclusion into the family outreach program, as well as requesting support and assistance from veterans groups. The program should be defined and implemented in FY2006, and continue through FY2007.

Vietnam Prime Minister's Khai's first-ever visit to the U.S. in 2005 and his meeting with President Bush once again thrust the POW/MIA issue into the national and international spotlight. DPMO provided background and support to the visit and will be an important contributor to preparing for the 2006 Asia-Pacific Economic Conference. In addition, DPMO supported a U.S. Congressional delegation visit to Vietnam and Laos, the first in a decade exclusively focused on POW/MIA oversight issues. DPMO will continue to provide input and assistance to senior-level delegations to Vietnam, Laos and Cambodia. Additionally, DPMO will continue to provide inputs to senior military representatives as

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V. Performance Criteria and Evaluation Summary (Continued)

they travel through the region, so that they too can emphasize the importance of the DPMO mission to their counterparts.

DPMO's efforts, in the context of the U.S.-Russia Joint Commission on POW/MIAs, have managed to elicit from the Russian commissioners expanded access in other Russian archives. Initiatives based on those efforts have led to information extracted from classified Vietnam War holdings of the Russian archives.

Northeast Asia

DPMO continues to develop its comprehensive oral history program contacts with Korean War veterans. More than 1,600 former POWs and other combat veterans have provided invaluable leads on tracking the losses of our 8,100+ unaccounted for servicemen from that conflict. DPMO continued to refine the Personnel Missing in Korea (PMKOR) list, another public document posted on its website. This list, configured to allow the public to download it from the DPMO website by state or service, generated considerable public interest and more than 16,000 internet "hits." DPMO research, in coordination with the Military Services, continued to enhance and improve the list, which resulted in higher quality information for the public.

The U.S. Government temporarily suspended remains recovery efforts in North Korea in May 2005, after completing one joint field activity. The previous year, the U.S. completed five operations, overlapping both FY 2004 and early FY 2005, and resulting in the recovery of 39 remains. In May 2005, teams recovered five remains from operations on the west side of the famous Chosin Reservoir and near Unsan. The regions under investigation encompassed over 1,300 losses in two major battle areas. DPMO is prepared to negotiate

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V. Performance Criteria and Evaluation Summary (Continued)

with the North Koreans and commence operations in FY2006 as soon as the teams are allowed to return.

DPMO enjoyed continued cooperation from the People's Republic of China (PRC). In 2005 DPMO personnel conducted the first official DoD visit to the Chinese Korean War Memorial Museum located in Dandong, China, on the border with North Korea. An excavation in May 2005 resulted in the recovery and identification of a WWII USAF pilot. DPMO also met with Chinese government officials to encourage continued cooperation on the accounting mission and to urge the Chinese to provide access to information in their military archives that is essential to the Korean War accounting effort and should also be useful in supporting Cold War and Vietnam War cases. Further negotiation with the Chinese for archival access is expected in FY2006. As the program continues to develop, and with implementation hopeful for late FY2006, the community's understanding of the Korean War POW camps and associated movements of POWs to and between camps should provide clear indications of where to look for some of those still missing. We also anticipate that analysis of information from these archives will help identify Korean War remains that have already been repatriated but cannot be identified. DPMO expects that this access may lead to access to other holdings maintained by private citizens and organizations in China.

DPMO negotiated unfettered access to the unclassified Korean War holdings of the Russian Central Military Archives in Podolsk, Russia. Korean War analysts work in these archives eight days of every month and have retrieved 32,000 pages of Soviet military documents directly related to the loss of American servicemen during the Korean War. Additionally, DPMO analysts have recently received thousands of declassified pages of Korean War materials for review. These documents provided fate-clarifying information on missing-

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
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V. Performance Criteria and Evaluation Summary (Continued)

in-action American servicemen, and this research enabled DPMO to notify 263 next-of-kin family members about the fate of their loved ones. DPMO analysts plan to broaden the scope of its interview program to other countries of the Former Soviet Union in FY 2007, 2008, and FY 2009.

JOINT COMMISSION

DPMO provides direct administrative logistical, and analytical support to the presidentially mandated U.S.-Russia Joint Commission (USRJC) on POW/MIAs and maintains its focus on work conducted in Russia, other countries of the former Soviet Union (FSU), and Central Europe. DPMO analysts and researchers collected and analyzed information obtained in U.S. and foreign archives, witness interviews, and field investigations throughout the aforementioned areas. In addition, a DPMO office within the American Embassy in Moscow consists of personnel (two U.S. personnel and four Russian researchers) dedicated to the USRJC mission. This office provides support to DPMO's work in the FSU, including archival research, daily liaison with senior Russian officials whose support to DPMO's work in Russia is critical, field research to locate U.S. aircraft crash sites and grave sites, and essential follow-up on leads developed by analysts in Washington and those received from numerous sources.

World War II

DPMO continues to work with the Russian Military Medical Museum in St. Petersburg to review its holdings for information about 'unaccounted for' servicemen from World War II who received treatment by Soviet military medical personnel. In Eastern Europe and Russia, DPMO analysts greatly expanded efforts to locate remote burial sites of WWII

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V. Performance Criteria and Evaluation Summary (Continued)

airmen. In the past and projected for the future, World War II Working Group analysts will continue to investigate crash and possible burial sites throughout Eastern Europe, especially cases in the Czech Republic, Hungary, Bosnia-Herzegovina, Croatia, Serbia, Slovenia, and the Russian Far East.

Investigative leads, already well advanced by DPMO analysts and investigators, in these regions have the potential to locate, repatriate, and identify hundreds of missing World War II - and Cold War-era military servicemen. DPMO analysts also are working important leads in Lithuania, Croatia, and Poland that offer the prospect of near-term results.

Archival Research (AR) is developing the first ever, complete, list of World War II servicemen whose remains were not recovered or identified after that war, the Personnel Missing World War II Database (PMWWII). This database provides the most accurate list to date of the more than 78,000 servicemen missing or unidentified from World War II that lists by name the individual's service number, his date of loss, and the reported area of loss and his branch of service. AR analysts also research, analyze and write case summaries of missing World War II servicemen for Family Updates and personally explain the reports to the missing man's next of kin at Family Updates. Archival Research analysts are expanding their research efforts to include the history of missing personnel in specific geographic regions and as the result of large-scale battle or ship losses. This information is crucial to helping define the WWII accounting policy, used in negotiations with foreign governments, and can assist in directing worldwide investigative operations. These research efforts serve to reinforce confidence in the US Government's commitment to fullest possible accounting of American still missing from World War II.

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V. Performance Criteria and Evaluation Summary (Continued)

Cold War

Through the dedicated work of Cold War analysts, supporting the US-Russia Joint Commission on POW/MIAs, the Russian Side of the Commission has provided a significant amount of information related to the Cold War incidents. Additionally, despite limited archival access, a contracted Russian researcher has provided much of the day-to-day archival research and witness interviews. Through detailed research in Russian archives and interviews with hundreds of officials and military veterans, this DPMO group is closing in on the final resting place in north Russia of one missing Cold War-era pilot and is investigating an aircraft crash site in the Vladivostok region that potentially relates to one of nine remaining U.S. Cold War losses in the area of the former USSR.

Operation Iraqi Freedom

DPMO continues to provide policy support to the U.S. Delegation at each bi-yearly meeting of the Tripartite Commission (TPC). One senior level DPMO representative attends each TPC meeting, usually held in Geneva. DPMO also monitors the situation in Iraq, Afghanistan, and elsewhere to make certain that existing personnel recovery and accounting policy reflects the needs of the Combatant Commanders and those who deploy into harms way.

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V. <u>Personnel Summary:</u>	FY 2005	FY 2006	FY 2007	Change FY2005/ <u>FY 2006</u>	Change FY2006/ <u>FY 2007</u>
Military End Strength (Total)	46	46	46	0	0
Officer	31	31	31	0	0
Enlisted	15	15	15	0	0
Civilian End Strength					
U.S. Direct Hire	69	69	69	0	0
Active Military Average Strength	32	46	46	14	0
Officer	22	31	31	9	0
Enlisted	10	15	15	5	0
Civilian Full-Time Equivalents					
U.S. Direct Hire	69	69	69	0	0
 Average Annual Salary (\$ in thousands)	 89	 97	 99	 8	 2

DEFENSE PRISONER OF WAR MISSING PERSONNEL OFFICE
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VI. OP 32 Line Items as Applicable (\$ in Thousands):

<u>OP 32 Line</u>	<u>FY 2005 Actuals</u>	<u>Change from FY 2005 to FY 2006</u>		<u>FY 2006 Estimate</u>	<u>Change from FY 2006 to FY 2007</u>		<u>FY 2007 Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
101 Executive, General and Special Schedules	7,530	241	598	8,369	199	0	8,568
308 Travel of Persons	1,851	44	-1,093	802	18	0	820
673 Payments to DFAS	328	-9	81	400	-38	0	362
912 Rental Payments to GSA	1,056	25	16	1,097	27	0	1,124
914 Purchased Communications	130	3	2	135	3	0	138
915 Rents	6	0	0	6	0	0	6
920 Supplies and Materials	277	6	-113	170	4	0	174
921 Printing	109	2	-91	20	0	0	20
933 Studies	2,212	53	23	2,288	50	0	2,338
989 Other Contracts	1,800	43	706	2,549	56	33	2,638
998 Other Costs	3	0	0	3	0	0	3
TOTAL	15,302	408	129	15,839	319	33	16,191

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Fiscal Year (FY) 2007 Budget Estimates
Defense Security Cooperation Agency
(DSCA)



February 2006

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DEFENSE SECURITY COOPERATION AGENCY
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

	<u>FY 2005</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>
DSCA	1,401,058	33,623	-1,293,100	141,581	3,102	-4,211	140,472

* The FY 2005 Actual column includes \$1,197,560 thousand of FY 2004 Supplemental funds (x-year) prior year unobligated balance carryover and \$108,655 thousand of FY 2005 Emergency Supplemental funds (PL 109-13).

* The FY 2006 Estimate column excludes \$896,601 thousand of FY 2005 carry over (PL 109-13) and \$195,000 thousand of FY 2006 Title IX obligations (PL 109-148).

I. Description of Operations Financed: The Defense Security Cooperation Agency (DSCA) administers funding for the Regional Centers for Security Studies, Warsaw Initiative/Partnership for Peace Program, Counter-Terrorism Fellowship Program, Canadian Environmental Cleanup, and International Programs Security Requirements Course. The DSCA also provides program management and program implementation support to the Humanitarian Assistance and Mine Action program, which is funded in a separate appropriation.

From FY 2006 to FY 2007: Price changes are \$+3,102 thousand. Including inflation, the net program change is \$-4,211 thousand. The size and scope of security cooperation programs managed by DSCA are decreased by \$-5,911 thousand (Regional Centers, \$-3,640 thousand; Warsaw Initiative/Partnership for Peace Program \$-877 thousand; Counter-Terrorism Fellowship Program, \$-1,099 thousand; and DSCA Administrative Operations \$-295 thousand). In addition, \$1,500 thousand transfers in from RDT&E for sustainment of the Regional International Outreach program as it transitions from development to operation and a program increase of \$200 thousand is required to comply with the U.S.-Canadian Environmental Cleanup Treaty.

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I. Description of Operations Financed (continued)

Security Cooperation efforts influence the behaviors of a wide array of potential adversaries and develop the capacity of allies and friendly nations to ensure regional stability. A particular aim of DoD's Security Cooperation efforts is to ensure access and interoperability, while expanding the range of pre-conflict options available to counter coercive threats, deter aggression, or favorably prosecute war on U.S. terms. Our planning in Security Cooperation must adapt to and reinforce changes in the U.S. global military posture and support efforts to render U.S. forward forces, in concert with our security partners, capable of swiftly defeating aggression.

The Goals of Security Cooperation are set against a backdrop of an evolving, still dangerous, global security environment. The U.S. defense strategy is built around four Defense policy goals:

- Assuring allies and friends of U.S. steadiness of purpose and capability to fulfill its security commitments;
- Dissuading adversaries from undertaking programs or operations that could threaten U.S. interests or those of allies and friends;
- Deterring aggression and coercion by deploying forward the capability to defeat attacks swiftly and impose severe penalties for aggression on an adversary's military capability and supporting infrastructure; and
- Decisively defeating any adversary if deterrence fails.

Security Cooperation within the DoD, appropriately focused and scoped, builds the capabilities and cooperative relationships that support these Defense policy goals and, in the more immediate term, enable a sustained, multilateral campaign against international terrorism.

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I. Description of Operations Financed (continued)

DSCA supports U.S. involvement overseas and DoD's role in developing and sustaining regional security arrangements. The elements of Security Cooperation are often among the most practical and visible signs of our support for, and involvement with, other nations and their military services and decision makers. In time of peace especially, it is through activities such as disaster relief, humanitarian assistance, the day-to-day contacts of the Security Assistance Offices (SAO) in-country, the transfer and maintenance of systems, and international training opportunities, that positive interactions take place. This interaction leads to improved understanding between nations, support for emerging democracies, effective military and civil contacts, improved defense capabilities for our allies and friends, and the ability to train and operate together when necessary. Operations in the Persian Gulf, Kosovo and Afghanistan testify to the growing importance of coalition forces that can operate across the spectrum of conflict and as the means to convey the will of the international community.

U.S. regional Combatant Commanders (CoCOM) must have the ability to communicate, maintain situational awareness, move forces and employ them effectively whenever operating with the support of allied nations. Accordingly, the security cooperation community ensures that defense goods and services contribute to building the capability and interoperability of allies, friends and potential partners for conducting coalition operations.

The DSCA programs funded within the Operation and Maintenance appropriation are:

The Regional Centers for Security Studies: The Marshall Center, Asia-Pacific Center, Center for Hemispheric Defense Studies, Near East-South Asia Center, and Africa Center are known collectively as the Regional Centers. The Regional Centers support the Security Cooperation Guidance (SCG) and the three primary Secretary of Defense mandated

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I. Description of Operations Financed (continued)

objectives: 1) countering ideological support for terrorism; 2) harmonizing views on common security threats; and 3) educating on the role of security in a civil society. The Centers support the development of U.S. strategic policy by providing a variety of programs, fostering awareness of and dialog on U.S. strategic priorities and security issues, building long-term trust relationships with foreign military and civilian leaders, assisting U.S. policymakers in formulating effective policy, and articulating foreign perspectives to U.S. policymakers.

Beginning in FY 2006, DSCA is the Executive Agent for the Regional Centers. Unified management will enhance the role of the Regional Centers in the Global War on Terror and as a forum for multi-lateral international communication. The funding for the Regional Centers will address the following specific objectives:

- Strengthen the ability of the five Regional Centers to counter ideological support for terrorism by expanding their program of seminars and courses to affect a wider and more appropriate audience in their respective regions.
- Adapt the existing Regional Center programs from what has grown out of the Cold War, rewriting and expanding programs to focus on issues of counterterrorism.
- Increase communication and coordination between the Regional Centers and with OSD Policy to align their curriculum with the goals of U.S. policy.
- Permit a real physical presence in the region, particularly Africa and the Near East.
- Create a network of past Regional Center graduates throughout the regions to advance U.S. interests and counter the influence of terrorist interests worldwide.

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I. Description of Operations Financed (continued)

- Permit more research and regional outreach to advance U.S. ideals.

Within that framework, details on each of the Regional Centers are provided below.

- The Marshall Center: The College of International and Security Studies (CISS) is the heart of the Marshall Center and represents the embodiment of its educational vision, mission and goals. The College is responsible for developing a diverse group of graduates who, through the "Marshall Center Experience," share a common background and experience in international security and democratic defense management. From America to Europe and Eurasia, these graduates and their continuing influence in the region constitute the Center's true credentials.

The CISS offers three international education programs for military and civilian officials. These programs provide a sophisticated, broad focus on how national security is developed and maintained in democratic states. Twice annually, the Center offers a topical two-week Senior Executive Seminar at the general officer level. The Executive Program, the mid-level course aimed at colonels, is 15 weeks long. A nine-week "Leaders for the 21st Century" Course focuses on a junior level, primarily captains and majors. Efforts to develop distance education and distributive learning are underway.

The CISS also offers two American-based training programs for military and civilian personnel on a reimbursable basis from the Army. The Eurasian Foreign Area Officer Program prepares U.S. military officers and Defense Department civilians for key assignments involving states of the former Soviet Union. The training includes advanced studies in Russian, Ukrainian, and other languages; political-military, and regional studies; and regional internships. The Foreign Language Training Center

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I. Description of Operations Financed (continued)

Europe (FLTCE) offers classroom, in-country and computerized language instruction in ten core languages for military and civilian linguists. In addition, there are courses in technical vocabulary for on-site inspection compliance, peacekeeping, and joint and combined exercise participation.

In addition, the George C. Marshall Conference Center serves as an international forum for defense contacts, to share ideas vital to European Security and to focus on methods to promote regional cooperation by incorporating the principles of democracy and the conditions for a market economy. The Conference Center assists Partnership for Peace (PfP) nations in their efforts to establish national security structures and supporting institutions compatible with democratic principles and processes, such as the establishment of civilian oversight of the military and market economics.

The yearly conference program is divided between single nation seminars and bilateral and multinational and regional conferences. Bilateral events focus on narrowly defined topics requested by the partner nation, which provide assistance to solve a specific problem. Multinational and regional conferences focus on a variety of security and economic concerns, giving participants the opportunity to hear from experts and to discuss impacts and concerns with their peers.

- The Asia-Pacific Center for Security Studies (APCSS) is a regional study, conference and research center with a non-warfighting mission to enhance Asia-Pacific security cooperation through programs of executive education, professional exchange and policy relevant research. The Center provides a focal point where national officials, decision makers and policy makers gather to exchange ideas, explore pressing issues and achieve a greater understanding of the challenges that shape the security environment of the Asia-Pacific region. The Center gives attention to the increasingly complex

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I. Description of Operations Financed (continued)

interrelationships of military, economic, political and diplomatic policies relevant to regional security issues through its three academic components: The College of Security Studies, Research and Publications programs, and Conference programs.

- The Africa Center for Strategic Studies supports the efforts of the DoD and other U.S. agencies to promote democracy and assist African nations in improving their security by promoting good governance, security sector professionalism, and democratic civil-military relations. The Africa Center also promotes the development of long-term, mutually beneficial security relations between the U.S. and African countries by its open and frank consultations and seminars. Its goals are to:
 - o Work with allies and friends to build understanding and support for the Global War on Terror;
 - o Listen, develop relationships of trust, and convey African views on security issues to appropriate policy-makers in the U.S. Government;
 - o Promote military professionalism and democratic civil-military relationships and help develop leadership capacity in the security sector of African countries;
 - o Promote regional cooperation and capacity building to support security cooperation objectives;
 - o Foster cooperative, synergistic programs with European allies, other partner countries, and select international, regional and civil society organizations in order to promote the aforementioned goals;
 - o Use technology as a tool to support education programs. Incorporate technology as a primary communication tool to reach Africa Center audiences;
 - o Raise the awareness of Africa security issues and their long-term strategic importance to the U.S. Help define options for the U.S. to assist in addressing these issues; and

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I. Description of Operations Financed (continued)

- o Build and maintain networks of African, U.S., European and international civilian and military professionals with shared values and a common vision for a stable and peaceful Africa.

- Near East-South Asia Center for Strategic Studies (NESA): The mission of the NESA Center is to enhance stability in the Near East and South Asia by providing an academic environment where strategic issues can be addressed, partnerships fostered, defense-related decision-making improved, understanding deepened, and cooperation strengthened among military and civilian leaders from the region and the United States. Launched in October 2000, the Center builds on the strong bilateral relationships between the United States and countries in the NESA region by focusing on a multilateral approach to addressing regional security concerns and issues. It is designed to meet the knowledge needs of national security professionals by providing a forum for rigorous examination of the challenges that shape the security environment of the region. The Center provides a focal point where national decision makers can gather to exchange ideas and explore tools for cooperative problem solving.

The core curriculum examines four broad themes: the impact of globalization on regional strategic issues; the changing strategic environment, including an assessment of the campaign against terrorism and the implications of initiatives such as missile defense and military transformation; elements of strategic planning; and concepts for enhancing regional security.

- The Center for Hemispheric Defense Studies is a premier regional forum offering strategic level defense and security education, research assistance and dialog regarding the development of effective security policy within the Western Hemisphere. The Center's civilian and military graduates and partner institutions

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I. Description of Operations Financed (continued)

comprise communities of influence that work toward a more cooperative and stable international security environment. Its goals are to:

- o Provide education, and conduct outreach, research and knowledge-sharing activities on defense and international security policy-making with military and civilian leaders of the Western Hemisphere.
- o Advance international security policy and defense decision-making processes, foster partnerships and promote effective civil-military relations in democratic societies.
- o Contribute to a cooperative international security environment and mutual understanding of priority U.S. and regional defense and international security policy issues.

Warsaw Initiative Fund (WIF)/Partnership for Peace Program (PfP): President Clinton announced a major foreign policy initiative in Warsaw in July 1994, saying he would seek \$100 million in FY 1996 to "help America's new democratic partners work with the United States to advance the Partnership for Peace's goals." The effort became known as the Warsaw Initiative. Congress approved the funds, thereby establishing a single, comprehensive United States bilateral program to advance closer relations and interoperability between NATO and PfP countries. Today the Department of State (DoS) and the DoD cooperatively administer the program; DoS's portion is provided as Foreign Military Financing; DoD's portion is funded with O&M, D-W funds.

The Partnership for Peace is intended to forge new security relationships between the North Atlantic Council, Central Europe and newly Independent States. Its focus is to expand and intensify political and defense cooperation throughout Europe, increase stability, diminish threats to peace, and build strengthened relationships by promoting the democratic principles that underpin NATO. The program is open to all North Atlantic

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I. Description of Operations Financed (continued)

Cooperation Council (NACC) and Organization for Cooperation and Security in Europe (OSCE) states. At a pace and scope determined by their own governments, individual participants in PfP work in concrete ways towards openness in defense budgeting, civilianizing of defense ministries, joint military exercises and defense planning, and creating the capability to operate with NATO forces in support of United Nations and OSCE activities. Active participation in PfP is necessary, but does not guarantee, eventual NATO membership. The DoD's Warsaw Initiative Fund/Partnership for Peace program promotes partner interoperability initiatives that help lead to common standards, procedures, and doctrine with the nations of the North Atlantic Treaty Organization (NATO), builds candidates for NATO membership, and builds U.S. bilateral support to supplement partner participation in the PfP.

The Counter-Terrorism Fellowship Program is non-lethal counter-terrorism training and education for foreign military officers. The Regional Defense Counterterrorism Fellowship Program (CTFP or "CT Fellowship") enables the Department to assist key countries in the war on terrorism by providing training and education to build and support counterterrorism capabilities. The CT Fellowship allows the Secretary to work with countries of critical importance to the war on terror, providing counterterrorism education and training that will have a direct impact on the long-term capabilities and capacity of our friends and allies. The CT Fellowship program is used to bolster the capacity of friendly foreign nations to detect, monitor, and interdict or disrupt the activities of terrorist networks ranging from weapons trafficking and terrorist related financing to actual operational planning by terror groups.

This program is a key tool for CoCOMs to foster regional cooperation and professionalize foreign counterterrorism capabilities to assist in fulfilling CoCOM responsibilities. The CT Fellowship complements existing assistance programs and fills a current void in

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I. Description of Operations Financed (continued)

the U.S. Government's efforts to provide targeted counterterrorism assistance. Regional CoCOMs recommend participants in the program through the Joint Staff to the Office of the Secretary of Defense for approval. The Office of the Assistant Secretary for Defense Special Operations and Low Intensity Conflict (OASD SO/LIC) oversees the administration of the program and has created mobile and resident institutional courses tailored to the specific need of key countries to advance broader U.S. Government counterterrorism objectives. Key senior and mid-level military officials, ministry of defense civilians, and other foreign security officials who have an impact, directly or indirectly, on their country's ability to cooperate with the U.S. in the war on terror are given the tools to effectively build, manage, and sustain counterterrorism programs. All personnel are thoroughly vetted, consistent with legal requirements regarding human rights issues.

Canadian Environmental Cleanup: In 1996, the U.S. Government negotiated a settlement with the Government of Canada for reimbursement of environmental cleanup costs at four U.S. military installations in Canada: Argentia, Dew Line, Goose Bay, and Haines-Fairbanks. The U.S. and Canadian Government negotiations resulted in a formal Exchange of Notes that agreed that the U.S. would pay a settlement of \$100 million plus inflation over a 10-year period.

International Programs Security Requirements Course: This is a course of instruction in security requirements for international programs for DoD and defense contractor personnel that have direct responsibility for these programs. The U.S. has many cooperative programs with allies, and foreign military sales to help ensure their strength. Every DoD employee involved in international programs must understand security arrangements, laws, policies, and procedures that govern foreign involvement in our international programs to protect sensitive and classified technology and military capabilities. This 5-day course is required for DoD or other government employees and defense contractors

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I. Description of Operations Financed (continued)

who have "hands-on" involvement in international programs, such as negotiating, managing, executing, or otherwise directly participating in international government or commercial programs including foreign military sales, cooperative research and development, commercial sales, license application review, systems acquisition, foreign contracting, foreign disclosure, international visits and personnel exchanges, program protection, or industrial security.

II. Force Structure Summary: N/A

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III Financial Summary (\$ in Thousands)

	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
A. <u>Budget Activity (BA) 4</u>							
1. Regional Centers		61,200	-1,250	-2.0	59,950	67,950	65,804
2. Warsaw Initiative/Partnership for Peace	39,621	40,247	-583	-1.4	39,664	31,664	31,483
3. Counter-Terrorism Fellowship Program	19,306	20,000	-362	-1.8	19,638	19,638	18,971
4. Canadian Environmental Cleanup	11,800	12,034			12,034	12,034	12,499
5. International Programs Security Requirements Course	793	1,211	-22	-1.8	1,189	1,189	1,212
6. DSCA Administrative Expenses	7,591	9,274	-168	-1.8	9,106	9,106	9,003
7. Supplemental for Coalition Support	1,306,215						
8. Counter Drug (from CD Transfer Acct)	15,732						
9. Regional International Outreach Program							1,500
Total	1,401,058	143,966	-2,385	-2.0	141,581	141,581	140,472

* The FY 2005 Actual column includes \$1,197,560 thousand of FY 2004 Supplemental funds (x-year) prior year unobligated balance carryover and \$108,655 thousand of FY 2005 Emergency Supplemental funds (PL 109-13).

* The FY 2006 Estimate column excludes \$896,601 thousand of FY 2005 carryover (PL 109-13) and \$195,000 thousand of FY 2006 Title IX obligations (PL 109-148).

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III. Financial Summary (\$ in Thousands) (Continued)

<u>B. Reconciliation Summary</u>	<u>Change FY 2006/FY 2006</u>	<u>Change FY 2006/FY 2007</u>
Baseline Funding	143,966	141,581
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)	-271	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-2,036	
Congressional Earmark	-78	
Subtotal Appropriated Amount	141,581	141,581
Supplemental for Coalition Support Prior Year Carryover	896,601	
Title IX Obligations (P.L. 109-148)	195,000	
Subtotal Baseline Funding	1,233,182	141,581
Anticipated Supplemental Reprogrammings		
Price Changes		3,102
Transfer from RDT&E to O&M		1,500
Program Changes		-5,711
Current Estimate	1,233,182	140,472
Less: Wartime Supplemental	1,091,601	
Normalized Current Estimate	141,581	140,472

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III. Financial Summary (\$ in Thousands) (Continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request (Amended, if applicable)		143,966
1. Congressional Adjustments		-2,385
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances	-271	
c. Adjustments to meet Congressional Intent		
d. General Provisions	-2,036	
1) Sec 8087 - Advisory and Assistance Services	-271	
2) Sec 8125 - Economic Assumptions	-227	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-107	
4) 1% Rescission	-1,431	
e. Congressional Earmarks - Sec 8044 - Mitigation of Environmental Impacts and Training on Indian Lands	-78	
FY 2006 Appropriated Amount		141,581
2. War-Related and Disaster Supplemental Appropriations		1,091,601
a. Supplemental for Coalition Support Prior Year Carryover	896,601	
b. Title IX Obligations (P.L. 109-148)	195,000	
3. Fact of Life Changes		
FY 2006 Baseline Funding		1,233,182
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		1,233,182
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-1,091,601
FY 2006 Normalized Current Estimate		141,581

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III. Financial Summary (\$ in Thousands) (Continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
6. Price Change		3,102
7. Transfer		1,500
a. Transfers In		
1) <u>Regional International Outreach (RIO) Program</u> . Transfer from RDT&E to O&M funding for the RIO program to sustain systems developed to address defense, interagency and international requirements to share information and data. The system will improve international outreach efforts tied to countering ideological support for terrorism and strengthen collaboration among the Regional Centers for Security Studies and other DoD education institutions. This O&M increase is required as RIO transitions from development to sustainment. (FY 2006 base: \$0)	1,500	
8. Program Increases		200
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007		
1) <u>Canadian Environmental Cleanup Treaty</u> . Increase funding required to comply with the terms of this US - Canadian Treaty. (FY 2006 base: \$12,034 thousand)	200	
9. Program Decreases		-5,911
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007		
1) <u>Regional Centers</u> . The size and scope of security cooperation programs decrease due to affordability. (FY 2006 base: \$67,950 thousand)	-3,640	
2) <u>Warsaw Initiative Fund/Partnership for Peace</u> . The size and scope of security cooperation programs decrease due to affordability. (FY 2006 base: \$31,664 thousand)	-877	
3) <u>Counterterrorism Fellowship Program</u> . The size and scope of security cooperation programs decrease due to affordability. (FY 2006 base: \$19,638 thousand)	-1,099	

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III. Financial Summary (\$ in Thousands) (Continued)

C. Reconciliation of Increases and Decreases

4) DSCA Administrative Operations. Economizing actions result in a program decrease. (FY 2006 base: \$9,106 thousand)

Amount

-295

Totals

FY 2007 Budget Request

140,472

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IV. Performance Criteria and Evaluation Summary

The Defense Security Cooperation Agency (DSCA) provides program management and program implementation support for the Warsaw Initiative Fund/Partnership for Peace (WIF/PfP) program, Combating-Terrorism Fellowship Program (CTFP), the Canadian Environmental Cleanup program, and the Humanitarian Assistance and Mine Action programs. In addition, effective October 1, 2006, DSCA became the Executive Agent for the Regional Centers for Security Studies. (Performance measures for the Regional Centers are under development and will be reflected in the next budget submission).

DSCA's performance measures support implementation of DoD's Security Cooperation Guidance and Combatant Commanders' (COCOMs) Theatre Security Cooperation Strategies. By focusing on coalition and alliance requirements, training and education of personnel from allied and friendly nations, and various DoD programs that support access and interoperability, DSCA can help to link DoD's strategic direction more effectively with allies and friendly nations.

An outcome of the Warsaw Initiative Fund/Partnership for Peace (WI/PfP) program efforts over a several year period is that, as of FY 2005, 10 countries (Estonia, Lithuania, Slovakia, Slovenia, Poland, Latvia, Bulgaria, Romania, Hungary, and the Czech Republic) were transition into full NATO membership.

In executing the WIF/PfP program each year several planning, mid-term execution and after action conferences are held to organize Partnership for Peace (PfP) exercises that foster military-to-military engagement and further enhance the understanding and functionality of foreign military who are, or will be, coalition partners with the United States.

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IV. Performance Criteria and Evaluation Summary

In FY 2005, the European Combatant Command (EUCOM) WIF/PfP program conducted 15 bilateral and multi-lateral exercises and also supported the PfP Consortium and WIF/PfP conference activities at the Marshall Center for Security Studies. The Joint Force Combatant Command (JFCOM) WIF/PfP program conducted four multi-lateral exercises. The Central Combatant Command (CENTCOM) conducted one major regional exercise and facilitated multiple bilateral exchanges with significant countries in the Caucasus region.

In FY 2006, the more than 60 events such as exchanges, seminars, and assessments, will be measured against a well-crafted defense reform/interoperability/exercise plan. Legacy programs, such as the PfP Information Management System (PIMS), will continue to provide bandwidth and technical support to partner nations and be re-baselined to use new technology for information sharing. The Regional Aerospace Initiative (RAI) will conduct six studies (assessing interoperability with NATO and U.S. standards on airspace, radar and navigation, and airport facilities) in Uzbekistan, Kazakhstan, Ukraine, Georgia and Russia, beginning a transition into the Caucasus region and Central Asia. Initial planning to execute the Civil Military Emergency Planning (CMEP) program in the Black Sea regional area, to include littoral nations and Russia, begins in FY 2006. Several workshops and tabletop exercises are planned for Belarus, Albania, Bosnia and other countries in southeast Europe. The CMEP program also supports major COCOM exercises and leverages U.S. National Guard expertise to provide niche capabilities. New programs supporting the NATO Istanbul Summit and SECDEF Security Cooperation Guidance will be integrated as developed by U.S. government activities.

The Combating Terrorism Fellowship Program (CTFP) continues to train a broad range of foreign CBT military officers and security officials and provide specialized programs to address individual country needs.

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IV. Performance Criteria and Evaluation Summary

In FY 2005, 2,782 foreign military and security officials attended CTFP-funded programs. The CTFP provided 527 educational programs, including 111 events in 32 foreign countries in all five Regional Combatant Commands. This included CBT education and training support to emerging regional and sub-regional organizations and alliances.

In FY 2005, the CTFP broadened its outreach by engaging countries that had not previously sent students to CTFP programs. Cambodia, Lebanon, Nicaragua, Oman, Saudi Arabia, Slovakia and Slovenia sent students to CTFP programs for the first time in FY 2005. Generally, the program seeks to attract more traditional U.S. allies and partners (e.g., new NATO members), which will enhance the CBT educational experience for new GWOT partners.

In FY 2006 and FY 2007, CTFP is expanding its traditional course offerings and has developed a wide range of new programs. The CTFP has become a valuable tool in the fight against terrorism and continues to fill a crucial void in U.S. efforts to provide targeted international combating terrorism education. Combating terrorism education and training have proven to be a strategic tool in the war on terror that effectively supplements the efforts of regional CoCOMs in accomplishing their missions.

The Canadian Environmental Cleanup program continues for the seventh year of a ten-year commitment per the terms of a U.S.-Canadian treaty. Site locations include the Dew Line, Argentia, Goose Bay and Haines-Fairbanks. Category one expenses include stained soil disposal, construction of northern disposal facility, relocation of landfill and stabilization of landfills. Category two expenses include landfill repair, reshaping sites, structural demolition of hazardous material disposal facilities and soil burial. Category three expenses involve structural demolition and disposal.

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IV. Performance Criteria and Evaluation Summary

Humanitarian Assistance and Humanitarian Mine Action Program. In addition to the O&M,D-W programs described above, DSCA uses O&M funds to provide program management and program implementation support to the Humanitarian Assistance, Humanitarian Mine Action, and Foreign Disaster Relief and Emergency Response programs. These three programs are funded within the Overseas Humanitarian, Disaster and Civic Aid (OHDACA) appropriation.

This is in accordance with DoD's policy to provide emergency and non-emergency humanitarian assistance, and direct, administer and supervise the humanitarian demining program. The War on Terror has produced an unprecedented surge in out-of-cycle humanitarian assistance requirements. DSCA continues to refine systems that enhance our ability to track requests during these periods of increased operating tempo and has supported the U.S. government relief efforts caused by the tsunami, flooding and mudslides in Guatemala, and the Pakistan earthquake disaster.

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IV. Performance Criteria and Evaluation Summary

V. <u>Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY 2005/</u> <u>FY 2006</u>	<u>Change</u> <u>FY 2006/</u> <u>FY 2007</u>
<u>Active Military End Strength (E/S) (Total)</u>	39	120	120	81	0
Officer	33	95	95	62	0
Enlisted	6	25	25	19	0
 <u>Civilian End Strength (Total)</u>	 41	 404	 404	 363	 0
U.S. Direct Hire	30	374	374	344	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	30	374	374	344	0
Foreign National Indirect Hire	0	19	19	19	0
Memo: Reimbursable Civilians Included	11	11	11	0	0
 <u>Civilian FTEs (Total)</u>	 41	 398	 404	 357	 6
U.S. Direct Hire	30	368	374	338	6
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	30	368	374	338	6
Foreign National Indirect Hire	0	19	19	19	0
Memo: Reimbursable Civilians Included	11	11	11	0	0
 Average Annual Civilian Salary	 73	 103	 106	 2	 1

Notes: Increase from FY 2005 to FY 2006 due to the functional transfer of the five Regional Centers for Security Studies to DSCA, effective 1 October 05.

Increase from FY 2006 to FY 2007 due to new security cooperation missions executed by DSCA.

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IV. Performance Criteria and Evaluation Summary

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

<u>OP 32 Line</u>	<u>FY 2005 Actuals</u>	<u>Change from FY 2005 to FY 2006</u>		<u>FY 2006 Estimate</u>	<u>Change from FY 2006 to FY 2007</u>		<u>FY 2007 Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
101 Executive, General and Special Schedules	3,141	101	36,475	39,717	965	-871	39,811
308 Travel of Persons	11,583	278	-904	10,957	241	-11	11,187
771 Commercial Transportation	0	0	1,270	1,270	27	0	1,297
901 Foreign National Indirect Hire (FNIH)	0	0	1,653	1,653	36	0	1,689
912 Rental Payments to GSA (SLUC)	75	2	1,012	1,089	27	-4	1,112
913 Purchased Utilities (Non- Fund)	50	1	287	338	7	0	345
914 Purchased Utilities (Non- Fund)	60	1	-21	40	1	0	41
920 Supplies & Materials (Non-Fund)	4,839	116	-3,736	1,219	27	-1	1,245
921 Printing & Reproduction	142	3	89	234	5	0	239
922 Equipment Maintenance by Contract	0	0	25	25	1	0	26
923 Facility Sustainment, Restoration, and Modernization by Contract	0	0	356	356	7	0	363
925 Equipment Purchases (Non- Fund)	937	22	-50	909	20	-1	928
932 Management & Professional Support Services	14,621	351	-3,797	11,175	246	1,489	12,910

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	FY 2005 <u>Actuals</u>	Change from <u>FY 2005 to FY 2006</u>		FY 2006 <u>Estimate</u>	Change from <u>FY 2006 to FY 2007</u>		FY 2007 <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
987 Other Intra-Government Purchases	1,246,758	29,922	-1,260,244	16,436	362	-17	16,781
989 Other Contracts	118,321	2,840	-65,898	55,263	1,216	-4,981	51,498
998 Other Cost	1	0	-1	0	0	0	0
673 Defense Financing and Accounting Service	530	-14	384	900	-86	186	1,000
Total	1,401,058	33,623	-1,293,100	141,581	3,102	-4,211	140,472

* The FY 2005 Actual column includes \$1,197,560 thousand of FY 2004 Supplemental funds (x-year) prior year unobligated balance carryover and \$108,655 thousand of FY 2005 Emergency Supplemental funds (PL 109-13).

* The FY 2006 Estimate column excludes \$896,601 thousand of FY 2005 carryover (PL 109-13) and \$195,000 thousand of FY 2006 Title IX obligations (PL 109-148).

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Defense Security Service (DSS)



February 2006

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Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) 4

	FY 2005*	Price	Program	FY 2006**	Price	Program	FY 2007
	<u>Actuals</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
DSS	226,806	2,616	33,616	263,038	5,557	18,464	287,059

* The FY 2005 actuals column includes \$1,521 Title IX obligations.

** The FY 2006 estimate column excludes supplemental funds.

I. Description of Operations Financed:

The Defense Security Service (DSS) plays a crucial role in safeguarding our Nation's security. The mission of DSS is to oversee and ensure the protection of national security assets in industry and provide integrated security services to the Department of Defense (DoD). The DSS vision is to be recognized and respected as a unique contributor to national security.

Four primary business areas comprise the DSS mission in FY 2006 and FY 2007:

- Personnel Security Investigations for Industry
- National Industrial Security Program (NISIP)
- Collaborative Adjudication Services (CAS)
- Security Training and Education Program (SETA)

The increase of \$24,021 from FY 2006 to FY 2007 is the result of standard price growth (\$5,557) and an increase of \$18,464K due to increases in Personnel Security Investigations associated with the National Industrial Security Program.

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I. Description of Operations Financed, continued:

(1) Personnel Security Investigations (PSI) for Industry

As part of its role as executive agent for the National Industrial Security Program (NISIP), DSS centrally programs and manages the costs of PSIs for all industry personnel in support of agencies within the Department of Defense and multiple other federal agencies. Since contractor personnel are often employed on projects in support of many agencies, this centralized financing program provides an economy of scale for federal requirements and dramatically reduces the overhead management requirements in the federal sector. The funding will be provided to the Office of Personnel Management that will accomplish the personnel security investigations. As a result of the global war on terrorism (GWOT) and the outsourcing of federal workload, the number of clearances required has increased annually since September 11, 2001. In addition, the mix of clearances has changed since 2001 with more comprehensive clearances required at a greater cost per clearance. In FY 2006 and FY 2007 funded contractor PSI requirements will grow to 195,655 and 186,463 respectively. The continued growth in the number of contractor clearances is required to support continued government wide requirements in support of the GWOT. The number of investigations is increasing due to the post-9/11 increase in DoD and Federal Agency outsourcing, increasing numbers of contractors handling classified information, contractors performing tasks previously limited to military or government personnel. Greater dissemination of intelligence and other highly classified information results in requirements for greater numbers of more costly Single Scope Background Investigations.

Activities within DoD have completed the development of requirements and architecture to support the implementation of an integrated solution for the Defense Information System for Security (DISS). The goal of this effort was to ensure that the development of DISS is compliant with the Clinger-Cohen Act as well as the personnel, facilities and information management segments of the DoD architecture embodied in the Business Management Modernization Program (BMMP). DISS will provide a secure software

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I. Description of Operations Financed, continued:

solution for all aspects of the Industrial Security, Personnel Security, Counterintelligence and Security Education Training and Awareness Programs. This system will provide improved support to the Insider Threat and Personal Identity programs and receive connectivity support via the Non-secure Internet Protocol Router Network (NIPRNET), the Secret Internet Protocol Router Network (SIPRNET) and Joint Worldwide Intelligence Communications System (JWICS). The system will also integrate the Joint Personnel Adjudication System (JPAS), Automated Continuing Evaluation System (ACES), e-Questionnaire for Investigation Processing (e-QIP), and the Industrial Security Facility Database (ISFD) creating a robust and real-time capability for all Department of Defense participants in the Military Departments, DoD Agencies and DoD Industrial base. The implementation of improved management controls will provide opportunities for customized business process re-engineering and enhancements that will eliminate barriers, duplication, and redundancy within the DoD.

(2) National Industrial Security Program (NISP)

The primary focus of the DSS industrial security efforts is to support the DoD implementation of the NISP. In this regard, the DSS works to advance and communicate the DoD's directives to protect classified information. The NISP is intended to ensure that private industry, while performing on classified government contracts, properly secures and safeguards the related classified and sensitive information in its possession and controls employee access to the information. Industrial security is the integration of information, personnel and physical security disciplines as well as counterintelligence to protect classified information entrusted to industry.

The DSS administers the NISP on behalf of the DoD and 23 other non-DoD Government departments and agencies, to include the Departments of Homeland Security, State and Justice. The DSS works in partnership with industry to establish and maintain threat appropriate security countermeasures. Through oversight, advice and consultation, the DSS ensures that contractors establish and maintain effective security systems that:

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I. Description of Operations Financed, continued:

(1) protect classified information and technologies; (2) deter and detect acts of espionage and (3) counter the threat posed by traditional and non-traditional adversaries that target the classified information in the hands of industry. DSS provides proactive, industrial security countermeasure support to more than 11,000 cleared contractor facilities.

The DSS determines the eligibility of contractor business entities for access to classified information by evaluating factors such as business structure, past performance and foreign ownership, control or influence factors. Once cleared, the DSS provides ongoing security oversight, consultation and assistance throughout the cleared facility's life cycle to include recurring security reviews, briefings, security education, approvals, and other advice and assistance. The DSS is the Designated Approving Authority (DAA) for cleared industry, certifying and accrediting industry information systems used to process classified information, some of which are networked to Department of Defense systems. In this role, the DSS educates cleared government contractors and develops countermeasures to prevent unauthorized access to information systems that process classified information. The DSS also processes international visit requests, maintains oversight for certain Special Access Programs in industry and provides support to the Defense Threat Reduction Agency in connection with Arms Control Treaties.

DSS Industrial Security Representatives (ISRs) work with their government contractors to (1) provide threat information for the early detection and referral of cases of potential espionage and (2) assist industry in the recognition and reporting of foreign intelligence collection attempts. DSS ISRs and the DSS Counterintelligence Office work closely with other federal agencies to protect classified information.

In addition to the NISP, the DSS also has responsibility for some aspects of the Arms, Ammunition and Explosives (AA&E) Program which provides protection of sensitive conventional AA&E in the custody of, or produced by, contractors associated with the DoD.

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I. Description of Operations Financed, continued:

The Critical Infrastructure Protection Program assesses, evaluates, monitors and promotes the security of facilities that provide critical defense industrial production and services, thereby enabling the National Military Strategy and ensuring emergency mobilization preparedness capability.

(3) Collaborative Adjudication Services (CAS) and Counterintelligence Support

The CAS program consists of:

- the *Defense Investigative Service Clearance Office (DISCO)*
- the *DoD Clearance Liaison Office (CLO)*
- the *Automated Clearance Evaluation System (ACES) Buffer Cell*
- the *Field Polygraph Office (FPO)*
- the *Counterintelligence (CI) Office*

Each of these activities directly supports portions of the National Military Strategy. In further support of the strategy, the CAS will work to maintain and foster a consolidated approach to all Department of Defense adjudications performed by the Central Adjudication Facilities (CAF), and will work to align the organizations and processes to ensure service collaboration on key joint concepts and capabilities to accelerate adjudication transformation. The CAS will implement a capability focused, effects-based approach by focusing on resource optimization and balance the planning and resourcing activities to create a better business structure, to include ensuring life cycle supportability.

The CAS program develops policy and process recommendations prescribing and implementing adjudication standards, consistent with DoD Directive 5200.2-R and DoD Directive 5220.6 that applies throughout the DoD. This includes achieving and maintaining decision superiority by developing, acquiring, procuring, maintaining and leveraging capabilities and resources.

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I. Description of Operations Financed, continued:

- The Defense Investigative Service Clearance Office focuses on processing and adjudication of personnel security investigations for the DoD and the 23 other federal agencies in the National Industrial Security Program (NISIP).

- The Clearance Liaison Office is the sole DoD focal point for interfacing between the DoD and the Office of Personnel Management on personnel security investigation issues including timeliness, quality control and the sourcing of the overseas portion of these investigations.

- The Automated Continuing Evaluation System (ACES) Buffer Cell, working in coordination with and among the DoD Central Adjudication Facilities (CAFs), is responsible for developing processes that review and verify consistent quality and coordinate standards compliance. Specific tools that have been targeted for development include expansion of the adjudicator's desk reference guide into a tool set, implementation of automatic adjudication capabilities, where feasible, and expansion of ACES for periodic re-evaluations. The primary objective of ACES is to conduct automated database records checks across multiple systems, analyze the information to identify cases of interest to adjudicators, and create candidate clearance re-evaluations via the Joint Personnel Adjudication System (JPAS). Creation of a comprehensive adjudication developmental program will be based on criteria that will include a combination of education and experience requirements. This program will be utilized to recruit, prepare, certify, and continuously educate and challenge a highly capable and diverse cadre by identifying a career progression program. Key performance indicators will be implemented to evaluate performance and the ability to support the National Military Strategy.

- The Field Polygraph Office provides a source of trained polygraphers to conduct evaluations in support of the DoD personnel security program and the Counterintelligence program, aimed at resolving specific significant issues impacting an individual's eligibility to gain or maintain access to classified information.

- As executed through the DSS Counterintelligence (CI) Office, DSS Counterintelligence Support Programs provide for the early detection and referral of

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I. Description of Operations Financed, continued:

cases of potential espionage, and assist the defense industry in the recognition and reporting for foreign collection attempts, particularly against critical military technologies. These programs also support the application of security countermeasures in a threat-appropriate manner. Additionally, DSS provides the intelligence community with analytical referrals indicative of foreign collection interests and methods of operation against cleared defense contractors. These programs also provide DSS with tools to assist cleared defense industry in countering threats to research/technology undertakings and critical infrastructures that the Department of Defense has determined to be among its highest priority concerns. The focus is on CI and security efforts to protect classified or export controlled highly technical information, expertise, weaponry, and manufacturing processes associated with DoD-funded Research, Development, Test and Evaluation (RDT&E). Analytical capability is provided to detect collection trends, increase threat awareness, and identify vulnerabilities before compromise occurs. DSS also links the National Industrial Security Program and the Service CI Research and Technology Protection (RTP) programs by facilitating horizontal information sharing, integration, and coordination across the DoD CI and Security Communities.

All facets of the DSS Collaborative Adjudication Services program interface and support the other DoD CI Programs, as well as the Federal Bureau of Investigation. DSS Collaborative Adjudication Services funding also supports essential DSS activities involving the transition to a new business environment, countering the Insider Threat, support to the Global War on Terrorism, and support to the implementation of the Defense Counterintelligence Information System (DCIIS).

Throughout the process of implementing and maintaining the CAS, there is coordination with stakeholders and feedback opportunities provided in the process. These actions serve the Department of Defense (DoD) and the national interest by improving the quality, timeliness and relevancy of investigations and adjudications and standardizing processes and procedures.

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I. Description of Operations Financed, continued:

(4) Security Education Training and Awareness Program (SETA)

The DSS operates under the auspices of the Under Secretary of Defense (Intelligence) (USD(I)). As recognized by the Joint Security Commission (JSC), the SETA program is at the heart of the government's security mission. Responsibility for the DoD SETA program has been delegated to the DSS where it is executed through the DSS SETA Directorate. This directorate oversees the operations of the DSS Academy (DSSA) and the Outreach and Awareness (O&A) organizations.

The DSSA offers worldwide security education and training to DoD civilian and contractor personnel and select groups of security professionals from non-DoD federal agencies and foreign governments. The target audience for DSSA instruction includes U.S. Government military personnel, DoD civilian employees and designated representatives of U.S. industry. These security professionals are responsible for safeguarding national security assets which may include protecting the critical infrastructure, deploying anti-terrorism efforts and/or developing and implementing security countermeasures. The DSSA creates and conducts standardized resident, mobile, as well as customized security training in the varied and interdependent security disciplines to support a sound national security protection program. DSSA training provides a common unifying means to prepare individuals for their security program roles and facilitates the development of effective security programs. The DSSA offers training products in a variety of formats to include resident or mobile instructor-led courses and distance-delivered eLearning such as Computer Based Training (CBT), Web Based Training, Video Tele-Conferencing (VTC) and performance improvement tools. In FY 2005, nearly 6,000 students completed one of DSSA's 24 instructor-led courses and over 20,000 students completed one of its 35 distance-delivered products.

As the primary resource for DoD security education and training program, the DSSA designs and delivers its training to support DoD security professionals. However, it is

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I. Description of Operations Financed, continued:

also the sole training source for several security program areas within the federal government and is an integral provider of mandatory training required for security professionals in many agencies. The DSS Academy's training programs support the security responsibilities of professionals performing multi-disciplinary security functions or operating within specific security programs such as security management, risk management, information security, special programs security, personnel security management and adjudication, industrial security management and contractor security, security awareness, anti-terrorism and force protection, critical infrastructure protection and automated information systems security.

The DSSA is committed to maintaining a standard of quality in the professional development of personnel within the DoD security and intelligence communities. It has taken on an expanded role in developing quality assurance metrics for its courseware and products. In addition to measuring the relevancy of its instruction and evaluating the effects of its training on customer performance, the DSSA has earned national accreditation with the Council on Occupational Education.

The Outreach and Awareness (O&A) Organization provides professional development, outreach opportunities, awareness products and resources to the DoD security and intelligence communities. Through its Professional Development Office, O&A provides linkage between DSSA curriculum and career mapping for DoD and DoD-related security professionals. This initiative, the DoD Professional Education and Development Program (SPED)/Certification Program, is an emergent professional development and certification program for DoD security professionals. This program will serve as the primary source to professionalize the DoD security workforce.

O&A chairs the Security Awareness Education Working Group (SAEWG), a forum that develops, coordinates, recommends, disseminates and leverages security awareness and education resources and products throughout the DoD security and intelligence

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I. Description of Operations Financed, continued:

communities. Its goal is to consider the economy of resources and strive to eliminate the duplication of security awareness products and resources within the DoD. O&A also participates in many other DoD and federal agency working groups to promote security awareness.

O&A maintains the Customer Resource and Requirements Gateway, a means to support customers' requests for products and services, whether electronically or through physical access to the Security Education Training and Awareness (SETA) Program Resource Center. This information sharing gateway enables O&A to collect and distribute security awareness materials for the DoD security and intelligence communities.

In addition to conducting outreach and performing marketing efforts on behalf of SETA and the DSS Academy at security events, exhibitions and seminars, the O&A maintains the DoD Security Speakers Bureau and hosts the Department of Defense Security Managers Conference. The Speakers Bureau is a resource available to U.S. Government-affiliated customers seeking subject matter experts to meet their security education, training and awareness needs to include requests for Defensive Information to Counter Espionage (DICE) awareness presentations and videos. The DoD Security Managers Conference provides an opportunity for approximately 800 Government and Industry attendees to keep abreast of DoD security policies and practices.

Operational Support Activities

DSS Operational Support Activities include the Office of the Director, the Office of the Chief Information Officer, the Office of Support Services, the Office of Communication, and the Inspector General. These functions provide agency wide direction and support.

The Office of Chief Information Officer supports Automated Information Systems and telecommunications for the Defense Security Service National Industrial Security Program,

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I. Description of Operations Financed, continued:

Counterintelligence activities, Security Education and Awareness Training, and other administrative functions.

The Office of Support Services is the principal advisor to the agency Director and senior management on all aspects of human resources, financial management, agency acquisition, internal security, and support services. Each area is staffed by a division sized to ensure that DSS is compliant with all legal and statutory requirements in the financial, human resources, acquisition and security areas.

The Defense Security Service Inspector General's Office is located within the Office of the Director, DSS. The role of the Inspector General's office is to promote independent and objective evaluations of agency programs and processes, evaluate management controls and compliance with DoD Directives, and develop a systematic program for identifying fraud, waste, abuse, mismanagement, and security incidents within DSS and other DoD programs.

The DSS Office of Communication (OC) serves as a public information service by delivering accurate and timely information about DSS, its mission, goals and activities to our customers, the general public and Congress. The OC also facilitates communication within DSS and ensures information relating to the agency's mission, strategies and activities is shared throughout the DSS community.

II. Force Structure Summary: Not applicable

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III. Financial Summary (\$ in thousands):

	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		<u>Appropriated</u>	Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
<u>Amount</u>			<u>Percent</u>				
A. Budget Activity (BA) 4							
<u>Admin and Service-Wide Activities</u>							
Personnel Security Investigations for Industry	102,232	177,516	-14,995	-8.5	162,521	162,521	186,046
National Industrial Security Program	38,443	41,546	-4,435	-10.7	37,111	37,111	40,590
Collaborative Adjudication Services	25,130	22,153	-23	-.1	22,130	22,130	18,503
Defense Information System for Security	15,000	15,200	0	0	15,200	15,200	20,500
Security Education Training Awareness	7,964	7,543	0	0	7,543	7,543	7,392
Operational Support Activities	38,037	18,510	23	.1	18,533	18,533	14,028
Total BA 4	226,806	282,468	-19,430	-6.9	263,038	263,038	287,059

* The FY 2005 actuals column includes no \$1,521K Title IX obligations.

** The FY 2006 estimate column excludes supplemental funds.

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III. Financial Summary (\$ in thousands):

B. <u>Reconciliation Summary</u>	Change	Change
	<u>FY 2006/FY 2006</u>	<u>FY 2006/FY 2007</u>
Baseline Funding	282,468	263,038
Congressional Adjustments (Distributed)	-15,000	
Congressional Adjustments (Undistributed)	-504	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-3,782	
Congressional Earmarks - Indian Lands Environmental Impact	-144	
Subtotal Appropriated Amount	263,038	263,038
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	263,038	263,038
Anticipated Supplemental		
Reprogrammings		
Price Changes		5,557
Functional Transfers		
Program Changes		18,464
Current Estimate	263,038	287,059
Less: Wartime Supplemental		
Normalized Current Estimate	263,038	287,059

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III. Financial Summary (\$ in thousands):

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request (Amended, if applicable)		282,468
1. Congressional Adjustments		-19,430
a. Distributed Adjustments - PSI for Industry Unjustified Growth	-15,000	
b. Undistributed Adjustments - Unobligated Balances	-504	
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8087 - Advisory and Assistance Services	-504	
2) Sec 8125 - Economic Assumptions	-421	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-198	
4) 1 percent Rescission	-2,659	
e. Congressional Earmarks - Indian Lands Environmental Impact	-144	
FY 2006 Appropriated Amount		263,038
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding		263,038
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		263,038
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		263,038
6. Price Change		5,557
7. Functional Transfers		

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III. Financial Summary (\$ in thousands):

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
8. Program Increases		27,793
a. Annualization of New FY 2006 Program		
b. One-Time FY 2006 Increases		
c. Program Growth in FY 2007		
1) Personnel Security Investigations for Industry	20,112	
Increases as a result of: 1) Increased USG outsourcing; 2) Greater dissemination of intelligence; and, 3) an increase in Single Scope Background Investigations. (FY 2006 Baseline: \$162,521)		
2) National Industrial Security Program	2,700	
Increase due to high turnover rate in Industry, especially in technical sectors and associated requests for investigations. (FY 2006 Baseline: \$37,111)		
3) Defense Information System for Security (DISS)	4,981	
Increase is a result of enhancements required for electronic acceptance of SF85/85P by DISS/JPAS. This increase will also support the initial phases of the Automated Continuing Evaluation System (ACES) module of DISS. (FY 2006 Baseline: \$15,200)		
9. Program Decreases		-9,329
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Decreases		
c. Program Decreases in FY 2007		
1) Operational Support Activities	-4,913	
Decrease due to: anticipated benefit payments to former employees; anticipated Voluntary Separation Incentive Pay; transfer of circuits and land-based phone lines to OPM; and associated reduced travel, supplies and materials (FY 2006 Baseline: \$18,510)		
2) Collaborative Adjudication Services (CAS)	-4,092	
Decrease due to anticipated efficiencies with expansion of the adjudicator's desk reference guide and implementation of automatic adjudication capabilities. (FY 2006 Baseline: \$19,608)		
3) Security Education Training Awareness (SETA)	-324	

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III. Financial Summary (\$ in thousands):

C. Reconciliation of Increases and Decreases

Decrease in costs anticipated as a result of the increase in the number of distance learning versus classroom training. (FY 2006 Baseline: \$7,543)

Amount **Totals**

FY 2007 Budget Request

287,059

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IV. Performance Criteria and Evaluation Summary:

The Defense Security Service (DSS) underwent an agency transformation during FY 2004 and FY 2005. DSS is developing a new performance management system to reflect the changes of the transformed agency and provide more meaningful measures of performance. The DSS Balanced Score Card for the Transformed Agency is approximately 75% complete and is presently undergoing a validation of agency wide and performance/outcome measures/metrics. Initial deployment of the DSS Balanced Score Card for the Transformed Agency will begin in late FY 2006. Metrics are expected to improve as DSS meets its authorized end strength. In the interim, DSS is using the following Performance criteria:

A. National Industrial Security Program (NISP) Personnel Security Investigations (PSI)

In February 2005, the DSS PSI mission was functionally transferred to the Office of Personnel Management (OPM). DSS no longer performs this mission and therefore no longer collects and tracks this information. This metric has been removed. DSS does retain budget authority to finance PSIs for Industry performed by OPM.

B. Industrial Security Program (ISP) Metrics:

	FY 2005	FY 2006	FY 2007
	<u>Actual</u>	<u>Goal</u>	<u>Goal</u>
Facility Clearances Maintained (in thousands)	11.7	12.3	12.4
Initial Facility Clearances (in thousands)	2.3	2.2	2.4
Facility Reviews			
Possessing classified	86%	85%	85%
Non-possessing classified	77%	80%	80%
Special Access Program	92%	85%	85%
Interim Secret/Confidential			
Facility Security Clearances	*Not available	95% / 60 days	95% / 60 days
Final timeliness goals			
TS Facility Clearances	*Not available	90% / 150 days	90% / 150 days
Secret & Confidential Facility Clearances	*Not available	90% / 135 days	90% / 135 days

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IV. Performance Criteria and Evaluation Summary:

*Industrial Security Program Metrics Note: The transformation of DSS associated with the functional transfer of the Personnel Security Investigation Program to the Office of Personnel Management was concluding during FY 2005. Due to an increase in Industrial Security workload and a reduction in manpower, the Industrial Security Program (ISP) is not presently tracking or measuring these performance metrics. As more relevant outcome measures are developed for ISP's industrial security and missions, newer performance measures will be developed for the National Industrial Security Program (NISP). The collection of performance data will be streamlined and will become automated through the Industrial Security Facilities Database (ISDF) and the deployment of the Defense Information System for Security (DISS).

C. Collaborative Adjudication Services (CAS):

	FY 2005	FY 2006	FY 2007
	<u>Actual</u>	<u>Goal</u>	<u>Goal</u>
Industrial PSI Adjudications			
Timeliness	*Not available	80%/30 days	80%/30 days
Total Adjudications	141,460	*Not available	*Not available

*CAS Metrics Note: DSS presently has a limited ability to obtain statistical information on adjudications. A change to the Joint Personnel Adjudication System (JPAS) and the deployment of the Defense Information System for Security (DISS) will correct this.

DSS and CAS are required by the Intelligence Reform and Terrorism Prevention Act of 2004 to conduct adjudications within the timeframes shown in the metrics above. DSS has no external requirement to produce a minimum number of adjudications per year. The numbers of adjudications are being provided for information only. As of yet, DSS does not have the means to determine an appropriate level of adjudicative output per year. This should be remedied with the further development and deployment of DISS.

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IV. Performance Criteria and Evaluation Summary:

D. Security Education Training Awareness (SETA) Performance Metrics and Workload*:

	FY 2005	FY 2006	FY 2007
	<u>Actual</u>	<u>Goal</u>	<u>Goal</u>
1) Courses (Instructor led)	29	17	20
2) Student Output (Course Completions)	5,249	5,017	5,017
3) Courses/Products (Distance Learning)	29	45	48
4) Student Output (Registrations)	24,806	28,526	32,804
5) Cost per student training day (Actual \$)	298	304	310
6) Cost per student (Distance Learning \$)	35	35	40

*SETA Metrics Note: SETA is increasing the number of online course offerings while maintaining the overall annual number of students reached in instructor led training. Because the instructor led student course completion goal does not go down with the addition of distance learning courses, the cost per student training day will increase with inflation as instructor salaries and facilities costs increase with inflation. SETA is in the process of developing additional metrics that reflect average training cost for all students (classroom training and internet based training) which will show a decreasing cost trend as the number of distance learning opportunities continues to increase.

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V. Personnel Summary:

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>*Change FY 2005/ FY 2006</u>	<u>Change FY 2006/ FY 2007</u>
<u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	521	582	582	61	0
 <u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	506	582	582	76	0
 Average Annual Civilian Salary	\$98,208	\$99,866	\$99,351	\$1,658	(\$515)

*Changes between FY 2005 and FY 2006: The authorized end strength for the Defense Security Service (DSS) for FY 2005 was 568. This level was not achieved due to higher than anticipated retirements and requests for transfer due to the Personnel Security Investigation workload being transferred to the Office of Personnel Management (OPM) during FY 2005. The agency will return to its authorized end strength level by the end of FY 2006. An additional increase in end strength from 568 to 582 was authorized at the start of FY 2006 to support additional adjudication workload associated with increased National Industrial Security Program Investigations.

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<u>OP 32 Line</u>	<u>Change from</u> <u>FY 2005 to FY 2006</u>			<u>FY 2006</u> <u>Estimate**</u>	<u>Change from</u> <u>FY 2006 to FY 2007</u>		
	<u>FY 2005</u> <u>Actuals*</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2007</u> <u>Estimate</u>
Civilian Personnel Compensation							
101 Exec, General, Special Schedules	49,300	1,134	4,892	55,326	1,272	1,224	57,822
106 Benefits to Former Employees	43	0	1,807	1,850	0	-1,850	0
107 Voluntary Separation Incentive Pay	350	0	1,525	1,875	0	-1,875	0
199 Total Civilian Personnel Compensation	49,693	1,134	8,224	59,051	1,272	-2,501	57,822
Travel							
308 Travel of Persons	1,661	31	-141	1,551	33	-41	1,543
399 Total Travel of Persons	1,661	31	-141	1,551	33	-41	1,543
Other Fund Purchases							
673 Defense Finance and Accounting Service	129	3	-132	0	0	367	367
699 Total Other Fund Purchases	129	3	-132	0	0	367	367
Transportation							
771 Commercial Transportation	286	0	-286	0	0	0	0
799 Total Commercial Transportation	286	0	-286	0	0	0	0
Other Purchases							
912 Rental Payments to GSA	2,064	40	-849	1,255	26	336	1,617
913 Purchased Utilities	9	0	16	25	1	-9	17
914 Purchased Communications	2,203	45	306	2,554	54	-1,786	822
915 Rents (Non-GSA)	2,364	46	138	2,548	54	844	3,446
917 Postal Services (U.S.P.S.)	279	5	-54	230	5	127	362
920 Supplies and Materials	1,676	35	-902	809	17	-389	437
921 Printing and Reproduction	264	5	31	300	6	-89	217
922 Equipment Maintenance by Contract	6,180	124	-6,199	105	2	165	272
923 Facility Sustainment, Restoration	605	13	-543	75	2	-72	5
925 Equipment Purchases	0	0	344	344	7	31	382
931 Contract Consultants	682	14	-76	620	13	649	1,282
932 Management, Professional Support Svcs	2,554	50	-689	1,915	40	1,365	3,320
933 Studies, Analyses and Evaluations	4,375	88	-4,463	0	0	1,124	1,124

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	Change from FY 2005 to FY 2006				Change from FY 2006 to FY 2007		
	FY 2005 <u>Actuals*</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2006 <u>Estimate**</u>	Price <u>Growth</u>	Program <u>Growth</u>	FY 2007 <u>Estimate</u>
OP 32 Line							
934 Engineering and Technical Services	38,727	777	-15,469	24,035	505	990	25,530
937 Locally Purchased Fuel	0	0	26	26	1	37	64
987 Other Intra-Government Purchases	102,306	0	60,215	162,521	3,413	20,112	186,046
989 Other Contracts	10,325	205	-8,141	2,299	48	12	2,359
998 Other Costs	514	1	2,260	2,775	58	-2,808	25
999 Total Other Purchases	175,038	1,448	25,951	202,436	4,252	20,639	227,327
9999 Total Operations and Maintenance	226,806	2,616	33,616	263,038	5,557	18,464	287,059

* The FY 2005 actuals column includes \$1,521K Title IX obligations.

** The FY 2006 estimate column excludes supplemental funds.

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Defense Threat Reduction Agency (DTRA)



February 2006

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

Defense Threat Reduction Agency	FY 2005*	Price Change	Program Change	FY 2006 Estimate	Price Change	Program Change	FY 2007 Estimate
	<u>Actuals</u>						
	312,628	8,158	-5,988	314,798	7,133	-7,376	314,555

* The FY 2005 Actual column includes \$291 thousand of FY 2005 Supplemental funds (PL 109-13), and \$144 thousand of Iraqi Freedom Fund Transfers.

I. Description of Operations Financed: The Defense Threat Reduction Agency (DTRA) is working to make the world safer by reducing the present threat and preparing for future threats. Weapons of mass destruction (WMD) (chemical, biological, radiological, nuclear and high-yield explosives) are the most serious threats our nation and its allies face today.

The rapid growth and evolution of the WMD environments for use against America poses increasing challenges to national security. Terrorists and hostile states continue to seek these weapons and the means to deliver them. The DTRA assesses our country's current vulnerabilities and looks over the horizon to anticipate new threats before they emerge. The use or threatened use of WMD remains a credible concern, one which exposes both our military and civilian citizens to changing, new and possibly lethal dangers, as evidenced by events of September 11, 2001.

The DTRA pursues its essential mission by taking threat reduction to the source, stopping the spread of WMD, securing and dismantling strategic offensive arms, detecting

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I. Description of Operations Financed: (Continued)

WMD threats, protecting our nation against weapons of terror, reducing the consequences of unthinkable incidents and deterring WMD use.

WMD is defined as nuclear, biological, chemical and radiological weapons, and their means of delivery, that are capable of a high order of destruction and/or of being used in a manner as to destroy large numbers of people or to cause significant infrastructure damage. As WMD challenges continue to evolve and grow, DTRA has rebalanced its program and associated resources to fulfill the Department's highest priorities regarding the identification, reduction, defeat, and response to weapons of mass destruction (WMD). As part of this effort, the Department emphasizes supporting the highest priority combat support requirements; providing capabilities to defeat and mitigate threats associated with chemical and biological weapons; simultaneously addressing threats from terrorist attacks; maintaining emphasis on nuclear issues relevant to traditional adversaries and emerging threats; supporting arms control and cooperative threat reduction programs having important interagency and international dimensions; furthering our transformation efforts; and addressing our infrastructure deficiencies.

The resulting program provides for a flexible combat support structure; enhanced consequence management capabilities; force protection, infrastructure protection and dual-use homeland security initiatives; as well as the streamlining and transformation of the supporting business practices and workforce.

The President's National Strategy to Combat Weapons of Mass Destruction describes WMD in the hands of hostile states and terrorists as one of the greatest security challenges facing the U.S. The strategy reinforces the need of the Department of Defense (DoD) to continue to develop an integrated and comprehensive approach to counter the WMD threat. On January 6, 2005, the Secretary of Defense designated the Commander,

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I. Description of Operations Financed: (Continued)

USSTRATCOM as the lead Combatant Commander (CoCOM) for integrating and synchronizing DoD efforts in combating WMD across the spectrum of doctrine, organization, training, material, leadership, personnel and facilities. On August 26, 2005, the Commander, USSTRATCOM formally established the USSTRATCOM Center for Combating Weapons of Mass Destruction (SCC) as a subordinate component with primary responsibility to support the Commander, USSTRATCOM in this endeavor. On August 26, 2005, the Commander, USSTRATCOM further requested appointment of the Director, Defense Threat Reduction Agency (DTRA), as the Director, SCC. DTRA plays a key role in this critical mission, as the SCC will highly leverage DTRA's capabilities and depth of experience in addressing the WMD challenge for the Department.

The DTRA will complete support of the Unconventional Nuclear Warfare Defense (UNWD) Program at the end of FY 2006. The UNWD Program is a joint DTRA-National Nuclear Security Administration (NNSA) endeavor directed to demonstrate integrated nuclear warfare protection systems at special test beds at U.S. military installations established for this purpose. Sustainment costs for the UNWD Program will transition to the individual Military services at the end of FY 2006.

Demands by the Joint Chiefs of Staff (JCS), CoCOMs, and the civilian sector have increased significantly for DTRA's operational and technical expertise in WMD threat reduction and consequence analysis for planning, exercises and operations. Technical reachback support provides on-site experts for the operation and employment of DTRA software tools used for planning, targeting, weaponeering, analyses and consequence management of WMD events. DTRA software tools have become the standard for combatant commands and first responders. Employment of these very complex tools, however, often requires a level of expertise not usually found at deployed or first responder units.

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I. Description of Operations Financed: (Continued)

The Defense Threat Reduction Agency's (DTRA) technical reachback provides for immediate access to DTRA's entire technical expert base and experts in the middle of the night.

Further, DTRA acts as the DoD Executive Agent for the Nuclear Test Personnel Review (NTPR) program which addresses all matters pertaining to the participation and radiation exposures of DoD personnel in U.S. atmospheric nuclear weapons tests from 1945-1962 and the post-war occupation of Hiroshima and Nagasaki. Also, the Agency manages the DoD Radiation Experiments Command Center (RECC) for the Office of the Secretary of Defense. The RECC is the centralized repository for documents and publications pertaining to DoD's involvement in human radiation experiments (HRE) conducted from 1944-1994. The DTRA accelerated its NTPR effort in FY 2005 and FY 2006, to reduce the backlog of Veterans Administration cases requiring dose reconstruction research.

By the end of FY 2006, DTRA will complete the military-to-civilian conversion of 257 positions as a result of a thorough evaluation of military essentiality functions within the Agency. The Agency implemented robust strategic planning to guide resource decisions and enhance performance accountability. The DTRA is committed to a results-oriented human capital management program, incorporating such elements as strategic workforce planning; tailored use of hiring programs and recruitment and retention initiatives; long-term relationships with the academic community; enhanced leadership and professional development; and enhanced performance management. The DTRA workforce is comprised of military and civilian scientists, engineers, researchers, tactical operators, weapons of mass destruction (WMD) subject matter experts and other related disciplines.

The Department of Defense directed the consolidation of DTRA's finance and accounting operations with the Defense Finance and Accounting Services. The DTRA

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I. Description of Operations Financed: (Continued)

transitioned to a fully consolidated operation on October 1, 2005. The consolidation of operations realigns 17 civilian Full Time Equivalents beginning in FY 2006, from DTRA to DFAS.

The Cooperative Threat Reduction (CTR) program is integral to the Defense Threat Reduction Agency (DTRA). The CTR program is a separate appropriation requested in a separate submission titled, "Former Soviet Union Threat Reduction."

Narrative Explanation of Changes:

FY 2006 Budget Request to FY 2006 Current Estimate: The FY 2006 current estimate reflects an overall decrease of \$-5,301 thousand when compared to the FY 2006 Budget Request due to unspecified Congressional adjustments.

FY 2006 Current Estimate to FY 2007 Budget Estimate: Many of DTRA's Operation & Maintenance programs decrease when compared to the FY 2006 current estimate. The net adjustment reflects an overall decrease of \$-243 thousand which includes a price adjustment of \$+7,133 thousand, functional transfers-in of \$+10,759; and program increases of \$+889 thousand offset by program decreases of \$-19,024 thousand. However, when normalized for the impact of the increases/transfers associated with the standup of the U.S STRATCOM Center, reductions related to other Departmental priorities have resulted in \$-22.8 million in programmatic decreases to DTRA's remaining programs.

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I. Description of Operations Financed: (Continued)

	<u>\$ in thousands</u>		
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
A. <u>Arms Control Inspections and Technology:</u>	75,494	78,058	77,379

As an integral part of the U.S. national security strategy, arms control activities enhance confidence in treaty and agreement compliance through effective inspection, monitoring, and verification, and thus contribute to a more stable and calculable balance of world power.

The U.S. seeks to reduce the threat from weapons of mass destruction (WMD) in a number of ways, particularly through treaty and non-treaty efforts to control, safeguard and eliminate existing weapons. As the focal point for implementing U.S. treaty inspection, escort and monitoring activities, the DTRA executes current arms control treaties and agreements, and prepares for planned or proposed initiatives. Moreover, DTRA is increasingly involved in shaping the international security environment through on-site activities in post-conflict stabilization operations because of its experience gained through implementation of both conventional and strategic arms control agreements. Additionally, as monitors of force withdrawals from regional trouble spots, DTRA inspectors provide the Secretary of Defense with first-hand evidence that international commitments are fulfilled through the verifiable reduction of the world's stockpiles of nuclear, chemical, and conventional weapons (which includes the training and equipping of law enforcement and border guard personnel in the Former Soviet Union (FSU), Eastern Europe, and Baltic (countries)). The DTRA arms control mission directly enhances the U.S. security interests.

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I. Description of Operations Financed: (Continued)

A. Arms Control Inspections and Technology: (continued)

The three primary objectives of the DTRA Arms Control program are to: conduct U.S. Government inspections of foreign facilities, territories or events; coordinate and conduct the escort of inspection teams for inspections or continuous monitoring activities in the U.S. and at U.S. facilities overseas; and acquire and field technology capabilities required to implement, comply with, and allow full exercise of U.S. rights and prerogatives under existing and projected arms control treaties and agreements. The full and faithful implementation of existing arms control agreements remains an important element of the Administration's national security policy. To accomplish its mission, DTRA organizes, trains, equips, deploys, and exercises operational control over inspection, monitoring, and escort teams, to ensure that the U.S. Government can exercise its full treaty rights for on-site inspection and to protect U.S. treaty rights with respect to inspected sites or activities. The DTRA also provides technical advice to U.S. Government elements concerned with developing, implementing, or evaluating compliance with arms control treaties and agreements. DTRA executes other missions requiring unique skills, organization, or experience resident in DTRA.

DTRA continues its efforts to carry out the inspection, escort, and monitoring provisions of Strategic Arms Reduction Treaty (START), Conventional Armed Forces in Europe (CFE) Treaty, Open Skies Treaty, Chemical Weapons Convention (CWC), Plutonium Production Reactor Agreement (PPRA), and the International Counterproliferation Program (ICP). Other missions include support for the Bosnia Peace Plan initiative, Biological Weapons Convention, Confidence and Security Building Measures, Small Arms/Light Weapons, Technical Equipment Inspections Program, Defense Treaty Inspection Readiness Program.

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I. Description of Operations Financed: (Continued)

A. Arms Control Inspections and Technology (continued):

In order to accommodate higher DTRA priorities, prudent risks have been assumed in this budget; requirements in support of the Fissile Material Cutoff Treaty, and Mayak Transparency Protocol are not funded.

The Defense Threat Reduction Agency (DTRA) FY 2007 Arms Control budget submission provides support for the full range of treaty implementation requirements and reflects the latest revision to treaty entry-into-force (EIF) dates as well as the latest assumptions for inspection and compliance requirements:

<u>TREATY</u>	<u>BUDGET TREATY ASSUMPTIONS</u>	<u>ASSUMPTIONS</u>
Strategic Arms Reduction Treaty (START)	EIF-5 Dec 1994;	Baseline completed 30 June 1995; Other inspection activities continue
International Counterproliferation Program (ICP)	EIF 1 Dec 1996	
Conventional Armed Forces in Europe (CFE)	EIF 17 Jul 1992	
CFE Adapted	EIF-1st Qtr FY 2007	
Chemical Weapons (CW)	Chemical Weapons Convention (CWC) EIF-29 April 1997	
Plutonium Production Reactor Agreement (PPRA)	EIF-23 Sept 1997	
Open Skies	EIF-1 Jan 2002	

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I. Description of Operations Financed: (Continued)

A. Arms Control Inspections and Technology (continued):

1) Strategic Arms Reduction Treaty:

The DTRA mission includes planning to accomplish inspection and escort activities in accordance with the terms of the Strategic Arms Reduction Treaty (START). This mission requires support in the areas of inspections, escort activities, Portal Perimeter Continuous Monitoring (PPCM), and mock training activities. The DTRA mission also includes planning for possible future START-like Agreements. The FY 2006 current estimate for START is \$10,908 thousand; and the FY 2007 budget estimate is \$11,000 thousand.

2) Conventional Armed Forces in Europe Treaty:

The DTRA arms control program is required to provide support for the Conventional Armed Forces in Europe (CFE) Treaty ensuring the former Warsaw Pact countries compliance. CFE is a multilateral treaty between countries of the former Warsaw Pact and NATO. The U.S. is allocated 15 percent of the active inspections available to NATO. An adapted CFE Treaty was signed by States Parties at the November 1999 Istanbul Organization for Security and Cooperation in Europe (OSCE) Summit. At the earliest, entry-into-force (EIF) for the adapted CFE is anticipated for 1st Quarter FY 2006. The FY 2006 current estimate for Conventional Armed Forces in Europe (CFE) is \$2,493 thousand; the FY 2007 budget estimate is \$2,708 thousand.

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I. Description of Operations Financed: (Continued)

A. Arms Control Inspections and Technology (continued):

3) Chemical Weapons Convention:

Funds for the Chemical Weapons Convention (CWC) are required to accomplish escort activities of international inspectors from the Organization for the Prohibition of Chemical Weapons (OPCW) and ensure compliance with the terms of the multilateral CWC. The OPCW will conduct periodic inspections of chemical weapons storage facilities and monitor the continuous destruction of chemical weapons at chemical demilitarization facilities and neutralization operations until all weapons at the site have been destroyed. The DTRA is currently engaged in escort activity of continuous monitoring at Tooele, Utah; Aberdeen, Maryland; and Anniston, Alabama; Umatilla, Oregon; Pine Bluff, Arkansas; and Newport, Indiana. The OPCW will also conduct periodic inspections at former chemical weapons production facilities until these have been certified as having destroyed all chemical weapons. The FY 2006 current estimate for CWC is \$8,839 thousand; the FY 2007 budget estimate is \$9,226 thousand.

4) Open Skies Treaty:

Open Skies (OS) is a multilateral treaty involving the European states (East and West), the Republic of Belarus and the Russian Federation Group of State Parties, the U.S. and Canada. Open Skies (OS) involves reciprocal over-flights of states using specific aircraft with specified sensors. The DTRA plans and prepares for receiving and conducting Open Skies observation missions and for conducting and participating in aircraft and sensor certification inspections. OS entry-into-force (EIF) was January 1, 2002. The FY 2006 current estimate for Open Skies is \$2,658 thousand; the FY 2007 budget estimate is \$3,209 thousand.

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I. Description of Operations Financed: (Continued)

A. Arms Control Inspections and Technology (continued):

5) International Counterproliferation Program (ICP):

The DoD International Counter-proliferation Program (ICP) is a congressionally mandated program that combines a cooperative effort between the DoD/Federal Bureau of Investigation (FBI) and DoD/Department of Homeland Security, in which DoD is the lead agency. Participating governments of the Former Soviet Union (FSU), the Baltics, and Eastern Europe have agreed to work with the U.S. to stem the proliferation of weapons of mass destruction (WMD). The National Defense Authorization Act for 2005 (NDAA-05) allows the ICP program to operate worldwide as directed by the SECDEF where he sees a WMD proliferation or trafficking threat. This is a fundamental change from previous legislation that only allowed for ICP activities in FSU and Eastern Block countries. Funding allows the ICP program to engage countries in regions that have made the long-term commitment to work cooperatively with the U.S. to stop the proliferation of WMD. The ICP is the primary tool for the Combatant Commands to apply in their theater security cooperation strategy to combat WMD and related material trafficking. Funding permits the establishment of a series of specialized training programs designed for foreign officials involved with border security, customs, and law enforcement. Additionally, some program training courses include equipment to enable partner countries to deter, detect, investigate, and respond to the attempted proliferation of weapons of mass destruction (WMD), thus achieving the prime objective of the International Counter-proliferation Program (ICP). The FY 2006 current estimate for ICP is \$10,498 thousand; the FY 2007 budget estimate is \$10,506 thousand.

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I. Description of Operations Financed: (Continued)

A. Arms Control Inspections and Technology (continued):

6) Arms Control Technology:

DTRA maintains a Research, Development, Testing and Evaluation program associated with the development of arms control technologies. The associated Operation and Maintenance (O&M) implementation programs transferred to the Army and Air Force in FY 2004. The remainder of the program supports the operation and maintenance of the legacy Compliance Monitoring Tracking System (CMTS), to be replaced by the new Arms Control Enterprise System (ACES), which satisfies U.S. compliance obligations under multiple treaties/agreements in support of operational military commands. The FY 2006 current estimate for Arms Control Technology is \$2,309 thousand; the FY 2007 budget estimate is \$2,381 thousand.

7) Other Arms Control Missions:

The DTRA's mission has expanded to include other special interest projects, such as Confidence and Security Building Measures (CSBM) inspections and evaluations, which are associated with the Organization for Security and Cooperation in Europe (OSCE). The Department of Defense also designated DTRA as the Executive Agent for the Defense Treaty Inspection Readiness Program (DTIRP); and the Technical Equipment Inspections (TEI) Program. The DTRA plans for DoD National Joint Trial Visits under the Biological Weapons Convention (BWC) international agreement, and supports the Dayton Peace Accords, which protect U.S. assets in other countries and the efforts to reduce Small Arms and Light Weapons (SA/LW) worldwide, by supporting the Department of State program to assess stockpiles around the world. The DTRA also assists in efforts to develop ways to enhance compliance and increase transparencies associated with the Biological Weapons Convention

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I. Description of Operations Financed: (Continued)

(BWC), the Dayton Peace Accords, and initiatives to reduce small arms and light weapons (SA/LW). Also included in the Other Missions category is general operational support which includes Office of the Secretary of Defense (OSD) treaty management support, civilian payroll for arms control activities, program management functions that cannot be directly linked to a specific treaty, and facilities, utilities, furniture, and office automation. The FY 2006 current estimate for Other Missions is \$40,353 thousand; the FY 2007 budget estimate is \$38,349 thousand.

Other Missions (\$ in 000)	FY 2005 Actuals	FY 2006 Estimate	FY 2007 Estimate
International Atomic Energy Agency (IAEA) - Strengthened Safeguards Program	3	113	115
Plutonium Production Reactor Agreements (PPRA)	433	677	897
Biological Weapons Convention (BWC)	0	101	42
Mayak Transparency Protocol	10	749	0
Fissile Material Cutoff Treaty (FMCT)	0	61	0
Defense Treaty Readiness Program (DTIRP)	940	1,029	1,041
Confidence and Security Building Measures (CSBM)	511	391	232
Technical Equipment Inspection (TEI)	464	396	480
Infrastructure, Treaty Management Support, and Civilian Payroll (Arms Control)	34,731	36,836	35,542
Total	37,092	40,353	38,349

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Operation and Maintenance, Defense-Wide
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I. Description of Operations Financed: (Continued)

	<u>\$ in thousands</u>		
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
B. <u>WMD Combat Support and Operations:</u>	108,069	107,057	90,774

The DTRA provides warfighting support to the Joint Chiefs of Staff (JCS), the CoCOMs, and military services as they engage the threat and challenges posed to the U.S., its forces and allies by weapons of mass destruction (WMD). These WMD include high explosives and chemical, biological, nuclear/radiological, and special advanced weapons. DTRA supports the essential WMD response capabilities, functions, activities, and tasks necessary to sustain all elements of operating forces in theater at all levels of war.

The Combat Support program provides operational and analytical support to DoD components and other U.S. and NATO organizations for nuclear weapons and WMD matters. DTRA's operational programs are closely tied with its research, development, test and evaluation programs that provide technical support to DoD components and other organizations (as appropriate) in areas related to WMD and designated advanced weapons. Combat Support activities include: support to the Secretary of Defense, the JCS, Combatant Commands, military departments, and DoD components for matters involving Chemical, Biological, Radiological, Nuclear and High-Yield Explosive (CBRNE) weapons. The DTRA provides direct technical support to the theater commands for forecasting potential hazards, and planning for the threat posed by recent activities including classified support to contingency planning. DTRA also supports the Office of the Secretary of Defense (OSD) for programs that provide oversight for DoD nuclear matters. DTRA provides support to the Joint Staff with stockpile tracking and accounting, and with conducting nuclear surety inspections. DTRA provides policy and technical subject-matter

DEFENSE THREAT REDUCTION AGENCY
Operation and Maintenance, Defense-Wide
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I. Description of Operations Financed: (Continued)

B. WMD Combat Support and Operations (continued):

expertise and advice to CoCOMs or Lead Federal Agencies through planning, training, national-level exercises, and operational support for accidents or incidents involving WMD/CBRNE including providing advisory teams to the Combatant Commanders.

The Combat Support program provides the CoCOMs with the capability to counter/mitigate the CBRNE threat. As part of the support, DTRA has established Technical Support Groups (TSGs) around the world to provide apportioned forces and the CoCOMs with equipment and training. Additionally, the TSGs provide on-site subject-matter experts to support these contingency operations. TSGs are comprised of military, scientific, and technical personnel, and bring a 24/7 reachback capability to the DTRA Operations Center and, through the center, a linkage to numerous U.S. Government laboratories.

Likewise, the DTRA Collaboration Center (DCC) is an infrastructure and process management architecture enabling decision support, situational awareness, and a unique analysis capability designed to support DTRA operational and R&D requirements. Underlying this capability is an array of global communication pathways, designed to support required levels of classification access to support CoCOMs and Service Components' exercises, training, experiments and operations.

Within the Combat Support program, the prominence of support to the CoCOMs in the War on Terror continues to increase since the terrorist attacks against the U.S. and subsequent U.S. offensive operations. At the same time, the dictates of the U.S. National Security Strategy, the National Military Strategy (NMS), Quadrennial Defense

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I. Description of Operations Financed: (Continued)

B. WMD Combat Support and Operations (continued):

(QDR), the Nuclear Posture Review (NPR) and changes to the Unified Command Plan (UCP) continue to be integrated into this program. Moreover, emphasis has been placed on the Department's Transformation Planning Guidance (TPG) to assist in the long range planning efforts of DTRA's combat support mission and to provide a starting point for future operational endeavors. These documents set the priority for DTRA and provide long-term guidance to the DTRA combat support mission as it applies to direct support to CoCOMs, Homeland Security, and general WMD/CBRNE defense requirements.

Our expanding combat support missions continue to be dual-purposed, synergistic, and closely aligned with the War on Terrorism (WOT), providing a foundation for transformational initiatives within the WMD/CBRNE arena as outlined in the Transformation Planning Guidance. In addition, the Balanced Survivability Assessment (BSA) teams conduct "all-threat" balanced survivability assessments of U.S./Allied systems to identify vulnerabilities and potential mitigation approaches for command, control and communication (C3I) systems, infrastructure, hardened underground facilities and mobile systems. The Department has also made significant investments in initiatives providing for enhanced OCONUS consequence management exercise support; and enhanced consequence management advisory team (CMAT) support.

DTRA acts as the Program Integrator for the Foreign Consequence Management (FCM) Exercise Program, as directed by Confidential Joint Chiefs of Staff Instruction (CJCSI) 3214.01A. The FCM Exercise Program creates a series of challenging exercises that assist the Geographic Combatant Commanders (GCCs) in training and preparing for potentially catastrophic events, initiated by a Chemical, Biological, Radiological, Nuclear, and

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I. Description of Operations Financed: (Continued)

B. WMD Combat Support and Operations (continued):

High-Yield Explosive (CBRNE) attack or accidental release. DTRA provides an efficient mechanism to assist the GCCs in their training and preparation for a FCM event. The training effort focuses primarily on three scenarios: 1) mitigating the effects of CBRNE attack or accidental release that impacts U.S. Forces or installations overseas, or 2) providing assistance to the affected foreign nation following a CBRNE attack or accidental release, or 3) situations where DoD is the lead, for example, in a combat zone or where a host government does not exist. While it is understood that primary responsibility outside overseas U.S. installations lies with the affected foreign nation, the complexity, scope, and potential consequences of a Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) event may overwhelm the response capabilities of that country. Therefore, it is in the interest of DoD to be prepared to support U.S. Foreign Consequence Management (FCM) operations intended to assist allied or friendly countries who are affected by a CBRNE event.

The Combat Support Program also provides direct support to the Joint Staff in the area of vulnerability assessments. The Chairman, Joint Chiefs of Staff (JCS), has directed that DTRA, in its capacity as a Combat Support Agency, will provide him with direct support and has tasked DTRA to perform Joint Staff Integrated Vulnerability Assessments (JSIVA) for Combatant Commands, Services and DoD Agencies and in support of the JCS/J3 Deputy Director for Antiterrorism and Homeland Defense (J3 DD AT/HD) and to serve as the field agent for JCS/J3 DDAT/HD Antiterrorism/Force Protection Division. In this capacity, the DTRA JSIVA program is to provide teams comprised of active duty military and DoD civilians that are fully capable of assessing five broad areas relating to facility vulnerability to terrorist operations and the means of reducing mass casualties and damage to mission-essential materials. These assessments include:

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I. Description of Operations Financed: (Continued)

B. WMD Combat Support and Operations (continued):

- (1) Terrorist Operations; (2) Security Operations; (3) Structural Engineering
(4) Infrastructure engineering; (5) Emergency Management-CBRNE.

The JSIVA teams examine specific installations and provide the installation commander with realistic judgments regarding vulnerabilities to terrorist actions and suggestions for both procedural and technical options to mitigate those vulnerabilities. Additionally, DTRA maintains the capability to conduct special assessments and response to worldwide incidents and crises to include those resulting in the aftermath of the September 11, 2001 attacks on the World Trade Center and the Pentagon. Support also includes providing mobile training teams in support of J3 DDAT/HD to training CoCOM personnel on antiterrorism policies and procedures, and support of technology development for physical security equipment and other anti-terrorism-related technologies, such as blast mitigation systems. DTRA also provides reachback services for all DoD components in regards to issues related to antiterrorism, and develops annual and semi-annual trends to assist the JCS in gauging the implementation of DoD policies.

Funding for JSIVAs provides for the pay and benefits of civilian personnel necessary to carry out the assigned mission. Other expenses include travel, contractual services, to include the use of contractor-personnel with specialized skills in the conduct of assessments, and expendable supplies and equipment that support JSIVA teams.

In FY 2005, the Anti-Terrorism Program successfully completed 87 JSIVAs worldwide. Of the 87 JSIVAs, 21 were conducted in support of US Central Command (USCENTCOM), with 19 in direct support of Operation Iraqi Freedom. Nine Mobile Training Team visits were

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I. Description of Operations Financed: (Continued)

B. WMD Combat Support and Operations (continued):

conducted in support of CoCOMs, the Military Services, Homeland Security, and foreign military and law enforcement personnel in support of the Defense Cooperation Guidance. In FY 2006, the Anti-Terrorism Program plans to complete 88 JSIVAs worldwide. The JSIVA program will also be augmented with the Defense Critical Infrastructure Program at 23 selected sites. This program provides a modular concept that reduces the burden on installation commanders created by multiple assessments and supports the recently published DoDD 3020.40.

In addition, the Balanced Survivability Assessment (BSA) teams conduct "all-threat" survivability assessments to ensure continued and enduring operation of the existing nuclear weapons command and control functions, global command, control, computers and intelligence (C4I) and the intelligence, surveillance, and reconnaissance (ISR) sector capabilities for DoD. In FY 2006, DTRA plans to conduct twelve BSAs.

The DTRA will complete support to the Unconventional Nuclear Warfare Defense (UNWD) Program at the end of FY 2006. The UNWD Program is a joint DTRA-National Nuclear Security Administration (NNSA) endeavor directed to demonstrate integrated nuclear warfare protection systems at special test beds established for this purpose. The UNWD Program has successfully demonstrated nuclear detection technology and utilizes four test beds to develop and test new detection methods of employment and emplacement to increase stand-off distance for warning time, and refine concepts of operation based on improvements in technology, updated intelligence assessments, and lessons learned. Further, the UNWD Program developed open system architectures so chemical, biological, and explosive sensors can be integrated into the network in the future.

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I. Description of Operations Financed: (Continued)

B. WMD Combat Support and Operations (continued):

Funding for FY 2006 will enable DTRA to sustain test bed operations until October 2006, when the individual Services will assume responsibility and control of the testbeds.

Further, DTRA serves as the DoD Executive Agent for the Nuclear Test Personnel Review (NTPR) program which addresses all matters pertaining to the participation and radiation exposures of DoD personnel in U.S. atmospheric nuclear weapons tests from 1945-1962 and the post-war occupation of Hiroshima and Nagasaki. Also, the Agency manages the DoD Radiation Experiments Command Center (RECC) for the OSD. The RECC is the centralized repository for documents and publications pertaining to DoD's involvement in human radiation experiments (HRE) conducted from 1944-1994.

Demands by the Joint Chiefs of Staff (JCS), CoCOMs, and the civilian sector have increased significantly for Defense Threat Reduction Agency's (DTRA) operational and technical expertise in weapons of mass destruction (WMD) threat reduction and consequence analysis for planning, exercises and operations. Technical reachback support primarily provides experts for the operation and employment of DTRA software tools for planning, targeting, weaponeering, analyses and consequence management of WMD events. DTRA software tools have become the standard for CoCOMs and first responders; however, employment of these very complex tools often requires a level of expertise not usually found at deployed or first responder units. DTRA's technical reachback provides for immediate access to experts in the middle of the night and our expertise provides additional access to DTRA's entire technical expert base. Requirements peaked during IRAQI FREEDOM, during which DTRA provided continuous technical reachback support. Until this point, DTRA technical support was an asymmetric surge capability which used our

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I. Description of Operations Financed: (Continued)

B. WMD Combat Support and Operations (continued):

technical program managers and developmental contractors as support. This concept provided superb results in the technical quality of support; however, continuous operations quickly degraded our R&D mission and development of next generation capabilities. In view of this constraint, DTRA in coordination with several CoCOMs has stood up a dedicated cell of technical experts for continuous, dedicated reachback support. Our current estimates of planning, operational and exercise support requirements indicate that our technical reachback support capabilities will be more than adequately utilized.

This budget subactivity group also provides critical operational support through deployable teams, training, and technical expertise to the Department of Defense (DoD), CoCOMs, DoD components, and other organizations in the areas of WMD threat reduction and consequence analysis, modern hazard prediction, long-term sustainment of DoD nuclear weapon system capabilities to include nuclear weapons maintenance, safety, Joint Nuclear Weapon Publications and logistics, and other WMD operational issues as well as targeting support to Combatant Commands, the intelligence community, and the civilian sector in support of deliberate and contingency planning.

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I. Description of Operations Financed: (Continued)

	<u>\$ in thousands</u>		
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
C. <u>Support to U.S. Strategic Command (USSTRATCOM) Center for Combating Weapons of Mass Destruction:</u>	0	4,963	27,165

The President's National Strategy to Combat Weapons of Mass Destruction (WMD) describes WMD in the hands of hostile states and terrorists as one of the greatest security challenges facing the U.S. The strategy reinforces the need of the DoD to continue to develop an integrated and comprehensive approach to counter the WMD threat. On January 6, 2005, the Secretary of Defense designated the Commander, USSTRATCOM as the lead CoCOM for integrating and synchronizing DoD efforts in combating WMD across the spectrum of doctrine, organization, training, material, leadership, personnel and facilities. On August 26, 2005, the Commander, USSTRATCOM formally established the USSTRATCOM Center for Combating Weapons of Mass Destruction (SCC) as a subordinate component with primary responsibility to support the Commander, USSTRATCOM in this endeavor. On August 26, 2005, the Commander, USSTRATCOM further requested appointment of the Director, DTRA, as the Director, SCC. DTRA plays a key role in this critical mission, as the SCC will highly leverage DTRA's capabilities and depth of experience in addressing the WMD challenge for the Department.

DTRA supports the SCC mission by developing tools; providing planning, policy and analytical support; and establishing the means for assessing and exercising capabilities to combat WMD. DTRA's efforts focus on enhancing global WMD situational awareness and providing for the development and maintenance of a world-wide WMD common operating picture. This budget also provides for efforts targeted towards enhancing interagency coordination and collaboration. DTRA provides access and connectivity to combating WMD

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I. Description of Operations Financed: (Continued)

expertise critical for planning, integrating and synchronizing efforts across the Department to support national combating WMD objectives. The DTRA further supports USSTRATCOM in its role as an advocate for combating WMD.

The Department provided FY 2007 funding to support the SCC primarily through an internal realignment of O&M resources: From the WMD Combat Support and Operations subactivity group (\$10,668 thousand); the Arms Control subactivity group (\$1,098 thousand); and the Core Operations subactivity group (\$563 thousand). Additionally, the Department transferred \$9,759 thousand in FY 2007 from the Research, Development, Test and Evaluation Defense-Wide account and the Procurement, Defense-Wide account to O&M,DW to support this effort. Funding for civilian personnel is also included in the FY 2007 estimate. Funding in FY 2006 supports the establishment of an initial operational capability to support the SCC; increased funding in FY 2007 provides for a fully operational capability.

	<u>\$ in thousands</u>		
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
D. <u>DTRA Core Operational Support Activities:</u>	123,803	119,879	114,383

The DTRA Core Operational Support Activities program represents a wide range of enabling functions which provide the necessary resources to support the Agency's core mission essential functions---to safeguard America and its friends from WMD by reducing the present threat and preparing for the future threat. The strong enabling functions, which comprise the Core Operational Support Activities program, are the foundation of everything DTRA does---resource management, security and asset protection, information management, and acquisition and logistics management---and provide the safety, security,

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I. Description of Operations Financed: (Continued)

D. DTRA Core Operational Support Activities:

and efficiency necessary for mission success. Activities funded in this budget activity group also provide for the essential management, planning, and administration of management headquarters functions, operational, and administrative support to all DTRA functional organizations.

The DTRA has embraced the concept of transformation as a continuous journey, not an end-state, and has progressed far beyond the merger of its legacy organizations. The DTRA has taken aggressive action to capitalize on mission synergies and best business practices and to increase focus on mission capabilities. These efforts have allowed DTRA to convert 257 positions from military to civilian as a result of a thorough evaluation of military essentiality. A robust strategic planning process guides resource decisions and enhances performance accountability. The DTRA is committed to a results-oriented human capital management program, incorporating such elements as strategic workforce planning; tailored use of hiring programs and recruitment and retention initiatives; establishing long-term relationships with the academic community; enhancing leadership and professional development; and enhancing performance management. Included in the FY 2007 budget submission are resources necessary to support the Defense Threat Reduction Center on Fort Belvoir, which has enabled the consolidation of all DTRA National Capital Region elements in a single, secure location, thus providing a framework for future transformation.

The DTRA has integrated its core support operations, functions, and resources, providing the highest possible level of support to the DTRA missions. The DTRA management headquarters and operational support functions include: the Office of the Director; facilities, engineering and logistics; information technology support; counterintelligence and force protection security; financial and human resources

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I. Description of Operations Financed: (Continued)

D. DTRA Core Operational Support Activities:

management; physical and information security; contracting and acquisition management; Chief Information Office; Albuquerque field office support; environment, safety, and health; program support and integration; mission support, innovation, and performance management and administrative support operations. Civilian personnel costs associated with the Agency's core operational requirements, which provide the foundational support to all of DTRA mission functions, represent nearly 4.2% of the total resources allocated to the DTRA budget.

1) Logistics/Information Technology Support Activities

Logistics support activities include leasing real estate through the General Services Administration and private sources; supply, equipment and material management, including physical plant equipment; facilities management; warehouse operations; civil engineering-related functions including environmental and safety engineering; and, transportation services.

Information Technology (IT) support includes developing DTRA-level information management capital investment strategies, and assisting the organizational components by providing IT services to the mission areas of arms reduction, arms control treaties, proliferation prevention, force protection, chemical biological defense, combat support, technology development, and the Cooperative Threat Reduction Program.

Information Technology support is provided to the DTRA end user via help desk services, software applications development and maintenance, systems engineering, and IT infrastructure (Local Area Network) services that are accomplished through contracted

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I. Description of Operations Financed: (Continued)

D. DTRA Core Operational Support Activities:

outsourcing. Specific IT support is also tailored to address base-level and long-haul communications requirements. Base-level support consists of providing Blackberry devices, cable television, pagers, cellular phones, and local and long distance telephone services. Long-haul communications includes providing Data/Voice and Defense Messaging Service capabilities to points outside the local area via the Wide Area Network. This support also includes video teleconferencing and the maintenance and operation of DTRA world-wide communications equipment.

The DTRA will expand Information Technology (IT) support services in FY 2006 and FY 2007 to include IT modernization, the development of strategies for IT solutions, independent verification and validation (IV&V) for on-going projects, enterprise solutions for IT, IT/Communications contingency of operations planning (COOP), and the expansion of outsourced functions to include asset management, change management, information assurance documentation, quality assurance, and management and control of the DTRA Operations Center.

2) Other Core Operational Support

Includes, but is not limited to, functions and activities associated with the Office of the Director, counterintelligence and force protection security, financial and human resources management, personnel and information/cyber security, contracting, acquisition management, inspector general, general counsel, equal opportunity, congressional liaison, public affairs, quality management, safety and occupational health, photographic, video production, publications and forms, document reproduction, printing, graphic art, and administrative support operations. This budget group also provides for costs for Defense Finance and Accounting Services.

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I. Description of Operations Financed: (Continued)

	\$ in thousands		
	FY 2005	FY 2006	FY 2007
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
E. <u>Defense Threat Reduction University:</u>	5,262	4,841	4,854

The DTRA is designated as the DoD Executive Agent for providing the warfighter with topical information relating to nuclear weapons. As part of DTRA, the Defense Threat Reduction University (DTRU) is the only Department of Defense (DoD) school for courses that familiarize the U.S. nuclear community with the national nuclear weapons stockpile and the nuclear weapons program. In addition, DTRU also provides training to the global nuclear community in nuclear weapons accident response procedures. To ensure comprehensive training, the DTRU maintains the DoD's only radioactive field training sites, as well as an extensive classified nuclear weapons display area. The DTRU trains students from all levels of DoD, federal and state agencies, and allied countries. The school provides specialized training in U.S. nuclear weapons, incident response, and counterproliferation with emphasis on operational support.

II. Force Structure Summary: Not Applicable

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III. Financial Summary: (\$ in thousands)

A. BA 4 Subactivities:

	<u>FY 2005 Actuals</u>	<u>Budget Request</u>	<u>FY 2006 Congressional Action</u>				<u>Current Estimate</u>	<u>FY 2007 Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>			
A. <u>Subactivities</u>								
A. Arms Control Inspection & Tech	75,494	79,963	-1,223	-1.5	78,740	78,058	77,379	
B. Weapons of Mass Destruction Combat Support & Operations	108,069	108,716	-1,527	-1.4	107,189	107,057	90,774	
C. USSTRATCOM Center for Combating WMD	0	0	0	0	0	4,963	27,165	
D. Core Operational Support	123,803	125,692	-1,901	-1.5	123,791	119,879	114,383	
E. Defense Threat Reduction University	5,262	5,728	-650	-11.3	5,078	4,841	4,854	
Total	312,628	320,099	-5,301	-1.7	314,798	314,798	314,555	

* The FY 2005 Actual column includes \$291.0 thousand of FY 2005 Supplemental funds (PL 109-13), and \$144.0 thousand of Iraq Freedom Fund transfers.

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III. Financial Summary: (\$ in thousands) (Continued)

B. Reconciliation Summary:

	<u>Change</u> <u>FY 2006/2006</u>	<u>Change</u> <u>FY 2006/2007</u>
Baseline Funding	320,099	314,798
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-5,301	
Subtotal Appropriated Amount	314,798	
Fact-of-Life Changes (CY to CY Only)	0	
Subtotal Baseline Funding	314,798	
Anticipated Supplemental		
Iraqi Freedom Fund Supplemental Funds Transfer		
Price Changes	0	7,133
Functional Transfers		10,759
Program Changes	0	-18,135
Current Estimate	314,798	314,555
Less Iraqi Freedom Fund Supplemental Funds Transfer		
Normalized Current Year	314,798	

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III. Financial Summary: (\$ in thousands) (Continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Total</u>
FY 2006 President's Budget Request		320,099
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
1) Unobligated Balances		-603
c. Adjustment to meet Congressional Intent		
d. General Provisions		-4,526
1) Sec 8087 - Advisory and Assistance Services	-603	
2) Sec 8125 - Economic Assumptions	-504	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-237	
4) 1% Rescission	-3,182	
e. Congressional Earmarks		
Sec 8044 - Indian Lands Environmental Impact		-172
FY 2006 Appropriated Amount		314,798
2. War-Related and Disaster Supplemental Appropriations		
a. Title IX, Department of Defense Appropriations Act, 2004, War-Related Appropriations Carryover (P.L. 108-324).		
3. Fact of Life Changes		
a. Technical Adjustments		0
1) Increase: Supports the initial operational capability for the establishment of the USSTRATCOM Center for Combating Weapons of Mass Destruction (SCC). Funding was provided through an internal realignment of O&M.	4,963	

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III. Financial Summary: (\$ in thousands) (Continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Total</u>
2) Decrease: From the WMD Combat Support and Operations subactivity group (\$-3,000 thousand) and Civilian personnel (\$1,963 thousand) to support the SCC.	-4,963	
b. Emergent Requirements		
FY 2006 Baseline Funding		314,798
4. Reprogrammings		
Revised FY 2006 Estimate		314,798
5. Less Reprogrammings: Iraqi Freedom Fund Supplemental Funds		
FY 2006 Normalized Current Estimate		314,798
6. Price Change		
7. Functional Transfers		
a. Transfers In		10,759
1) U.S. Strategic Command (USSTRATCOM): Support of the USSTRATCOM Center for Combating WMD effort internally within the Agency (from RDT&E and P,DW to O&M,DW.	9,759	
2) Classified Program Technical Adjustment: Funding for equipment maintenance in support of the Classified program internally within the Agency (from RDT&E to O&M,DW.	1,000	
8. Program Increases in FY 2007		889
a) Program Growth		
1) Treaty Assumptions and Other Mission Support: Reflects an anticipated increase in operating costs due to Entry into Force of Adapted Treaty in Conventional Forces Europe and	889	

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III. Financial Summary: (\$ in thousands) (Continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Total</u>
<p>due to Infrared Target Technology being introduced to the Open Skies Treaty. Add 13 Chemical Weapons Convention (CWC) missions to continue monitoring by the Organization for the Prohibition of Chemical Weapons (OPCW) as Chemical Demilitarization resumes at Tooele. Training costs include production, translation and transportation of training materials for the Plutonium Production Reactor Agreement (PPRA) will increase. Also, an increase for life-cycle replacement of equipment for Technical Equipment Inspection (TEI) for Arms Control Inspectors. (FY 2006 Base: \$78,058 thousand)</p>		
9. Program Decreases in FY 2007		
a) Program Decreases		-19,024
1) Civilian Personnel Adjustments: Reflects a reduction of three Full Time Equivalents as a result of planned efficiencies. (FY 2006 Base: \$116,655 thousand)	-326	
2) Strategic Arms Reduction Treaty (START): This reduction reflects a reduction of requirements that support START Conversion Elimination missions from 24 to 17 in FY 2007. (FY 2006 Base: \$10,908 thousand)	-241	
3) International Counterproliferation Program (ICP): Due to a cost savings realized as type of ICP missions conducted will result in less cost per mission. Policy visits typically involve fewer personnel and generate less cost than the training missions which involve production, translation, and transportation of training materials;	-217	

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III. Financial Summary: (\$ in thousands) (Continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Total</u>
procurement and delivery of law enforcement equipment; course delivery; and related travel expenses for participants. (FY 2006 Base: \$10,498 thousand)		
4) Other Mission Treaty Support: Higher Departmental priorities have driven a reduction to DTRA's support to the ODASD for Chemical Demilitarization and Threat Reduction and the Office of Treaty Compliance. Additionally, due to treaty slippage, planned Mayak and FMCT missions will not occur in FY 2007 and funds were realigned to other Agency priorities. Savings will also be realized in Small Arms/Light Weapons operating expenses. (FY 2006 Base: \$60,686 thousand)	-2,289	
5) Foreign Consequence Management: Represents a leveling off of program efforts and stabilization of the building block approach used in FY 2005 and FY 2006 for expansion to exercise execution, such as, seminars, table top exercises, command post exercises, and then actual exercise. (FY 2006 Base: \$12,075 thousand)	-2,550	
6) Unconventional Nuclear Warfare Defense (UNWD): Represents a transition of UNWD costs to the Services, who will become responsible for maintaining equipment and sustainment of the testbed in FY 2007. (FY 2006 Base: \$3,972 thousand)	-3,972	
7) Joint Staff Integrated Vulnerability Assessment (JSIVA): Reduction in estimated travel and equipment purchases associated with conducting assessments. (FY 2006 Base:	-460	

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III. Financial Summary: (\$ in thousands) (Continued)

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Total</u>
\$6,822 thousand)		
8) Hazard Prediction and Assessment Capability (HPAC)/Consequence Assessment: Reflects a re-assessment/re-evaluation of costs for Operational Reachback requirements. (FY 2006 Base: \$3,409 thousand)	-453	
9) Support to CoCOMs: Reduction of costs associated with development efforts for the technical and operational modeling and simulation scenarios for the Homeland Defense/Homeland Security community. (FY 2006: \$2,299 thousand)	-1,026	
10) Nuclear Test Personnel Review: Projected decrease in the backlog of Veterans Affairs (VA) claims, (approximately 200-300 claims) from the original estimate of 2,000 cases per year. (FY 2006 Base: \$7,044 thousand)	-591	
11) Information Technology Services: Realignment of resources within the DoD from office automation to meet higher priority information assurance needs. (FY 2006 Base: \$41,310 thousand)	-4,300	
12) DTRA Relocation: Adjustment for the completion of the DTRA relocation effort. (FY 2006 Base: \$2,504 thousand)	-2,504	
13) Defense Threat Reduction University (DTRU): The DTRU reflects a decrease in general operating expenses and contractual support primarily realized through increased usage of electronic media. (FY 2006 Base: \$4,841 thousand)	-95	
FY 2007 Budget Request		314,555

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IV. Performance Criteria and Evaluation Summary:

A. Arms Control Inspections and Technology:

<u>Type of Mission</u>	<u>Number of Missions</u>		
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Strategic Arms Reduction Treaty			
Inspection Activity	66	73	66
Escort Activity	28	29	29
Mock Missions	3	10	10
Conventional Armed Forces In Europe Treaty			
Inspection Activity	80	72	72
Escort Activity	14	81	81
Mock Missions	14	15	15
Chemical Weapons Treaty			
Inspection Activity	0	0	0
Escort Activity	113	120	133
Mock Missions	5	4	4
Open Skies Treaty			
Inspection Activity	11	9	9
Escort Activity	2	8	8
Mock Missions	5	12	12
International Counterproliferation Program (ICP)	70	82	82
Other Missions: Plutonium Production Reactor Agreements (PPRA)	8	12	12

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IV. Performance Criteria and Evaluation Summary: (continued)

B. WMD COMBAT SUPPORT AND OPERATIONS:

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
1) Inspection of Nuclear-Capable Units	18	22	25

2) Stockpile Operations - The workload associated with management of the nuclear weapons stockpile is primarily related to developing policies and procedures to be followed by CoCOMs and Services worldwide; monitoring the status of weapons, weapon issues and components; and developing, maintaining, fielding and providing day-to-day support for automated systems which are used to manage the stockpile during peace, crisis and war. Tracking nuclear weapons requires 100 percent accuracy and can never be minimized regardless of the number of weapons or components. The status and location of all weapons of the DoD nuclear stockpile must be known at all times and the components to support these weapons must be available when and where they are needed.

3) Emergency Response - DTRA serves as the DoD-lead for coordinating "DoD radiological accident response planning, training, and national-level exercises, with other Federal and international agencies" where the potential exists for a radiological accident/incident, as directed by DoD Directives 3150.8 and 5105.62, Under Secretary of Defense letter, and CJCS tasking through yearly JCS worldwide exercise schedules. Exercise costs are mission/location dependent, e.g., DIRECT FOCUS/CONUS FTX, approximately 125 participants, DIMMING SUN/OCONUS FTX, 2500 participants.

DTRA assists Federal, State, and local response to radiological emergencies as outlined in the National Response Plan, the Federal Response Plan, and applicable DoD Directives, and will continue its assistance in accordance with the new National Response Plan which took affect in mid-2005. Additionally, DTRA assists foreign governments as directed under 10 U.S.C. 404 and E.O 12966. Training and exercises incorporate activities that address assistance to civilian authorities. DTRA also maintains a deployable advisory team to assist CoCOMs consequence management response forces. Emergency Response is made up of several components that include plans and exercises,

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IV. Performance Criteria and Evaluation Summary: (continued)

consequence management and special nuclear programs. The table below represents the measurable criteria of planned exercises:

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
a) Number of Domestic Consequence Mgmt Exercises:			
1. Field Training Exercises (FTX)	1	2	2
2. Command Post Exercises (CPX)	1	2	4
3. Table Top Exercise (TTX)	4	4	4
4. Leadership Orientation Seminars (SEM)	4	4	4
b) Number of Foreign Consequence Management Exercises:			
1. Field Training Exercise (FTX)	0	0	0
2. Command Post Exercises (CPX)	4	6	5
3. Table Top Exercise (TTX)	6	7	7
4. Leadership Orientation Seminars (SEM)	9	9	11
c) Number of Terrorist Incident Exercises:			
1. Field Training Exercise (FTX)	2	0	0
2. Command Post Exercises (CPX)	1	0	0
3. Table Top Exercise (TTX)	0	0	0
4. Leadership Orientation Seminars (SEM)	0	0	0
5. Foreign, Service, and Agency Exercises	0	1	1

4) Joint Staff Integrated Vulnerability Assessments (JSIVA) assessment teams conduct independent anti-terrorism-specific vulnerability assessments of DoD installations and sites. These assessments provide an independent assessment capability to assist local commanders, on site, to identify anti-terrorism deficiencies and determine appropriate remedies that will mitigate the effects of future terrorist incidents. Current manning

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IV. Performance Criteria and Evaluation Summary: (continued)

and resource levels provide for a consistent level of 80-100 assessments per year, with equal distribution between the U.S. and overseas locations.

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
JSIVA Visits Conducted	87	88	94
<u>Sites Visited</u>			
EUCOM	9	13	17
NORTHCOM	45	54	57
PACOM	11	17	17
CENTCOM	21	1	0
SOUTHCOM	1	1	1
JFCOM	0	0	0
TRANSCOM	0	2	2
DoD Agencies Reviews	5	0	0
Mobile Training Team	9	6	6

The 87 assessments in FY 2005 equated to 91 assessment weeks and the 88 assessments in FY 2006 equate to 97 assessments weeks. This is due, in part, to the Services and CoCOMs creating "cluster bases." For example, Naval Base Kitsap, WA, is actually three major installations, which would have required three separate assessments, that have been combined under one command. The JSIVA was extended to two weeks to accommodate the increase in scope.

5) At a reduced level of funding, C3I assessments decreased in FY 2004 to 18 balanced survivability assessments and one red team assessment; in FY 2005-2006,

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IV. Performance Criteria and Evaluation Summary: (continued)

12 balanced survivability assessments and two red team assessments; and in 2007, six balanced survivability assessments and two red team assessments will be performed.

- 6) The workload for the Nuclear Test Personnel Review (NTPR) program involves:
 - (1) researching participation and establishing a register of DoD participants,
 - (2) collecting and analyzing all known sources of recorded dosimetry and radiation data applicable to participants, and reconstructing doses in cases where recorded doses are unavailable or incomplete,
 - (3) maintaining a comprehensive database of participation and dose information, along with supporting archival materials and documents,
 - (4) conducting an extensive public outreach program to ensure maximum interface with the supported participants,
 - (5) maintaining the history of each U.S. atmospheric nuclear weapons test operation,
 - (6) supporting studies to determine whether participants experience adverse health effects as a result of their test activities, and
 - (7) providing accurate and timely responses to requests for information from Congress, Veterans, the Department of Veterans Affairs, the Veteran's Board on Dose Reconstruction, and several other Government agencies.

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IV. Performance Criteria and Evaluation Summary: (continued)

The primary measures of workload are

- (1) the size of the repository maintained (400,000 plus persons),
- (2) the number of individual cases processed (up to 2,000 per year),
- (3) the number of dose reconstructions performed (up to 300 per year), and
- (4) the level of effort to support studies by independent agencies.

The primary performance criteria are

- (1) the reduction of the non-presumptive case backlog to below 500,
- (2) the turn-around time for individual cases processed (optimally 75% of all cases completed in 90 days),
- (3) the number of cases in process at any given time (optimally low 200s), and
- (4) the cost per dose reconstruction (\$8,000 - \$10,000).

7) The workload for the Radiation Experiments Command Center (RECC) involves

- (1) maintaining a centralized repository of records pertaining to about 2,600 individual DoD events that could be construed as human radiation experiments (HRE), and
- (2) preserving, maintaining, and operating a searchable database of DoD-identified HRE events to provide a resource for the military departments to conduct information searches supporting high-level external and internal inquiries.

8) The DTRA Collaboration Center (DCC) supports the CoCOMs, particularly JFCOM, by providing access to analytic resources, weather data, archives, and WMD experts. It also supports wargames and exercises with subject-matter expertise (SME) and analysis. The number of experiments, exercises, wargames and real-world events are primary workload measure. For FY 2005, this was ten significant events. Twelve events are expected in FY 2006 as the ability to support these events from the DCC comes on-line. DTRA will support 14 major experiments/exercises for FY 2007 and beyond. The Consequence Assessment Program supported DTRA and outside agencies by providing SME analysis on WMD

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IV. Performance Criteria and Evaluation Summary: (continued)

hazards and consequences to include counterproliferation, consequence management, force protection, and counter-terrorism. Primary tools used are the Hazard Prediction and Assessment Capability and the Consequence Assessment Tool Set. DTRA also provided weather, outreach, reachback, and training support to numerous DoD and Cabinet-level exercises, as well as real-world and National Security Special Events. For FY 2005, we used 30,000 hours in addition to the normal operational requirements and 25 domestic trips with 4 overseas. The estimates are approximately the same for FY 2006 and FY 2007.

D. DTRA Core Operational Support Activities:

The DTRA core operational support activities include the full-range of essential operational support functions to sustain DTRA's 2,000 civilian and military personnel, operating from 10 sites within the U.S. and seven sites overseas, as they pursue worldwide missions in counterproliferation, nuclear weapons support, technology security, arms control, Cooperative Threat Reduction, and the Chemical-Biological Defense program. Support functions include, but are not limited to:

Facilities, Engineering, and Logistics Office: Engineering support activities include leasing real estate through the General Services Administration and private sources; supply, equipment and material management, including physical plant equipment; facilities management; warehouse operations; and civil engineering-related functions. The Engineering Office provides this support to DTRA missions worldwide, including, for example: rental of apartments in Moscow, Vienna, and Almaty.

Logistics support activities include logistics planning and services (incorporating Support Agreements, Memorandums of Understanding/Memorandums of Agreement); logistics acquisition; material, equipment, inventory and supply management; warehouse operations;

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IV. Performance Criteria and Evaluation Summary: (continued)

transportation (air, ground, and commercial movement), commercial and leased mission/U-Drive vehicles, Commercial Travel Office; and mail services. The Logistics program supports general supplies and materials, office administration, and general logistical technical services needed to support DTRA mission activities. These logistics enabling functional activities are in full operation within the National Capital Region and at Kirtland AFB, New Mexico. This logistics support reaches DTRA mission activities worldwide, including, for example: transportation of food and materials into Russia to support the Strategic Arms Reduction Treaty (START) treaty continuous monitoring site in Votkinsk, Russia; procurement of vehicles in Moscow, Kiev, Almaty, and Yokota, Japan; Mail Service Programs including Military Express Mail, Overnight Ground and Air Express Mail, and Diplomatic Pouch; and support to DTRA personnel at the Army chemical demilitarization CONUS sites.

Financial and Human Resource Management: DTRA financial and human resource management activities reflect DTRA's complex mission. DTRA executes approximately \$2.6 billion per fiscal year from five Defense-wide appropriations, using \$1.2 billion from DTRA's obligation authority and \$1.4 billion from the DoD Chemical-Biological Defense Program funding and other external sources. The DTRA Business Directorate provides the full range of DoD planning, programming, budgeting, and execution services, including a partial in-house finance and accounting function and liaison with the Defense Finance and Accounting Service (DFAS). Human resources management includes the full range of personnel services for approximately 800 military and 1,100 civilian employees, as well as payroll and workforce management.

Information Technology Support: IT Support provides for operational requirements such as maintenance of the Local Area Network (LAN) and managing the day-to-day operation of office automation, IT equipment, software, printers and scanners, for approximately 2,000

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IV. Performance Criteria and Evaluation Summary: (continued)

employees at 12 sites worldwide. Efforts also include managing a customer information support center and trouble-shooting over 15,000 requests for assistance per year; serving as the Agency focal point for information systems plans and programs; providing and controlling 3,500 computer and ancillary IT equipment for Agency use; managing the operation and maintenance of all aspects of the Agency's information systems architecture; and operating the Agency's telecommunications center to provide secure and non-secure communications via DMS, secure voice, facsimile, telephone and mobile communications worldwide.

Legislative Affairs: The Legislative Affairs office has responsibility for all DTRA communication and interaction with Congress including hearings, briefings, responses to requests for information, and delivery of required reports and certifications. The number of such interactions has grown steadily in recent years. During the 1st Session of the 109th Congress, the DTRA LA office supported 290 such interactions including three hearings, 65 briefings, and 222 other Congressional requests for information.

Public Affairs: The Public Affairs function provides the Director and senior staff with counsel and assistance in public affairs matters. The office conducts strategic communication, operations and history activities. The staff serves as the principal agency point-of-contact for news media and public requests for information and acts as DTRA spokespersons. Public Affairs develops the Agency command briefing, the strategic plan brochure, the DTRA brochure and the command video/CD. The office maintains the Agency public access Internet website, local-area network website and the classified network website. It is also responsible for a daily electronic news and information summary. Public Affairs supports WMD crisis and consequence management planning, operations, exercises and training, including teaching about 22 classes per year and maintaining a deployable public affairs team.

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IV. Performance Criteria and Evaluation Summary: (continued)

The staff responds annually to approximately 150 media and 450 public inquiries; facilitates media briefings and interviews; publishes a monthly newsletter; publishes intranet news and information; conducts approximately 300 publication policy reviews for public release; provides news media training; publishes a historical book and completes an Agency annual historical report.

Environment, Safety and Health: The ES&H Division of the Business Directorate is responsible for improving and maintaining the overall readiness of the DTRA and the quality of life of its personnel. They annually provide approximately 250 medical consultations and 900 medical record reviews; conduct 250 radiation source shipments and 16 radiation source surveys; conduct 100% facility inspections; coordinate occupational health physicals and medical surveillance requirements; investigate accidents; manage environmental remediation at the Nevada Test Site; and implement Agency-wide environmental stewardship efforts.

Equal Opportunity Office: The EO Office has overall responsibility for establishing and implementing agency policy and procedures with regard to military and civilian discrimination complaints prevention, processing and adjudication; Alternative Dispute Resolution; Affirmative Employment and Diversity initiatives; and Reasonable Accommodations. They provide expert counsel and assistance to the Director, senior staff, managers and supervisors, agency employees, former employees and applicants in all matters concerning equal opportunity, preventing sexual harassment, dispute prevention and resolution, disability hiring and accommodations, affirmative employment programs and diversity. They provide continuous cultural and diversity awareness training; process approximately 35 informal complaints, 15 formal complaints, and ten formal investigations annually; and conduct seven staff assistance visits, five college recruitment trips, and ten special events annually.

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IV. Performance Criteria and Evaluation Summary: (continued)

Mission Support Services: The MSS Division of the Business Directorate manages 200 DTRA publications and creates and manages 140 DTRA forms; oversees proper management and storage of millions of documents; manages contracts and lease agreement for 100 office reproduction machines, processes 1,300 work orders for reproduction and printing services; manages the use of conference rooms; processes 1,100 work orders for photographic services and video production; and processes 1,550 work orders for design and graphic art services.

Security and Counterintelligence: S&C provides and/or facilitates protection services aimed at neutralizing the insider, terrorist, and foreign intelligence threats directed against DTRA personnel, activities, information, facilities, and cyberspace. It manages, conducts and coordinates the Antiterrorism/Force Protection, Personnel, Physical, Special Security and Technical Security missions in support of DTRA operations and/or its mission. S&C provides counterintelligence support for Arms Control, Research and Technology Protection, Inquiries and Assessments, Technical Counterintelligence Services, Briefings, Debriefings and Exercises. S&C manages the Foreign Counterintelligence Program, a multi-faceted program that employs proactive, defensive, and reactive measures that includes an array of counterintelligence functional services focusing on foreign intelligence threats targeted towards personnel, missions, facilities, information and cyber space of DTRA, Department of Defense, and other US government agencies.

Contracting and Acquisition Management: C&AM supports the Component Acquisition Executive (CAE) on acquisition and contracting matters for DTRA. C&AM interfaces with OUSD (AT&L) on acquisition workforce matters. It is responsible for the management of DTRA's major program acquisition process, defense priorities and allocation system; the acquisition, technology, and logistics workforce; award fee process; implementation of an

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IV. Performance Criteria and Evaluation Summary: (continued)

acquisition training program for the Agency's program/project managers and the Agency's Advisory and Assistance Services (A&AS) acquisition effort. C&AM publishes, maintains and enforces the Agency's acquisition/contract policies, and provides comprehensive acquisition/contracting support to meet the Agency's mission requirements. C&AM manages DTRA's Small Business and Competition Programs (Competition Advocate, Task Order Ombudsman and Small and Disadvantaged Business Utilization Specialist), and serves as Agency liaison for contracting related issues with external organizations, industry and institutions.

E. Defense Threat Reduction University:

In FY 2005, the Defense Threat Reduction University (DTRU) taught 21 courses, 60 in-resident classes and 39 Mobile Training Team (MTT) classes and taught nuclear core competencies, response and consequence management modules at 21 Non-DTRA sponsored courses; In FY 2006, the DTRU will teach 22 courses, 67 in-resident classes and 40 MTT classes. In FY 2007, the DTRU will teach 23 courses, 71 in-resident classes and 50 MTT classes and will continue to implement training transformation with a minimum of two courses transformed to web-based training. The DTRU provides training in the areas of nuclear core competencies; radiological/nuclear response training; and Chemical, Biological, Radiological, Nuclear Explosive/Consequence Management.

In FY 2006, the Agency will develop coordinated CBRNE training capability, operating at the international, federal, state, and local levels. Initial Operational Capability (IOC) is projected for FY 2008.

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IV. Performance Criteria and Evaluation Summary: (continued)

<u>Student Projections:</u>	<u>CoCOMs</u>			<u>Non-Combatant Commands</u>		
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
USA Active	673	693	706	178	183	186
USA Reserve	20	21	22	2	4	4
USA Guard	27	28	29	27	28	29
USAF Active	989	1019	1,050	212	218	225
USAF Reserve	27	28	29	6	9	10
USAF Guard	53	54	55	8	9	10
USN Active	327	337	347	83	84	88
USN Reserve	7	7	8	3	4	5
USMR Active	286	295	303	78	80	82
USMC Reserve	8	9	10	1	2	2
Other DoD	556	573	590	177	182	187
Non-DoD	0	0	0	265	270	280
Total	2,973	3,064	3,149	1,040	1,073	1,108
GRAND TOTAL by YEAR	4,013	4,137	4,257			

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IV. Performance Criteria and Evaluation Summary: (continued)

<u>Student Projection by</u> <u>Number of Contact Hours:</u>	<u>CoCOMs</u>			<u>Non-Combatant Commands</u>		
	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
USA Active	19,913	20,510	21,125	3,089	3,182	3,277
USA Reserve	414	426	439	64	66	68
USA Guard	416	428	441	64	66	68
USAF Active	28,677	29,537	30,423	5,149	5,303	5,462
USAF Reserve	598	616	634	107	110	113
USAF Guard	597	615	633	107	110	113
USN Active	8,132	8,376	8,627	1,051	1,083	1,115
USN Reserve	166	171	176	22	23	24
USMR Active	8,132	8,376	8,627	1,051	1,083	1,115
USMC Reserve	166	171	176	22	23	24
Other DoD	15,763	16,236	16,723	3,004	3,094	3,187
Non-DoD	0	0	0	7,722	7,954	8,193
Total	82,974	85,462	88,024	21,452	22,097	22,759
 GRAND TOTAL by YEAR	 104,426	 107,559	 110,783			

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V. Personnel Summary

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY 2005/2006</u>	<u>Change</u> <u>FY 2006/2007</u>
<u>Active Military End Strength (E/S)</u>					
<u>(Total)</u>	787	751	751	(36)	0
Officer	469	464	464	(5)	0
Enlisted	318	287	287	(31)	0
<u>Reserve Drill Strength E/S (Total)</u>	21	21	21	0	0
Officer	21	21	21	0	0
<u>Civilian E/S (Total)</u>	1,126	1,135	1,152	9	17
U.S. Direct Hire	1,126	1,135	1,152	9	17
Total Direct Hire	1,126	1,135	1,152	9	17
(Reimbursable Civilians Included Above (Memo))	(5)	(13)	(28)	8	15
<u>Active Military Average Strength</u>	657	625	625	(32)	0
Officer	371	367	367	(4)	0
Enlisted	286	258	258	(28)	0
<u>Reserve Drill Strength A/S (Total)</u>	21	21	21	0	0
Officer	21	21	21	0	0
<u>Civilian FTEs (Total)</u>	1,062	1,129	1,141	67	12
U.S. Direct Hire	1,062	1,129	1,141	67	12
Total Direct Hire	1,062	1,129	1,141	67	12
(Reimbursable Civilians Included Above (Memo))	(6)	(12)	(27)	6	15
Average Annual Civilian Salary	101,619	103,444	105,953	0	0

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V. Personnel Summary: (continued)

Explanation of Changes between years: Changes between FY 2005-FY 2006 reflect the final year of implementation of a DoD-approved plan to civilianize DTRA essential military positions that do not necessarily have to be performed by military personnel, thus returning the military positions to the Services (+107 full time equivalent (FTE) in FY 2005 and +60 FTE equivalent in FY 2006). It also reflects DTRA internal adjustments, primarily attributed to increased support to the Cooperative Threat Reduction Program by 7 FTEs. Changes between FY 2006-FY 2007 reflect an increase of 15 reimbursable FTEs to support the Domestic Nuclear Detection Office offset by decrease of 3 FTEs associated with internal Agency efficiencies.

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OP 32 Line	FY 2005 Actuals	Change from FY 2005 to FY 2006			FY 2006 Estimate	Change from FY 2006 to FY 2007		FY 2007 Estimate
		Price	Program	Price		Program		
		Growth	Growth	Growth		Growth		
101 Executive, General and Special Schedules	106,979	3,423	6,253	116,655	2,837	-326	119,166	
103 Wage Board	98	3	-101	0	0	0	0	
10 Voluntary Separation Incentive Pay ⁷	337	0	-337	0	0	0	0	
111 Disability Compensation	162	0	-162	0	0	0	0	
199 Total Civilian Personnel Compensation	107,576	3,426	5,653	116,655	2,837	-326	119,166	
308 Travel of Persons	15,226	365	1,509	17,100	375	-762	16,713	
399 Total Travel of Persons	15,226	365	1,509	17,100	375	-762	16,713	
401 DESC Fuel	8	1	-9	0	0	0	0	
416 GSA Managed Supplies & Materials	94	2	-96	0	0	153	153	
417 Locally Procured DoD Centrally Managed Supplies	47	1	-48	0	0	0	0	
499 Total Fund Supplies & Materials Purchases	149	5	-154	0	0	153	153	
671 Communications Services (DISA) (Reimbursable)	6,453	110	-3,120	3,443	93	0	3,536	
673 Defense Finance & Accounting Service	1,661	-45	1,440	3,056	-293	73	2,836	
699 Total Purchases	8,114	65	-1,680	6,499	-200	73	6,372	
703 AMC SAAM/JCS Exercises	1,040	-54	1,420	2,406	125	102	2,633	
771 Commercial Transportation	412	8	35	455	10	-235	230	
799 Total Transportation	1,452	-46	1,455	2,861	135	-133	2,863	
912 Rental Payments to GSA Leases (LUC)	4,947	124	-2,630	2,441	61	-1,349	1,153	
913 Purchased Utilities	230	6	-86	150	3	-102	51	
914 Purchased Communications	791	19	-186	624	14	-142	496	
915 Rents (Non-GSA)	466	11	-477	0	0	0	0	
917 Postal Services (USPS)	133	0	161	294	0	0	294	
920 Supplies & Materials (Non-centrally managed)	4,106	99	-1,486	2,719	59	77	2,855	
921 Printing & Reproduction	0	0	215	215	5	0	220	
922 Equipment Maintenance by Contract	2,559	61	-776	1,844	42	-11	1,875	
923 Facility Maintenance by Contract	516	12	232	760	17	-435	342	

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<u>OP 32 Line</u>	FY 2005 <u>Actuals</u>	Change from FY 2005 to FY 2006		FY 2006 <u>Estimate</u>	Change from FY 2006 to FY 2007		FY 2007 <u>Estimate</u>
		Price <u>Growth</u>	Program <u>Growth</u>		Price <u>Growth</u>	Program <u>Growth</u>	
925 Equipment Purchases (Non-centrally managed)	4,202	101	3,894	8,197	180	-1,345	7,032
932 Management & Professional Support Service	1,600	38	-1,488	150	3	0	153
933 Studies, Analysis, & Evaluation	8,643	207	-3,329	5,521	122	-847	4,796
934 Engineering Technical Services	0	0	799	799	18	81	898
937 Locally Purchased Fuel	146	22	448	616	222	312	1,150
987 Other Intra-governmental Purchases	19,548	469	1,759	21,776	479	2,012	24,267
989 Other Contracts	107,465	2,579	-28,198	81,846	1,799	-3,511	80,134
998 Other Costs	24,759	594	18,378	43,731	962	-1,121	43,572
999 Total Other Purchases	180,111	4,343	-12,771	171,683	3,986	-6,381	169,288
Total	312,628	8,158	-5,988	314,798	7,133	-7,376	314,555

* The FY 2005 Actual column includes \$291.0 thousand of FY 2005 Supplemental funds (PL 109-13) and \$144.0 thousand of Iraq Freedom Fund transfers.

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Defense Technology Security Administration
(DTSA)



February 2006

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**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
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 2004 <u>Actual</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
DTSA	19,399	556	1,382	21,337	441	121	21,899

* The FY 2005 Actual column and the FY 2006 Estimate column contains no supplemental funds.

I. Description of Operations Financed: The Technology Security program develops and implements DoD technology security policies on international transfers and prepares for the future threat through activities and programs that control, monitor, and prevent the transfer of defense-related goods, services, and technologies that could threaten U.S. national security interests. The Defense Technology Security Administration has six objectives that principally support the USG National Security Strategy of preparing for future threats: (1) critical US military technological advantages are preserved; (2) legitimate defense cooperation with foreign friends and allies is supported; (3) transfers that could prove detrimental to US security interests are controlled and limited; (4) proliferation of weapons of mass destruction and their means of delivery is prevented; (5) diversion of defense-related goods to terrorists is prevented; and (6) the health of the defense industrial base is assured.

The FY 2006 budget request is \$21.337 million and FY 2007 budget request is \$21.899 million. The FY 2007 budget request reflects an overall increase of \$.562 million over the FY 2006 current estimate. The increase of \$.562 million includes a price adjustment of \$.441 million and program decrease of \$-.326 million offset by program increase of \$.447 million. The programmatic increase adjustment reflects additional FTE cost and copiers life cycle purchase. The programmatic decrease reflects adjustments of operational requirements, such as contract support reduction.

DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
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II. Force Structure Summary: The Technology Security Program supports three basic areas: (1) technology security policy; (2) technology security implementation; and (3) technology security compliance and enforcement, as follows:

Technology Security Policy: (1) Determines, coordinates and issues Department of Defense (DoD) positions on export control regulations, control lists, entity/project/end-user lists, commodity jurisdiction and classification matters; (2) Determine, coordinate, and issue technology security guidelines and procedures to DoD components and organizations; (3) Provide support to and participating in USG discussions and negotiations with foreign governments and international organizations on export control matters, including the design and implementation of international export control regimes; (4) Represent DoD in interagency processes on technology security policy and implementation matters; and (5) Working with OUSD(AT&L), the Military Services and other OSD entities, to ensure the success of such initiatives like NATO Defense Capabilities Initiative, Global War on Terrorism and Operation Enduring Freedom.

Technology Security Implementation: (1) Determines, coordinates, and issues DoD positions on export license applications referred to DoD by regulatory agencies; (2) Provide policy and technical input to the National Disclosure Policy Committee dealing with disclosure guidance for classified military information; (3) Determines, coordinates, and issues DoD positions on reviews of foreign investment in U.S. defense-related companies with the Treasury-chaired Committee on Foreign Investment in the United States; and (4) Administers the responsibilities of the former Armed Services Patent Advisory Board including coordinating DoD's review process for patent secrecy determinations.

Technology Security Compliance and Enforcement: (1) Coordinates and implements the Space Launch Safeguards and Monitoring Program; (2) Identifies and applies safeguards on specific transfers of controlled military and dual-use goods and technologies to mitigate security risks associated with diversion or misuse; (3) Determines, coordinating, and issuing DoD positions on compliance and enforcement related matters referred to DoD by export control regulatory agencies, including review and advice on voluntary disclosures under the International Traffic in Arms Regulations; and (4) Provides technical support to technology security intelligence, enforcement, and diplomatic organizations and activities of the U.S. Government.

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III. Financial Summary (\$ in Thousands)

		FY 2006						
		Congressional Action						
A. <u>Subactivities</u>	<u>FY 2005</u>	<u>Budget</u>	<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>	<u>Current</u>	<u>FY 2007</u>	
	<u>Actuals</u>	<u>Request</u>				<u>Estimate</u>	<u>Estimate</u>	
Admin & Service-wide	19,399	21,697	-360	-1.66	21,337	21,337	21,899	
		Change		Change				
B. <u>Reconciliation Summary</u>		<u>FY 2006/FY 2006</u>	<u>FY 2006/FY 2007</u>					
Baseline Funding		21,697	21,337					
Congressional Adjustments (Distributed)								
Congressional Adjustments (Undistributed)			-41					
Adjustments to Meet Congressional Intent								
Congressional Adjustments (General Provisions)			-307					
Congressional Earmarks			-12					
Subtotal Appropriated Amount			21,337					
Fact-of-Life Changes (CY to CY Only)								
Subtotal Baseline Funding								
Anticipated Supplemental								
Reprogrammings								
Price Changes					441			
Functional Transfers								
Program Changes					121			
Current Estimate			21,337		21,899			

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request	21,697	21,697
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments - Unobligated Balances	-41	-41
c. Adjustments to meet Congressional Intent - 1% Rescission	-216	-216
d. General Provisions		-91
1) Sec 8087 - Advisory and Assistance Services	-41	
2) Sec 8125 - Economic Assumptions	-34	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-16	
e. Congressional Earmarks - Indian Lands Environmental Impact	-12	-12
FY 2006 Appropriated Amount	21,337	21,337
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding	21,337	21,337
4. Reprogrammings		
Revised FY 2006 Estimate	21,337	21,337
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate	21,337	21,337
6. Price Change	441	441
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Costs		
c. Program Growth in FY 2007		447
1) Civilian Pay: This increase provides annualization for one Full-Time Equivalent (FTE) in support of one military-to- civilian conversion and two additional FTEs to support the technical review of Space-Related Export Licenses. (FY 2006 Baseline: 15,386K)	274	
2) Equipment Purchase: This increase provides acquisition support associated with implementing life cycle cost for the purchase	118	

**DEFENSE TECHNOLOGY SECURITY ADMINISTRATION
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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
of copiers. (FY 2006 Baseline: 98K)		
3) Operational Requirements: This increase supports requirements associated with general operation functions, such as Defense Finance Accounting Service (DFAS), communications, other governmental purchases, etc. (FY 2006 Baseline: 4,025K)	55	
9. Program Decreases		
a. One-Time FY 2006 Costs		
b. Annualization of FY 2006 Program Decreases		
c. Program Decreases in FY 2007		-326
1) Other Contracts: This decrease supports requirements associated with general operation functions, such as acquisition support associated with copier maintenance while implementing life cycle purchase of new copiers and contractual support associated with implementing the Technology Security Process Improvement Plan (FY 2006 Baseline: 1,824K)	-326	
FY 2007 Budget Request	21,899	21,899

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IV. Performance Criteria and Evaluation Summary

These workload performance indicators, or Technology Security Actions (TSAs), represent a wide range of work accomplished by the Technology Security program: Policy, License, and Technology. The TSAs represent a generic weighted unit of measure, which allows for the tracking and analysis of our business activity. The composite number of such actions actually counted, e.g., review and analysis of munitions and dual-use export applications, preparation of policy documents, and technical support to interagency/international negotiations represent a major application of resources to achieve all mission, regulatory and statutory objectives. Many TSAs are devoid of precise performance measurement criteria, e.g., one particular policy development/implementation may take a portion of three professionals a total of one staff week, whereas another may take several staff-months.

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Technology Security Actions (TSAs)	100,607	102,619	104,671

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<u>V. Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change FY 2005/ FY 2006</u>	<u>Change FY 2006/ FY 2007</u>
<u>Active Military End Strength (E/S) (Total)</u>	32	31	31	-1	
Officer	16	16	16		
Enlisted	16	15	15	-1	
<u>Civilian End Strength (Total)</u>	135	155	155	20	
U.S. Direct Hire	135	155	155	20	
Total Direct Hire	135	155	155	20	
Memo: Reimbursable Civilians Included	24	38	38	14	
<u>Active Military Average Strength (A/S) (Total)</u>	32	31	31	-1	
Officer	16	16	16		
Enlisted	16	15	15	-1	
 <u>Civilian FTEs (Total)</u>	 133	 152	 152	 19	
U.S. Direct Hire	133	152	152	19	
Total Direct Hire	133	152	152	19	
Memo: Reimbursable Civilians Included	24	38	38	14	
 <i>Average Annual Civilian Salary</i>	 <i>130,699</i>	 <i>131,520</i>	 <i>136,572</i>		

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

		<u>Changes from FY 2005 to</u>			<u>Changes from FY 2006 to</u>			
		<u>FY 2006</u>			<u>FY 2007</u>			
		<u>FY 2005</u>	<u>Price</u>	<u>Program</u>	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>
		<u>Program</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>
<u>CIVILIAN PERSONNEL COMPENSATION</u>								
0101	Exec, Gen and Special Schedules	14,205	440	741	15,386	338	274	15,998
0199	Total Civilian Personnel Compensation	14,205	440	741	15,386	338	274	15,998
<u>TRAVEL</u>								
0308	Travel of Persons	323	8	48	379	8	1	388
0399	Total Travel	323	8	48	379	8	1	388
<u>OTHER FUND PURCHASES</u>								
0673	Payments to DFAS	185	-5	81	261	-25	29	265
0699	Total Purchases	185	-5	81	261	-25	29	265
<u>OTHER PURCHASES</u>								
0912	Rental Payments to GSA Leases	1,015	25	-86	954	24	-14	964
0914	Purchased Communications	276	7	-78	205	5	1	211
0917	Postage (U.S.P.S.)	3	0	0	3	0	0	3
0920	Supplies & Materials (Non-Fund)	85	2	35	122	3	1	126
0921	Printing and Reproduction	0	0	1	1	0	0	1
0922	Equipment Maintenance by Contract	18	0	2	20	0	-20	0
0925	Equipment Purchases (Non-Fund)	90	2	6	98	2	118	218
0987	Other Intra-Government Purchases	2,003	48	-236	1,815	40	15	1,870
0989	Other Contracts	919	22	863	1,804	40	-306	1,538
0998	Other Costs	263	7	5	289	6	22	317
0999	Total Other Purchases	4,686	113	512	5,311	120	-183	5,248
9999	GRAND TOTAL	19,399	556	1,382	21,337	441	121	21,899

Fiscal Year (FY) 2007 Budget Estimates
Department of Defense Dependents Education
(DoDDE)



February 2005

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**DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 President's Budget**

Operation and Maintenance, Defense-Wide (\$ in thousands)

Budget Activity 04: Administration and Service-wide Activities

	<u>FY 2005 Actuals</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2006 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>
DoDDE	1,985,721	87,836	-272,889	1,800,668	58,701	-130,518	1,728,851

* The FY 2005 Actual column includes \$69.6 million of FY 2005 Supplemental funds (PL 109-13), \$68.0 million of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), and \$10.0 million of FY 2004/FY 2005 Title IX obligations (PL 108-287).

* The FY 2006 Estimate column excludes \$50.0 million of FY 2006 Title IX funds (PL 109-148).

I. Description of Operations Financed: The Department of Defense Dependents Education (DoDDE) programs are the Department of Defense Education Activity (DoDEA), the Family Advocacy Program (FAP), and the Transition Assistance Program (TAP).

DoDEA is the Presidential and national showcase for education excellence. DoDEA provides a world-class education program that inspires and prepares all students in military communities around the world to be successful and responsible citizens in a dynamic global environment. Courses of study in DoDEA schools parallel those found in public schools in the United States. The DoDEA schools' diverse curriculum offerings fully support the DoDEA Community Strategic Plan. DoDEA schools are an important quality of life issue for military families and impacts the level of military retention. DoDEA is a DoD field activity operating under the direction, authority and control of the Under Secretary of Defense for Personnel and Readiness (P&R) and Deputy Under Secretary of Defense for Military Community and Family Policy (MC&FP). The DoDEA is comprised of the Management Headquarters, the Consolidated School Support, the Department of Defense Dependents Schools (DoDDS), and the DoD Domestic Dependent Elementary and Secondary Schools (DDESS).

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I. Description of Operations Financed: (Continued)

The DoDDS educates 63,554 students in 147 schools located in 13 countries (Bahrain, Belgium, Cuba, Germany, Iceland, Italy, Japan, Korea, Netherlands, Portugal, Spain, Turkey, and the United Kingdom). The DoDDS program is supported by 8,538 full-time equivalent staff. The DoDDS also funds 2,253 students enrolled in the Non-DoD Schools Program.

The DDESS educates 27,802 students in 68 schools located in seven states (Alabama, Georgia, Kentucky, New York, North Carolina, South Carolina, and Virginia), the Commonwealth of Puerto Rico, and the Territory of Guam. The DDESS program is supported by 4,164 full-time equivalent staff. The DDESS manages special arrangement contracts that provide funds for tuition and transportation services for 1,567 students in local school districts in locations not served by DDESS. Special arrangement contracts are located in Delaware, Kansas, Massachusetts, and New York. DDESS also funds 397 students enrolled in the Non-DoD Schools Program.

The Management Headquarters is responsible for overseeing, directing and controlling agency activities as well as establishing educational standards, developing agency-wide policy and guidance, monitoring programs and outcomes, providing technical assistance and garnering resources for the DoDEA. The Management Headquarters provides educational leadership, support and direction to area directors, district superintendents and school administrators. The Management Headquarters also conducts educational program evaluations, coordinates curriculum materials adoptions, implements educational programs that reflect national trends, and coordinates professional development and accountability profiles. Additionally, Management Headquarters provides counsel to the Under Secretary of Defense (P&R) on matters relating to educational programs.

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I. Description of Operations Financed: (Continued)

The Consolidated School Support functions include the streamlined functional areas of human resources administration, financial management, logistics, procurement, information technology, internal review, manpower management, and safety and security.

To ensure sustained high levels of student achievement, the DoDEA developed a Community Strategic Plan (CSP) with goals and benchmarks that drive funding and organizational improvements. The CSP is the catalyst for changing the teaching and learning process; raising the standard of learning to ensure excellence; creating greater local autonomy in devising methods and strategies to meet the standards; creating a common language for communication among all stakeholders; and creating greater accountability for reaching the expected outcomes. The CSP unifies the strategic direction for both DoDDS and DDESS while it provides the flexibility to address each program and community's unique issues and challenges. The plan provides a road map for keeping DoDEA in the forefront in advancing the DoD's agenda for education, and as a leader in the Nation for improving student performance and achievement.

DoDEA's schools are mostly overseas. The DoDEA performs its mission in many unique and demanding circumstances due to geography, U.S. national interests and the current military environment, and DoDEA operations continue during this period of heightened security and threat of terrorism. This budget request supports DoDEA's plans to:

- Strengthen the high school (9-12) program to include advanced studies, support and enrichment in academic courses, enhanced college and career counseling, professional/technical preparation, and increased distance learning for student learning and professional staff development;
- Increase staffing and provide specialized equipment and furnishings for children with moderate to severe disabilities to comply with the Individuals with Disabilities Education Act (IDEA);

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I. Description of Operations Financed: (Continued)

- Infuse technology into the curriculum;
- Support the President's Foreign Languages Initiative; and
- Embrace the spirit of the President's initiative for the "No Child Left Behind" Reform Act of 2001.

The DoD global defense posture review and known plans for realignment and closures are reflected herein.

The Family Advocacy Program (FAP) consists of funding allocations for each of the Military Services and the Defense Logistics Agency for use in their Family Advocacy Programs including New Parent Support Programs; and the headquarters support staff, one military authorization, and the Military Family Resource Center. The majority of funding is distributed to the Military Services for program costs to provide high quality FAP prevention and treatment services at 300 installations. The FAP staff of over 800 civilians and 650 contractors executes the FAP within the Military Departments down to installation level. The budget also includes official travel, communications, office supplies and equipment, printing and reproduction, and contractual services. This budget includes funding for the DoD Family Advocacy Command Assistance Team deployments for out-of-home allegations of child sexual abuse in the DoD-sanctioned activities, and operation of the DoD Hotline for reporting allegations of child abuse or safety violations within military child care settings. The FAP missions are:

- Family Advocacy:
 1. Establish, develop, and maintain comprehensive programs for the prevention, identification, and treatment of child and spouse abuse.
 2. Raise professional awareness of military family violence; foster cooperation among the Services and between military and civilian agencies; and enhance multidisciplinary approaches for addressing the problems associated with family violence.
 3. Collect and analyze abuse incident data.

DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION
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I. Description of Operations Financed: (Continued)

4. Evaluate prevention and treatment programs.
 5. Develop standards for joint-services efforts.
 6. Develop multidisciplinary coordinated community approaches that build strong and resourceful individuals, couples, and families to ensure the safety of all members of the community.
 7. Cooperate with responsible civilian authorities in efforts to address problems associated with Family Advocacy.
 8. Provide additional victim advocate services to military service members and their families.
 9. Provide shelter services on an as-needed basis to victims of domestic violence in order to provide a safe place to live temporarily.
- Family Assistance:
 1. Provide 24/7 family and service members assistance to military members and their families via a toll free 1-800 number worldwide.
 2. Provide support operations for more than 3,000 severely injured service members and their families. Also, provide counselors hired in and around military installations to advocate for and assist the severely injured and their families with the vast array of needs that arise to enable them to adapt to day to day life in the community in which they live.
 3. Provide access to non-medical counseling services across a broad area to include readjustment counseling for returning service members, financial counseling, employment counseling for spouses, counseling on relationships and communication issues, and other areas.
 4. Provide a warm hand-off to Tricare for those situations that warrant medical related assistance.
 5. Enhance the availability of childcare resources to military members.

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I. Description of Operations Financed: (Continued)

The Transition Assistance/Relocation Assistance Programs are provided to all separating military personnel and their families. Relocation assistance is also provided for active duty permanent change of station moves. The TAP staff, nearly 400 civilians and approximately 225 contractors, executes the TAP in the Military Departments down to installation level. Funding will maintain staffing at 213 transition and 262 relocation sites worldwide. The RAP staff, over 175 civilians and approximately 80 contractors, similarly executes the RAP in the Military Departments down to installation level. Funding supports program service delivery, training, marketing, overseas job fairs, and veteran's counselors, database development and maintenance, and other automation support. Initiatives include an operational internet web site for the DoD Job Search, Transition Bulletin Board (TBB), the Standard Installation Topic Exchange Service (SITES), a public web site providing general relocation information and a personal financial management web site for relocation and transition service members. As authorized by the National Defense Authorization Act (Public Laws 101-510, 101-189, and 102-484), the TAP/RAP mission is to:

1. Encourage and assist separating or retiring military personnel to enter public or community service jobs,
2. Provide employment assistance to separating Service members and their spouses, and
3. Establish a DoD Relocation Assistance Program (RAP) to provide information and services during permanent change of station or transition.

II. Force Structure Summary: N/A

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Financial Summary (O&M: Dollars in Thousands):

Budget Activity (BA) 4:

	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
DoDEA	1,580,140	1,513,904	34,307	2.3%	1,547,346	1,553,016	1,467,175
Mgt HQ	27,076	30,888	-545	-1.8%	30,343	31,372	33,366
CSS	98,764	64,310	55,002	85.5%	118,447	**113,304	58,856
DoDDS	1,085,061	1,043,117	-13,671	-1.3%	1,029,446	1,035,482	1,010,811
DDESS	369,239	375,589	-6,479	-1.7%	369,110	372,858	364,142
Family Advocacy	349,407	196,411	47,745	24.3%	194,156	189,351	201,477
Transition Assistance	56,174	59,313	-1,012	-1.7%	58,301	58,301	60,199
DoDDE Total	1,985,721	1,769,628	81,040	4.6%	1,799,803	1,800,668	1,728,851

**Includes \$865 thousand no-year carryover funds.

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Financial Summary (O&M: Dollars in Thousands): (Continued)

Reconciliation Summary:

	Change	Change
	<u>FY 2006/FY 2006</u>	<u>FY 2006/FY 2007</u>
Baseline Funding	1,769,628	1,800,668
Congressional Adjustments (Distributed)	11,900	
Congressional Adjustments (Undistributed)	21,421	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-2,163	
Congressional Earmarks	-983	
Subtotal Appropriated Amount	1,799,803	
Fact-of-Life Changes (CY to CY Only)	865	
Subtotal Baseline Funding	1,800,668	1,800,668
Anticipated Supplemental Reprogrammings		
Price Changes		58,701
Functional Transfers		
Program Changes		-130,518
Current Estimate	1,800,668	1,728,851
Less: Wartime Supplemental		
Normalized Current Estimate	1,800,668	1,728,851

**DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION
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C. Reconciliation of Increases and Decreases:

	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		1,769,628
1. Congressional Adjustments		30,175
a. Distributed Adjustments	11,900	
1) Galena IDEA	4,250	
2) Lewis Center Educational Research	2,550	
3) Math and Tech Teachers Development	1,000	
4) Repair and Improvement of Windows and Doors	1,000	
5) Jason Foundation	1,000	
6) Center for Study and Treatment of Dyslexia	1,000	
7) Mesorah Heritage Foundation	1,000	
8) Our Military Kids, Inc.	100	
b. Undistributed Adjustments	21,421	
1) Impact Aid	30,000	
2) Special Assistance for Local Education Agencies	7,000	
3) Impact Aid-Children with Disabilities	5,000	
4) Parents as Teachers	1,000	
5) 1% Rescission	-18,140	
6) Unobligated Balances	-3,439	
c. Adjustments to Meet Congressional Intent		
d. General Provisions	-2,163	
1) Section 8087: Advisory and Assistance Services	-3,439	
2) Section 8125: Economic Assumptions	-2,871	
3) Section 8109: Excessive Growth in Travel	-1,353	
4) Section 8110: Transfer to X-Year	5,500	
e. Congressional Earmarks - Section 8044: Indian Lands Mitigation	-983	

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C. Reconciliation of Increases and Decreases:

	<u>Amount</u>	<u>Totals</u>
FY 2006 Appropriated Amount		1,799,803
2. War-Related and Disaster Supplemental Appropriations		
a. FY 2006 Title IX funds (PL 109-148)		50,000
3. Fact of Life Changes: No-Year carryover		865
FY 2006 Baseline Funding		1,850,668
4. Reprogrammings		
Revised FY 2006 Estimate		1,850,668
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-50,000
FY 2006 Normalized Current Estimate		1,800,668
6. Price Change		58,701
7. Functional Transfers		
8. Program Increases		23,716
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007	23,716	
1) Partial restoral of the FY 2006 1% rescission to miscellaneous contracts within DoDDE to support educational and quality of life programs. (Baseline: \$433,316 thousand)	9,521	

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C. Reconciliation of Increases and Decreases:

	<u>Amount</u>	<u>Totals</u>
2) Reflects changes in the Sustainment, Restoration and Modernization Model requirements associated with changes in criterion and conditions. (Baseline: \$77,119 thousand)	9,151	
3) Increased costs associated with changes to the Family Advocacy Program for domestic violence and family counseling programs such as financial assistance and support to young troops and families. (Baseline: \$47,500 thousand)	2,500	
4) Growth associated with Defense Finance and Accounting Service Direct Billable Hours (DBH) rate increase and DBH and Defense Travel System (DTS) workload increases. (Baseline: \$8,000 thousand)	840	
5) Increased costs for A-76 studies for the Information Technology, Human Resources & Administrative/Clerical functions. (Baseline: \$903 thousand)	540	
6) Support of the Non-DoD Schools Program tuition payments for eligible DoD dependents on Kwajalein Atoll. (Baseline: \$30,036 thousand)	483	
7) Increased toll-free and online assistance program (militaryonesource.com) to support families 24 hours a day/7 days a week. (Baseline: \$20,800 thousand)	400	
8) Increased costs associated with increased bandwidth (T-1 lines). (Baseline: \$8,800 thousand)	200	

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C. Reconciliation of Increases and Decreases:

	<u>Amount</u>	<u>Totals</u>
9) Increased GSA rental for the DoDEA Headquarters building (Webb Building, 4040 N. Fairfax Drive, Arlington, VA). (Baseline: \$2,760 thousand)	81	
9. Program Decreases		-154,234
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases	-62,613	
1) Distributed Adjustments	-12,162	
a) Galena IDEA	-4,344	
b) Lewis Center Educational Research	-2,606	
c) Math and Tech Teachers Development	-1,022	
d) Repair and Improvement of Windows and Doors	-1,022	
e) Jason Foundation	-1,022	
f) Center for Study and Treatment of Dyslexia	-1,022	
g) Mesorah Heritage Foundation	-1,022	
h) Our Military Kids, Inc.	-102	
2) Undistributed Adjustments	-43,946	
a) Impact Aid	-30,660	
b) Special Assistance for Local Education Agencies	-7,154	
c) Impact Aid-Children with Disabilities	-5,110	
d) Parents as Teachers	-1,022	
3) Adjustments to Meet Congressional Intent		
4) General Provisions	-6,505	

**DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION
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C. Reconciliation of Increases and Decreases:

	<u>Amount</u>	<u>Totals</u>
a) Section 8110: Transfer to X-Year	-5,621	
b) Section 8110: Transfer to X-Year	-884	
c. Program Decreases in FY 2007	-91,621	
1) Reflects decreased requirements associated with anticipated school closures, declining enrollment and reduced staffing. (Baseline: \$1,401,159 thousand)	-54,290	
2) Reduced funding for Sustainment, Restoration and Modernization programs worldwide as a result of Fact of Life adjustment. (Baseline: \$77,119 thousand)	-30,110	
3) Reflects decreased requirements for administrative travel and staff development associated with reduced staffing. (Baseline: \$93,448 thousand)	-5,943	
4) Decreased civilian pay costs due to declining enrollment and school closures. (Baseline in thousands: 1,116,444 thousand)	-1,202	
5) Decreased funding associated with DoDDE's share of assessed Federal Employees Compensation Act (FECA) disability compensation as billed by the U.S. Department of Labor. (Baseline: \$2,757 thousand)	-76	

FY 2007 Budget Request

1,728,851

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IV. Performance Criteria and Evaluation Summary:

DoDEA

Enrollment and Number of Schools:

Enrollment:

	<u>FY 2005 Actuals</u>	<u>FY 2006 Estimate</u>	<u>FY 2007 Estimate</u>
Special Education	1,001	990	990
Sure Start	1,120	1,103	1,103
Pre-kindergarten	2,461	2,461	2,461
Kindergarten	9,259	9,188	9,188
Grades 1 through 12	77,855	77,614	77,614
DDESS Special Arrangements	1,567	1,567	1,567
Non-DoD Schools Program	<u>2,525</u>	<u>2,636</u>	<u>2,650</u>
Total	95,788	95,559	95,573
<u>Number of Schools:</u>	220	215	215

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Performance Criteria and Evaluation Summary: (Continued)

Fiscal Year 2006 reflects the closure of the following six (6) schools: Kitzingen Primary School (Bavaria, DoDDS-Europe); Kitzingen Intermediate School (Bavaria, DoDDS-Europe); West Ruislip Elementary School (Isles, DoDDS-Europe); Pusan Elementary School/High School (Korea, DoDDS-Pacific); Stone Street Elementary School (Camp Lejeune, DDESS); and Berkeley Manor Elementary School (Camp Lejeune, DDESS). Fiscal Year 2006 also reflects the opening of Bitz Elementary School (Camp Lejeune, DDESS).

<u>Funding Levels</u>	<u>FY 2005</u>		<u>FY 2006</u>		<u>FY 2007</u>
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Estimate</u>	<u>Estimate</u>
Sustainment	73,722	41,919	83,334	72,827	48,241
Restoration and Modernization	12,028	19,889	4,292	4,292	11,395
Demolition	-	-	-	-	-
Total DoDDE	85,750	61,808	87,626	77,119	59,636
DoDDE		54%		86%	59%
Department Sustainment Goal		95%		95%	95%

Performance Criterion #1 - Cost and Productivity Metrics: Improve student achievement and education quality consistent with Presidential and national educational goals.

Goal 1 for FY 2007: Per pupil costs across DoDEA will not increase more than 7% over the previous year.

Goal 2 for FY 2007: The average K-12 pupil to teacher ratio will not be less than 18:1 and not greater than 24:1 during FY 2007-2011.

Goal 3 for FY 2007: In accordance with the DoDEA Community Strategic Plan, 75% of students should perform at or above the standard category on the CTBS

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Performance Criteria and Evaluation Summary: (Continued)

TerraNova 2nd Edition test battery and no more than 8% fall in the below the standard category by 2006.

Goal 4 for FY 2007: In FY 2007-2011, no less than 95% of the DoDEA teachers will be professionally certified in the subject area and grade level to which they are assigned within three years of employment.

Goal 5 for FY 2007: One hundred percent of the DoDEA schools will receive and maintain accreditation through their regional accreditation agency.

Performance Criterion #2 - Quality and Customer Responsiveness Metrics: The DoDEA conducts independent surveys of its major stakeholder groups, sponsors, students and teachers, every two years to measure satisfaction levels with the programs and services provided. The survey results are incorporated into each School's Improvement Plan to ensure continued improvement on issues affecting student achievement and satisfaction with the DoDEA education program.

Goal 1 for FY 2007: Customer Satisfaction Survey results will be communicated to major stakeholders and used to identify priority areas for school, district, area and system improvement.

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Performance Criteria and Evaluation Summary: (Continued)

Performance Criterion #3: Under the Family Advocacy Program, ensure programs supporting military members and their families provide command flexibility, adopt a community development approach and are cost effective, efficient, and focused on outcomes. The planned strategy is as follows:

- Promote regionalization, reduction of duplication, integration of services, and internal and external partnerships at all levels.
- Promote technology as a primary tool.
- Increase education initiatives for program staff and commanders to shift program delivery from a center-based to an outreach, community development approach.

Goal for FY 2007: Continue to incorporate web-based training in the FAP program. The goal is three courses per year.

Performance Criterion #4: Diminish negative effects of primary stressors unique to military life. The planned strategy is as follows:

- Provide policy and guidance to promote integrated services targeting deployment, reunion, casualty, and other contingency situations.
- Provide policy and guidance to reduce the incidence and effects of all forms of family violence; child abuse and neglect, spouse abuse, and youth violence.

Goal for FY 2007: Continue to extend the use of contract Victim Advocates to respond to the specific needs of victims in order to preclude further violence.

**DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION
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Performance Criteria and Evaluation Summary: (Continued)

Performance Criterion #5: Ensure that resources and state-of-the-art technology are provided to enhance the employability and financial stability of service members and their families. The planned strategy is as follows:

- Identify tools and resources to support efficient and effective delivery systems.

Goal for FY 2007: Develop and implement baselines and evaluation criteria for all economic well-being programs.

Performance Criterion #6: Promote joint and regional services for economic well-being programs. The planned strategy is as follows:

- Leverage resources through partnerships, technology, and regional/joint initiatives.

Goal for FY 2007: Develop and implement baselines and evaluation criteria for obtaining funding for all economic well-being programs.

Performance Criterion #7: Ensure that economic well-being policies support the needs of military families, as well as the legislative and executive branches. The planned strategy is as follows:

- Provide policy guidance to Military Departments to develop programs to improve the economic well-being of service members and their families.

Goal for FY 2007: Identify redundant processes in economic well-being programs.

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V. Personnel Summary:

	<u>FY 2005</u> <u>Actuals</u>	<u>FY 2006</u> <u>Estimate</u>	<u>FY 2007</u> <u>Estimate</u>	<u>Change</u> <u>FY06/07</u>
<u>Active Military End Strength (E/S)</u>	<u>1</u>	<u>1</u>	<u>1</u>	-
Officer (Air Force)	1	1	1	-
<u>Civilian End Strength (Total)</u>	<u>15,708</u>	<u>15,488</u>	<u>14,940</u>	<u>-548</u>
U.S. Direct Hire	15,365	15,135	14,598	-537
Foreign National Direct Hire	93	95	91	-4
Total Direct Hire	15,458	15,230	14,689	-541
Foreign National Indirect Hire	250	258	251	-7
<u>Active Military Average Strength (A/S)</u>	<u>1</u>	<u>1</u>	<u>1</u>	-
Officer (Air Force)	1	1	1	-
<u>Civilian FTEs (Total)</u>	<u>13,696</u>	<u>13,637</u>	<u>13,137</u>	<u>-500</u>
U.S. Direct Hire	13,368	13,300	12,810	-490
Foreign National Direct Hire	93	95	91	-4
Total Direct Hire	13,461	13,395	12,901	-494
Foreign National Indirect Hire	235	242	236	-6
Average Annual Civilian Salary	80,384	82,071	84,478	

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

	Change FY 2005/FY 2006				Change FY 2006/FY 2007				FY 2007 Estimate
	FY 2005 Actuals	For'n. Curr Rate Diff.	Price Growth	Program Growth	FY 2006 Estimate	For'n. Curr Rate Diff.	Price Growth	Program Growth	
SES, General & Special Schedules	1,071,049		36,970	-20,521	1,087,498		34,656	-43,568	1,078,586
Wage Board	16,409		384	76	16,869		375	-830	16,414
Foreign National Direct Hire (FNDH)	2,824	371	131	-374	2,952	115	142	-311	2,898
Benefits to Former Employees	937		21	-96	862		19	-20	861
Disability Compensation	2,279		57	421	2,757		72	-76	2,753
Travel of Persons	96,537	8,412	2,315	-17,816	89,448	2,812	1,929	-2,657	91,532
Stock Fund Supplies and Materials	819		31	-850	-		-	-	-
Stock Fund Equipment Purchases	511		12	-523	-		-	-	-
Defense Finance and Accounting	7,216	13	-194	965	8,000	4	-776	840	8,068
SDDC Other	493	49	22	-221	343	15	-16	-18	324
Commercial Transportation	13,617	154	272	-318	13,725	48	288	39	14,100
Foreign Nat'l Indirect Hire (FNIH)	7,435	1,347	300	-819	8,263	435	343	-763	8,278
Rental Payments to GSA (SLUC)	3,493		85	45	3,623		79	81	3,783
Purchased Utilities (Non-fund)	20,235	1,736	487	-1,029	21,429	592	468	-576	21,913
Purchased Communications (Non-fund)	10,848	450	258	6,253	17,809	149	388	1,309	19,655
Rents (Non-GSA)	10,942	1,398	260	-1,590	11,010	437	241	-440	11,248
Postal Service (U.S.P.S.)	236	3	6	-25	220	1	5		226
Supplies and Material (Non-fund)	39,444	581	946	838	41,809	185	920	-2,473	40,441
Printing and Reproduction	2,148	47	49	-176	2,068	14	43	-16	2,109
Equipment Maintenance by Contract	7,937	144	181	232	8,494	48	184	-	8,726
Facility Maintenance by Contract	61,808	5,805	1,483	8,023	77,119	1,779	1,697	-20,959	59,636
Equipment Purchases	20,567	239	493	-1,558	19,741	91	435	-142	20,125
Mgmt & Professional Support Svcs	1,599		38	-734	903		20	540	1,463
Studies, Analysis and Evaluations	114		2		116		2		118
Engineering & Technical Services	1,449		35	-44	1,440		32	39	1,511
Other Intra-government Purchases	403,428	918	9,683	-168,602	245,427	289	5,399	8,913	260,028
Grants	37,240		894	4,270	42,404		933	-43,337	-
Other Contracts	89,801	7,484	2,154	-23,100	76,339	2,132	1,677	-26,093	54,055
Other Costs	30		1	-31	-		-	-	-
Foreign Currency Variance	54,149		1,300	-55,449	-		-	-	-
Interest Penalty Payments	127	6	3	-136	-		-	-	-
Total	1,985,721	29,157	58,679	-222,889	1,800,668	9,146	49,555	-130,518	1,728,851

* The FY 2005 Actual column includes \$69.6 million of FY 2005 Supplemental funds (PL 109-13), \$68.0 million of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), \$0 of Iraq Freedom Fund transfers, and \$10.0 million of FY 2004/FY 2005 Title IX obligations (PL 108-287).

Fiscal Year (FY) 2007 Budget Estimates National Defense University (NDU)



February 2006

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**NATIONAL DEFENSE UNIVERSITY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates**

**Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) 3: Training and Recruiting**

	FY 2005 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
NDU	93,056	2,588	-26,945	68,699	1,040	15,392	85,131

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

I. Description of Operations Financed:

Funding provides for the operation and support of the DOD school, National Defense University, specifically for its colleges and institutions located at Fort McNair, Washington, D.C., (National War College, Industrial College of the Armed Forces, Information Resources Management College, Institute for National Strategic Studies, Capstone) and Norfolk, Virginia (Joint Forces Staff College). NDU is one of the primary DOD centers for seminars and symposia and frequently supports DOD and Congressional representatives with professional development and conferencing. NDU is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools.

Of the \$26.9 million reduction from FY 2005 to FY 2006, \$-21.7 million is for the functional transfer of the regional centers (Center for Hemispheric Defense Studies, Africa Center for Strategic Studies and Near East-South Asia Center for Strategic Studies) to the Defense Security Cooperation Agency. This includes reductions in civilian personnel compensation, travel, equipment purchases, and contracts. The remaining \$-5.2 million is for reduced levels of management support services, adjustments to the estimated pay rate, and, a change in the life-cycle replacement and sustainment of IT resources. The FY 2006 to FY 2007 increase reflects a standard price change of \$1.0 million and a program change of \$15 million. The program change is the result of two new initiatives: establishment of a reserve corps of linguists, and the creation of K-12 and university level immersion language programs.

NATIONAL DEFENSE UNIVERSITY
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I. Description of Operations Financed: (continued)

The NDU is under the direction of the Chairman of the Joint Chiefs of Staff as provided in the amended 1986 Department of Defense Reorganization Act. The Chairman defines the objectives and policies for Professional Military Education (PME) for the United States Armed Forces through the Military Education Division of the Joint Staff. Specific objectives and policies for PME appear in CJCS Instruction 1800.01C, "Officer Professional Military Education Policy," dated 22 December 2005, and for NDU in CJSCI 1801.01, dated 1 July 2002, "National Defense University Education Policy." The NDU is located at Ft. McNair, Washington, DC, and Norfolk, VA. Its colleges and institutions are:

- National War College
- Industrial College of the Armed Forces
- Information Resources Management College
- Joint Forces Staff College
- Institute for National Strategic Studies
- CAPSTONE
- National Security Education Program

National War College

The National War College (NWC) conducts a senior-level course of study in national security strategy to prepare selected military officers and federal officials for high-level policy, command, and staff responsibilities. The College emphasizes the joint (multi-service) and interagency perspectives and awards the Master of Science in National Security Strategies. The NWC graduated 224 students for Academic Year (AY) 2005 which consisted of 138 U.S. military (46 Army, 46 Air Force, 16 United States Marine Corps (USMC), 28 Navy, and 2 Coast Guard), 12 Defense Leadership Management Program (DLAMP), 12 DOD civilians, 30 non-DOD, and 32 International officers. The AY 2006 class consists of 208 students (128 U.S. military (42 Army, 42 AF, 15 USMC, 27 Navy, and 2 Coast Guard),

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I. Description of Operations Financed (Continued)

10 DLAMP, 11 DOD civilians, 27 non-DOD, and 32 International officers). The number of students for AY 2007 will reflect the same student load as AY 2006.

Industrial College of the Armed Forces

The Industrial College of the Armed Forces' mission is to prepare selected military officers and civilians for senior leadership and success in developing national security strategy and in evaluating, marshalling, and managing resources in the execution of that strategy. The College emphasizes the joint (multi-service) and interagency perspectives and awards its graduates a Master of Science degree in National Resource Strategy. For AY 2005, ICAF graduated 314 students (183 U.S. military, 24 international officers, 77 from DOD and DLAMP agencies, 20 from non-DOD agencies and 10 private sector). The 183 military consisted of 56 from Army, 60 Air Force, 46 Navy, 19 USMC and 2 USCG.

Information Resources Management College

The Information Resources Management College (IRM College) prepares leaders to direct the information component of national power by leveraging information and information technology for strategic advantage. IRM College programs are designed to provide a dynamic forum in which senior defense professionals and the broader military and federal civilian communities gain knowledge, skills, and competencies for IRM leadership. Primary areas of concentration include policy, strategic planning, leadership/management, process improvement, capital planning and investment, performance and results-based management, technology assessment, enterprise architecture, information assurance and security, acquisition, organizational transformation, and information operations. The college offers the following programs: Chief Information Officer (CIO) Certificate Program; Advanced Management Program; Information Assurance Certificate Program; Chief Information Security Officer Certificate Program; Organizational Transformation Certificate Program; Enterprise Architecture Certificate Program; and the Information

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I. Description of Operations Financed (Continued)

Technology Project Management Certificate. The college is nationally recognized for its curriculum in information systems security by the Committee on National Security Systems and is certified as an NSA Center of Academic Excellence in Information Assurance Education. The College also educates students as a part of the DOD Information Assurance Scholarship Program. In AY 2005, students filled 3,167 seats. IRMC accepted 313 new students into the Chief Information Officer Certificate Program, 327 into the Information Assurance Certificate Program, and 28 into the e-Government Leadership Program. Overall, IRMC decreased the number of intensive courses offerings by 11.7 percent; 31.9 percent of all intensive course offerings are now offered through distributed learning, up from 29 percent in the prior academic year. In the future, IRMC plans to convert additional offerings of intensive courses to the distributed learning format and experiment with alternative formats.

Joint Forces Staff College

The Joint Forces Staff College (JFSC) is an intermediate and senior-level joint college whose mission is to educate military officers and other national security leaders in joint, multinational, and interagency teamwork, attitudes, and perspectives. The College accomplishes this mission through four schools: the Joint Advanced Warfighting School (JAWS), the Joint and Combined Warfighting School (JCWS), the Joint Continuing and Distance Education School (JCDES), and the Joint Command, Control, and Information Operations School (JC2IOS). In AY 2005, JFSC had 1,060 graduates from its JPME programs, including 25 JAWS graduates who were awarded Master of Science in Joint Campaign Planning and Strategy, JCWS graduated 826 active component duty officers, and JC2IOS graduated 309 students. Recent efforts include the high demand one-week Homeland Security Planners Course and the new Joint, Interagency, and Multinational Planners Course both offered four times a year at JFSC and periodically at remote locations. The new Joint Information Operations Planning Course (JIOPC) was introduced in AY 2005 and fills a

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I. Description of Operations Financed (Continued)

critical role in the Secretary of Defense's IO Roadmap. Finally, nonresident courses were taught to over 3,000 students.

CAPSTONE

CAPSTONE, a congressionally mandated Joint Professional Military Education program, educates approximately 160 newly selected general and flag officers, and selected senior civilians with an anticipated growth to 172.

Chief Information Officer

The CIO organization seeks to invest in leading edge technology to best facilitate the educational mission. Component faculty and staff have a strong interest in obtaining and using current technology to enhance the learning environment.

National Security Education Program

The mission of the National Security Education Program (NSEP) is to equip Americans with an understanding of less commonly taught languages and cultures and enable the nation to remain integrally involved in global issues related to U.S. National Security. The NSEP is also chartered to build a critical base of future leaders, both in government service and in higher education, who have cultivated international relationships and worked and studied alongside experts of other countries. The goal is to develop a cadre of professionals with more than the traditional knowledge of language and culture who can use this ability to help the U.S. make sound decisions on and deal effectively with global issues related to U.S. National Security; and to enhance institutional capacity and increase the number of faculty who can educate U.S. citizens toward achieving these goals. In FY 2007, funds will provide for an expansion of the NSEP National Flagship Program, an effort that supports the President's National Security Language Initiative and the Quadrennial Defense Review (QDR), by expanding efforts in Arabic, Chinese, Persian languages, as well as initiating programs in Central and South Asian languages.

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I. Description of Operations Financed (Continued)

A Civilian Linguist Reserve Corps is a second FY 2007 program initiative that supports the QDR. This program will provide and maintain a civilian corps of language experts in languages integral to the security of the nation.

II. Force Structure Summary: N/A.

III. Financial Summary

	FY 2006							FY 2007 Estimate
	FY 2005 Actual	Budget Request	<u>Congressional Action</u>		Current Estimate			
A. Budget Activity (BA)3: Sub-activities			Amount	Percent	<u>Appropriated</u>			
NWC	1,295	1,350	0	0	1,350	1,350	1,378	
ICAF	1,967	1,345	0	0	1,345	1,345	1,390	
IRMC	1,033	1,805	-371	-20.6	1,434	1,434	1,405	
JFSC	7,389	6,625	-231	-3.5	6,394	6,394	5,347	
INSS	1,569	3,090	-199	-6.4	2,891	2,891	2,790	
Regional Centers	10,592	0	0	0	0	0	0	
NSEP	0	0	1,000	0	1,000	1,000	19,200	
Labor	47,551	41,586	0	0	41,586	41,586	42,200	
<u>Other Programs</u>	<u>21,660</u>	<u>11,357</u>	<u>1,342</u>	<u>11.8</u>	<u>12,699</u>	<u>12,699</u>	<u>11,420</u>	
Total	93,056	67,158	1,541	2.3	68,699	68,699	85,131	

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

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III. Financial Summary (\$ in Thousands)

B. <u>Reconciliation Summary</u>	<u>Change FY 2006/FY 2006</u>	<u>Change FY 2006/FY 2007</u>
Baseline Funding	67,158	68,699
Congressional Adjustments (Distributed)	2,700	
Congressional Adjustments (Undistributed)	-132	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-989	
Congressional Earmark	-38	
Subtotal Appropriated Amount	68,699	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	68,699	68,699
Anticipated Supplemental Reprogrammings		
Price Changes		1,040
Functional Transfers		
Program Changes		15,392
Current Estimate	68,699	85,131
Less: Wartime Supplemental		
Normalized Current Estimate	68,699	85,131

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<u>C. Reconciliation of Increases and Decreases (\$ in thousands)</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		67,158
1. Congressional Adjustments		
a. Distributed Adjustments	2,700	1,541
b. Undistributed Adjustments - Unobligated Balances	-132	
c. Adjustments to meet Congressional Intent		
d. General Provisions	-989	
1) Sec 8087 - Advisory and Assistance Services	-132	
2) Sec 8125 - Economic Assumptions	-110	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-52	
4) 1 percent Rescission	-695	
e. Congressional Earmarks - Indian Lands Environmental Impact	-38	
FY 2006 Appropriated Amount		68,699
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding		68,699
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		68,699
5. Less: Item 2, War-Related and Disaster Supplemental and		
FY 2006 Normalized Current Estimate		68,699
6. Price Change		1,040
7. Functional Transfers		
8. Program Increases (NSEP new initiatives)		17,913
a. Expansion of National Flagship Language Immersion Program	9,512	
b. Creation of Civilian Linguist Reserve Corps	8,401	
9. Program Decreases		-2,521
- Decreases in travel, supplies and IT Contractor support as	-2,521	
FY 2007 Budget Request		85,131

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IV. Performance Criteria and Evaluation Summary:

The current National Defense University mission is to prepare military and civilian leaders from the United States and other countries to address national and international security challenges, through multi-disciplinary educational programs, research, professional exchanges, and outreach. NDU proposes to revise its mission to preparing military and civilian leaders from the United States and other countries to successfully meet national and international security challenges. NDU conducts graduate level education, research, and outreach to improve joint, interagency, and coalition operations. The university has identified the following values as keys to the success of this transition:

- **Academic Freedom** - A climate that promotes and protects free expression, analysis and intellectual exchange.
- **Collegiality** - A nurturing community that promotes and rewards cooperation and collaboration.
- **Diversity** - An environment that embraces diverse people, ideas, and cultures.
- **Excellence** - An institution that recognizes and rewards superior performance, innovation and creativity.
- **Growth and Development** - An environment that fosters intellectual and physical well being.
- **Integrity** - An organizational culture based on openness, honesty, trust and ethical conduct.

In order to achieve these core values, NDU has identified a broad range of university-wide strategic departmental goals and performance objectives to meet the new mission of preparing military and civilian leaders from the United States and other countries to successfully meet national and international security challenges.

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IV. Performance Criteria and Evaluation Summary: (continued)

Academic Programs

Strategic Goal: Provide academic programs that respond to the evolving needs of the national security community.

Objectives:

- 1) Develop and teach academic programs that are relevant and current.
- 2) Conduct high quality academic programs that include appropriate content, rigor, and depth.
- 3) Ensure all academic programs are meeting the intended purpose, focused on continuous improvement, and making a contribution to national security.

Strategies:

- Maintain close relationship with sponsors, students, graduates, and user communities to ensure program goals are met
- Assess new programs to ensure adequate funding, congruency with university mission areas, and effective program development
- Internally assess new and existing programs at both the University and Component levels (involving administration, faculty, and students) to ensure they meet the need and are high-quality and effective
- Ensure accountability and effectiveness with external sponsoring and academic communities from both a content and qualitative perspective
- Assess program outcomes by the user community and graduates.

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IV. Performance Criteria and Evaluation Summary: (continued)

Performance Measures:

- Percentage internal education/research programs tied to a documented national security need and sponsor
- University and its programs maintain all required internal and external certifications and accreditations
- University maintains accountability for meeting mission requirements as evidenced in reports to the Chairman, Joint Chiefs of Staff, other stakeholders, and internal University-level assessments
- Percentage graduates/supervisors and/or user community that believes NDU academic programs/products increased their ability to meet national security challenges
- Percentage of new curriculum, research, and outreach initiatives meeting university-level academic targets as outlined in program plans

External Factors:

- Middle States Association of Colleges & Schools (Standards of Excellence)
- Middle States Report of Findings
- JCS guidance & Joint Professional Military Education Criteria (CJSCI 1801B)
- PAJE Report of Findings
- Law (Title 10 USC, Subtitle A, Part III, SEC 2165)
- Office of the Secretary of Defense guidance & funding documents
- National Security Strategy

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IV. Performance Criteria and Evaluation Summary: (continued)

Office of Primary Responsibility: Academic Affairs

Institutional Communications

Strategic Goal: Develop and implement a comprehensive internal and external institutional communications program between the university and its audiences in order to increase awareness of the university and to support accomplishment of its mission.

Objectives:

- 1) Develop effective and efficient two-way communications between leadership, faculty, staff, and students to ensure and facilitate exchange of information in support of university and component missions.
- 2) Inform, influence, and persuade attentive national and international audiences regarding issues of import in a manner that supports the university's mission.
- 3) Establish and maintain effective two-way communications with stakeholders and influential audiences in a manner that supports the University vision and mission.

Strategies:

- Review communications structures and methods and assess current effectiveness in order to develop communications approaches
- Review and define potential audiences
- Define messages
- Define communications tools
- Develop an institutional communications (public affairs) plan

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IV. Performance Criteria and Evaluation Summary: (continued)

Performance measures:

- Number of products produced.
- Quality, attractiveness, accuracy, and consistency of products produced.
- Actions or responses from the intended audiences.

External factors:

- Resource commitment and tasking to the public affairs office
- Laws, policies, and regulations
- Freedom of the press issues
- Academic freedom issues
- The national security environment and related strategies

Office of Primary Responsibility: Public Affairs

Information Technology

Strategic Goal: Provide a robust, reliable, and accessible information infrastructure that supports NDU's educational and business processes.

Objectives:

- 1) Continuously improve information infrastructure availability.
- 2) Ensure that all NDU faculty, staff, students, and designated participants have global access to the necessary and appropriate information technologies

Strategies:

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IV. Performance Criteria and Evaluation Summary: (continued)

- Maintain Information Strategic Action Performance Plan (ISAP2).
- Ensure robustness through a secure, responsive, sustainable, and redundant network; responsive to changing information technology and maintaining "state of the market" industry standards.
- Provide reliability with an information infrastructure that is "available" when the customer wants to use it.
- Ensure accessibility so every designated individual (faculty, student, staff member, participant) will be able to access and use the NDU information infrastructure from anywhere in the world, 24 hours a day, 7 days a week.
- Ensure NDU community members are able to communicate with NDU educational and business partners.
- Chief Information Office takes responsibility to secure inputs from all components and staff using information technology resources.

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Performance Measures:

- Mean-time between failures for the information infrastructure
- Number of authorized personnel who are able to gain access to the NDU information infrastructure when the need to, regardless of location.
- Chief Information Office
- Monthly basic support performance reports
- Quarterly performance goal reports
- Compliance with continuous or specific dates in the Information Strategic Action Plan (ISAP2)

External Factors:

- The information technology workforce
- Technological change and advances
- Changes in policy
- Changes in funding from external sources

Office of Primary Responsibility: Chief Information Officer

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Human Resources (HR)/ Development

Strategic Goal: Recruit, develop and retain the highest quality and diverse faculty and staff.

Objectives:

- 1) Effective Human Resources Policy Development/Management in support of NDU goals and mission accomplishment
- 2) Effective Personnel Management in support of NDU goals and mission accomplishment
- 3) Effective Personnel Administration in support of NDU goals and mission accomplishment
- 4) Responsive Customer Support to NDU employees
- 5) Effective Mail Distribution in support of NDU mission accomplishment
- 6) Quality Support to Long-term Students (ICAF, NWC and JFSC)
- 7) Effective Management Control Program
- 8) Effective HR Information Systems Technology

Strategies:

- Develop a formal university HR Steering Board
- Develop the NDU Human Capital Management Plan
- Develop an employee survey system to capture trends, perceptions, etc.
- Develop a customer service survey system
- Develop a formal training needs assessment/methodology/system for employees and managers.
- Prepare for and conduct a smooth transition to National Security Personnel System (NSPS)

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- Continuously examine (directed/self-initiated) and improve policies and processes to achieve dependable and customer-oriented practices in Human Resource Management
- Maintain effective relationships with NDU Directorates and Components and collaborate with them to develop innovative solutions to meet the University's needs
- Plan recruitment/retention to meet mandated faculty to student ratio and faculty service mix

Performance Measures:

- The university has implemented a comprehensive human capital master plan that is sound, rational, vetted through components, and continuously reviewed
- NDU components collaborate and help shape human capital policies
- Manning levels meet the needs of NDU management/components
- Internal university personnel are satisfied that services are adequate and focused on the user
- NDU personnel data are reliable, accurate and accessible via automated systems
- Accreditation maintained

External Variables:

- Implementation of NSPS
- Federal rules and regulations & HR case law
- Service rules, practices and strategies
- Office of Personnel Management inspections
- Accreditation guidelines
- Economy / local hiring market

Office of Primary Responsibility: Human Resources

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Resource Management

Strategic Goal: Improve financial management through performance and budget integration.

Objectives:

1. Ensure full implementation of University-wide Performance Based Budgeting
2. Improve financial management accuracy throughout the University through a better understanding of the complete cost of our programs
3. Provide responsive support to internal and external RMD customers

Strategies:

- Provide clear policies and procedures to ensure effective Resource Management and Execution
- Ensure funds are distributed to components based on detailed execution plans
- Ensure execution plans are based on scheduled/planned documented mission tasking
- Ensure cost estimates for mission activities are based on detailed, accurate data and are updated annually and as needed
- Ensure components explain deviations from their execution plans
- Ensure reimbursable accounts are managed per the Financial Management Regulation
- Ensure all OSD budget exhibits are accurate and submitted on time
- Ensure an effective internal control program is maintained
- Ensure timely submission of manpower changes into Table of Distribution
- Ensure quality execution of fiscal resources through systems accounting

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Performance Measures:

- NDU Financial execution plan established each fiscal year
- Percent of components with approved execution plans at the start of fiscal year
- Accuracy and timeliness of financial exhibits submitted to OSD/Comptroller
- Percent of programs with accurate (and annually updated) cost estimates
- Percent of NDU elements complete with Defense Travel System implementation (100% of group travel accomplished using DTS within one year software release and implementation)
- All card-holder data accurately recorded and properly filed
- Percent of Centrally Billed Account statements complete/accurate by submission)
- Number of Government Travel Cards suspended
- Percent participation in annual OSD Internal Control Program (ICP) process
- Percent of components receiving annual ICP training
- Green or above rating by OSD for NDU ICP process

External Factors:

1. Accreditation processes
2. OSD as a source of reimbursable tasks
3. Non-DOD government entities as sources of reimbursable tasks
4. OUSD/C for direction and oversight of the financial management process
5. Congressional interest in NDU
6. Government Performance and Results Act

Office of Primary Responsibility: Resource Management

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Facilities and Infrastructure

Strategic Goal: Provide high quality facilities and services that anticipate evolving university missions

Objectives:

- 1) NDU components have priority for facility usage and a standardized method of acquiring and using space throughout the university.
- 2) Internal university personnel are satisfied that services are adequate and user-focused.
- 3) Proper space utilization in accordance with established policies and regulations.

Strategies:

- Develop a formal process whereby evolving university missions are reflected in appropriate modifications in the physical plant. Key stakeholders must be a part of this process to include: Department of Academic Affairs, School Deans, CIO, Resource Management Directorate, Operations Directorate, and Command Group.
- Increase strategic leverage of existing campus facilities.
- Optimize the balance between physical (local and deployed) programs and virtual/distributed learning offerings.
- Pursue conduct of NDU activities worldwide.
- The university has a comprehensive facility master plan that effectively manages current operations and addresses future needs.
- A written vision exists for university expansion beyond the campus (e.g. distributed learning, alternative classroom sites).
- A coordinated facility master plan (a formal framework) is developed and tracked to identify current resources and use, projected future needs, and a timeline for development of new requirements.

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- A facility usage chart is developed (with intranet visibility) with sign-up capability.

Performance Measures:

- Measure of ideal vs. actual space use at regular intervals and upon major changes.
- Accreditation.
- Percentage of university personnel satisfied with services. Action plan developed for deficiencies.

External Variables:

- Availability of resources to implement integrated plan (mostly manpower).
- New missions or significant changes in existing ones.
- Changes imposed by external agents (Fort Myer Military Community, Naval Base Norfolk).
- Changes in interface with adjacent communities (DC, Norfolk).
- Changes in technology, particularly communications/Audio Visual.
- Changes in applicable codes, laws and regulations.
- Levels of external support, particularly for maintenance and services.

Office of Primary Responsibility: Engineering

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V. Personnel Summary:

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY2005/FY2006</u>	<u>Change</u> <u>FY2006/FY2007</u>
<u>Active Military Endstrength (E/S) (Total)</u>					
Officer	180	179	178	-1	-1
Enlisted	90	90	90	0	0
<u>Reservists on Full Time Active Duty (E/S) Total</u>					
Officer	7	7	7	0	0
<u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	569	511	519	-58	+8
(Reimbursable Civilians Included Above)	89	83	83	-6	0
<u>Active Military Average Strength (A/S) (Total)</u>					
Officer	180	179	178	-1	-1
Enlisted	90	90	90	0	0
<u>Reservists on Full Time Active Duty (A/S) (Total)</u>					
Officer	7	7	7	0	0
<u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	543	491	502	-52	+11
(Reimbursable Civilians Included Above)	89	80	80	-9	0
Average Annual Civilian Salary (\$)	104,738	101,182	100,009		

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<u>VI. OP-32 Line Items</u>	FY 2005	Price	Prog	FY 2006	Price	Prog	FY 2007
	<u>Prog</u>	<u>Growth</u>	<u>Growth</u>	<u>Prog</u>	<u>Growth</u>	<u>Growth</u>	<u>Prog</u>
<u>CIVILIAN PERSONNEL COMPENSATION</u>							
101 Executive, General & Special Schedules	47,195	1,622	-7,783	41,034	462	32	41,528
103 Wage Board	356	12	184	552	12	112	676
199 Total Civilian Personnel Compensation	47,551	1,634	-7,599	41,586	474	144	42,204
<u>TRAVEL</u>							
308 Travel of Persons	5,527	116	-1,518	4,125	87	-47	4,165
<u>DWCF SUPPLIES & MATERIAL PURCHASES</u>							
416 GSA Managed Supplies & Materials	220	5	8	233	5	-1	237
<u>DWCF EQUIPMENT PURCHASES</u>							
507 GSA Managed Equipment	3,860	81	-2,704	1,237	26	-372	891
<u>TRANSPORTATION</u>							
771 Commercial Transportation	0	0	4	4	0	0	4
<u>OTHER PURCHASES</u>							
912 Rental Payments to GSA (SLUC)	938	20	-272	686	14	-1	699
913 Purchased Utilities (Non-Fund)	0	0	0	0	0	0	0
914 Purchased Communications (Non-Fund)	636	13	-649	0	0	0	0
915 Rents (NON-GSA)	1	0	-1	0	0	0	0
917 Postal Services (U.S.P.S.)	53	0	78	131	0	1	132
920 Supplies & Materials (Non-Fund)	6,341	133	-1,079	5,395	113	841	6,349
921 Printing & Reproduction	642	13	527	1,182	25	-41	1,248
922 Equipment Maintenance by contract	469	10	90	569	12	401	982
923 FSRM	469	10	-475	4	0	0	4
925 Equipment Purchases (Non-Fund)	1,320	28	664	2,012	42	-926	1,128
931 Contract Consultants	0	0	960	960	20	-7	973
932 Management & Prof Supt Services	11,724	246	-8,936	3,034	64	8,802	11,900
933 Studies, Analysis, & Evaluations	2,144	45	-2,083	106	2	0	108
937 Locally Purchased Fuel (Non-Fund)	1	0	1	2	0	0	2
989 Other Contracts	11,138	234	-3,950	7,422	155	6,518	14,095
998 Other Costs	22	0	-11	11	1	-2	10
999 Total Other Purchases	35,898	752	-15,136	21,514	448	15,668	37,630
<u>TOTAL</u>	93,056	2,588	-26,945	68,699	1,040	15,392	85,131

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Office of Economic Adjustment (OEA)



February 2006

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

	FY 2005 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
OEA	59,965	1,440	100,190	161,595	3,521	-92,095	73,021

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

I. Description of Operations Financed: The Office of Economic Adjustment (OEA) manages and directs the Defense Economic Adjustment Program and coordinates the involvement of other Federal Agencies. When DoD programs change, economic adjustment assistance helps impacted communities to assess the resulting economic hardships, identify and evaluate alternatives for local recovery, identify resource requirements, and assist in the preparation of an adjustment strategy or action plan to help their communities. These are communities:

- (a) that are affected by base closures, realignments, and reductions in defense industry employment;
- (b) whose local economy is heavily dependent on defense expenditures;
- (c) where expansion of the local military installation significantly increases the demand for public facilities and services; or
- (d) where community development and encroachment threatens the mission of an installation.

The OEA administers a Joint Land Use Study (JLUS) program to encourage cooperative land use planning between military installations and the surrounding communities where civilian encroachment is likely to impair the operations of an installation. In these instances, OEA may provide technical and financial assistance to State and local

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governments to achieve compatible land use and development activities near Defense facilities. The OEA may also support the Under Secretary of Defense (Policy), EUCOM/Joint Staff, and NATO for international defense restructuring and reforms; threat reduction; and enhanced relationships with Partner Nations.

The OEA staff is experienced in economic and community development, land use planning, public and private ventures, real estate development, Federal real property programs, military programs and worker adjustment. Project Managers also bring a working knowledge of other Federal Agencies and their respective programs to help communities put together an adjustment program combining Federal, State, local and private resources.

The FY 2001 Defense Authorization Act amended the Base Closure and Realignment Act of 1990 to allow for an additional round of base realignments and closures (BRAC) starting in FY 2005. The Secretary of Defense's recommendations were announced in the May 2005 "Department of Defense Base Closure and Realignment Report." The September 2005 Defense Base Closure and Realignment Commission "Report to the President" (Commission Report) finalized the recommendations and became law in November 2005.

The OEA funding will be used to provide assistance to BRAC communities to undertake specialized plans for local economic recovery and facilitate the reuse of the base; to coordinate Federal assistance to communities impacted by significant growth at nearby installations, including demands on infrastructure, facilities and services; and to work with the military installations and their surrounding communities to prevent further community development from encroaching on base operational effectiveness. In addition, OEA will continue to provide executive support for the President's multi-agency Economic Adjustment Committee.

II. Force Structure Summary: Not Applicable.

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III. Financial Summary (\$ in Thousands)

	<u>FY 2005 Actuals</u>	<u>Budget Request</u>	<u>FY 2006 Congressional Action</u>		<u>Appropriated</u>	<u>Current Estimate</u>	<u>FY 2007 Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>Budget Activity (BA)4,</u>							
Administration and Service-wide Activities							
OEA Program and Administration	13,090	30,463	-2,723	-8.9	27,740	27,740	73,021
Increased Assistance to Local Communities - BRAC 2005			55,000		55,000	55,000	
March Joint Powers Authority	1,500						
Dauids Island-Fort Slocum	2,600		5,000		5,000	5,000	
McClellan AFB Sewer Remediation	2,000		2,600		2,600	2,600	
Bayonne Military Ocean Terminal	5,000		4,000		4,000	4,000	
Cecil Field	1,000						
Hunters Point Naval Shipyard	2,250		4,000		4,000	4,000	
Norton AFB	4,250		4,250		4,250	4,250	
George AFB	1,700		2,550		2,550	2,550	
Adak NAS	3,400						
Fort Benjamin Harrison	2,000						
Port of Anchorage Army Deployment	5,000						
Port of Anchorage Intermodal Facility	7,375		8,500		8,500	8,500	
UCHSC-DCH Fitzsimmons Medical Center	6,500		1,800		1,800	1,800	
Program for Citizen Soldier Support	1,800		3,000		3,000	3,000	
Thorium/Magnesium Excavation-Blue Island	500		1,000		1,000	1,000	
Homestead Air Reserve Base			600		600	600	

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	<u>FY 2005</u> <u>Actuals</u>	<u>Budget</u> <u>Request</u>	FY 2006		<u>Appropriated</u>	<u>Current</u> <u>Estimate</u>	<u>FY 2007</u> <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>Budget Activity (BA)4,</u>							
Perimeter Improvement							
JFSC Infrastructure			1,680		1,680	1,680	
Philadelphia Navy Yard			1,000		1,000	1,000	
Port of Philadelphia			1,500		1,500	1,500	
Port of Port Arthur Drydock Transfer			1,000		1,000	1,000	
Rialto-Colton Basin Bio- Remediation Demonstration Project			1,250		1,250	1,250	
Toledo Naval Weapons Reserve Plant Restoration			2,450		2,450	2,450	
Watervliet Innovation Center			750		750	750	
Telecommunications Upgrades at Kodiak Launch Complex			12,325		12,325	12,325	
Locomotives/Rail Cars to Support Deployment of Stryker Brigade			16,000		16,000	16,000	
Arnold Heights Redevelopment			1,500		1,500	1,500	
Fort Wainwright Track Relocation Study			2,000		2,000	2,000	
Lake Ontario Ordnance Works			100		100	100	
Total	59,965	30,463	131,132		161,595	161,595	73,021

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

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<u>B. Reconciliation Summary</u>	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	30,463	161,595
Specified Congressional Adjustments	133,855	
Congressional Adjustments (Undistributed)	-310	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-2,325	
Congressional Earmarks	-88	
Subtotal Appropriated Amount	161,595	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	161,595	
Anticipated Supplemental Reprogrammings		
Price Changes		3,521
Functional Transfers		
Program Changes		-92,095
Current Estimate	161,595	73,021
Less: Wartime Supplemental		
Normalized Current Estimate	161,595	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		30,463
1. Congressional Adjustments		131,132
a. Distributed Adjustments	133,855	
1) Bayonne Military Ocean Terminal	4,000	
2) Citizen Soldier Support Program	3,000	
3) Davids Island-Fort Slocum Remediation	5,000	
4) George AFB	2,550	
5) Homestead Air Reserve Base Perimeter Improvement	600	
6) Hunters Point Naval Shipyard	4,000	
7) JFSC Infrastructure	1,680	
8) McClellan AFB Sewer Remediation	2,600	
9) Norton AFB	4,250	
10) Philadelphia Navy Yard	1,000	
11) Port of Philadelphia	1,500	
12) Port of Port Arthur Drydock Transfer	1,000	
13) Rialto-Colton Basin Bio-Remediation Demonstration Project	1,250	
14) Toledo Naval Weapons Reserve Plant Env. Restoration	2,450	
15) Watervliet Innovation Center	750	
16) Telecommunications Upgrades at Kodiak Launch Complex	12,325	
17) UCHSC-DCH Fitzsimmons Medical Campus	1,800	
18) Port Anchorage Intermodal Marine Facility Project	8,500	
19) Increase Assistance to Local Communities	55,000	
20) Locomotives/Rail Cars to Support Deployment of Stryker Brigade	16,000	
21) Arnold Heights Redevelopment	1,500	
22) Fort Wainwright Track Relocation Study	2,000	
23) Thorium/Magnesium Excavation - Blue Island	1,000	
24) Lake Ontario Ordnance Works	100	
b. Undistributed Adjustments - Unobligated Balances	-310	
c. Adjustments to meet Congressional Intent		
d. General Provisions	-2,325	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
1) Sec 8087 - Advisory and Assistance Services	-310	
2) Sec 8125 - Economic Assumptions	-259	
3) Sec 8109 - Excessive Growth in Travel and Transportation	-122	
4) 1 percent Rescission	-1,634	
e. Congressional Earmarks: Indian Lands Environmental Impact	-88	
FY 2006 Appropriated Amount		161,595
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding		161,595
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		161,595
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		161,595
6. Price Change		3,521
7. Functional Transfers		
8. Program Increases		32
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007		
1) Increase in civilian personnel costs due to fact-of-life within grade increases.	32	
9. Program Decreases		-92,127
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
1) Decrease in one-time distributed Congressional adjustments including price growth	-92,099	
c. Program Decreases in FY 2007		
1) Decreased printing costs	-28	
FY 2007 Budget Request		73,021

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IV. Performance Criteria and Evaluation Summary:

OEA is DoD's primary source for assisting communities that are adversely impacted by Defense changes. As the first responder locally to the Department's BRAC actions, OEA's mission is to ensure that technical and financial assistance provided under the Defense Economic Adjustment Program enables affected communities to: 1) plan and carry out adjustment strategies; 2) engage the private sector in ventures to plan and/or undertake economic and base redevelopment; and 3) partner with the Military Departments as they implement BRAC actions in support of the DoD mission.

OEA will assist communities impacted by BRAC with a multi-year program of support. In the case of a downsizing closure or realignment action, OEA will assist states and communities to address challenges which include: replacing the jobs lost through the DoD action; creating local capacity to plan and possibly carry out redevelopment of the former installation; addressing buildings that are unsuitable for redevelopment; partnering with the private sector to optimize civilian reuse; financing redevelopment to the extent the public sector chooses; understanding and effectively addressing complex environmental circumstances; dealing with extremely variable implementation horizons; and offsetting negative regional economic impacts that may include declining DoD contract expenditures and housing purchases.

In the case of a realignment action resulting in local growth, OEA will assist states and communities to focus on the capacity of the community to absorb an influx of personnel and any excessive demands on off-base community services and facilities.

The DoD Report recommended 33 major closures of installations, 29 major realignments of installations and 49 major gains of installations, for a total of 111 impacted installations. The Commission Report adjusted this total to 22 major closures, 33 major realignments, and 44 major gains, for a total of 99 impacted installations.

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IV. Performance Criteria and Evaluation Summary:

OEA estimates these 99 impacted installations will result in an award of 60 grants to impacted state and local governments in FY 2007. Additionally, ongoing DoD Transformation initiatives may increase the number of growth projects. These numbers may also increase depending on additional Congressional requirements and responsibilities OEA may be directed to assume.

<u>Type of Project</u>	Number of Projects		
	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2007 Estimate</u>
Base Closure/Realignment Grant	40	60	60
Defense Industry Impacts	2	2	2
Joint Land Use Studies	40	30	30
State Grants	5	5	5

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<u>V. Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change FY 2005/ FY 2006</u>	<u>Change FY 2006/ FY 2007</u>
<u>Active Military End Strength (E/S) (Total)</u>					
Officer	3	3	3	0	0
<u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	36	41	41	5	0
Total Direct Hire	36	41	41	5	0
<u>Active Military Average Strength (A/S) (Total)</u>					
Officer	3	3	3	0	0
<u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	32	41	41	9	0
Total Direct Hire	32	41	41	9	0
Average Annual Civilian Salary	83,313	84,195	86,902	882	2,707

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

<u>OP 32 Line</u>	<u>Change from</u> <u>FY 2005 to FY 2006</u>			<u>FY 2006</u> <u>Estimate</u>	<u>Change from</u> <u>FY 2006 to FY 2007</u>		
	<u>FY 2005</u> <u>Actuals</u>	<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	<u>FY 2007</u> <u>Estimate</u>
<u>Civilian Compensation</u>							
101 Exec, Gen and Spec	3,365	87	933	4,385	101	32	4,518
107 VSIP	12	0	-12	0	0	0	0
<u>Travel</u>							
308 Travel of Persons	206	5	142	353	8	0	361
<u>Other Purchases</u>							
912 SLUC	456	11	0	467	12	0	479
914 Communications	343	8	12	363	8	0	371
920 Supplies/Materials	301	7	54	362	8	0	370
921 Printing	25	1	124	150	3	-28	125
923 Facility SRM	10	0	-10	0	0	0	0
925 Equipment	78	2	0	80	2	0	82
987 Other Purchases	335	8	0	343	8	0	351
988 Grants	52,315	1,256	98,902	152,473	3,354	-92,099	63,728
989 Other Contracts	2,212	63	0	2,275	50	0	2,325
998 Other Costs	2	0	0	2	0	0	2
<u>Financial Operations</u>							
673 DFAS	305	-8	45	342	-33	0	309
Total	59,965	1,440	100,190	161,595	3,521	-92,095	73,021

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

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Office of the Secretary of Defense (OSD)



February 2006

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

	<u>FY 2005 Actuals</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2006 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>
OSD	841,338	19,904	-52,633	808,609	20,215	-80,456	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 \$10,000.0 thousand FY 2006 Avian Flu Supplemental.

I. Description of Operations Financed:

Mission and Functions

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;

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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;

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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.

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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.

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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

<u>Dollars in Thousands</u>		
FY 2005	FY 2006	FY 2007
<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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

			<u>Dollars in Thousands</u>		
			FY 2005	FY 2006	FY 2007
			<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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

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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.

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

	Dollars in Thousands		
	FY 2005	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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

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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

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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

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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

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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.

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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	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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.

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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

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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.

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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 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

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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

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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

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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).

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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.

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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	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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

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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).

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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	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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.

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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.

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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	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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.

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4. Personnel and Readiness (P&R)

	Dollars in Thousands		
	FY 2005	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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.

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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.

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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.

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5. Comptroller and Chief Financial Officer

	Dollars in Thousands		
	FY 2005	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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

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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	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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:

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.

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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

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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

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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

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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

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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

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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.

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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.

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7. Under Secretary of Defense (Policy)

	Dollars in Thousands		
	FY 2005	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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 Domaine	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

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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

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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

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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

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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	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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

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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.

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- **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

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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	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
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

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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

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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

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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

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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. Force Structure Summary: Not Applicable.

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III. Financial Summary (\$ in Thousands)

	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		<u>Appropriated</u>	<u>Current Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>Budget Activity (BA)Subactivities</u>							
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
Counter narcotics	1,415	-	-	-	-	-	-
MANPADS	6,000	-	-	-	-	-	-

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A. <u>Budget Activity (BA) Subactivities</u>	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	FY 2006				Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			Congressional Action			Appropriated		
			<u>Amount</u>	<u>Percent</u>	<u>Current</u>			
3. OUSD Acquisition, Technology and Logistics	139,340	154,107	4,545	2.9%	158,652	158,653	109,200	
<u>Congressional Mandate</u>								
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	
<u>Improve Acquisition & Logistics Processes</u>								
Consolidated Acquisition Reporting System (CARS)	831	391	-14	-3.6%	377	377	413	
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	

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A. <u>Budget Activity (BA)Subactivities</u>	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	FY 2006				Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			Congressional Action		<u>Appropriated</u>	<u>Estimate</u>		
			<u>Amount</u>	<u>Percent</u>				
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	
<u>Regulatory Requirement</u>								
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	
<u>Promulgate Policy</u>								
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	

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A. <u>Budget Activity (BA)Subactivities</u>	FY 2005 Actuals	Budget Request	FY 2006				FY 2007 Estimate
			Congressional Action			Current Estimate	
			Amount	Percent	Appropriated		
<u>OSD Decision Support</u>							
OSD Study Program	15,439	17,248	-224	-1.3%	17,024	17,024	15,503
<u>Other</u>							
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
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	-

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	FY 2006							
	FY 2005	Budget	Congressional Action				Current	FY 2007
			Actuals	Request	Amount	Percent		
A. Budget Activity (BA) Subactivities								
Counterintelligence Security	11,849	12,791	-301	-2.4%	12,490	12,490	8,288	
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	
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								

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A. Budget Activity (BA)Subactivities	FY 2005	Budget	FY 2006				FY 2007	
			Actuals	Request	Congressional Action			Current
					Amount	Percent		
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	-	-	-	-	-	-	
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	-	-	-	-	-	-	

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A. Budget Activity (BA)Subactivities	FY 2006						
	FY 2005 Actuals	Budget Request	Congressional Action			Current Estimate	FY 2007 Estimate
			Amount	Percent	Appropriated		
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	-
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							

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A. Budget Activity (BA)Subactivities	FY 2006						
	FY 2005 Actuals	Budget Request	Congressional Action			Current Estimate	FY 2007 Estimate
			Amount	Percent	Appropriated		
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	-
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	-

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	FY 2006						
	FY 2005	Budget	Congressional Action			Current	FY 2007
			<u>Actuals</u>	<u>Request</u>	<u>Amount</u>		
A. <u>Budget Activity (BA)Subactivities</u>							
Vietnam Veterans Memorial Fund	-	-	976	-	976	976	-
Westchester County WTC Memorial	-	-	488	-	488	488	-
Women in the Military Memorial	955	-	976	-	976	976	-
Total	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. <u>Reconciliation Summary</u>	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
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	-

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<u>C. 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	
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	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
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	
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	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
4) 1% Rescission	-7,834	
f. Congressional Earmarks		9,577
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
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

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
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	
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	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
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	
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	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
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	
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	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
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		
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	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
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	
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	
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

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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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<u>V. Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY 2005/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
<u>Active Military End Strength</u> <u>(E/S) (Total)</u>					
Officer	459	482	481	+23	-1
Enlisted	75	77	77	+2	-
<u>Civilian End Strength (Total)</u>	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
<u>Active Military Average</u> <u>Strength (A/S) (Total)</u>					
Officer	459	482	481	+23	-1
Enlisted	75	77	77	+2	-
<u>Civilian FTEs (Total)</u>					
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	-

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

<u>OP 32 Line</u>	<u>FY 2005 Actuals</u>	<u>Change FY 2005 / FY 2006</u>		<u>FY 2006 Estimate</u>	<u>Change FY 2006 / FY 2007</u>		<u>FY 2007 Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
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- Fund	1,385	33	-18	1,400	30	-30	1,400
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

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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	
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 includes \$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 excludes \$2.100.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148) and \$10,000.0 thousand of FY 2006 Avian Flu Supplemental

Fiscal Year (FY) 2007 Budget Estimates United States Special Operations Command (USSOCOM)



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**UNITED STATES SPECIAL OPERATIONS COMMAND
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**Operation and Maintenance, Defense Wide summary (\$ in thousands)
Budget Activity (BA) 01: Operating Forces**

	<u>*FY 2005</u>	Price	Program	<u>**FY 2006</u>	Price	Program	FY 2007
	<u>Actuals</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
USSOCOM	3,104,545	140,326	-1,079,060	2,165,811	97,044	589,765	2,852,620

* The FY 2005 Actual column includes \$592,844 thousand of FY 2005 Supplemental funds (PL 109-13), \$465 thousand of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), \$111,248 thousand of Iraq Freedom Fund transfers, and \$273,928 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

** The FY 2006 Estimate column excludes \$490,000 thousand of FY 2006 Title IX obligations (PL 109-148) and \$7,491 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148).

I. Description of Operations Financed:

The FY 2007 Budget Estimate initiates fundamental changes necessary to expand USSOCOM's capabilities to lead, plan, and coordinate global operations against international terrorist networks while improving established capabilities to respond to a wide range of national threats. The increases included in FY 2007 represent the beginning of substantial new investments in USSOCOM personnel which will ultimately add thousands of new Rangers, SEALs, Civil Affairs, and other individuals to ensure that the United States is able to apply specially skilled forces whenever and wherever they are needed.

The overall O&M programmatic growth is linked to a significant increase in personnel and force structure beginning in FY 2007. These additional assets are required to build a potent force to fight global terrorism. Additional O&M has been provided in FY 2007 to expand capabilities and support additional personnel for the following SOF activities:

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I. Description of Operations Financed: (continued)

Theater Special Operations Commands; Civil Affairs; Psychological Operations; Naval Special Warfare; Combat Aviation Advisors; Distributed Common Ground Systems; classified force structure enhancements; and the Center for Special Operations. FY 2007 also reflects significant O&M increases associated with the initial establishment of the United States Marine Corps Forces Special Operations Command (MARSOC).

A. Flight Operations - Supports two active Special Operations Wings (SOW)-16 SOW, Hurlburt Field, FL and 58 SOW, Kirtland AFB, NM, two Special Operations Groups (SOG)- 352 SOG, RAF Mildenhall UK and 353 SOG, Kadena AB JA, and their associated squadrons. Includes the 919th Special Operations Reserve Wing located at Duke Field, FL and the 193rd Special Operations Air National Guard Wing, Harrisburg, PA. Includes the 160th Special Operations Aviation Regiment at Ft Campbell, KY. Funding supports Special Operations Forces (SOF) Army and Air Force civilian manpower authorizations, flying hours, Special Operations (SO) peculiar and support equipment, necessary facilities, initial qualification, and recurring training of aircrews in SOF aircraft operations and tactics. Costs specifically identified and measurable to SOF active tactical aviation operational units, organizations and special operation wings and squadrons are also included in this sub-activity.

B. Ship/Boat Operations - Supports Naval Special Warfare Groups 3 and 4, Special Boat Units, and SEAL Teams. Includes Active and Reserve Navy manpower authorizations, SO-peculiar and support equipment, necessary facilities, and associated costs specifically identified and measurable to combatant and support craft assigned to Naval Special Warfare Command (NSWC).

C. Combat Development Activities - Includes Joint and Component manpower authorizations, SO-peculiar and support equipment, necessary facilities and the associated costs specifically identified and measurable to the development of combat

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I. Description of Operations Financed: (continued)

doctrine, organizational concepts, material requirements, and other developmental activities related to SOF. Also includes activities to support experimentation, tests, project evaluations necessary to develop and/or validate new doctrine material, and organizations for special operations.

D. Other Operations - Includes manpower authorizations, SO-peculiar and support equipment, necessary SO-unique facilities and other operational costs specifically associated with SOF Active Army Rangers; Active and National Guard Army Special Forces activities; Active and Reserve Army Psychological Operations units; Active and Reserve Army Civil Affairs Units; Naval Special Warfare groups, units, teams, and detachments; Marine Corp Forces Special Operations units and teams; Active and Reserve SOF units and detachments, Air Force 720th Special Tactics Group, Special Tactics Squadrons, Combat Control Squadrons, and SOF Para Rescue Forces.

E. Force Related Training - Provides for the conduct of, or participation in, strategic mobility, Commander-In-Chief directed, and Joint Chiefs of Staff exercises. Force related training includes Joint Combined Exchange Training sponsored by Commander, Special Operations Command in support of regional Theater Commanders and the Services. Includes Headquarters USSOCOM and/or component manpower authorizations, SO-peculiar and support equipment, necessary facilities, and the associated costs specifically identified and measurable to the conduct of SO force-related training.

F. Operational Support - Includes manpower authorizations, SO-peculiar and support equipment, necessary facilities and associated costs specifically identified and measurable to SOF Active Army Special Operations Support Command (SOSCOM), and the Special Operations Forces Support Agency (SOFSA). SOSCOM is comprised of the 528th Support Brigade and the Active and Reserve Army Tactical Communications (112th Signal

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I. Description of Operations Financed: (continued)

Brigade) and other SOF operational support units (Special Operations Theater Support Elements).

G. Intelligence and Communications - Includes Headquarters USSOCOM and/or component manpower authorizations, SO-peculiar and support equipment, necessary facilities and associated resources directly associated with ADP support costs for SOF worldwide Command and Control Systems, non-tactical telecommunications networks, services, leases, facility controls and associated equipment. This includes Command Center operations; deployable command, control and communications assets; and automation support required to maintain SOF command and control. To support USSOCOM's role as supported Combatant Commander, the Special Operations Joint Interagency Collaboration Center (SOJICC) and the Special Operations Joint Operations Center (JOC) were established to provide 24/7 operational oversight of ongoing worldwide missions along with an intelligence fusion cell to support Special Operations.

H. Management Operational Headquarters - Includes manpower authorizations, SO-peculiar and support equipment, necessary facilities and associated costs specifically identified and measurable to the U.S. Army, Air Force, Navy, and Marine Corps USSOCOM Component Command Headquarters, as well as the USSOCOM Headquarters and its management support activities. Also includes costs associated with the expenditure of funds in support of officially sanctioned activities used to maintain the standing and prestige of the United States by extending official courtesies to guests who promote the goals of the Commander, Special Operations Command and the Department of Defense. Additionally, includes support for the Theater Special Operations Commands (TSOCs) and the recently established Center for Special Operations (CSO).

I. Depot Maintenance - Supports maintenance (to include installation of modification and conversion kits) of weapons support systems and commodity groups associated with

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I. Description of Operations Financed: (continued)

Special Operations Command (SOC) activities. This also includes Headquarters USSOCOM and/or components' MFP-11 funds for reimbursement of Service industrial funds for depot maintenance of SOF-unique aircraft, maritime crafts, and equipment. Includes reimbursement for maintenance activities at industrially funded naval shipyards and costs associated with non-industrial funded maintenance activities at Navy repair facilities.

J. Base Support - Costs specifically identified and measurable as tenant Base Support costs incurred by Naval Special Warfare Command (NSWC). In addition, provides for all SO-unique minor construction costing less than the statutory limit for Minor Military Construction projects as established by Section 205 of Title 10, U.S.C.

K. Specialized Skill Training and Recruiting - Provides for the United States Army John F. Kennedy Special Warfare Center (USAJFKSWC), the Special Operations Medical Training Center (SOMTC), and the Naval Special Warfare Center (NSWCEN). These schools provide training in both basic and advanced special operations skills and operations, and educate American and Allied personnel in geo-political, psychological and military aspects of joint special operations. Funding also provides Special Operations Forces (SOF) Language Training which produces language proficient personnel and supports the Naval Small Craft Instruction and Technical Training School.

L. Professional Development Education - Includes the United States Air Force Special Operations School (USAFSOS) at Hurlburt Field, Florida and the Joint Special Operations University (JSOU). The USAFSOS primary mission is to provide specialized SOF education for USSOCOM's air component personnel and other USSOCOM members. Since FY 1994, the school has provided the Command's Professional Development program. This is a progressive education program qualifying Air Force Special Operations Forces personnel to serve in Joint Special Operations Task Forces and joint staffs. JSOU is an institution of higher learning consisting of teaching and research facilities focused on producing

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I. Description of Operations Financed: (continued)

and promoting Joint Special Operations strategic and operational analysis and education. It is the Joint Special Operations center of excellence dedicated to building and maintaining a consortium of JSOU education activities focused on the education of SOF leaders as well as non-SOF decision makers at the intermediate and senior levels.

M. Logistics Operations, Acquisition and Program Management - Provides resources for Operation and Maintenance costs supporting SOF-peculiar acquisition program management, and engineering and logistical support for SOF acquisition programs. Support includes funding for travel, operational testing and evaluation support, and related supplies and equipment. Funds civilian program management and general contractor support for the Special Operations Acquisition and Logistics Center (SOAL) to include support equipment, necessary facilities, SOAL civilians and associated management costs.

II. Force Structure Summary: Not Applicable

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III. Financial Summary (\$ in Thousands):

A. Budget Activity (BA) <u>Subactivities:</u>	*FY 2005 ACTUALS	Budget <u>Request</u>	FY 2006 <u>Congressional Action</u>			**Current ESTIMATE	FY 2007 ESTIMATE
			AMOUNT	PERCENT	APPROP		
BA 1 Total	2,916,651	2,017,397	-37,117	-1.8	1,980,280	1,980,280	2,658,120
BA 1 - Operational Forces							
Flight Operations	757,565	692,094	-10,737	-1.6	681,357	681,357	834,337
Ship/Boat Operations	63,639	56,114	-876	-1.6	55,238	55,238	66,177
Combat Development Activities	698,553	415,389	-10,903	-2.6	404,486	404,486	632,724
Other Operations	556,820	242,878	-522	-0.2	242,356	242,356	323,623
BA 1 - Operational Support							
Force Related Training	40,694	35,153	-562	-1.6	34,591	34,591	34,998
Operational Support	90,784	41,907	12,955	30.9	54,862	54,862	54,046
Intelligence & Communication	206,855	171,917	-7,876	-4.6	164,041	164,041	277,606
Management/Operational Hqtrs	164,649	117,334	-2,073	-1.8	115,261	115,261	171,258
Depot Maintenance	198,192	142,156	-1,584	-1.1	140,572	140,572	178,340
Base Support	29,571	16,031	-285	-1.7	15,746	15,746	17,778
BA 1 - MFP-3	109,329	86,424	-14,654	-16.9	71,770	71,770	67,233
BA 3 - Skill & Advanced Training	124,321	124,181	-2,877	-2.3	121,304	121,304	129,241
Specialized Skill Training	113,326	115,826	-2,782	-2.4	113,044	113,044	119,085
Professional Development Ed	7,280	6,528	-95	-1.4	6,433	6,433	6,917
Base Support	3,715	1,827	0	0	1,827	1,827	3,239
BA 4 - Logistics Operations	63,573	64,115	112	0.2	64,227	64,227	65,259
Acquisition/Program Mgmt	63,573	64,115	112	0.2	64,227	64,227	65,259
*TOTAL SOCOM FUNDING	3,104,545	2,205,693	-39,882	-1.8	2,165,811	2,165,811	2,852,620

* The FY 2005 Actual column includes \$592,844 thousand of FY 2005 Supplemental funds (PL 109-13), \$465 thousand of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), \$111,248 thousand of Iraq Freedom Fund transfers, and \$273,928 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

* The FY 2006 Estimate column excludes \$490,000 thousand of FY 2006 Title IX obligations (PL 109-148) and \$7,491 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148).

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III. Financial Summary (\$ in Thousands): (continued)

B. <u>Reconciliation Summary:</u>	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	2,205,693	2,165,811
Congressional Adjustments (Distributed)	-3,400	
Congressional Adjustments (Undistributed)	-4,151	
Congressional Adjustments (General Provisions)	-31,145	
Congressional Adjustments (Earmarks)	-1,186	
Subtotal Appropriated Amount	2,165,800	
War-Related and Disaster Supplemental Appropriations	497,491	
Fact-of-Life Changes		
Subtotal Baseline Funding	2,663,302	2,165,811
Reprogrammings		
Price Changes		97,044
Functional Transfers		
Program Changes		589,765
Current Estimate	2,663,302	2,852,620
Less: Wartime Supplemental	-497,491	
Normalized Current Estimate	2,165,800	

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III. Financial Summary (\$ in Thousands): (continued)

<u>C. RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		2,205,693
1. Congressional Adjustments		-39,882
a. Distributed Adjustments	-3,400	
1) Depot Maintenance	-12,000	
2) C4 IAS	-6,400	
3) Lightweight ATV	1,700	
4) Technology Transfer	1,000	
5) Refurbishment of RIBS	1,000	
6) Conversion of LTATV to JP8 powered engines	1,200	
7) ASDS Program Restructure	10,100	
b. Undistributed Adjustments - Unobligated Balances	-4,151	
c. Congressional Earmarks - Mitigation of Environmental Impact on Indian Lands	-1,186	
d. Congressional Adjustments (General Provisions)	-31,145	
Section 8087 - Advisory and Assistance Services	-4,151	
Section 8125 - Economic Assumptions	-3,466	
Section 8109 - Excessive Growth in Travel and Trans	-1,633	
1 percent Rescission	-21,895	
FY 2006 Appropriated Amount		2,165,811
2. Wartime Supplemental and Disaster Supplemental		
GWOT Supplemental	490,000	
Katrina Supplemental	7,491	
3. Fact-of-Life-Changes		
FY 2006 Baseline Funding		2,663,302
4. Reprogrammings		
Revised FY 2006 Estimate		2,663,302
5. Less: War Related and Disaster Supplemental Appropriations		-497,491
FY 2006 Normalized Current Estimate		2,165,811

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III. Financial Summary (\$ in Thousands): (continued)

<u>C. RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
6. Price Change		97,044
7. Functional Transfers		
8. Program Increases		608,646
a) Annualization of New FY 2005 Program		
b) One-Time FY 2007 Costs		
c) Program Increases in FY 2007	608,646	
1) Flight Operations - Increase is the result of flying hour funding associated with the fielding of three additional MH-47Gs, three additional CV-22s, and five additional A/MH-6Ms over the FY 2006 PB level. Additionally, program increases partially drive higher cost per flying hour rates. Factors influencing these higher rates include aging aircraft, harsh environmental operating conditions, and sustainment of aircraft modifications, all of which contribute to lower mean-time between failures of aircraft components. (Baseline FY 2006, \$383,582).		
	42,927	
2) Flight Operations - In FY 2007, the 160 th Special Operations Aviation Regiment (160 th SOAR) assumes CENTCOM Forward Presence rotary wing responsibility from AFSOC. In addition to the rotary wing force structure provided by AFSOC, USASOC is tasked to provide additional capabilities and greater presence than provided by AFSOC (more aircraft, personnel, and equipment). A significant portion of this increase is due to deployment requirements to pre-position this Low Density/High Demand capability as well as redeploying AFSOC assets to home station. (Baseline FY 2006, \$38,000).		
	25,960	

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III. Financial Summary (\$ in Thousands): (continued)

C. <u>RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
<p>3) Flight Operations - The Directional Infrared Countermeasures (DIRCM) system transitions to O&M sustainment in FY 2007. The system is designed to protect SOF aircraft against infrared missile threats by employing existing lamp-based jamming technology. Funding increase provides operational support, sustainment, and logistics. (Baseline FY 2006, \$0).</p>	24,924	
<p>4) Flight Operations - Increase in O&M funding to support operational and sustainment costs associated with corresponding increase in military combat aviation advisors to train indigenous Air Force personnel. Includes additional funding for aircraft leases. (Baseline FY 2006, \$4,585)</p>	6,844	
<p>5) Flight Operations - Programmatic increase for 13 civilian positions associated with Flight Operations at Air Force Special Operations Command (AFSOC). The addition of these FTEs will increase work place continuity while reducing the strain for military personnel needed for operational requirements. These positions support maintenance activities related to the MC-130H and CV-22 aircraft. Increase includes \$593K for repricing civilian pay within Flight Operations sub-activity. (Flight Ops Civilian Pay Baseline FY 2006, \$55,683).</p>	2,186	
<p>6) Ship/Boat Operations - Programmatic increase provides operational support for additional military personnel at Naval Special Warfare Command. Positions and funding support surface and underwater maritime platforms such as the MK V Special Operations Craft, Rigid Hull Inflatable Boat (RHIB), Riverine Craft, and SEAL Delivery Vehicles (SDVs). (Baseline FY 2006, \$48,041)</p>	3,623	

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III. Financial Summary (\$ in Thousands): (continued)

C. <u>RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
7) Ship/Boat Operations - Funding was increased to operate and maintain additional surface support craft used for recovery and safety requirements associated with Naval Special Warfare maritime and underwater mobility platforms. (Baseline FY 2006, \$2,702).	1,089	
8) Ship/Boat Operations - Increased O&M to fund civilian pay for an additional 48 civilian FTEs at Naval Special Warfare Special Boat Teams and Combatant Craft Detachments. These personnel will provide more robust training, maintenance, and operational support. (Baseline FY 2006, \$3,676)	4,092	
9) Combat Development Activities -(See Classified Submission)	216,185	
10) Other Operations - Funding increases in both FY 2006 and FY 2007 to provide sufficient support and maintenance for additional Psychological Operations Broadcast Systems (POBS). (Baseline FY 2006, \$8,635).	3,655	
11) Other Operations - Funding supports enhancement of Naval Special Warfare's internal capability to provide training in advanced techniques and tactics. USSOCOM identified critical shortfalls in the number of personnel qualified to conduct Advanced Special Operations techniques, tactics, and procedures. This increase supports efforts to increase the number of SF personnel with these critical skills. (Baseline FY 2006, \$4,900).	3,995	

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III. Financial Summary (\$ in Thousands): (continued)

C. <u>RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
12) Other Operations - Increase in O&M funding to establish the Marine Corps Forces Special Operations Command. Funding will support operations, training, SOF unique equipment, travel, transportation, and supplies. (Baseline FY 2006 Supplemental TBD)	63,080	
13) Other Operations - O&M funding to support additional personnel and equipment at Psychological Operations and Civil Affairs units. (Baseline FY 2006, \$18,402)	2,604	
14) Other Operations - O&M funding provided for increased operational requirements associated with Special Operations Tactical vehicles. (Baseline FY 2006, \$8,760)	641	
15) Other Operations - O&M funding increase associated with Collateral Equipment requirements for SOF MILCON projects. (Baseline FY 2006, \$10,492)	2,350	
16) Intel and Communication - O&M funding added to provide SOF unique communication and intelligence capabilities at the newly formed Marine Corp Forces Special Operations Command (MARSOC). (Baseline FY 2006, \$0)	2,572	
17) Intel and Communication - O&M increase to fund civilian pay associated with the addition of 47 FTEs to increase intelligence analysis in support of mission planning. These additions will better enable USSOCOM to exercise assigned GWOT responsibilities. (Baseline FY 2006, \$176)	4,357	

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III. Financial Summary (\$ in Thousands): (continued)

C. <u>RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
<p>18) Intel and Communication - SOF Command, Control, Communications, Computers, and Information Infrastructure (SOFC4IIN) program reflects an increase to support SCAMPI deployable communications and global airtime to correspond with force structure growth and equipment demands to include Unmanned Aerial Vehicles. (Baseline FY 2006, \$18,545)</p>	1,949	
<p>19) Intel and Communication - O&M funding increased to support fielding of additional Tactical Local Area Network systems (TACLAN) to correspond with force structure growth. Systems provide deployed forces with capabilities such as data processing, mission planning, situational awareness, and command and control. (Baseline FY 2006, \$11,008)</p>	6,975	
<p>20) Intel and Communication - Command, Control, Communication, and Information systems reflect an increase to fund technical support, Capital Equipment Replacement (CERP), consumables, and infrastructure (workstations, servers, hubs, routers, and printers). (Baseline FY 2006, \$50,142)</p>	11,954	
<p>21) Intel and Communication - Funding to support additional SOF Tactical Assured Connectivity Systems (SOFTACS) required to provide deployed communication capability supporting high capacity voice, data, and video. (Baseline FY 2006, \$8,257)</p>	4,892	
<p>22) Intel and Communication - Classified Communication & Intelligence Capabilities (See Classified Submission)</p>	78,441	

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III. Financial Summary (\$ in Thousands): (continued)

C. RECONCILIATION OF INCREASES AND DECREASES:

Amount

Totals

23) Management/Operational Hqtrs - The following narrative pertains to FY 2007 FTE growth within the Management Headquarters sub-activity. Additional FTE growth identified in this OP-5 also occurs in Flight Operations, Combat Development Activities, Ship Boat Operations, Other Operations, Acquisition Program Management, and Specialized Skills sub-activities. (Baseline FY 2006, \$69,349):

Headquarters, US Special Operations Command (USSOCOM) added 83 civilian work years necessary to support Special Access Programs (SAP), Commander's Audit Cell, Joint Psychological Support Element (JPSE), and additive workload associated with the Global War on Terrorism (GWOT).

45 civilian FTEs will be added in FY 2007 to USSOCOM's Center for Special Operations (CSO) to better enable USSOCOM to exercise assigned GWOT responsibilities and interagency coordination.

Naval Special Warfare Command will increase 81 civilian FTEs to support workload growth associated with new mission responsibilities and force structure growth.

An additional 36 civilian FTEs will be added to Headquarters, Air Force Special Operations Command (AFSOC) in FY 2007. These positions will result in reduced overall stress on military personnel requirements and increased continuity in the work place.

Theater Special Operations Commands SOCEUR, SOCPAC, SOCCENT, and SOCKOR will each increase by 2 civilian FTEs to reduce overall stress on military personnel requirements and increased continuity in the work place.

25,229

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III. Financial Summary (\$ in Thousands): (continued)

<u>C. RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
24) Management/Operational Hqtrs - O&M funding added to increase intelligence capabilities to better execute USSOCOM's assigned GWOT mission. (Baseline FY 2006, \$0)	21,868	
25) Management/Operational Hqtrs - O&M increase to fund civilian pay for 9 civilian FTEs at the newly established Marine Special Operations Command (MARSOC) These will be added in FY 2007 for initial start-up of MARSOC HQ. (Baseline FY 2006, \$0)	2,088	
26) Management/Operational Hq - O&M growth associated with a variety of Headquarter cost increases such as rental of facilities in Washington DC, SOF Language Office, Information Assurance initiatives and increased OPSEC capabilities. (Baseline FY 2006, \$24,972).	1,480	
27) Management/Operational Hqtrs - Increase in O&M support to correspond to increased force structure at Theater Special Operations Commands. (Baseline FY 2006, \$15,731)	1,584	
28) Depot Maintenance - Funding was increased to maintain individual load bearing and protective systems for Special Forces operators. These soldier systems include Body Armor Load Carrying System (BALCS), Light Weight Protective Combat Uniform (LEPCU), and Modular Integrated Communications Helmets (MICH). These systems are critical to SOF personnel and provide superior integrated protection, communications, mobility, and comfort. (Baseline FY 2006, \$7,955).	7,492	

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III. Financial Summary (\$ in Thousands): (continued)

C. <u>RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
<p>29) Depot Maintenance - Funding was increased to provide proper maintenance and repair of Special Operations Vehicles. This increase will improve the readiness and dependability of USSOCOM's Family of Special Operations Vehicles (FSOV). SOF operators are using these tactical vehicles on a worldwide basis. Sufficient maintenance is critical to providing mobility and protection for SOF operators. (Baseline FY 2006, \$14,956)</p>	495	
<p>30) Depot Maintenance - Funding increased to maintain new Heavy Sniper Rifles that provide better distance, accuracy, and durability. (Baseline FY 2006, \$350).</p>	1,417	
<p>31) Depot Maintenance - Programmatic increase to maintain, repair, or replace additional Naval Special Warfare diving and underwater communications systems associated with SEAL Delivery Vehicles (SDV) and Combat Swimmer operations. (Baseline FY 2006, \$47,108).</p>	3,792	
<p>32) Depot Maintenance - Growth supports increased inventory of Very Shallow Water Mine Countermeasure devices designed to limit exposure of SOF personnel in hostile waters. (Baseline FY 2006, \$305)</p>	413	
<p>33) Depot Maintenance - Funding added for CV-22 simulators and training systems to correspond with the ramp-up of four new operational aircraft in FY 2007. Likewise, two additional aircraft are planned for FY 2008. (Baseline FY 2006, \$ 3,627).</p>	1,934	

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III. Financial Summary (\$ in Thousands): (continued)

C. <u>RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
34) Depot Maintenance - Funding increased to maintain, replace, and repair forward staged Military Liaison Element (MLE) equipment. Equipment is considered mission essential to the GWOT effort. (Baseline FY 2006, \$0).	1,838	
35) Depot Maintenance - Increase in FY 2007 maintenance, sustainment, and logistics support for SOF unique aircraft systems onboard the AC-130 Gunship. These systems include sophisticated software and equipment that provide all weather/night target acquisition and strike capability. The FY 2007 funding increase corresponds with the arrival of additional aircraft in FY 2006. (Baseline FY 2006, \$10,777)	5,187	
36) Depot Maintenance - Increase for maritime mobility maintenance due to changes in availability schedules. (Baseline FY 2006, \$11,212)	11,372	
37) Base Support - Programmatic increase associated with initial O&M facility costs associated with Naval Special Warfare MILCON projects. Increase includes tenant support associated with new SOF training facilities. (Baseline FY 2006, \$ 11,285)	3,041	
38) Specialized Skill Trng & Prof Development - Funding supports the second phase of civilian manpower increases (40 instructor positions) for United States Army John F. Kennedy Special Warfare Center (USAJFKSWC) required to meet the training goal of 750 Special Forces Soldiers each year in order to fulfill the requirements of the Global War on Terrorism (GWOT). (Baseline FY 2006, \$31,259)	3,035	

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III. Financial Summary (\$ in Thousands): (continued)

<u>C. RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
39) Specialized Skill Trng & Prof Development - O&M program increases to cover revised civilian pay cost estimate for training instructors. Reprice was based on recent historical trends. (Baseline FY 2006, \$31,259)	351	
40) Acquisition/Program Mgmt - Civilian pay increases in Acquisition and Logistics to better reflect recent execution trends. (FY 2006 Baseline \$15,427)	735	
9. Program Decreases		-18,881
a) Annualization of New FY 2006 Program Decreases		
b) One-Time FY 2006 Costs		
c) Program Decreases in FY 2007	-18,881	
1) MFP-3 (Classified details provided through separate submission)	-5,980	
2) Intel and Communication - Reduction to FY 2007 sustainment requirement for Combat Survivor Evader Locator (CSEL) radio. (Baseline FY 2006, \$1,360).	-1,174	
3) Flight Operations - Reduced requirements for the 160 th Special Operations Aviation Regiment detachments. Realignment of forward staged aviation units expected to reduce flight operations and contractor logistics requirements for USASOC. (Baseline FY 2006, \$10,125)	-5,503	
4) Flight Operations - MC-130 Aerial Refueling (MCAR) realignment of O&M CLS to Procurement ICS until transition of sustainment is complete. (Baseline FY 2006, \$1,873)	-1,900	

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III. Financial Summary (\$ in Thousands): (continued)

C. <u>RECONCILIATION OF INCREASES AND DECREASES:</u>	<u>Amount</u>	<u>Totals</u>
5) Force Related Training - Minor reduction in Force Related Training sub-activity reflects lower exercise costs identified in recent execution trends. (Baseline FY 2006, \$35,153).	-411	
6) Operational Support - O&M reduction in Operational Support sub-Activity associated with a realignment of requirements associated with Special Applications for Contingencies (SAFC). Similar requirement will be supported via other programs. (Baseline FY 2006, \$9,958)	-1,973	
7) Other Operations - Reduced requirement for Naval Special Warfare phased equipment replacement program based on recent reconstitution efforts. (Baseline FY 2006, \$13,559).	-808	
8) Acquisition/Program Mgmt - Reduction to O&M program management costs for Common Avionics Architecture for Penetration (CAAP) radar. (O&M Baseline FY 2006, \$8,027).	-485	
9) Acquisition/Program Mgmt - Reduction to O&M program management costs for Towed Decoy due to termination of Towed Decoy modification. Termination is associated with developmental issues. (O&M Baseline FY 2006, \$738).	-647	
FY 2007 Budget Estimate		2,852,620

UNITED STATES SPECIAL OPERATIONS COMMAND
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IV. Performance Criteria and Evaluation: OP-5 Flying Hours

Program Data	<u>FY 2005</u>		<u>FY 2006</u>		<u>FY 2007</u>
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Estimate</u>	<u>Estimate</u>
AC-130H/U					
TAI	22	21	25	22	25
PAA	20	19	23	20	23
BAI	2	2	2	2	2
Flying Hours	9,052	12,262	7,464	7,419	8,457
% Executed		135%			
A/MH-6J/M					
TAI	45	45	45	48	51
PAA	45	45	40	48	46
BAI	-	-	5	-	5
Flying Hours	10,151	12,309	9,906	9,818	9,001
% Executed		121%			
C-12					
TAI	-	1	1	1	1
PAA	-	1	1	1	1
BAI	-	-	-	-	-
Flying Hours	650	604	650	650	650
% Executed					
C-130E/J					
TAI	7	7	7	8	7
PAA	2	1	3	3	2
BAI	5	6	4	5	5
Flying Hours	723	396	1,301	1,145	831
% Executed		55%			

UNITED STATES SPECIAL OPERATIONS COMMAND
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IV. Performance Criteria and Evaluation: OP-5 Flying Hours

Program Data	<u>FY 2005</u>		<u>FY 2006</u>		<u>FY 2007</u>
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Estimate</u>	<u>Estimate</u>
C-130H					
TAI	-	-	2	2	3
PAA	-	-	-	-	-
BAI	-	-	2	2	3
Flying Hours	-	-	-	-	-
% Executed					
C-32B					
TAI	2	2	2	2	2
PAA	2	2	2	2	2
BAI	-	-	-	-	-
Flying Hours	1,527	1,500	1,527	1,527	1,527
% Executed		98%			
CASA-212					
TAI	5	5	5	5	5
PAA	5	5	5	5	5
BAI	-	-	-	-	-
Flying Hours	3,050	2,244	3,050	3,050	3,050
% Executed					
CV-22					
TAI	1	-	3	4	7
PAA	1	-	3	4	7
BAI	-	-	-	-	-
Flying Hours	42	-	1,062	1,404	2,523
% Executed					
EC-130E/J					
TAI	5	5	3	3	4

UNITED STATES SPECIAL OPERATIONS COMMAND
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IV. Performance Criteria and Evaluation: OP-5 Flying Hours

Program Data	<u>FY 2005</u>		<u>FY 2006</u>		<u>FY 2007</u>
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Estimate</u>	<u>Estimate</u>
PAA	5	5	3	3	4
BAI	-	-	-	-	-
Flying Hours	1,809	2,440	1,197	1,118	1,723
% Executed		135%			
MC-130E/H					
TAI	36	34	35	34	34
PAA	33	32	33	32	32
BAI	3	2	2	2	2
Flying Hours	15,764	12,449	12,752	12,101	13,756
% Executed		79%			
MC-130P					
TAI	23	23	23	23	23
PAA	20	20	20	20	20
BAI	3	3	3	3	3
Flying Hours	9,351	9,749	8,024	7,819	8,704
% Executed		104%			
MH-47D/E/G					
TAI	43	48	61	61	59
PAA	43	37	58	59	57
BAI	-	11	3	2	2
Flying Hours	12,010	10,265	11,140	9,992	10,873
% Executed		85%			
MH-53J/M					
TAI	34	32	31	30	28
PAA	32	29	26	26	24
BAI	2	3	5	4	4
Flying Hours	11,483	9,524	8,627	7,578	7,993

UNITED STATES SPECIAL OPERATIONS COMMAND
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

IV. Performance Criteria and Evaluation: OP-5 Flying Hours

Program Data	<u>FY 2005</u>		<u>FY 2006</u>		<u>FY 2007</u>
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Estimate</u>	<u>Estimate</u>
% Executed		83%			
MH-60K/L					
TAI	60	60	60	60	60
PAA	56	57	56	57	57
BAI	4	3	4	3	3
Flying Hours	15,041	16,106	13,004	11,926	11,418
% Executed		107%			
U-28A					
TAI	-	-	-	6	6
PAA	-	-	-	6	6
BAI	-	-	-	-	-
Flying Hours	-	-	-	12,960	21,900
% Executed					
UH-1N					
TAI	2	2	2	2	2
PAA	2	2	2	2	2
BAI	-	-	-	-	-
Flying Hours	673	481	547	530	613
% Executed		71%			
UV-20A					
TAI	-	1	1	1	1
PAA	-	1	1	1	1
BAI	-	-	-	-	-
Flying Hours	350	261	350	350	350
% Executed					

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UNITED STATES SPECIAL OPERATIONS COMMAND
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IV. Performance Criteria and Evaluation: OP-5 Flying Hours

Program Data	<u>FY 2005</u>		<u>FY 2006</u>		<u>FY 2007</u>
	<u>Budgeted</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Estimate</u>	<u>Estimate</u>
Total					
TAI	285	286	306	312	318
PAA	266	256	276	289	289
BAI	19	30	30	23	29
Flying Hours	91,676	90,590	80,601	89,387	103,369
% Executed		99%			
Crew Ratio					
AFSOC	1.7	1.7	1.7	1.7	1.7
USASOC	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>	<u>1.4</u>
Average	1.6	1.6	1.6	1.6	1.6
End of FY Program Data	<u>Budgeted</u>	<u>FY 2005 Actual</u>	<u>Budgeted</u>	<u>Estimate</u>	<u>FY 2007 Estimate</u>
OPTEMPO (Hrs/Crew/Mo)					
AFSOC	20.9	21.0	16.3	16.6	18.5
USASOC	<u>14.3</u>	<u>15.8</u>	<u>12.2</u>	<u>9.4</u>	<u>9.3</u>
Average	17.6	18.3	14.3	12.6	13.5

Explanation of Performance Variances

Prior Year: The decrease in Total Aircraft Inventory (TAI) is primarily related to combat losses.

Current Year: The increase in Total Aircraft Inventory (TAI) is primarily related to a revised MH-47G fielding schedule. The increase in flying hours is the result of fielding the U-28A aircraft starting in FY 2006.

UNITED STATES SPECIAL OPERATIONS COMMAND
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IV. Performance Criteria and Evaluation: OP-5 Depot Maintenance

Type of Maintenance	FY 2005 Budget	FY 2005 Inductions		FY 2006 Budget		FY 2006 Estimated Inductions		FY 2007 Budget	
	(\$ in M)	Qty	(\$ in M)	Qty	(\$ in M)	Qty	(\$ in M)	Qty	(\$ in M)
<u>Activity Group: Aircraft</u>									
Airframe	99.7	308	77.8	501	83.0	350	83.0	332	82.8
Engine	16.2	99	15.1	101	15.1	120	15.1	122	17.7
Software	10.0	287	13.8	491	13.7	327	12.8	343	12.8
Other	19.5	1,350	26.3	1,487	28.7	1,404	31.5	1,516	40.8
AIRCRAFT DEPOT MAINTENANCE TOTAL	145.4	2,044	133.0	2,580	140.5	2,201	142.4	2,313	154.1
<u>Activity Group: Other</u>									
Other End Items	n/a	2,209	32.8	1,051	36.1	4,173	32.9	4,332	39.0
Ordnance	n/a	159	1.3	133	1.3	159	1.3	159	1.3
Other	98.7	9,733	74.6	8,397	81.7	9,942	86.8	10,907	105.3
OTHER DEPOT MAINTENANCE TOTAL	98.7	12,101	108.7	9,581	119.1	14,274	121.0	15,398	145.6
TOTAL DEPOT	244.1	14,145	241.7	12,161	259.6	16,475	263.4	17,711	299.7

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Operation and Maintenance, Defense-Wide
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IV. Performance Criteria and Evaluation: OP-5 Depot Maintenance

Explanations of Performance Variances

Aircraft:

Prior Year: \$12.4 million decrease from FY 05PB to actuals for FY2005 results from maintenance performed in FY04 in order to increase aircraft availability for FY2005, and the elimination of previously reported depot maintenance for MH-60 engines that are not funded with Major Force Program (MFP)-11.

Current Year: \$1.9 million increase from FY06PB to current FY2006 input reflects an acceleration of sustainment activities for AC-130 subsystems. The decrease in airframe quantities reflects a correction to prior reporting. Previously reported quantities included total inventories, not the number of units actually funded for programmed depot maintenance.

Other:

Prior Year: \$10 million increase from FY05PB to FY2005 actuals reflects supplemental funding increases of \$7.2M for depot maintenance directly in support of GWOT activities. Another \$2.2M of FY06 ASDS depot maintenance requirements were accelerated into FY05 due to availability of the depot maintenance facilities.

Current Year: \$1.9 million net increase from FY06PB to current FY2006 input resulted from programmatic increases within the Naval Special Warfare Command and Program Executive Office-SOF Warrior. These increases were offset by prior decreases within the Intelligence and Communications arena, as a result of correctly classifying depot maintenance activities, as well as properly identifying unit-level vs. depot-level functions within major contracts.

UNITED STATES SPECIAL OPERATIONS COMMAND
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IV. Performance Criteria and Evaluation: OP-5 Training

	FY 2005	FY 2006	FY 2007
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Professional Military Education			
Number of Courses	45	49	47
Number of Classes	169	199	181
Number of Graduates	8,399	9,538	8,805
Cost per Graduate	185	206	228
Initial Skill			
Number of Courses	33	34	35
Number of Classes	168	181	194
Number of Graduates	17,363	21,406	22,128
Cost per Graduate	4,183	3,080	3,131
Skill Progression			
Number of Courses	82	82	82
Number of Classes	420	434	434
Number of Graduates	8,175	9,621	9,693
Cost per Graduate	5,294	3,799	3,651

Note: FY 2005 includes supplemental funding.

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IV. Performance Criteria and Evaluation: OP-5 Training

V. Personnel Summary: Not Applicable: Civilian Personnel are reimbursed to and reported by the Services.

VI. OP-32 Summary of Price and Program Changes:

<u>Line Item</u>	<u>FY 2005 Program</u>	<u>Price Growth</u>	<u>Prog Growth</u>	<u>FY 2006 Program</u>	<u>Price Growth</u>	<u>Prog Growth</u>	<u>FY 2007 Program</u>
Travel							
308 Travel Of Persons	242,447	6,061	-84,178	164,330	3,615	33,748	201,693
Supply And Material							
401 DFSC Fuel	60,145	8,962	22,361	91,468	33,020	-34,982	89,506
402 Service Fund Fuel	1,257	187	6,327	7,771	2,805	-2,387	8,189
411 Army Managed Supplies & Materials	64,487	1,612	-24,473	41,626	1,332	33,332	76,290
412 Navy Managed Supplies & Materials	11,071	852	-1,074	10,849	33	20,262	31,144
414 Air Force Managed Supplies & Materials	209,597	10,899	70,232	290,728	15,409	-1,922	304,215
415 DLA Managed Supplies & Materials	57,146	686	-13,789	44,043	528	36,118	80,689
416 GSA Managed Supplies & Materials	9,593	240	-9,083	750	17	586	1,353
417 Locally Procured Fund Managed Supplies & Materials	66,786	1,670	-14,612	53,844	1,185	36,226	91,255
Service Fund Equipment							
502 Army Fund Equipment	8,407	210	11,498	20,115	644	-695	20,064
503 Navy Fund Equipment	2,672	206	-72	2,806	9	11,346	14,161
505 Air Force Fund Equipment	588	34	4,724	5,346	284	9,622	15,252

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IV. Performance Criteria and Evaluation: OP-5 Training

<u>Line Item</u>	<u>FY 2005 Program</u>	<u>Price Growth</u>	<u>Prog Growth</u>	<u>FY 2006 Program</u>	<u>Price Growth</u>	<u>Prog Growth</u>	<u>FY 2007 Program</u>
506 DLA Fund Equipment	7,401	89	5,288	12,778	154	16,177	29,109
507 GSA Managed Equipment	13,492	337	-6,475	7,354	162	1,991	9,507
Other Fund Purchases							
602 Army Depot System Command: Maintenance	65	0	5	70	2	11	83
610 Naval Air Warfare Center	2,340	33	-201	2,172	65	18,203	20,440
611 Naval Surface Warfare Center	23,619	638	-1,804	22,453	651	13,152	36,256
612 Naval Undersea Warfare Center	65	1	-8	58	2	6	66
614 Naval Command, Control, & Ocean Surveillance Cntr	157	3	-17	143	4	-17	130
615 Navy Information Service	6,364	0	-4,291	2,073	0	596	2,669
631 Naval Civil Engineering Service	328	5	-12	321	8	76	405
633 Defense Publication & Printing Service	3,051	-31	250	3,270	72	-125	3,217
634 Naval Public Work Centers: Utilities	4,190	159	-779	3,570	150	11,048	14,768
635 Naval Public Work Centers: Public Works	14,271	257	-1,552	12,976	182	2,221	15,379
637 Naval Shipyards	7,812	445	-1,275	6,982	482	567	8,031
647 DISA Information Systems (Megacenters)	37	0	81	118	0	5,762	5,880
648 Army Information Services	500	0	-1	499	0	24	523
662 Depot Maintenance	5,965	0	96	6,061	0	590	6,651

**UNITED STATES SPECIAL OPERATIONS COMMAND
Operation and Maintenance, Defense-Wide
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IV. Performance Criteria and Evaluation: OP-5 Training

<u>Line Item</u>	<u>FY 2005 Program</u>	<u>Price Growth</u>	<u>Prog Growth</u>	<u>FY 2006 Program</u>	<u>Price Growth</u>	<u>Prog Growth</u>	<u>FY 2007 Program</u>
(Air Force): Contract							
671 Comm Svcs Tier 2	37,831	643	-32,227	6,247	137	7,557	13,941
Transportation							
701 AMC Cargo (Fund)	2,146	54	-87	2,113	47	32	2,192
702 AMC SAAM (Fund)	165,751	54,698	-119,846	100,603	5,232	-4,480	101,355
708 MSC Chartered Cargo	15	0	86	101	14	-88	27
718 MTMC Liner Ocean Transportation	3	0	-1	2	0	0	2
725 MTMC (Other-Non-Fund)	43	0	37	80	0	-20	60
771 Commercial Transportation	11,271	282	-2,123	9,430	208	464	10,102
Other Purchases							
913 Purchased Utilities (Non-Fund)	14,974	374	-13,075	2,273	50	2,621	4,944
914 Purchased Communications (Non- Fund)	24,642	616	-11,201	14,057	309	21,515	35,881
915 Rents (Non-GSA)	16,078	402	-8,846	7,634	168	77	7,879
917 Postal Services (U.S.P.S)	242	0	-70	172	0	-7	165
920 Supplies & Materials (Non-Fund)	304,987	7,625	-159,748	152,864	3,363	43,379	199,606
921 Printing & Reproduction	1,611	40	-1,276	375	8	8	391
922 Equipment Maintenance By Contract	223,891	5,597	5,652	235,140	5,173	24,525	264,838
924 Pharmaceutical Drugs	126	13	-21	118	12	-11	119
925 Equipment Purchases (Non-Fund)	250,383	6,260	-130,809	125,834	2,769	41,703	170,306
926 Other Overseas	439	11	1,236	1,686	37	490	2,213

**UNITED STATES SPECIAL OPERATIONS COMMAND
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IV. Performance Criteria and Evaluation: OP-5 Training

<u>Line Item</u>	<u>FY 2005 Program</u>	<u>Price Growth</u>	<u>Prog Growth</u>	<u>FY 2006 Program</u>	<u>Price Growth</u>	<u>Prog Growth</u>	<u>FY 2007 Program</u>
Purchases							
928 Ship Maintenance By Contract	74,781	1,870	-42,124	34,527	759	17,150	52,436
930 Other Depot Maintenance (Non- Fund)	144,436	3,611	-41,502	106,545	2,344	47,144	156,033
932 Management & Professional Support Services	68,227	1,706	-42,564	27,369	603	-905	27,067
933 Studies, Analysis, & Evaluations	4,922	123	-1,643	3,402	75	-4	3,473
934 Engineering & Technical Services	10,297	257	-1,150	9,404	207	-300	9,311
937 Locally Purchased Fuel (Non-Fund)	2,723	406	-2,413	716	258	-195	779
987 Other Intra- Government Purchases	229,700	5,743	-204,042	31,401	691	33,812	65,904
989 Other Contracts	411,538	10,288	-235,771	186,055	4,093	85,162	275,310
998 Other Costs	279,635	6,152	7,302	293,089	9,672	58,600	361,361
Special Operations Command Total	3,104,545	140,326	-1,079,060	2,165,811	97,044	589,765	2,852,620

* The FY 2005 Actual column includes \$592,844 thousand of FY 2005 Supplemental funds (PL 109-13), \$465 thousand of FY 2005 Hurricane Supplemental funds (PL 108-324, PL 109-61, and PL 109-62), \$111,248 thousand of Iraq Freedom Fund transfers, and \$273,928 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

** The FY 2006 Estimate column excludes \$490,000 thousand of FY 2006 Title IX obligations (PL 109-148) and \$7,491 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148).

Fiscal Year (FY) 2007 Budget Estimates

The Joint Staff (TJS)



February 2006

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THE JOINT STAFF
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2007 Budget Estimates

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

	FY 2005	Price	Program	FY 2006	Price	Program	FY 2007
	<u>Actuals</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>
TJS Total	515,317	-15,802	52,077	551,592	26,916	3,495	582,003

* The FY 2005 Actual column includes \$25,000 thousand of FY 2005 Supplemental funds (PL 109-13).

* The FY 2006 column includes no FY 2006 Supplemental funds.

I. Description of Operations Financed: TJS funding for BA 1 provides the essential joint readiness and training required to maintain U.S. capability to employ joint combat forces effectively to meet contingencies worldwide. Joint training with allies provides the necessary interaction to test and evaluate combined systems, lines of communication, and technical agreements. TJS supports the Combatant Commands' (CoCOM) emergent requirements through the Joint Exercise Program (JEP), Combating Terrorism Readiness Fund (CbT RIF), the CoCOM Initiatives Fund (CCIF), and the CoCOM Command and Control Initiatives Program (C2IP). This budget also includes the Command, Control, Communications, Computers, and Intelligence for the Warrior (C4IFTW) program, consisting of the Coalition Warrior Interoperability Demonstration. Approximately 48% of TJS funds are subsequently provided to Operating Forces.

Funding for BA 4 provides for the day-to-day operations of TJS, primarily through four divisions in the Directorate of Management (DOM). Support includes lease, rents and utilities, purchased equipment maintenance, printing, facility maintenance, supplies, equipment; communications and office automation; contract studies, professional management services, resource management, and other services. TJS directly supports the Chairman and other members of the JCS. Other TJS programs include: Combating Terrorism Directorate, Homeland Security, Planning and Decision Aid System, Joint Collaborative Analysis Support, the Warfighter Mission Area Information Technology Portfolio Management, and Pentagon Reservation Maintenance Revolving Fund.

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Budget Activity 1: Operating Forces

Operation and Maintenance, Defense-Wide Summary (\$ in thousands)
Budget Activity (BA) 1: Operating Forces

	<u>FY 2005</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>
TJS	515,317	-15,802	-237,645	261,870	8,888	7,322	278,080

* The FY 2005 Actual column includes \$25,000 thousand of FY 2005 Supplemental funds (PL 109-13).

* The FY 2006 column includes no FY 2006 Supplemental funds.

I. Description of Operations Financed: TJS provides for the essential joint readiness and training required to maintain U.S. capability to employ joint combat forces effectively to meet contingencies worldwide. It provides tangible demonstrations of U.S. resolve and joint readiness capability to project a military presence anywhere in the world, in support of national interests and commitments to U.S. allies. Joint training with allies provides the necessary interaction to test and evaluate combined systems, lines of communication, and technical agreements. The Joint Exercise Program (JEP), Combating Terrorism Readiness Fund (CbT RIF), the Combatant Commander (CoCOM) Initiatives Fund (CCIF), and the CoCOM Command and Control Initiatives Program (C2IP) support emergent requirements of the CoCOMs. This budget also includes the Command, Control, Communications, Computers, and Intelligence for the Warrior (C4IFTW) program, consisting of the Coalition Warrior Interoperability Demonstration. Approximately 48% of TJS funds are subsequently provided to Operating Forces.

Narrative Explanation of Changes: FY 2006 to FY 2007:

- Funding was realigned from BA 1 to BA 4 per congressional direction.
- Joint Exercise Program (JEP) increases from FY 2006-FY 2007 due to fuel inflation. Due to continuing force deployment requirements in support of the Global War on Terrorism (GWOT), the Department reduced the JEP from FY 2005 to FY 2007, reflecting the CoCOMs increased participation in the

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Budget Activity 1: Operating Forces

- GWOT efforts, and realigned the resources to fund emergent fact-of-life requirements. The increase in FY 2007 is net result of rising fuel costs (organic and commercial) on USTRANSCOM's peacetime workload, the OMB revised estimates of crude oil purchase cost and an increase to support Full Scale Civil Military Exercises.
- CoCOM Initiative Fund (CCIF) decreased in FY 2006 from the President's Budget Submission by \$5 million due to a Congressional Mark. The Department extended this reduction to fund the program baseline at \$25 million.
- The Combating Terrorism Readiness Initiatives Fund (CbT RIF) decreased from FY 2006 President's Budget Submission \$5.5 million in FY 2006 and \$2.6 million in FY 2007, which reflects the Department of Defense's (DoD) realignment of force protection responsibilities to the respective services.

Mission areas of BA 1 programs:

1. The **Joint Exercise Program** (JEP) is the Chairman's principal vehicle for achieving joint and multinational training. The JEP funds only the transportation of personnel and equipment to these worldwide exercises. The program is the primary means for CoCOMs to train battle staffs and forces in joint and combined operations, evaluate war plans, and execute engagement strategies. It provides an opportunity to stress strategic transportation and C4I systems to evaluate their readiness and supportability across the full range of military operations. This vital program also provides a vehicle for DoD to assess the military's ability to satisfy joint national security requirements and to enhance and evaluate interoperability between the Services, as well as exercise crucial Service-unique deployment and redeployment skills.
2. The **Combating Terrorism Readiness Initiative Fund (CbT RIF)** provides a flexible response to meet CoCOMs' worldwide emergency or unforeseen Anti-terrorism/Force

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Budget Activity 1: Operating Forces

Protection (AT/FP) requirements that require immediate attention. The primary focus of the fund is on physical security equipment.

3. Other CoCOM support includes:

- a. The **CoCOM Initiative Fund (CCIF)** supports unforeseen contingency requirements critical to CoCOMs' joint warfighting readiness and national security interests. The strongest candidates for approval are initiatives that support CoCOM activities and functions, enhance interoperability, and yield high benefit at a low-cost. Initiatives support authorized activities such as: force training, contingencies, selected operations, humanitarian and civil assistance, military education and training of foreign personnel, personal expenses for bilateral or regional cooperation programs, and joint warfighting capabilities.
- b. The **CoCOM Command and Control Initiative Program (C2IP)** provides the CoCOMs the capability to implement timely, low-cost, near-term improvements to their command and control systems. These funds are used to adapt and evolve existing command and control systems to meet unique requirements that arise due to unforeseen situations.
- c. **Coalition Warrior Interoperability Demonstrations (CWID)**, a component of the C4ISR program, are joint/coalition demonstrations of existing commercial off-the-shelf (COTS), new, and evolving technologies that can satisfy warfighting requirements. CWIDs are the only opportunities where these technologies can be inserted into a joint/coalition C4ISR network and stressed under the scrutiny of warfighters, without impacting training or real world missions. CWIDs enable CoCOMs to review and use technologies immediately, rather than go through costly and time-consuming, full-scale development efforts.

II. Force Structure Summary: N/A.

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III. Financial Summary (\$ in thousands)

	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
A. <u>Budget Activity (BA) 1</u>							
1. Joint Exercise Program (JEP)	183,144	195,700	-5,675	-2.9	190,025	188,833	208,543
2. Combating Terrorism Readiness Initiative Fund (CbT RIF)	26,877	41,527	-3,250	-7.8	38,277	38,277	35,691
a. Combatant Commanders Initiatives Fund (CCIF)	48,794	30,000	-5,000	-16.7	25,000	25,000	25,000
b. Combatant Commanders Cmd & Cntrl (C2) Initiatives Program (C2IP)	666	9,765	-732	-7.5	9,033	9,033	8,090
c. Coalition Warrior Interoperability Demonstration (CWID)	652	727	0	0.0	727	727	756
4. Planning and Decision Aids System	37,394	35,185	-35,185	-100.0	0	0	0
5. Joint Analytical Model Improvement Program	9,509	9,521	-9,521	-100.0	0	0	0
6. Pentagon Reservation Maintenance Revolving Fund	70,296	61,928	-61,928	-100.0	0	0	0
7. Management HQ	60,661	64,003	-64,003	-100.0	0	0	0
a. Joint Staff Information Network	12,424	30,928	-30,928	-100.0	0	0	0
b. Training Transformation	11,017	0	0	0.0			
c. Civilian Pay	21,567	23,051	-23,051	-100.0	0	0	0
d. Joint Modeling & Simulation	10,206	0	0	0.0	0	0	0
e. Joint Warfighting Capability Assessment (JWCA)	11,532	0	0	-100.0	0	0	0
f. Focused Logistics	5,268	0	0	0.0	0	0	0

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	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		<u>Appropriated</u>	<u>Current Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>Budget Activity (BA) 1</u>							
g. Combating Terrorism Directorate	2,855	2,243	-2,243	-100.0	0	0	0
h. Strategic Studies	2,455	2,236	-2,236	-100.0	0	0	0
i. Analytical Suite	0	104	-104	-100.0	0	0	0
j. Warfighter Mission Area (WMA)	0	4,024	-4,024	-100.0	0	0	0
k. Business Process Review (BPR)	0	3,700	-3,700	-100.0	0	0	0
8. Joint Staff Analytical Support	0	9,230	-9,230	-100.0	0	0	0
a. Training Transformation	0	24,419	-24,419	-100.0	0	0	0
b. Joint Modeling and Simulation (JM&S)	0	13,535	-13,535	-100.0	0	0	0
c. Joint Warfighting Capability Assessment (JWCA)	0	8,301	-8,301	-100.0	0	0	0
d. Focused Logistics	0	4,404	-4,404	-100.0	0	0	0
e. Adaptive Planning & Analytical Agenda	0	6,352	-6,352	-100.0	0	0	0
Total	515,317	580,883	-317,821	-54.7	263,062	261,870	278,080

* The FY 2005 Actual column includes \$25,000 thousand of FY 2005 Supplemental funds (PL 109-13).

* The FY 2006 column includes no FY 2006 Supplemental funds.

* Current FY 2006 Estimate reflects efforts of realigning from BA 1 (Operating Forces) to BA 4 (Administrative and Service-wide accounts) for proper execution.

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<u>B. Reconciliation Summary</u>	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	\$580,883	261,870
Congressional Adjustments (Distributed)	-315,664	0
Congressional Adjustments (Undistributed)	-247	0
Adjustments to Meet Congressional Intent	-1,293	0
Congressional Adjustments (General Provisions)	-548	0
Congressional Earmark	-69	0
Subtotal Appropriated Amount	263,062	0
Fact-of-Life Changes (CY 2006 to CY 2006)	-1,192	0
Subtotal Baseline Funding	261,870	0
Anticipated Supplemental	25,000	0
Reprogrammings	0	0
Price Changes	0	8,888
Functional Transfers	0	0
Program Changes	0	7,322
Current Estimate	286,870	278,080
Less: Wartime Supplemental	-25,000	0
Normalized Current Estimate	261,870	278,080

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request (Amended, if applicable)		580,883
1. Congressional Adjustments		-317,821
a. Distributed Adjustments	-315,664	
1) Program Growth	-7,500	
2) Combatant Commander Initiative Fund (CCIF)	-5,000	
3) BA Realignment	-303,164	
b. Undistributed Adjustments - Unobligated Balances	-247	
c. Adjustments to meet Congressional Intent - 1 percent Rescission	-1,293	
d. General Provisions	-548	
1) Sec 8087 - Advisory and Assistance Services	-247	
2) Sec 8125 - Economic Assumptions	-205	
3) Sec 8141 - Excessive Growth in Travel and Transportation	-96	
e. Congressional Earmarks - Mitigation of Environmental Impact on Indian Lands	-69	
FY 2006 Appropriated Amount		263,062
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		-1,192
a. Technical Adjustments		
1) Increases:		
2) Decreases:	-1,192	
a) <u>Joint Exercise Program (JEP)</u> : (FY 2006 Base: \$190,025K) Funding was realigned to support higher priorities	-1,192	
FY 2006 Baseline Funding		261,870
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		261,870

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<u>c. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		261,870
6. Price Change		8,888
7. Functional Transfers		
8. Program Increases		
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007	13,179	
1) <u>Joint Exercise Program</u> : (FY 2006 base: \$188,833K) Joint Exercise Program (JEP) growth in FY 2006- FY 2007 represents marginal increase toward the baseline annual JEP validated requirements. Due to continuing force deployment requirements in support of the Global War on Terrorism (GWOT), the Department reduced the JEP from FY 2005 to FY 2007 to align with the FY 2004 obligations and realigned the resources to fund emergent fact-of-life requirements, and reflect the COCOMs increased participation in the GWOT efforts. The increase in FY 2007 is net result of rising fuel costs (organic and commercial) on USTRANSCOM's peacetime workload, and the OMB revised estimates of crude oil purchase cost.	11,166	
2) <u>Full Scale Civil Exercise</u> : (FY 2006 Base: \$0K) Funds support full scale civil military homeland defense exercises, including training for response to natural, accidental, or terrorist catastrophic events, to be conducted as part of the CJCS exercise program.	2,000	
3) <u>Coalition Warrior Interoperability Demonstration</u> : (FY 2006 Base: \$727K) Normal operating increases.	13	
9. Program Decreases		
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007	-5,857	

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c. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
1) <u>Combating Terrorism Readiness Initiative Fund (Cbt RIF)</u> : (FY 2006 base: 38,277K) CbT RIF is used to respond to and protect against acts or threatened acts of terrorism against the United States. CbT RIF was reduced across the FYDP to ensure proper execution. This reduction also reflects the DoD's decision to realign force protection responsibilities to the respective services.	-3,505	
2) <u>Combatant Commanders Command & Control Initiatives Program (C2IP)</u> :(FY 2006 Base \$9,033K) Funding was realigned to support higher priorities.	-1,160	
3) <u>Budget Activity Realignment</u> : Programs were realigned from Budget Activity 01 (Operating Forces) to Budget Activity 04 (Administrative & Service-wide Activities) as directed by Congress. Programs transferred include Planning & Decision Aids, Joint Analytical Model Improvement Program. Pentagon Reservation Maintenance Revolving Fund, and Management Headquarters and the multiple programs included within this category.	-1,192	
FY 2007 Budget Request		278,080

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IV. Performance Criteria and Evaluation Summary

1. **Joint Exercise Program.** The Joint Exercise Program, a key component of the Joint Training System (JTS), is the Chairman's principal vehicle for joint and multinational training. DoD uses this crucial program to assess the military's ability to satisfy joint national security requirements, enhance and evaluate interoperability between the Services, and exercise critical Service-unique deployment/redeployment skills. The program provides political and diplomatic returns. Exercises demonstrate U.S. resolve and capability to project military power anywhere in the world in support of U.S. national interests and allies. The Joint Exercise Program also provides an opportunity to stress strategic transportation and C4I systems and evaluate their readiness and supportability across the full spectrum of military operations.

Airlift

USJFCOM	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
DETERMINED_PROMISE	0	0	0	0
ELLIPSE_ALPHA	0	0	0	0
ELOQUENT_NUGGET	0	0	0	0
JTFEX_SERIES	55	25	0	25
MILLENNIUM_CHALLENGE	0	0	0	0
NORTHERN_LIGHT	0	0	0	0
NORTHERN_VIKING	0	0	0	0
SORBET_ROYALE	0	0	0	0
STRONG_RESOLVE	0	0	0	0
ROVING_SANDS/JOINT_RED_FLAG	1,056	0	200	200
UE_SERIES	1,700	374	0	374
JNTC_SERIES	0	24	100	124
Total Hours (C-17)	2,811	423	300	723
Total Dollars (\$000's)	7,747	3,378	2,196	5,574

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	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USCENTCOM				
ACCURATE_TEST	266	209	0	209
BALANCE_SERIES	25	17	0	17
BRIGHT_STAR	4,225	1,000	0	1,000
EAGER_INITIATIVE	0	0	0	0
EAGER_LIGHT	300	0	0	0
EAGER_TIGER	154	0	0	0
EAGLE_RESOLVE	550	192	-3	189
EARLY_VICTOR	472	470	0	470
EASTERN_ACTION	160	23	0	23
EASTERN_CASTLE	240	125	0	125
EASTERN_EAGLE	340	174	15	189
EASTERN_VALOR	458	249	-2	247
EASTERN_VIPOR	365	24	0	24
ELLIPSE_FOXTROT	345	284	-2	282
FALCON_TALON	500	0	0	0
INHERENT_FURY	80	63	0	63
INITIAL_LINK	261	0	0	0
INSPIRED_VENTURE	375	206	0	206
INTERNAL_LOOK	0	0	0	0
IRON_FALCON	605	234	0	234
LUCKY_SENTINEL	0	0	0	0
NATIVE_ATLAS	0	0	0	0
NATIVE_FURY	0	0	0	0
NECTAR_BEND	441	221	0	221
NEON_FALCON	332	153	0	153
NOBLE_PIPER	450	172	0	172
REGION_COOP/CENTRASBAT	176	179	-28	151
RUGGED_SERIES	0	0	0	0
EARNEST_LEADER	60	30	0	30
INSPIRED_GAMBIT	363	0	0	0
IRON_COBRA	290	111	0	111
NATURAL_FIRE	66	35	0	35
STEEPE_EAGLE_07	0	18	0	18
Total Hours (C-17)	11,899	4,189	-20	4,169
Total Dollars (\$000's)	32,794	33,453	-1,314	32,139

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	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USSOUTHCOM				
BLUE_ADVANCE	233	45	0	45
ELLIPSE_ECHO	269	4	0	4
FUERZAS_ALIADAS_HUM	134	55	0	55
FUERZAS_DE_DEFENSAS	187	24	0	24
NEW_HORIZON_SERIES	1,848	799	150	949
TRADEWINDS	250	67	7	74
UNITAS	303	329	0	329
UNITED_COUNTERDRUG	0	0	0	0
FUERZAS_COMANDO	60	59	0	59
FUERZAS_ALIADAS_PANAMAX_05	89	174	0	174
PKO_SOUTH	136	59	0	59
PKO_NORTH	180	49	0	49
NEW_HORIZON_DOMINICA	67	0	0	0
UINITAS_PACIFICA	227	0	0	0
Total Hours (C-17)	3,983	1,664	157	1,821
Total Dollars (\$000's)	10,977	13,289	749	14,038

Airlift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USJFCOM				
DETERMINED_PROMISE	0	0	0	0
ELLIPSE_ALPHA	0	0	0	0
ELOQUENT_NUGGET	0	0	0	0
JTFEX_SERIES	55	25	0	25
MILLENNIUM_CHALLENGE	0	0	0	0
NORTHERN_LIGHT	0	0	0	0
NORTHERN_VIKING	0	0	0	0
SORBET_ROYALE	0	0	0	0
STRONG_RESOLVE	0	0	0	0
ROVING_SANDS/JOINT_RED_FLAG	1,056	0	200	200
UE_SERIES	1,700	374	0	374
JNTC_SERIES	0	24	100	124
Total Hours (C-17)	2,811	423	300	723
Total Dollars (\$000's)	7,747	3,378	2,196	5,574

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	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
OTHERCOCOM				
ELIGIBLE_RECEIVER	0	0	0	0
POSITIVE_RESPONSE	0	0	0	0
Total Hours (C-17)	0	0	0	0
Total Dollars (\$000's)	0	0	0	0

Airlift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USEUCOM				
ABLE_SERIES	11	0	0	0
ADRIATIC_PHIBEX	335	0	129	129
WST_AFRICA_TRNG_CRSE	255	75	10	85
US_RUSSIAN_EXERCISE	260	150	0	150
UNION_FLASH	0	0	0	0
TROJAN_FOOTPRINT	475	275	-75	200
TALISMAN_SABER	0	0	0	0
SILVER_EAGLE_SERIES	208	125	0	125
SHARED_ACCORD	1,550	211	14	225
SEA_BREEZE	200	87	8	95
SCWC	43	4	3	7
RESCUER	195	40	5	45
PEACE_SHIELD	566	233	-8	225
MEDFLAG	466	149	3	152
MEDCEUR	458	321	0	321
JUNIPER_SERIES	80	75	12	87
FLINTLOCK	834	255	0	255
ELLIPSE_BRAVO	122	122	0	122
DISTANT_THUNDER	0	0	0	0
DESTINED_GLORY	560	234	0	234
COOPERATIVE_SERIES	1,114	500	-150	350
COMBINED_ENDEAVOR	950	92	-42	50
CLEAN_HUNTER	266	114	0	114
BLUE_GAME	124	132	0	132
BATTLE_GRIFFIN	200	0	0	0
BALTOPS	59	285	0	285
AFFIRMATIVE_ALERT	0	0	0	0
AFRICAN_LION	395	152	0	152

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	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USEUCOM				
AGILE_LEADER	0	0	0	0
AGILE_RESPONSE	0	0	0	0
ALLIED_ACTION	0	55	0	55
ARDENT_GROUND	0	0	0	0
ATLAS_DROP	285	477	-153	324
ATLAS_EAGLE	0	254	0	254
CMX	78	10	0	10
FLEXIBLE_LEADER	55	55	0	55
IMMEDIATE_RESPONSE	754	156	25	181
JUNIPER_STALLION	452	211	-47	164
NOBLE_SHIRLEY	241	77	16	93
RAPID_TRIDENT	0	122	3	125
REGIONAL_EXERCISE	367	0	0	0
SHARED_RESPONSE	257	210	0	210
SHARP_FOCUS	478	235	0	235
SILVER_EAGLE_PHASE_IV	197	0	0	0
SORBET_ROYALE	79	52	31	83
TROJAN_FOOTPRINT_PHASE_IV	164	0	0	0
URGENT_RESOLVE	225	0	0	0
Total Hours (C-17)	13,358	5,545	-216	5,329
Total Dollars (\$000's)	36,815	44,282	-3,301	41,081

Airlift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USNORTHCOM				
AMALGAM_FABRIC_BRAVE	52	0	0	0
AMALGAM_FALCON_BRAVE	55	54	0	54
AMALGAM_FENCINGBRAVE	25	35	0	35
NORTHERN_EDGE	84	0	85	85
FALCON_BRAVE	58	63	25	88
ARDENT_SENTRY	42	56	0	56
Total Hours (C-17)	316	208	110	318
Total Dollars (\$000's)	871	1,661	790	2,451

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	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USPACOM				
BALIKATAN	1,208	540	15	555
COBRA_GOLD	3,048	455	10	465
COMMANDO_SLING	250	170	0	170
COPE_SERIES	0	75	0	75
ELLIPSE_CHARLIE	476	288	0	288
FOAL_EAGLE	3,625	1,000	0	1,000
FREEDOM_BANNER	0	0	0	0
FREQUENT_STORM	0	145	2	147
HONG_KONG_SARAX	9	7	0	7
KEEN_EDGE_SWORD	110	95	0	95
NORTHERN_EDGE	0	250	-250	0
RSO_I	1,786	989	59	1,048
TALISMAN_SABER (w/FB in 2005)	3,084	0	1,535	1,535
TEMPEST_EXPRESS	0	0	29	29
TERMINAL_FURY	500	100	0	100
ULCHI_FOCUS_LENS	2,474	1,545	210	1,755
COMMANDO_SLING_PHASE_IV	55	0	0	0
Total Hours (C-17)	16,625	5,659	1,610	7,269
Total Dollars (\$000's)	45,819	45,193	10,844	56,037

Airlift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USSOCOM				
BRONZE_ARROW_SERIES	750	750	0	750
ABLE_WARRIOR	0	20	30	50
Total Hours (C-17)	750	770	30	800
Total Dollars (\$000's)	2,067	6,149	18	6,167

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	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USTRANSCOM				
JLOTS	55	75	0	75
TURBO_CHALLENGE	25	21	0	21
ULTIMATE_CADUCEUS	55	0	50	50
Total Hours (C-17)	135	96	50	146
Total Dollars (\$000's)	372	767	359	1,126

Airlift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USSTRATCOM				
GLOBAL_LIGHTNING	179	87	0	87
GLOBAL_THUNDER	25	17	0	17
Total Hours (C-17)	204	104	0	104
Total Dollars (\$000's)	562	831	-29	802

GRAND TOTAL HOURS	50,081	18,658	2,021	20,679
GRAND TOTAL AIRLIFT (\$000's)	138,023	149,003	10,411	159,414

C-17 Equivalent Rates	2,756	7,986		7,709
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The JEP uses a mix of military and commercial platforms. Flying hours are depicted as C-17 Equivalents to provide a common performance criteria for comparison of level of effort.

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Sealift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USJFCOM				
JTFEX_SERIES	3	2	3	5
LINKED_SEAS	0	0	0	0
NORTHERN_LIGHT	0	0	0	0
NORTHERN_VIKING	0	0	0	0
STRONG_RESOLVE	0	0	0	0
Total Steaming Days	3	2	3	5
Total Dollars (\$000's)	166	139	246	385

Sealift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USSOUTHCOM				
ELLIPSE_ECHO	0	0	0	0
FUERZAS ALIADAS CABANA	0	0	0	0
NEW_HORIZON_SERIES	56	8	3	11
TRADEWINDS	26	7	0	7
UNITAS SERIES	5	3	0	3
UNITAS PACIFICA	0	2	2	4
Total Steaming Days	87	20	5	25
Total Dollars (\$000's)	4,811	1,392	535	1,927

Sealift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USCENTCOM				
BRIGHT_STAR	12	5	1	6
EASTERN_CASTLE	0	3	0	3
NATIVE_FURY	0	2	0	2
NEON_FALCON	0	2	0	2
Total Steaming Days	12	12	1	13
Total Dollars (\$000's)	664	835	167	1,002

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Sealift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USEUCOM				
ADRIATIC_PHIBEX	3	0	32	32
AFRICAN_LION	5	4	0	4
ATLAS_SERIES	0	0	0	0
BLUE_GAME	6	3	0	3
CLEAN_HUNTER	6	3	0	3
COOPERATIVE_SERIES	0	0	1	1
DESTINED_GLODY	9	0	0	0
JUNIPER_SERIES	0	0	0	0
STRONG_RESOLVE	0	0	0	0
WST_AFRICA_TRNG_CRSE	3	7	-7	0
BALTOPS	0	4	-4	0
Total Steaming Days	32	21	22	43
Total Dollars (\$000's)	1,769	1,461	1,853	3,314

Sealift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USPACOM				
BALIKATAN	5	5	5	10
COBRA_GOLD	24	24	0	24
FOAL_EAGLE	15	15	0	15
FREEDOM_BANNER	11	11	0	11
KEEN_EDGE_SWORD	5	5	0	5
NORTHERN_EDGE	0	11	0	11
TALISMAN_SABER	25	0	25	25
ULCHI_FOCUS_LENS	18	12	-3	9
COPE_SERIES	5	0	0	0
Total Steaming Days	108	83	27	110
Total Dollars (\$000's)	5,972	5,776	2,702	8,478

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Sealift

	<u>FY 2005 Actual</u>	<u>FY 2006 Estimate</u>	<u>FY 2006/2007 Change</u>	<u>FY 2007 Estimate</u>
USTRANSCOM				
JLOTS	144	139	0	139
TURBO_ACTIVATION_SERIES	75	50	-13	37
TURBO_CADS	34	34	11	45
TURBO_CHALLENGE	4	4	-2	2
TURBO_INTERMOD_SURGE	0	0	0	0
ULTIMATE_CADUCEUS	0	0	5	5
Total Steaming Days	257	227	1	228
Total Dollars (\$000's)	14,211	15,796	1,776	17,572
GRAND TOTAL HOURS	499	365	59	424
GRAND TOTAL AIRLIFT (\$000's)	27,592	25,399	7,278	32,677
Roll-on/Roll-off Equivalent Rate	55,295	69,585		7,069

Like Airframes, the JEP uses a mix of Sealift platforms -- RO/RO, Fast Sealift, breakbulk container, tug and barge.
 Steaming Days are depicted as RO/RO equivalents to provide a common performance criterion for comparison level of effort.

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Port Handling (PH) / Inland Transit (IT)

	<u>FY 2005 Actual</u>		<u>FY 2006 Estimate</u>		<u>FY 2006/2007 Change</u>		<u>FY 2007 Estimate</u>	
	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>
USCENTCOM								
BRIGHT_STAR	0	2,300	100	425	0	-275	100	150
EAGER_SERIES	8	56	8	50	0	0	8	50
EAGLE_RESOLVE	0	45	0	45	0	0	0	45
EARLY_VICTOR	0	0	10	20	-1	0	9	20
EASTERN_CASTLE	50	55	150	275	0	0	150	275
EASTERN_EAGLE	0	30	0	50	0	0	0	50
EASTERN_VALOR	0	70	0	70	0	0	0	70
INITIAL_LINK	0	0	0	0	0	0	0	0
INTERNAL_LOOK	0	0	0	0	0	0	0	0
IRON_SERIES	84	75	74	100	0	0	74	100
LUCKY_SENTINEL	0	0	0	0	0	0	0	0
NATIVE_ATLAS	0	0	0	0	0	0	0	0
NATURAL_FIRE	0	0	0	0	0	0	0	0
NEON_FALCON	9	44	9	32	0	-17	9	15
NOBLE_PIPER	86	0	41	80	-29	5	12	85
ULTIMATE_RESOLVE	0	0	0	0	0	105	0	105
Total PH/IT Cost	237	2,675	392	1,147	-30	-147	362	1,000

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USEUCOM	FY 2005 Actual		FY 2006 Estimate		FY 2006/2007 Change		FY 2007 Estimate	
	PH	IT	PH	IT	PH	IT	PH	IT
ADRIATIC_PHIBEX	0	0	0	0	0	0	0	0
AFRICAN_EAGLE	0	0	0	0	0	0	0	0
AFRICAN_LION	20	10	20	10	0	0	20	10
ARRCADE_FUSION	0	0	0	0	0	0	0	0
ARRCADE_GUARD	0	0	0	0	0	0	0	0
ATLAS_SERIES	53	113	150	65	-38	0	122	65
BATTLE_GRIFFIN	0	0	0	0	0	0	0	0
BLUE_GAME	1	47	0	2	0	0	0	2
CASUALTY_CARE	0	0	0	0	0	0	0	0
CLEAN_HUNTER	0	55	0	87	0	1	0	88
COMBINED_ENDEAVOR	115	280	0	10	0	0	0	10
CORNERSTONE	0	0	0	0	0	0	0	0
DESTINED_GLORY	0	0	0	0	0	0	0	0
DISTANT_THUNDER	0	0	0	0	0	0	0	0
DYNAMIC_SERIES	0	0	66	700	150	16	216	716
ELLIPSE_BRAVO	0	55	0	6	0	0	0	6
FLINTLOCK	0	671	0	450	0	0	0	450
JUNIPER_SERIES	20	85	0	105	0	0	0	105
MEDCEUR	0	0	33	88	3	0	36	88
MEDFLAG	0	0	0	45	0	0	0	45
NOBLE_SHIRLEY	0	0	0	50	0	6	0	56
PARTNERSHIP_4_PEACE	0	0	0	0	0	0	0	0
PEACEKEEPER	0	0	0	0	0	0	0	0
RESCUER	0	0	0	25	0	0	0	25
RESCUE_EAGLE	0	0	0	0	0	0	0	0
SHARED_ENDEAVOR	0	0	0	55	0	0	0	55
TAC_FIGHTER_WEAPON	0	0	0	0	0	0	0	0
UNION_FLASH	0	0	0	0	0	0	0	0
WST_AFRICA_TRNG_CRSE	46	126	16	98	0	8	16	106
Total PH/IT Cost	255	1,442	285	1,796	115	31	400	1,827

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	<u>FY 2005 Actual</u>		<u>FY 2006 Estimate</u>		<u>FY 2006/2007 Change</u>		<u>FY 2007 Estimate</u>	
	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>
USJFCOM								
COOPERATIVE_ZENITH	0	0	0	0	0	20	0	20
JTFEX_SERIES	0	0	0	0	0	0	0	0
LINKED_SEAS	0	0	0	0	0	0	0	0
NORTHERN_LIGHT	0	0	0	0	0	0	0	0
NORTHERN_VIKING	0	0	0	0	0	0	0	0
ROVING_SANDS	0	400	0	0	0	250	0	250
UNIFIED_ENDEAVOR	0	250	0	250	0	25	0	275
Total PH/IT Cost	0	650	0	250	0	295	0	545

	<u>FY 2005 Actual</u>		<u>FY 2006 Estimate</u>		<u>FY 2006/2007 Change</u>		<u>FY 2007 Estimate</u>	
	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>
USPACOM								
BALIKATAN	440	283	375	318	100	0	475	318
COBRA_GOLD	578	516	400	523	56	0	456	523
ELLIPSE_CHARLIE	0	0	0	40	0	0	0	40
FOAL_EAGLE	803	776	250	750	0	0	250	750
FREEDOM_BANNER	612	432	120	155	0	0	120	155
KEEN_EDGE_SWORD	243	587	100	260	0	0	100	260
KERNAL_BLITZ	0	0	0	0	0	0	0	0
NORTHERN_EDGE	0	0	0	56	0	0	0	56
RSO&I	74	0	0	0	0	0	0	0
RSO_I	0	1,188	0	800	0	0	0	800
TALISMAN_SABER	1,350	600	0	0	1,350	600	1,350	600
ULCHI_FOCUS_LENS	0	0	0	0	0	0	0	0
Total PH/IT Cost	4,100	4,382	1,245	2,902	1,506	600	2,751	3,502

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Port Handling (PH) / Inland Transit (IT)

	<u>FY 2005 Actual</u>		<u>FY 2006 Estimate</u>		<u>FY 2006/2007 Change</u>		<u>FY 2007 Estimate</u>	
	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>
USSOUTHCOM								
BLUE_ADVANCE	72	200	2	6	0	-6	2	0
FUERZAS ALIADAS SERIES	0	69	0	176	0	0	0	176
FUERZASALIADASSERIES	0	0	0	0	0	0	0	0
FUERZAS_DE_DEFENSAS	0	0	0	0	0	0	0	0
NEW_HORIZON_HAITI	180	720	0	0	0	0	0	0
NEW_HORIZON_SERIES	740	450	250	958	0	322	250	1,280
PKO_NORTH/SOUTH	0	0	0	7	0	0	0	7
TRADEWINDS	0	20	0	400	0	100	0	500
Total PH/IT Cost	992	1,459	252	1,547	0	416	252	1,963

	<u>FY 2005 Actual</u>		<u>FY 2006 Estimate</u>		<u>FY 2006/2007 Change</u>		<u>FY 2007 Estimate</u>	
	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>	<u>PH</u>	<u>IT</u>
USTRANSCOM								
JLOTS	100	230	124	2,520	-44	0	80	2,520
TURBO_CADS	0	1,007	964	1,007	-214	-507	750	500
Total PH/IT Cost	100	1,237	1,088	3,527	-258	-507	830	3,020

Grand Total PH/IT Cost	5,684	11,845	3,262	11,169	1,333	688	4,595	11,857
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2. **Combating Terrorism Readiness Initiatives Fund (CbT RIF)**

Metric	<u>FY 05</u>	<u>FY 06*</u>
# of requests	385	216
# of projects funded	128	160
\$(M) of projects	\$57.2	TBD

Break-out by CoCOM **

CENTCOM	41.8%
EUCOM	4.0%
PACOM	7.1%
NORTHCOM	9.5%
SOUTHCOM	8.0%
TRANSCOM	2.3%
STRATCOM	12.2%
SOCOM	5.5%
JFCOM	9.6%

*-PROJECTION

** - Represent Sub-allocated percentage

3a. **The CoCOM Initiative Fund (CCIF):** (Metric being developed)

3b. **CoCom Command and Control Initiative Program (C2IP)**

Metric	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>
# of requests	43	TBD	TBD
# of projects funded	4	TBD	TBD
\$(K) of projects request	892	9,765	9,937
\$(K) of projects funded	668.6	TBD	TBD

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Break-out by CoCom

SOCOM: \$(K)	230.0	TBD	TBD
EUCOM: \$(K)	298.6	TBD	TBD
SOUTHCOM: \$(K)	140.0	TBD	TBD

By Category

GWOT	20%	TBD	TBD
Transformation	20%	TBD	TBD
Strengthening the warfighter	40%	TBD	TBD
Other	20%	TBD	TBD

3c. Coalition Warrior Interoperability Demonstrations (CWID)

CWID Metrics (Planned)	FY 05	FY 06 (Planned)	FY 07
Planning Conferences Held	5	5	5
Demonstration Trails	55	50	50
Trails receiving			
Interoperability Assessments	29	30	29
Security Assessments	19	20	19
Warfighter Assessments	31	42	31
Allied Nations Participating	26	35	40
DOD Agencies Participating	14	14	14
US Gov't Agency Participants	10	10	15
CWID Worldwide Sites	30	30	30
US Primary Sites	9	10	10

V. Personnel Summary (See BA 4)

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

<u>OP 32 Line</u>	<u>FY 2005</u> <u>Actuals</u>	<u>Change from</u> <u>FY 2005 to FY 2006</u>		<u>FY 2006</u> <u>Estimate</u>	<u>Change from</u> <u>FY 2006 to FY 2007</u>		<u>FY 2007</u> <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
101 Executive, General and Special Schedules	21,678	564	-22,242	0	0	0	0
103 Wage Board	40	1	-41	0	0	0	0
308 Travel of Persons	6,776	163	-2,939	4,000	88	-88	4,000
672 Pentagon Reservation Maintenance Fund	80,096	-16,820	-63,276	0	0	0	0
703 JCS Exercises Total	94,124	-4,894	-2,486	86,744	4,511	13,772	105,027
711 MSC Cargo (DWCF).	45,373	-454	8,400	53,319	6,985	-5,919	54,385
719 MTMC Cargo Operations	28,570	286	-8,432	20,424	-4,207	4,568	20,785
725 MTMC (Other-Non-Fund)	15,077	0	13,269	28,346	0	0	28,346
771 Commercial Transportation	14	0	7,986	8,000	168	-168	8,000
912 Rental Payments to GSA (SLUC)	376	9	-385	0	0	0	0
913 Purchased Utilities (Non-DWCF)	2,347	56	-2,403	0	0	0	0
914 Purchased Communications	11,722	0	-12,003	0	0	0	0
915 Rents (Non-GSA)	313	7	-320	0	0	0	0
917 Postal Services (U.S.P.S)	97	0	-97	0	0	0	0
920 Supplies & Materials (Non-DWCF)	4,405	105	-805	4,000	88	-88	4,000
921 Printing & Reproduction	155	4	-159	0	0	0	0
922 Equipment Maintenance by Contract	27,501	660	-27,936	0	0	0	0
923 Facility Maintenance by Contract	868	21	-889	0	0	0	0

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<u>OP 32 Line</u>	<u>FY 2005</u> <u>Actuals</u>	<u>Change from</u> <u>FY 2005 to FY 2006</u>		<u>FY 2006</u> <u>Estimate</u>	<u>Change from</u> <u>FY 2006 to FY 2007</u>		<u>FY 2007</u> <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
925 Equipment (Non- DWCF)	29,378	698	18,235	48,310	1,063	-4,592	44,781
932 Management & Professional Sup Svs	32,144	771	-32,915	0	0	0	0
933 Studies, Analysis, & EVALS	27,610	747	-31,873	0	0	0	0
934 Engineering & Technical Services	19,428	380	-15,496	727	16	13	756
987 Other Intra-Government Purchases	4,469	107	1,424	6,000	132	-132	6,000
989 Other Contracts	62,756	1,506	-62,262	2,000	44	-44	2,000
Total	515,317	-15,802	-237,645	261,870	8,888	7,322	278,080

* The FY 2005 Actual column includes \$25,000 thousand of FY 2005 Supplemental funds (PL 109-13).

* The FY 2006 column includes no FY 2006 Supplemental funds.

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Operation and Maintenance, Defense-Wide Summary (\$ in thousands)

Budget Activity (BA) 4: Administrative and Service-wide Activities

	FY 2005 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
TJS	\$0	\$0	\$303,164	\$289,722	\$18,028	\$-3,827	\$303,923

* The FY 2005 Actual column includes no FY 2005 Supplemental funds.

* The FY 2006 Estimate column excludes no FY 2006 Supplemental funds.

I. Description of Operations Financed: TJS funding for BA 4 provides for the essential joint readiness and support required to maintain U.S. capability to employ joint combat forces effectively to meet contingencies worldwide. BA 4 is over 50% of TJS funds.

This budget funds the day-to-day operations of TJS primarily through four divisions in the Directorate of Management (DOM). Support includes lease, rents and utilities, purchased equipment maintenance, printing, facility maintenance, supplies, equipment (Supply Support Office); communications and office automation (Chief Information Office); contract studies, professional management services (Secretary the Joint Staff), resource management (Comptroller), and other services. TJS directly supports the Chairman and other members of the JCS. Other TJS programs include: Combating Terrorism Directorate, Homeland Security, Planning and Decision Aid System (PDAS), Joint Collaborative Analysis (JCA) Support (formerly Joint Analytical Model Improvement Program (JAMIP)), the Warfighter Mission Area (WMA) Information Technology Portfolio Management, and Pentagon Reservation Maintenance Revolving Fund (PRMRF).

Narrative Explanation of Changes: FY 2006 to FY 2007:

- Funding was realigned from BA 1 to BA 4 per congressional direction.

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- Funding was realigned from Management Headquarters into Joint Staff Analytical Support to properly reflect/delineate "true Management Headquarters' activities".
- The Pentagon Reservation Maintenance Revolving Fund (PRMRF) increased \$11.5 million due to the rate adjustments based on a square-footage methodology, and tenant rent increases for Raven Rock Renovation Master Plan repair projects.
- Strategic Studies increased \$7.2 million due to the transfer of the Center for International Issues Research from USD (P) to TJS. This program provides funding to continue the production of the Daily Arabic Media Report and Global Issue Reports, which provide critical security updates and analysis to the President, DoD leadership, and other nations with regard to the Global War on Terrorism.

Mission areas of BA 4 programs:

1. **Planning and Decision Aid System (PDAS)** - is an automated information system protected under a SecDef-directed special access program. PDAS supports the planning and execution of Integrated Joint Special Technical Operations (IJSTO).
2. **Joint Data Support (JDS) (formerly Joint Analytical Model Improvement Program)**- Realigned/Moved to Joint Staff Analytical Support paragraph 5b.
3. **Pentagon Reservation Maintenance Revolving Fund (PRMRF)** - supports the operations, maintenance, protection, and renovation of the Pentagon. PRMRF includes TJS rent and furniture bills, above-standard facilities maintenance, and utilities. TJS's annual PRMRF funding requirements include the costs of real property operations of Site R. The executive agency of Site R was transferred to the Washington Headquarters Service (WHS) and tenants via the Defense Working Capital Fund now share financing of

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operations. TJS's share of construction of the Unified Command Center (UCC) and Resource Situational Awareness Center (RSAC) is also included in the PRMRF line.

4. **Management Headquarters (HQ)** - provides the day-to-day financial resources necessary to fulfill the Chairman's responsibilities and to support operations of TJS. This includes developing and maintaining joint doctrine for the employment of the Armed Forces. Joint doctrine is the foundation of all military operations training, educating, organizing, equipping, structuring, and fighting. It focuses the Services' efforts into a synergistic joint campaign. Because joint doctrine is the distilled wisdom of collective warfighting experience, it becomes a formula for success in both war and other operations. Management headquarters resources are used to provide functional oversight to the Electronic Joint Manpower and Personnel System (eJMAPs). An internet based system capable of expansion to the developing Defense Integrated Management Reporting System (DIMHRS) that provides oversight of all joint personnel requirements world-wide, management of all personnel and authorizations on TJS, and electronic liaison to Service personnel offices. In addition, Management Headquarters' resources support the following efforts:

- 4a. **Joint Staff Information Network (JSIN)** - JSIN is the network infrastructure (for both classified and unclassified information) that provides crucial business-related, decision-making information and workflow support affecting military operations in support of the JCS. JSIN improves actions processing for faster coordination of critical issues with Combatant Commands (CoCOMs), Services, agencies, as well as within TJS. Additionally, JSIN satisfies office automation requirements such as collaborative planning tools, actions package preparation and tracking, automated message handling, local area networking, word processing, and electronic mail with attachments through integrated suites of hardware and software.

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- 4b. **Training Transformation** - Realigned/Moved to Joint Staff Analytical Support 5a.
- 4c. **Civilian Personnel costs** - Provides the CJCS with the funding for all authorized civilian personnel assigned to TJS in accordance with DoD authorization.
- 4d. **Joint Modeling and Simulation** - Realigned/Moved to Joint Staff Analytical Support paragraph 5b.
- 4e. **Joint Warfighter Capability Assessment (JWCA)** - Realigned/Moved to Joint Staff Analytical Support 5c.
- 4f. **Focused Logistics** - Realigned/Moved to 5d.
- 4g. **The Antiterrorism/Force Protection (AT/FP) Division** - assists the Chairman in his responsibilities to serve as the principal adviser to the Secretary of Defense for all DOD AT/FP issues. Some of the duties of the AT/FP Division include, but are not limited to:
 - (1) Monitor AT/FP strategic policy, AT/FP training, interagency coordination and policy, program and budget activities, requirements, and technology and manage the Combating Terrorism Readiness Initiative Fund.
 - (2) Review the resources the Secretaries of the Military Departments propose for AT/FP programs to determine whether they meet DOD AT/FP objectives.
 - (3) Prepare joint doctrines and standards for AT/FP; review Service AT/FP doctrine and standards.
 - (4) Ensure Combatant Commanders' policies and programs are established for the

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protection of DOD personnel, their families, facilities, and other materiel.

(5) Assess the implementation of force protection programs within the Combatant Commanders' areas of responsibility (AOR).

(6) Facilitate Combatant Commander and Service AT/FP issues, analyze vulnerability assessment trends, and conduct Joint Staff AT Program Assessments.

(7) Serve as the Joint Staff representative on the Joint Improvised Explosive Device (IED) Integrated Process Team (IPT). The Joint IED IPT has been delegated the authority and responsibility to serve as the DOD lead for all Improvised Explosive Device (IED) issues and will coordinate efforts within DOD components and agencies to defeat the IED threat.

(8) Facilitate the collaboration and cooperation of Critical Infrastructure Protection (CIP) issues across the JS, Combatant Commands (CoCOMs) and Services in order to support America's Global War on Terror.

- 4h. **Strategic Studies** - Conducts studies and assessments of existing and proposed force structures; JWCA teams issues; international negotiations; Joint Strategic Planning System; and Congressionally or department-mandated studies such as the Quadrennial Defense Review. Assess the impact of international and domestic politico-military, economic, demographic, environmental, and psychosocial events and issues on national security policy and military strategy. Conduct politico-military crisis simulations for the JCS with Service, OSD, CoCOMs, and when appropriate, interagency and multi-lateral participation.
- 4i. **Analytical Suite** - Realigned/Moved to Joint Staff Analytical Support paragraph 5b.

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- 4j. **Warfighter Mission Area** - The WMA IT Portfolio Management fulfills the Chairman's responsibility assigned by DoD Directive to manage all Warfighting IT investments as a portfolio. This management process seeks to analyze and recommend that investments are continued, transformed, sustained, or terminated based on metrics and risk assessment criteria. The recommendations created will impact decisions in JCIDS, DAS, and PPBE.
- 4k. **Business Process Review** - Top CJCS priorities are Joint Warfighting and Transformation toward Net Centric Warfighter Operations. Revamping the Joint Staff Enterprise to a more Net Centric environment will significantly benefit (qualitatively and financially) operations and the overall business environment. The business environment that defines the Joint Staff response to taskings has evolved to a short suspense environment with higher expectations and increased complexity. Additionally, the environment requires greater collaboration across organizational boundaries and the increasing need for flexible tools to meet the demand for integrated business processes. This effort is part of a long-term transformation involving organizational redesign initiatives of business processes to improve Chairman's responsiveness to increased complex requirements.

5. Joint Staff Analytical Support - Specific Programs

- 5a. **Training Transformation (T2)** - Realigned/Moved from 4b. The dramatic transformation of America's strategic environment continues its significant impact on our military forces, and its demand for an equally dramatic transformation in how we prepare the forces for combat and noncombat operations. Training prepares forces to learn, improvise, and adapt to constantly changing threats, and execute doctrine to standards. The T2 initiative provides dynamic,

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capabilities-based training for the DoD in support of national security requirements across Active and Reserve components of the Services, Federal agencies, international coalitions, international organizations, and state, local, and nongovernmental organizations. It includes development and maintenance of the Joint Training System (JTS). JTS, which builds upon joint doctrine, is a four-phased, systematic process designed to implement a high-quality joint training program that maximizes the readiness of the Armed Forces. The four phases are: Phase I, Requirements, Phase II, Plans, Phase III, Execution, and Phase IV, Assessments. Overall, T2 will accomplish the following objectives:

Strengthen joint operations by preparing forces for new warfighting concepts; Continuously improve joint force readiness by aligning joint education and training capabilities and resources with CoCOMs needs; Develop individuals and organizations that intuitively think "joint"; Develop individuals and organizations that improvise and adapt to emerging crises; and Achieve unity of effort from a diversity of means.

Three capabilities form the foundation for T2. These capabilities are designed to prepare individuals, units, and staffs for the new strategic environment, and to provide enabling tools and processes to carry out missions.

- **Joint Knowledge Development and Distribution Capability (JKDDC)** - prepares future decision-makers and leaders to employ joint operational art, understand the common relevant operating picture, and respond innovatively to adversaries. It develops and distributes joint knowledge via a dynamic, global-knowledge network that provides immediate access to joint education and training resources.

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- **Joint National Training Capability (JNTC)** - prepares forces by providing command staffs and units with an integrated live, virtual, and constructive training environment that includes appropriate joint context and allows global training and mission rehearsal in support of specific operational needs.

- **Joint Assessment and Enabling Capability (JAEC)** - assists leaders in assessing the value of transformational initiatives on individuals, organizations, and processes by assessing training value, training environment integration, and the overall T2 vector to meet validated CoCOMs readiness requirements. It also provides essential support tools and processes to enable and enhance the Joint Knowledge Development and Distribution Capability and the Joint National Training Capability.

5b. **Joint Collaborative Analysis (JCA) Support** (formerly Joint Modeling and Simulation) - Realigned/Moved from 2 and 4i. Provides the CJCS with the analytical capabilities needed to support decision making associated with force structure assessment, joint course of action development, and joint and coalition analysis that directly contribute to the accomplishment of the combatant command and Joint Staff missions. Enhances the ability of the Joint Staff and combatant commands to work together using common tools and methodologies, thus providing the means to accomplish joint, multi-combatant command collaborative analysis on major and emerging issues directed by the Strategic Planning and Joint Programming Guidance. The results of JCA Support, which are often briefed at the highest DOD levels, are key to defining and illuminating the national security environment. Key functions provided by this program are delineated below.

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(1) **Joint Tools Field Support** - provides for the fielding of joint analytical tools, decision aids, and analytic methods to Joint Staff, CoCOMs and joint activities to address analytic and analysis requirements (e.g., SPG directed studies, Operational Availability, FCB assessments) in support of CJCS, CoCOMs, Services, and the joint analytic community. Analytical support requirements drive improvements in data availability and visibility; and require greater amounts of data, faster processing speeds, expansion of knowledge-based software tools, exploration and incorporation of new modeling methodologies, and greater interoperability among distributed analysis networks and existing and emerging joint modeling and simulation tools. The primary tool fielded by Joint Tools Field Support is the Joint Integrated Contingency Model (JICM), which is a campaign-level model of strategic mobility, warfighting, and logistics used to provide rapid analytical insights in a broad range of scenarios.

(2) **Data Support (Net Centric)** - The Global Force Management (GFM) Data Initiative is developing the data structures and methodology for documenting force structure in authoritative data sources and making data available in a net-centric environment.

(3) **Data Support (Analytical)** - Joint Data Support is the primary office tasked with improving the quality and consistency of data and models supporting DoD strategic analyses, and is governed by DoD Directive 8260.1, "Data Collection, Development, and Management in Support of Strategic Analysis," and DoD Instruction 8260.2, "Implementation of Data Collection, Development, and Management for Strategic Analysis,". JDS provides comprehensive data support to Department-level study teams and is the central source of campaign/theater level data used by the Services, Joint Staff, CoCOMs, and OSD in studies and analyses

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(e.g., Operational Availability [OA] Studies, Mobility Capabilities Study [MCS], and Analysis of Alternatives [AoA]). JDS develops and fields the Current Forces Database (CFDB) and Future Forces Database (FFDB), which contain current year and POM projected US forces, units, and equipment data. JDS has launched an initiative to improve management of models supporting strategic analysis. JDS manages the DoD's Analytic Agenda and its integration with other major Department initiatives such as Global Force Management (GFM), Adaptive Planning (AP), and Capabilities Based Planning (CBP).

(4) Methodology - Joint Analytic Operations Program (JAOP) - This program provides Combatant Commands (CoCOMs) and joint activities with analytical capabilities that directly contribute to the accomplishment of CoCOMs missions. It enhances the ability of CoCOMs to accomplish multi-CoCOMs collaborative analysis on emerging issues while providing key analytic support for the Planning, Programming, Budgeting, and Execution (PPBE) process. Resources are allocated to CoCOMs' un-programmed operations and maintenance and procurement requirements through an annual evaluation program.

(5) **Support Personnel** - provide the day-to-day operations and support for the JCA Support program. This includes Joint Staff Analytic Suite administration (database, network, and systems), coordination of modeling and simulation policy issues, and Joint Tools life-cycle management.

(6) Computing Infrastructure - The Joint Staff Analytic Suite provides TJS with an integrated computing environment configured to support large-scale analyses and assessments, and ad hoc research and analyses for one-time taskings and scenario excursions.

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5c. **Functional Capabilities Board (FCB) Assessments (Formerly Joint Warfighting Capability Assessment)** - Realigned/Moved from 4e. Eight FCBs assist the Joint Requirements Oversight Council (JROC) by conducting detailed assessments on programs impacting joint warfighting. Those assessments are vetted through the Joint Capabilities Board (JCB) to the JROC so they may provide recommendations to the CJCS. The Chairman may then use these recommendations as the basis for the advice on military requirements and priorities he is required to provide to the Secretary of Defense.

FCBs support the Chairman by assessing the extent to which the Service and other DoD components program recommendations and budget proposals conform to the priorities established in strategic plans and the priorities of the CoCOMs. The Joint Capabilities Integration and Development System (JCIDS) is the process used to support the JROC responsibilities described in Title 10, USC to assist the Chairman's role of advising the Secretary of Defense on assessments of capabilities, programs, and budgets. Collaborative and direct communications between the Joint Staff, Services, Combatant Commands, and Combat Support Agencies (CSAs) are necessary to facilitate and expedite JROC information flow. The Knowledge Management/Decision Support (KM/DS) tool is used to process, staff, and store all JCIDS documents (Capability documents, CoCOMs Integrated Priority Lists (IPLs), Concepts, Lessons Learned, DCRs, Portfolios, etc.) in support of the JROC. Over 1700 worldwide accounts are active and nearly 4000 capability documents have been processed and archived since the inception of KM/DS. The Joint Transformation Integration System is designed to track implementation of JROC approved Doctrine, Organization, Training, Materiel, Leadership and Education,

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Personnel, and Facilities (DOTMLPF) and Lessons Learned actions. Periodic JROC reviews of DOTMLPF and Lessons Learned actions are conducted to ensure implementation of the actions remain on track and are completed. Over 250 worldwide accounts are active and over 400 actions are actively tracked. KM/DS and JTIS are open architecture, web-enable tools consistent with the TJS enterprise environment. Further development of the two JROC support tools will focus on integration of the two information support systems as JCIDS and transformation initiatives evolve.

- 5d. **Focused Logistics** - Realigned/Moved from 4f. Provides the CoCOMs and Military Services the capability to implement timely, low-cost, near-term initiatives to improve logistics processes, practices and/or technologies within the CoCOMs areas of responsibility. Strongest initiatives are those that support the SECDEF-approved Joint Logistics Joint Capability Area and enable the Department to improve joint deployment and distribution, force health protection, joint theater logistics management, multinational logistics, agile sustainment, operational engineering, or logistics information fusion capabilities.
- 5e. **Adaptive Planning and Analytic Agenda** - The FY04-FY09 Defense Planning Guidance (DPG), May 2002, directed the development of an analytic agenda to support implementation of the Defense Strategy and DPG. Resources are allocated to CoCOMs' un-programmed operations and maintenance requirements through an annual evaluation program.
- a. **Analytic Agenda** - OSD Policy, The Director, Program Analysis and Evaluation (DPA&E), and the Joint Staff (J8) developed and now manage a process called

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the Analytic Agenda. This process produces and aligns major analytical components (e.g., scenarios, studies, and analysis) that support the Planning, Programming, Budgeting, and Execution (PPBE) process. This process affords Departmental analytic efforts and decision-makers more effective, efficient, relevant, and responsive data and analysis.

b. **Adaptive Planning** - OSD Policy, The Director, Program Analysis and Evaluation (DPA&E), and the Joint Staff (J8) incorporated the Secretary's mandate to relieve stress caused by the decision to reduce the deliberate planning cycle from two years to one. To accomplish this "adaptive planning" and shorter timeline, CoCOMs are provided additional resources to increase their plans development capability.

II. **Force Structure Summary:** N/A

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III. Financial Summary (\$ in Thousands)

	FY 2006						
	FY 2005 Actuals	Budget Request	Congressional Action		Appropriated	Current Estimate	FY 2007 Estimate
			Amount	Percent			
A. <u>Budget Activity (BA) 4</u>							
1. Planning and Decision Aids System	0	35,185	0	0.0	35,185	35,185	35,726
2. Joint Analytical Model Improvement Program	0	9,521	0	0.0	9,521	9,521	9,652
3. Pentagon Reservation Maintenance Revolving Fund	0	61,928	0	0.0	61,928	61,928	73,394
4. Management HQ	0	64,003	-1,682	-2.6	62,321	63,933	65,376
a. Joint Staff Information Network	0	30,928	-6,880	-22.2	24,048	23,928	25,280
b. Civilian Pay	0	23,051	0	0.0	23,051	23,051	23,389
c. Combating Terrorism Directorate	0	2,243	0	0.0	2,243	2,243	2,293
d. Strategic Studies	0	2,236	-92	-4.1	2,144	2,144	9,479
e. Analytical Suite	0	104	0	0.0	104	104	123
f. Warfighter Mission Area (WMA)	0	4,024	0	0.0	4,024	4,024	4,144
g. Business Process Review (BPR)	0	3,700	0	0.0	3,700	3,400	1,100
5. Joint Staff Analytical Support	0	9,230	-179	-1.9	9,051	9,051	9,122
a. Training Transformation (T2)	0	24,419	-4,913	-20.1	19,506	19,506	11,758
b. Joint Collaborative Analysis Support (JCA)	0	13,535	-888	-6.6	12,647	12,647	13,695
c. Functional Capabilities Board	0	8,301	0	0.0	8,301	8,301	8,393
d. Focused Logistics	0	4,404	0	0.0	4,404	4,404	4,401
e. Adaptive Planning & Analytic Agenda	0	6,352	0	0.0	6,352	6,352	6,601
Total	0	303,164	-14,634	-4.8	288,530	289,722	303,923

* The FY 2005 and FY 2006 columns include no Supplemental funds.

* Current FY 2006 Estimate reflects realignment from BA 1 (Operating Forces) to BA 4 (Administrative and Service-wide accounts)

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<u>B. Reconciliation Summary</u>	<u>Change</u>	<u>Change</u>
	<u>FY 2006/FY 2006</u>	<u>FY 2006/FY 2007</u>
Baseline Funding	303,164	289,722
Congressional Adjustments (Distributed)	-7,500	
Congressional Adjustments (Undistributed)	-810	
Adjustments to Meet Congressional Intent	-4,283	
Congressional Adjustments (General Provisions)	-1,808	
Congressional Adjustments (Earmarks)	-233	
Subtotal Appropriated Amount	288,530	
Fact-of-Life Changes (CY to CY Only)	1,192	
Subtotal Baseline Funding	289,722	
Price Changes	0	18,028
Functional Transfers	0	-1,016
Program Changes	0	-2,811
Current Estimate	289,722	303,923
Less: Wartime Supplemental	0	0
Normalized Current Estimate	289,722	303,923

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request (Amended, if applicable)		303,164
1. Congressional Adjustments		-14,634
a. Distributed Adjustments: Management Headquarters Program Growth	-7,500	
b. Undistributed Adjustments: Sec 8140 Unobligated Balances	-810	
c. Adjustments to meet Congressional Intent: 1 percent Rescission	-4,283	
d. General Provisions	-1,808	
1) Sec 8087 - Advisory & Assistance Services	-810	
2) Sec 8125 - Economic Assumptions	-678	
3) Sec 8141 - Excessive Growth in Travel and Transportation	-320	
e. Congressional Earmarks - Sec 8044 -Indian Lands Environmental Impact	-233	
FY 2006 Appropriated Amount		288,530
2. War-Related and Disaster Supplemental Appropriations		0
3. Fact of Life Changes		1,192
a. Technical Adjustments		
1) Increases:	67,853	
a). <u>Management Headquarters</u> : (FY 2006 base: \$62,321K) Funding was realigned from BA 1 (Operating Forces) to BA 4 (Administrative Service-wide Activities). Various support costs related to the realignment support JS, Combatant Command's Official Representation Funds, Counter Terrorism and Counter Proliferation. New mission has been added to the Strategic Studies program.	1,612	
b) <u>Joint Staff Analysis Support</u> : (FY 2006 Base \$0K) Programs were realigned from Management Headquarters into this new program element to properly capture the analytical activities on the Joint Staff. Programs realigned include Training Transformation; Joint Modeling and Simulation; Joint Warfighting Capability Assessment; Focused Logistics and Adaptive Planning and Analytical Agenda.	66,241	
2) Decreases:	-66,661	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
a) <u>Management Headquarters (all-inclusive)</u> : (FY 2006 Base \$121,635K) Management Headquarters was reduced across the FYDP by realigning programs out of the Management Headquarters program element to properly capture "true" management headquarters activities. Programs realigned include Training Transformation; Joint Modeling and Simulation; Joint Warfighting Capability Assessment; Focused Logistics and Adaptive Planning and Analytic Agenda. These programs realigned to a new program element titled Joint Staff Analysis Support.	-66,241	
b) <u>Joint Staff Information Network</u> : (FY 2006 Base: \$24,048K) Funding was realigned to Management Headquarters to support other requirements.	-120	
c) <u>Business Process Review</u> : (FY 2006 Base: \$3,700K) Reduction due to anticipated efficiencies. Funding was realigned to other Management Headquarters' activities to support other requirements.	-300	
FY 2006 Baseline Funding		289,722
4. Reprogrammings (requiring 1415 Actions)		0
Revised FY 2006 Estimate		289,722
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		0
FY 2006 Normalized Current Estimate		289,722
6. Price Change		18,028
7. Functional Transfers		-1,016
a. Transfers In	7,200	
<u>Center for International Issues Research</u> : (FY 2006 base: \$0K) Program transferred from USD(P) to TJS. Provides funding to continue the production of the Daily Arabic Media Report and Global Issue Reports, which provide critical security updates and analysis to the President, leadership, and other nations with regard to the Global War on Terror.	7,200	
b. Transfers Out	-8,216	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
<u>Training Transformation (T2):</u> (FY 2006 base: \$19,506K) The Joint Knowledge Development and Distribution Capability (JKDDC), which is part of the Department's Transformational Training (T2) program efforts, transferred from TJS to Joint Forces Command (JFCOM). This transfer meets the objectives of the DEPSEDEF-approved Training Transformation (T2) Implementation Plan. The transfer of JKKDC will facilitate integration with JFCOM's Joint National Training Capability program and move program management activities to an operational activity	-8,216	
8. Program Increases		14,862
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007		
1) <u>Planning & Decision Aids System:</u> (FY 2006 base: 35,185K) PDAS is a SecDef designated Special Access Program. Additional information is provided under a separate cover	541	
2) <u>Civilian Pay:</u> (FY 2006 base: \$23,051K) Increase is related to the new established civilian pay raise rate of 3.1 percent for FY 2006 effective January 1, 2006 and 2.2 percent for FY 2007 effective January 1, 2007.	335	
3) <u>Warfighter Mission Area:</u> (FY 2006 base: \$4,024K) The CJCS manages information services and capabilities across the Warfighter Mission Area (WMA) as portfolios of investments to achieve net-centric operations and warfare goals within the Global Information Grid (GIG) vision.	120	
4) <u>Joint Collaborative Analysis:</u> (FY 2006 base: \$12,647K) Funding supports increased number of studies directed by the Quadrennial Defense Review.	1,048	

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
5) <u>Joint Staff Information Network:</u> (FY 2006 base: \$23,928K) Increase is related to the continued expansion of the localized 8x5 assistance to a 24x7 resource. JSIN facilitates coordination with CoCOMs, Services, Agencies, and TJS. The National Military strategy, the capstone for joint warfighting strategic plan, recognizes information superiority as the foundation for joint doctrine and concepts. JSIN provides the information technology and information management services to achieve decision superiority; the basic infrastructure for Joint Staff collaboration and business applications; support personnel to operate and maintain the hardware, software, and applications; Help Desk, Network Operations, Disaster Recovery, Joint Staff Messaging Systems, Web Infrastructure, and network security supporting over 2,000 users and 4,300 workstations on two networks.	1,352	
6) <u>Pentagon Reservation Maintenance Revolving Fund:</u> (FY 2006 base: \$61,928K) Pentagon Renovation Maintenance Revolving Fund (PRMRF) is the Joint Staff's funding line to support the operation, maintenance, protection, and renovation of the Pentagon. PRMRF includes the Joint Staff rent and furniture bills and above standard facility maintenance and utilities. The funding increase is directly tied to the increase in rates being levied against the Joint Staff. The new rate hike is based on a square footage methodology.	11,466	
9. Program Decreases		-17,673
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007		
1) <u>Printing and Reproduction:</u> (FY 2006 base: \$460K) Funding maintains the reproduction capability throughout TJS. By congressional mandate, TJS is not permitted to operate a full scale printing operation. Special projects that are large volume, color, specifically bound, or tabbed must be contracted out to the Defense Printing Service. Reduction in funding will increase the number of printing jobs contracted out to DPS.	-247	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
2) <u>Purchased Communications</u> : (FY 2006 base: \$2,582K) Funding is used to operate and maintain the telephone infrastructure, desktop equipment, mobile cell phones, long distance calling cards, and pagers, to provide secure and non-secure telephone voice data, and facsimile communication services to the CJCS, TJS, and the CoCOMs Liaison offices. Services will be reduced in all areas.	-1,291	
3) <u>Business Process Review</u> : (FY 2006 base: \$3,400K) Reduction due to anticipated efficiencies. BPR will be used to establish tools, processes, and the culture required for TJS leadership in transformation of net-centric business processes. Remaining funds will be used to support a robust, scalable, and flexible enterprise business system supporting the full range of TJS actions. TJS, OSD, agencies and CoCOMs and Services will benefit from enhanced visibility of tasks to enable leadership, reduced work, increased quality; and enterprise capture of knowledge, relevant meta data identified to enable future searches to develop CJCS responses.	-2,300	
4) <u>Contracts</u> : (FY 2006 base: \$133,135) Reduced contracts and professional support services accounts based on anticipated efficiencies to be realized from contract services.	-13,835	
FY 2007 Budget Request		303,923

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IV. Performance Criteria and Evaluation Summary

1. **Planning and Decision Aids System:** A protected Secretary of Defense approved Special Access Program. Justification and description submitted under separate cover.
2. **Joint Data Support (JDS) (formerly Joint Analytical Model Improvement Program):** Realigned moved to Joint Staff Analytical Support paragraph 5b.
3. **Pentagon Reservation Maintenance Revolving Fund:** Metrics are being developed.
4. **Management HQ:**

Printing Jobs	FY2005	FY2006*	FY2007*
In house production	2,500	2,800	3,000
Contracted jobs	25	30	35

*-Projections

Print & Graph:

Copier Management Program: \$1,060K annually (includes graphics)

115 office copiers with annual copier maintenance contracts

20 pieces of equipment with JS Printing & Graphics (high-speed copiers, bindery equipment, wide format printers and finishing equipment)

Mail & Distribution:\$152K FEDEX, Postage and Newspaper Contracts

\$14K FEDEX: 360-450 pieces shipped annually (FY06 \$16K, FY07 \$99K)

\$91K USPS: postage meter for first class mail and DCS courier (FY06 \$95K, FY07 \$99K)

\$47K newspaper: annual subscriptions, 300 newspapers in FY05. (FY06 312, FY07 320)

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Supply	FY2005	FY2006	FY2007
# of requests	9,963	10,148	10,984
Furniture requests	298	313	329

*FY06 and FY07 total reflects a 5% increase in request by Joint Staff Customers
*3% reflects the number of furniture requests by FY.

4a. Joint Staff Information Network:

EVENT	FY2005	FY2006	FY2007
Inability of users to log on to the network for extended periods of time during the workday for 30 minutes or more	N/A	4	4
Proliferation of email spam, adware, spyware, Trojans or viruses for four hours or more	N/A	4	4
Inability of users to store or retrieve data from network sources for 60 minutes or more	N/A	4	4
Inability of users to access or use the functionality of applications resident on the JSIN infrastructure for 60 minutes or more	N/A	4	4
Inability of users to access print or scanning services for 90 minutes or more	N/A	4	4
Inability to access the WAN or Internet for 60 minutes or more	N/A	4	4
Any failure to meet project deadlines for technical refreshment of IT infrastructure or software development projects	N/A	4	4
Any network security breach of any duration	N/A	0	0

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4b. **Training Transformation:** Realigned/Moved to Joint Staff Analytical Support paragraph 5a.

4c. **Civilian Pay**

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u> <u>FY 2005/</u> <u>FY 2006</u>	<u>Change</u> <u>FY 2006/</u> <u>FY 2007</u>
<u>Civilian End Strength (Total)</u>	214	214	209	0	-5
U.S. Direct Hire	214	214	209	0	-5
<u>Civilian FTEs (Total)</u>	214	214	209	0	-5
U.S. Direct Hire	214	209	209	0	-5
Average Annual Civilian Salary (\$000)	91	108	103	17	-5

4d. **Joint Modeling and Simulation:** Realigned/Moved to Joint Staff Analytical Support paragraph 5b.

4e. **Joint Warfighter Capability Assessment (JWCA):** Realigned/Moved to Joint Staff Analytical Support paragraph 5c.

4f. **Focused Logistics:** Realigned/Moved to Joint Staff Analytical Support paragraph 5d.

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4g. Antiterrorism/Force Protection Division:

Metrics	FY2005	FY2006	FY 2007
JSIVA Visits	88	91	100
MTT Classes	9	6	6
AT Level 1 trainees	1,200,000	1,300,000	1,500,000
AT Level IV trainees	420	420	420
CVAMP Users	1,800	1,900	2,000
ATEP users (NIPR/SIPR)	8,300	8,500	8,700
Guardians distributed	8,500	8,500	8,500

4h. Strategic Studies:

Type	FY2005	FY2006	FY2007
Policy	5	5	5
Strategy	2	6	2
Guidance	1	4	1
Conferences	3	3	3

4i. **Analytical Suite:** Realigned/Moved to Joint Staff Analytical Support paragraph 5b.

4j. **Warfighter Mission Area Information Technology Portfolio:** Metrics being developed.

4k. **Business Process Review:** Metrics being developed.

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5. Joint Staff Analytical Support: Specific Programs

5a. **Training Transformation (T2):** Realigned/Moved from 4b. Metrics are being developed

5b. **Joint Collaborative Analysis (JCA) formerly (Joint Modeling & Simulation):**

	FY2005	FY2006	FY2007
Joint Tools Field Support			
Studies Conducted using JICM	28	35	36
Organizations supported	17	18	18
Software versions fielded	2	3	3
User training classes conducted	2	2	2
GFM Initiative			
Percent of authorized force structure documented in joint organizational server	0%	100%	100%
Joint Data Support			
Website:			
Active Users	540	580	620
Customers Requests	775	850	925
MSFD Requests	295	325	360
AB Requests	220	250	290
Product Downloads	14,800	16,000	17,600
Study Support:			
DoD Level Studies	4	4	4
Component-Level Studies	25	35	50
JAOP			
Percent of proposals that are collaborative with other CoCOMs	75%	100%	100%

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	FY2005	FY2006	FY2007
Analytic Suite Computing Infrastructure			
Analytic Suite availability	99%	100%	100%
Tools Supported	21	22	23
Equipment Upgrades	33%	33%	33%

5c. **Functional Capabilities Board (FCB):** (formerly Joint Warfighting Capability Assessment. Realigned moved from 4e.

5d. **Focused Logistics:** Realigned/Moved from 4f.

Metric	FY2005	FY2006	FY2007
Initiatives Funded	13	15	15

5e. **Adaptive Planning & Analytic Agenda:**

	FY2005	FY2006	FY2007
Adaptive Planning			
Percentage time decrease for plan production	30	40	50
Analytic Baseline(AB)			
Total number of CY ABs produced	2	2	2
Total number of FY ABs produced	4	2	2

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V. <u>Personnel Summary</u>	FY 2005	FY 2006	FY 2007	Change FY 2005/ <u>FY 2006</u>	Change FY 2006/ <u>FY 2007</u>
<u>Active Military End Strength (E/S) (Total)</u>	1,012	1,008	1,008	-4	0
Officer	784	782	782	-2	0
Enlisted	228	226	226	-2	0
<u>Civilian End Strength (Total)</u>	214	214	209	0	-5
U.S. Direct Hire	214	214	209	0	-5
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	214	214	209	0	-5
Foreign National Indirect Hire	0	0	0	0	0
<u>Active Military Average Strength (A/S) (Total)</u>	1,012	1,008	1,008	-4	0
Officer	784	782	782	2	0
Enlisted	228	226	226	2	0
<u>Civilian FTEs (Total)</u>	214	214	209	0	-5
U.S. Direct Hire	214	214	209	0	-5
Total Direct Hire	214	214	209	0	-5
Average Annual Civilian Salary	91	108	103	17	-5

Reduction in Civilian FTEs is related to the transfer of the Joint Knowledge Development and Distribution Capability (JKDDC), which is part of the Department's Transformational Training (T2) program efforts, transferred from TJS to Joint Forces Command (JFCOM).

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

<u>OP 32 Line</u>	<u>FY 2005</u> <u>Actuals</u>	<u>Change from</u> <u>FY 2005 to FY 2006</u>		<u>FY 2006</u> <u>Estimate</u>	<u>Change from</u> <u>FY 2006 to FY 2007</u>		<u>FY 2007</u> <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
101 Executive, General, And Special Schedules	0	0	23,053	23,053	530	-197	23,386
103 Wage Board	0	0	48	48	2	0	50
308 Travel Of Persons	0	0	5,620	5,620	114	24	5,758
672 Pentagon Reservation Maint Fund	0	0	61,928	61,928	13,005	-1,539	73,394
771 Commercial Transportation	0	0	64	64	1	-1	64
912 Rental Payments To GSA (Sluc)	0	0	391	391	10	-3	398
913 Purchased Utilities (Non-DWCF)	0	0	2,351	2,351	52	-23	2,380
914 Purchased Communications (Non- DWCF)	0	0	2,582	2,582	57	-1,291	1,348
917 Postal Services (U.S.P.S.)	0	0	99	99	0	2	101
920 Supplies & Materials (Non- DWCF)	0	0	5,465	5,465	120	242	5,827
921 Printing & Reproduction	0	0	460	460	10	-247	223
922 Equipment Maintenance By Contract	0	0	15,473	15,473	340	-6,063	9,750
923 Facility Maintenance By Contract	0	0	1,159	1,159	25	2,296	3,480

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<u>OP 32 Line</u>	<u>FY 2005</u> <u>Actuals</u>	<u>Change from</u> <u>FY 2005 to FY 2006</u>		<u>FY 2006</u> <u>Estimate</u>	<u>Change from</u> <u>FY 2006 to FY 2007</u>		<u>FY 2007</u> <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
925 Equipment (Non-DWCF)	0	0	3,011	3,011	66	-22	3,055
932 Management & Professional Sup Svs	0	0	43,041	43,041	947	-8,272	35,716
933 Studies, Analysis, & Evals	0	0	33,739	33,739	742	5,986	40,467
934 Engineering & Technical Services	0	0	19,651	19,651	432	-901	19,182
987 Other Intra-Government Purchases	0	0	36,042	36,042	793	-318	36,517
989 Other Contracts	0	0	35,545	35,545	782	6,500	42,827
Grand Total	0	0	289,722	289,722	18,028	-3,827	303,923

* The FY 2005 Actual Column Includes No FY 2005 Supplemental Funds.

* The FY 2006 Estimate Column Excludes No FY 2006 Supplemental Funds.

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Washington Headquarters Services (WHS)



February 2005

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

	FY 2005 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2006 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2007 <u>Estimate</u>
WHS	472,452	-11,798	810,118	1,270,772	53,516	-857,327	466,961

* The FY 2005 Actual column includes \$4,245 thousand of FY 2004/FY 2005 Title IX obligations (PL 108-287).

* The FY 2006 Estimate column includes \$837,803 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148) and \$5,986 thousand X-year funds.

I. Description of Operations Financed:

The Washington Headquarters Services (WHS) provides a wide range of operational support to specified DoD activities in the National Capital Region. In general, the **Core Operational Support** Activities of the organization represent a consolidation of functions which provide a variety of administrative and operational support and services to designated DoD activities which are not authorized their own support capability that enable them to accomplish our shared mission of supporting the Secretary of Defense. WHS was established under Title 10, United States Code, on October 1, 1977, as a Department of Defense (DoD) Field Activity.

a) WHS enables support functions to be centralized for maximum efficiency and control by assuming the responsibility of planning, managing and administering core competencies in the following functions:

(1) Administrative services and operational support to the Office of the Secretary of Defense (OSD), certain DoD Field Activities, and other specified Defense activities, including budgeting and accounting, civilian and military personnel management, office services, personnel and information security, correspondence and

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I. Description of Operations Financed: (Continued)

cables management, directives and records management, travel, and other such administrative services.

(2) Information Technology (IT) resources in support of the decision and policy-making processes of the sixteen organizational components of the Office of the Secretary of Defense and the Washington Headquarters Services. Develops information management strategies and programs; acquires services and systems to support the programs; and, manages those services and systems over their life cycles.

(3) Real Property management services for the Pentagon Reservation, the Raven Rock Mountain Complex, and other DoD-occupied, General Services Administration (GSA)-controlled administrative space in the NCR and DoD common support facilities, including office space, law enforcement, environmental safety and health, maintenance, repair and alteration of assigned buildings, custodial services, physical security, and building administration.

(4) Provide OSD and WHS common office services, including printing, graphics, contracting, procurement of supplies and equipment, communications, concessions, and other support services.

b) The Washington Headquarters Services Core Operational Support Activities finances the following functions/missions:

(1) Program, budget and accounting: Formulates, presents, and executes the Program Objective Memoranda, President's Budgets, and Future Years Defense Programs for the OSD, WHS, and certain DoD Field Activities. It also administers the Official Representation Program for the OSD, including the development of policies for use of these funds; for DoD officials, military and civilian employees, consultants and experts,

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I. Description of Operations Financed: (Continued)

and others authorized to travel on official business at Government expense under the auspices of OSD. Provides information system technology and management; installation level accounting support for appropriations allocated or allotted to OSD and WHS; and develops, establishes and administers control procedures for apportionment and allocations at the intermediate level for OSD. Also, WHS develops, implements and assists the accounting and reporting systems for the DoD Trust Funds and appropriation level reporting for OSD; manages the Treasury Index 97 (Defense-Wide) debt collection and cash management programs, and the OSD Government Travel Card Program.

(2) Correspondence and Communications: Provides a broad spectrum of executive, program, and administrative services to the immediate offices of the Secretary and Deputy Secretary of Defense and their principal assistants. The Correspondence Control Division manages quality control and content analysis of classified and unclassified correspondence and electronic communications addressed to and emanating from the offices of the Secretary and Deputy Secretary. Ensures an orderly flow of time-sensitive correspondence, cable traffic, and intelligence items for consideration, moving between the President, members of his cabinet and Congress, and senior officials throughout the government and numerous foreign countries. Manages the DoD Directives System; manages the Records Management Program for all OSD and its organizations; manages the DoD Mandatory Declassification Program and the OSD Systematic Declassification Program; and administers the Freedom of Information Act (FOIA) Program to ensure compliance with policies and procedures that govern the program. Also serves as the proponent for the Department's regulation and other discretionary instructions and guidance to ensure timely and reasonable response to the FOI. Internally administers the IA program for the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and the Combatant Commands. In so doing, promotes public trust by making the maximum amount of information available to the public, consistent with the Department's responsibility to ensure national security.

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I. Description of Operations Financed: (Continued)

(3) Human Resources and Personnel Security: Provides personnel, security, training and equal employment opportunity (EEO) services for military and civilian personnel assigned to the Office of the Secretary of Defense; and a variety of DoD Field Activities, Defense Agencies, Military Departments; the White House; the National Security Council; and Congress. This includes a National Capital Region Human Resource Service Center which provides consolidated personnel services for DoD agencies, to include employee benefits, administration of the Drug-Free workplace program, advisory services on staffing activities, external recruitment efforts, work force development, awards and incentives programs, management of military personnel assigned to WHS, labor and management employee relations services, personnel security, consolidated adjudication of personnel security investigations, and numerous services to on-site personnel offices.

(4) Facilities and operational services: Provides administrative and operational support to specified DoD activities in the National Capital Region (NCR), including space management, law enforcement, maintenance, repair and alteration of assigned buildings, custodial, physical security, building administration, graphics services, acquisition, property management, safety, environmental management, and other support services. Also directs, coordinates, and administers the Pentagon Renovation Program for the development of strategic and facility plans to meet the long-range administrative space needs for the DoD in the NCR and a capital improvement program for the Pentagon Reservation. The WHS also provides for the management of DoD-occupied, General Services Administration-controlled administrative space in the NCR and DoD common support facilities includes office space, concessions, layout design and other related building administrative functions.

(5) Provides information technology resources for approximately 14,000 IT seats, including networked personal computers, stand alone personal computers and laptops

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I. Description of Operations Financed: (Continued)

in WHS and sixteen organizational components of the OSD. Special emphasis is placed on continuing to develop, implement, and control enterprise-wide common applications and systems resulting in efficient, cost-effective and interoperable IT solutions for the OSD and WHS organizations. Also, special emphasis is placed on establishing and managing an effective and accredited security architecture that protects the IT from the full spectrum of cyber threats. The IT program funds the acquisition of hardware, software and operational services, such as, help desks, network management, system administration services, security services, software licenses, hardware and software maintenance, and facilities maintenance.

(6) Miscellaneous activities: Provides such services as mess stewards and receptionists in support of the Secretary and Deputy Secretary of Defense and their senior staff.

2. WHS also programs and budgets **Defense Programs**, including:

a. The Project Management Office (PMO) for the Defense Travel System (DTS) was established to provide procurement management and system fielding support of DTS worldwide. The Defense Travel System is the standard DoD business travel services system that combines reengineered travel policies and procedures with the best industry practices and technology. The Defense Travel System provides full travel management support from arranging for travel and approving travel authorizations, to processing reimbursement vouchers following travel and maintaining appropriate government records. The Defense Travel System is an end to end fully electronic process that leverages technology to speed the coordination of travel, incorporates digital signature capability, and embraces standard industry Electronic Commerce procedures. The Defense Travel System will be functionally transferred to the Defense Human Resources Activity/Business Transformation Agency in FY 2007.

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I. Description of Operations Financed: (Continued)

b. The DoD Public Key Infrastructure (PKI) effort, which is a critical element in achieving a security Information Assurance (IA) posture for the Defense Information Infrastructure (DII).

c. Other Defense support includes the DoD Commissions, Panels, Boards and Task Forces Program, the Federal Executive Boards Program, and the Defense Continuity Integration Network - Pentagon Continuity Information System.

d. The **Defense-wide Programs** included in the Washington Headquarters Services account consist of the fiscal and manpower resources assigned to the following recurring and non-recurring functions:

(a) This appropriation provides funding for the Defense Travel System (DTS) and Project Management Office (PMO) operations, system deployment, system training, records management and operations maintenance.

(b) The Pentagon Renovation Project, which provides for payments to the Pentagon Reservation Maintenance Revolving Fund (PRMRF) to fund the multi-year renovation construction project, based on the combined Office of the Secretary of Defense and Washington Headquarters Services occupancy.

(c) Defense Continuity Integrated Network (DCIN) is an Enterprise-level Storage Area Network (SAN) supporting the COOP data requirements of the critical tenants in the Pentagon. DCIN is comprised of Enterprise-level storage devices located at the source location, as well as two classified remote target sites, and the circuit connectivity between those three locations and the designated tenant relocation facilities. Also, DCIN includes an Enterprise Systems Management Center and the personnel to staff that

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I. Description of Operations Financed: (Continued)

facility. DCIN O&M operations include the personnel required to perform routine and emergency maintenance actions on the DCIN hardware and software at all locations.

(d) The DoD Public Key Infrastructure (PKI) initiative, which provides funding for the implementation of DoD PKI policy.

(e) Other Defense programs provide non-recurring funding to various activities assigned by the Office of the Secretary of Defense as Executive Agents for the management of key Defense, Government-wide and international programs. Recurring resources are also provided to support the short-term DoD Commissions and Panels, and the Department's reimbursement for the administrative and personnel costs of the regional Federal Executive Boards.

II. Force Structure Summary: N/A

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III. Financial Summary (\$ in thousands)

A. <u>Budget Activity (BA) 4</u>	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
1. Core Operational Support	382,176	392,630	-14,120	-3.6%	378,510	356,748	398,207
Compensation and Benefits Program	66,884	70,704			70,704	71,948	83,964
Support Svcs, Materials & Equip	54,825	53,317	-1,812	-3.4%	51,505	50,524	50,127
Information Technology	76,483	80,740	-2,744	-3.4%	77,996	76,510	76,689
Contracts/Support Services	21,419	10,897	3,130	28.7%	14,027	17,416	20,744
Pentagon Rent	73,842	76,157			76,157	76,157	101,775
Pentagon Renovation Project	26,193	26,193			26,193	26,193	25,883
E-Gov and Councils	23,150	31,800	-8,000	-25.2	23,800	0	0
Pentagon Renovation Furniture	1,050	1,071			1,071	1,071	1,071
Travel	1,359	1,420	-48	-3.4%	1,372	1,354	2,568
Graphics	503	593	-20	-3.4%	573	562	566
GSA Rent	27,712	26,816		%	26,816	26,816	27,216
US Mission to NATO	3,863	3,001	-102	-3.4%	2,899	2,844	2,917
OSD/WHS Training Program	3,028	3,656	-124	-3.4%	3,532	3,488	4,104
Raven Rock Renovation	1,865	1,865	0		1,865	1,865	583
Child Development Center	0	4,400	-4,400	-100.0%	0	0	0
2. Defense Programs	90,276	80,853	-2,476	-3.1%	78,377	914,024	68,754
Defense Travel System	23,227	22,494	-533	-2.4%	21,961	14,872	0
Commissions/Task Forces/Panels	27,364	6,996	-238	-3.4%	6,758	6,629	20,781
Federal Executive Boards	1,203	1,201			1,201	1,201	1,248
Public Key Infrastructure	1,163	1,313	-45	-3.4%	1,268	1,244	1,272
Def. Continuity Integration Network	37,036	48,849	-1,660	-3.4%	47,189	46,289	45,453

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	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
A. <u>Budget Activity (BA) 4</u>							
Drug Interdiction Program	283	0				0	0
Unassigned - X Year ERF Funds	0	0				5,986	0
Hurricane Relief Supplemental	0	0				837,803	0
Total	472,452	473,483	-16,596	3.5%	456,887	1,270,772	466,961

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B. <u>Reconciliation Summary</u>	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	473,483	1,270,772
Congressional Adjustments (Distributed)	-9,900	
Congressional Adjustments (Undistributed)	124	
Congressional Adjustments (General Provisions)	-1,951	
1% Congressional Recission	-4,619	
Congressional Earmark - Indian Land Environmental Impact	-250	
Subtotal Appropriated Amount	456,887	
Fact-of-Life Changes (CY to CY Only)	8,000	
Subtotal Baseline Funding		
Unassigned X-Year ERF Funds	5,986	
Hurricane Katrina Relief Supplemental	837,803	
Price Changes		53,516
Reprogramming	-37,904	
Functional Transfers		-43,779
Program Changes		-813,548
Current Estimate	1,270,772	466,961

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request (Amended, if applicable)		473,483
1. Congressional Adjustments		-16,596
a. Distributed Adjustments	-9,900	
1) eGov Program Growth	-8,000	
2) Child Care Center planning: Budget Justification error	-4,400	
3) Pentagon Integrated Campus Pilot Program	+2,500	
b. Undistributed Adjustments	+124	
1) Public Interest Declassification Board	1,000	
2) Unobligated Balances	-876	
c. Adjustments to meet Congressional Intent		
d. General Provisions	-6,570	
1) Sec 8087 - Advisory and Assistance Services	-876	
2) Sec 8125 - Economic Assumptions	-731	
3) Sec 8141 - Excessive Growth in Travel and Transportation	-344	
4) 1 percent Congressional Rescission	-4,619	
e. Congressional Earmarks - Mitigation of Environmental Impact on Indian Lands	-250	
FY 2006 Appropriated Amount		456,887
2. War-Related and Disaster Supplemental Appropriations		837,803
a. Hurricane Katrina Relief Supplemental	837,803	
3. Fact of Life Changes		-17,932
a. Functional Transfers	-37,904	
1) Transfer in Contracting function from Army	825	
2) Transfer Out E-Gov and DoD Councils to Office of Secretary of Defense (FY 2006 Baseline: \$31,800)	-31,800	
3) Transfer out one FTE to Office of Secretary of Defense for Quality Management Office.	-129	
4) Transfer out to Defense Travel Management to Defense Human Resources Activity.	-6,800	
b. Technical Adjustment	13,986	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
1) Congressional adjustment of the eGov Program realigned to OSD with transfer of program to OSD.	8,000	
c. Carryover of unassigned X-Year ERF funds	5,986	
FY 2006 Baseline Funding		1,276,758
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		1,276,758
5. Less: Hurricane Disaster Supplemental Appropriations and Reprogramming Unassigned X-Year ERF Funds (\$837,805 Disaster Supplemental & \$5,986 unassigned X-Year funds)		-843,789
FY 2006 Normalized Current Estimate		426,983
6. Price Change		53,516
7. Functional Transfers		-43,779
a. Transfers In		
1) Transfer in of contracting function from Army to WHS	844	
b. Transfers Out	-44,623	
1) Transfer out Defense Travel Management to Defense Human Resource Activity and Defense Travel System to Business Transformation Agency	-11,992	
2) Transfer out eGov and DoD councils to Office of Secretary of Defense	-32,500	
3) Transfer out one FTE to Office of Secretary of Defense for Quality Management Office.	-131	
8. Program Increases		32,498
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007	32,948	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
1) Increased number of Commissions, Task Forces and Panels to comply with the FY 2006 DoD Authorization Act and Secretary of Defense direction evaluating policies and providing recommendations based on studies and analysis conducted. (FY 2006 Baseline: 6,629)	14,000	
2) Establishment of the National Security Labor Relations Board in support of the National Security Personnel System (NSPS.) These funds are centralized into WHS Compensation and Benefits, travel, training, and GSA Rent, and other contracts. (FY 2006 Baseline: 0)	17,000	
3) Secretary of Defense Communications equipment support (Site R Secure Video Teleconference system) for Office of Secretary of Defense. (FY 2006 Baseline: \$17,416)	1,948	
9. Program Decreases		
a. Annualization of FY 2006 Program Decreases		-2,707
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007	-2,707	
1) Decreased program requirements associated the DISA Telecommunications Services Enterprise Acquisition Service (TSEAS) (FY 2006 Baseline: \$46,289).	-1,236	
2) Information Technology decrease to support the NII C4ISR Net Centricity program. (FY 2006 Baseline: \$76,510)	-1,000	
3) Decrease associated with Raven Rock Renovation project reduced requirements (FY 2006 Baseline: \$1,865).	-471	
FY 2007 Budget Request		466,961

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IV. Performance Criteria and Evaluation Summary

Washington Headquarters Services (WHS) is charged with providing administrative and operational support services to the Office of the Secretary of Defense, and certain Defense Agencies and joint activities which do not have their own administrative support capability. WHS objectives are to provide accurate and responsive support in correspondence control, mail services, records management, directives management, office services support, civilian and military personnel services, security, financial management, and other misc activities.

In addition to these traditional services, WHS administers data systems in support of the OSD decision and policy making processes, provides automated data processing services, continuity integration enterprise-level storage devices, information technology resources, and manages Department of Defense occupied General Services Administration controlled space in common support facilities throughout the National Capital Region.

The following identifies some of the more significant indicators of WHS workload:

a. Core Operational Support Activities:

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
1) Correspondence and Communications			
Congressional Correspondence	6,500	6,500	6,500
Classified correspondence processed	50,000	50,000	50,000
Unclas correspondence processed	120,000	120,000	120,000
Cable/Message processing	360,000	360,000	360,000
Mail/Distribution-43 activities	1,200,000	1,200,000	1,200,000
2) IT Seats (Networked Personal Computers, Stand Alone Personal Computers, Laptops)	14,345	14,345	14,345
OSD & WHS Organizations	17	17	17

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IV. Performance Criteria and Evaluation Summary

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
3) Graphic Services			
Number of projects	3,167	3,167	3,167
4) Program, Budget and Accounting			
Program/Budget Coverage:			
Appropriation/Funds	15	15	15
Installation Accounting:			
Allotments	14	14	14
Transactions			
Direct Program (\$000)	2,400,000	2,400,000	2,400,000
Reimbursable Program (\$000)	1,080,000	1,100,000	1,100,000
Agency Accounting Reports:	1,730	1,730	1,730
5) Facilities and Operational Services			
Space Managed (000 square feet)			
Pentagon Reservation	4,725	4,820	4,911
Other	14,000	14,000	14,000
Purchase Card			
Number of Transactions	12,573	12,785	12,998
Value (\$000)	11,956	12,172	12,387
Number of Card holders	184	187	190
Communications			
Number of lines	13,964	14,459	15,125
Number of Instruments	9,477	9,639	9,822
Personnel Serviced	4,675	4,759	4,759

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IV. Performance Criteria and Evaluation Summary

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
6) Personnel and Personnel Security			
NCR Civilian Personnel receiving Security services	65,000	65,000	65,000
Personnel serviced-Regional Center	9,265	9,265	9,265
Civilian personnel serviced by the Human Resources Services Center	5,967	5,967	5,967
Security Operations for OSD, WHS and Congressional Staffers	8,000	8,000	8,000
Military Personnel receiving Personnel security and human resource and EEO services for OSD, and WHS and serviced and serviced organizations	2,700	2,700	2,700
7) Defense Continuity Integrated Network			
Total Terabytes COOP Data stored/available. Increase in FY06 represents remaining data migrations. Zero growth in FY07 represents FY06 DCIN completion.	275/794	450/794	450/794
Total Bandwidth available DCIN Network	3,732	3,732	3,732
8) US Mission to the North Atlantic Treaty Organization (USNATO) support 75 Defense Personnel (military and civilian) and over 7,000 US visitors who attend meetings. It is based on percentage of time Defense			

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IV. Performance Criteria and Evaluation Summary

personnel spend on each goal: (\$'s in thousands)

Regional Stability-close ties with allies and Resolution of regional conflicts.	1,633	1,780	1,817
Counterterrorism-prevention and response to terrorism and stable conditions in fragile and failed States.	530	578	590
Weapon of Mass Destruction-bilateral measures.	321	345	357
International Public Opinion.	190	211	215
Overseas facilities.	1,197	1,304	1,328

9) Acquisition and Procurement Office (A&PO)

This office was established in October 2004. A&PO provides contracting services to WHS and affiliated components of the Office of Secretary of Defense within the Pentagon and other National Capital Region facilities. The A&PO acquisition Portfolio Includes contracts for building Construction, and alteration, facility operation and maintenance, security services and equipment, information technology, and other supplies and services.

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Total Contract Actions:	2,313	2,123	3,000
Total Obligations: (\$'s in thousands)	567	628	700

b. Defense-Wide Programs:

The Defense Travel System: Due to the complex nature of deploying major systems to DoD installations, fielding of DTS will occur in several phases. Phase I deployed DTS to 39 pilot sites covering four Services and some Defense Agencies that supports over 130,000 personnel generating an estimated 218,000 travel claims per year. Phase 1

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IV. Performance Criteria and Evaluation Summary

deployed DTS to 39 pilot sites. Phase II has deployed DTS to an additional 86 sites covering the four Services and some Defense Agencies. Support will include over 1.34 million personnel when all 235 sites are deployed. Phase III will support another 1.73 million personnel. This program will be functionally transferred in FY 2007 to the Defense Human Resource Agency.

<u>Event</u>	<u>Date</u>
Phase I Fielding of 39 Pilot Sites	FY 2003 - FY 2004
Phase II Fielding-High Volume Primary Sites (approximately 235 sites).	FY 2004 - FY 2006
Phase III Fielding - Smaller, low volume sites (approximately 10,000 Sites).	FY 2003 - FY 2006

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<u>V. Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change FY 2005/ FY 2006</u>	<u>Change FY 2006/ FY 2007</u>
<u>Active Military End Strength</u>					
<u>(E/S) (Total)</u>					
Officer	33	60	60	27	0
Enlisted	100	114	114	14	0
<u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	734	686	684	-48	-2
<u>Active Military Average Strength</u>					
<u>(A/S) (Total)</u>					
Officer	33	60	60	27	0
Enlisted	100	114	114	14	0
 <u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	626	677	790	51	113
Average Annual Civilian Salary (\$ in thousands)	112	106	106	-6	0

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

<u>OP 32 Line</u>	<u>FY 2005</u> <u>Actuals</u>	<u>Change from</u> <u>FY 2005/FY 2006</u>		<u>FY 2006</u> <u>Estimate</u>	<u>Change from</u> <u>FY 2006/FY 2007</u>		<u>FY 2007</u> <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
Exec/Gen/Spec Schedules	69,278	2,425	-402	71,301	2,210	9,744	83,255
Vol. Sep Incentives	301	11	50	362	11	-11	362
Disability Compensation	593	21	-329	285	8	54	347
Travel of Persons	2,433	58	509	3,000	66	-66	3,000
Pentagon Reservation	101,901	-21,399	52,720	133,222	27,976	-5,883	155,315
Def Finance & Acctg Svc	1,770	-48	76	1,798	-173	205	1,830
Comm Transportation	295	6	-181	120	3	-3	120
Rental Payments to GSA	27,712	693	-1,405	27,000	675	-322	27,353
Purchased Utilities	1,077	26	-11	1,092	24	-9	1,107
Purchased Communications	30,201	725	-2,042	28,884	635	-57	29,462
Postal Services (USPS)	175	0	-4	171	0	3	174
Supplies/Materials	12,433	298	9,188	21,919	482	-403	21,998
Printing & Reproduction	1,407	34	-162	1,279	28	-7	1,300
Equip Maint by Contract	142	3	104	249	5	39	293
Fac Maint by Contract	2,381	57	-20	2,418	53	-12	2,459
Equipment Purchases	17,532	421	18,929	36,882	811	-706	36,987
Mgmt/Prof Support Svcs	4,470	107	2,289	6,866	151	12	7,029
Studies, Analysis & Eval	21,551	517	7,369	29,437	648	-300	29,785
Engineering & Tech Svcs	90	2	-1	91	2	-4	89
Other Intra-Govt Pur	40,138	963	4,877	45,978	1,012	1,040	48,030
Other Contracts	64,761	1,554	10,684	76,999	1,694	-126	78,567
Other Costs	71,811	1,728	707,880	781,419	17,195	-860,515	-61,553
Total	472,452	-11,798	810,118	1,270,772	53,516	-857,327	466,961

- The FY 2005 Actual column includes \$4,245 million of FY 2005 Supplemental funds.
- The FY 2006 column includes \$837,803 million for Hurricane Katrina and \$5,986 million for unassigned X-Year Funds.

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U.S. Court of Appeals for the Armed Forces
Appropriation



February 2006

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**UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES
Operation and Maintenance, Defense-Wide
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United States Court of Appeals for the Armed Forces (Dollars in thousands)

	<u>FY 2005 Actuals</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2006 Estimate</u>	<u>Price Change</u>	<u>Program Change</u>	<u>FY 2007 Estimate</u>
USCAAF	10,536	311	251	11,098	258	365	11,721

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

I. Description of Operations Financed:

The United States Court of Appeals for the Armed Forces is an Article I Court established by the Uniform Code of Military Justice (10 USC 941). The Court serves as the Court of last resort for the vast majority of criminal appeals in the military justice system of the United States and is subject only to certiorari review by the Supreme Court of the United States in a limited number of cases. The Court's jurisdiction extends to the review of questions of law that have been approved by reviewing authorities and affirmed or set aside by a Court of Criminal Appeals. The Court also exercises its extraordinary relief authority pursuant to the All Writs Act.

From FY 2005 to FY 2006 the program reflects standard price changes of \$311 thousand. The program growth of \$251 thousand is the result of an increase in the number of permanent personnel. From FY 2006 to FY 2007 the program reflects standard price changes of \$258 thousand. The program growth of \$365 thousand is the result of increased contractual support to cover security and information technology support costs.

II. Force Structure Summary:

This appropriation provides for the salaries of five civilian judges and a staff of 54 other civilian positions. All customary expenses required to operate a government activity are financed, such as salaries, benefits, travel costs, rent, communications services, purchase of equipment, contractual IT support and security services, and the expense of printing opinions and decisions of the Court.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES
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III. Financial Summary (\$ in thousands)

	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
A. <u>Subactivities</u>							
U.S. Court of Appeals for the Armed Forces	10,536	11,236	-138	-1.2	11,098	11,098	11,721
Total	10,536	11,236	-138	-1.2	11,098	11,098	11,721

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

B. <u>Reconciliation Summary</u>	<u>Change FY 2006/FY 2006</u>	<u>Change FY 2006/FY 2007</u>
Baseline Funding	11,236	11,098
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-138	
Subtotal Appropriated Amount	11,098	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	11,098	
Anticipated Supplemental Reprogrammings		
Price Changes		258
Functional Transfers		
Program Changes		365
Current Estimate	11,098	11,721
Less: Wartime Supplemental		
Normalized Current Estimate		11,721

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<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		11,236
1. Congressional Adjustments		-138
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions - Sec 8125 - Economic Assumptions	-138	
e. Congressional Earmarks		
FY 2006 Appropriated Amount		11,098
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding		11,098
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		11,098
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		11,098
6. Price Change		258
7. Functional Transfers		
8. Program Increases		365
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007		
1) Executive, General & Special Schedules: increase in number of permanent personnel (FY2006 Baseline: \$7,215)	319	
2) Defense Finance and Accounting Service (FY 2006 Baseline: \$59)	6	
3) Other contracts: increased contractual support to cover miscellaneous security and IT support costs (FY 2006 Baseline: \$200)	40	
9. Program Decreases		
FY 2007 Budget Request		11,721

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IV. Performance Criteria and Evaluation Summary

The Court reviews cases from all of the Armed Forces which, for the most part, are derived from various Courts of Criminal Appeals. These cases involve the most serious court martial felony convictions and sentences that present legal issues of serious constitutional magnitude, such as death penalty cases, search and seizure issues, the interpretation of international treaty and status of forces agreements, and more recently, the sensitive issues of law relating to the prosecution of individuals for drug abuse on the basis of urinalysis test results, and the prosecution of child sex abuse cases. The Court continually meets its goal of deciding each case accepted by reviewing authorities, thereby serving its function as defined in the Uniform Code of Military Justice (10 USC 941).

While the complexity of the average case will continue to increase, costs in FY 2006 and FY 2007 will also rise due to greater security requirements including the use of more contracted security personnel and other security services, as well as increased IT support services.

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<u>V. Personnel Summary</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change FY 2005/ FY 2006</u>	<u>Change FY 2006/ FY 2007</u>
<u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	57	59	59	2	0
 <u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	52	59	59	7	0
 <i>Average Annual Civilian Salary (\$ in thousands)</i>	<i>94</i>	<i>125</i>	<i>129</i>		

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES
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VI. OP 32 Line Items (Dollars in Thousands):

<u>OP 32 Line</u>	<u>FY 2005 Actuals</u>	<u>Change from FY 2005 to FY 2006</u>		<u>FY 2006 Estimate</u>	<u>Change from FY 2006 to FY 2007</u>		<u>FY 2007 Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
101 Exec, Gen., Spec.	6,290	195	690	7,175	166	319	7,660
107 VSIP				40			40
199 Total Civ Comp.	6,290	195	690	7,215	166	319	7,700
308 Travel of Persons	63	2	0	65	1	1	67
673 DFAS	0	0	59	59	-6	6	59
680 Bldg Maint Fund	1,094	40	-22	1,112	41	0	1,153
912 GSA Rent Payments	776	19	353	1,148	25	0	1,173
913 Purchased Utils	21	1	-22	0	0	0	0
914 Purchased Comm	0	0	21	21	0	0	21
920 Supplies	174	4	2	180	4	0	184
921 Printing/Repro	18	0	0	18	0	0	18
923 Facility Maint	2	0	45	47	1	0	48
925 Equip. Purchase	16	0	2	18	0	0	18
987 Other Purchases	803	19	189	1,011	22	0	1,033
989 Other Contracts	1,275	31	-1,106	200	4	39	243
998 Other Costs	4	0	0	4	0	0	4
999 Total Other Purch	3,089	74	-516	2,647	56	39	2,742
GRAND TOTALS	10,536	311	211	11,098	258	365	11,721

* The FY 2005 actual column and the FY 2006 estimate column contain no supplemental funding.

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Office of the Inspector General (OIG)



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**OFFICE OF THE INSPECTOR GENERAL
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Office of the Inspector General (Dollars in Thousands)

	<u>FY 2005</u> <u>Actuals</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>
OIG	198,325	4,326	6,386	209,037	4,672	2,588	216,297

* The FY 2005 Actual column includes \$148.0 thousand of FY 2005 Supplemental funds (PL 109-13).

* The FY 2006 Estimate, excludes \$263.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148).

I. Description of Operations Financed: The Office of Inspector General (OIG) audits, inspects, evaluates, and investigates the programs and operations of the Department of Defense (DoD) and as a result recommends policies and process improvements that promote economy, efficiency, and effectiveness in DoD programs and operations. For the last three years, the OIG has achieved \$7.7 billion in savings and \$1.7 billion in recovery for the nation. The Inspector General (IG) is the only DoD Official qualified to issue opinions on the financial statements of the DoD. The OIG also informs DoD management and Congress about the problems and deficiencies in programs and operations and the progress of corrective actions.

Narrative Explanation of Changes:

FY 2006 to FY 2007: Civilian full-time equivalents (FTEs) decreased by 18 to 1,403 FTEs in FY 2007 to support the within-in-grade buy in of civilians as the OIG agency converts to pay banding under National Security Personnel System (NSPS). Additional program growth in civilian pay and compensation is a result of increased employer contribution to benefits as the workforce's primary retirement plan shifts from the Civil Service Retirement System (CSRS) to the Federal Employee Retirement System (FERS). The OIG expects to realize continued growth in this area as the CSRS workforce retires and is replaced with FERS employees.

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The recent mission and staffing review resulted in the restructuring of two components: The Policy and Oversight component (formerly Inspections and Policy) includes four divisions from the Auditing component. The restructuring promotes efficiency and effectiveness through the centralization of common support resources. The Office of the Chief of Staff is renamed the Office of the Assistant Inspector General for Administration and Management. In addition, the Auditing component's consolidation of the acquisition and contract management directorates, for strategic and synergistic advantages, reflects recognition that audits must be approached from a total systems standpoint.

The OIG is statutorily responsible for the conduct of audits and investigations for the DoD. In accordance with the Inspector General Act of 1978, as amended⁴, the purpose of the OIG is to serve as an independent and objective office to:

- 1) conduct and supervise audits and investigations relating to the programs and operations of the DoD;
- 2) provide leadership and coordination and recommend policies for activities designed to
 - a. promote economy, efficiency, and effectiveness in the administration of, and
 - b. prevent and detect fraud and abuse in, such programs and operations; and
- 3) provide a means for keeping the head of the establishment and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.⁵

In addition to the other duties and responsibilities specified in the Act, the Inspector General shall:

⁴ Section 1117 of the FY 1983 National Defense Authorization Act (Public Law 97-252) established an Inspector General for the Department of Defense by amending Public Law 95-452, the Inspector General Act of 1978 (5 USC Appendix 3).

⁵ IG Act, as amended, Section 2

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- 1) be the principal adviser to the Secretary of Defense (SECDEF) for matters relating to the prevention and detection of fraud, waste, and abuse in the DoD programs and operations;
- 2) initiate, conduct, and supervise such audits and investigations in the DoD (including the military departments) as the Inspector General considers appropriate;
- 3) provide policy direction for audits and investigations relating to fraud, waste, and abuse and program effectiveness;
- 4) investigate fraud, waste, and abuse uncovered as a result of other contract and internal audits, as the Inspector General considers appropriate;
- 5) develop policy, monitor and evaluate program performance, and provide guidance with respect to all Department activities relating to criminal investigation programs;
- 6) monitor and evaluate the adherence of DoD auditors to internal audit, contract audit, and internal review principles, policies, and procedures;
- 7) develop policy, evaluate program performance, and monitor actions taken by all DoD components in response to contract audits, internal audits, internal review reports, and audits conducted by the Comptroller General of the United States;
- 8) request assistance as needed from other audit, inspection, and investigative units of the DoD (including military departments); and
- 9) give particular regard to the activities of the internal audit, inspection, and investigative units of the military departments with a view toward avoiding duplication and insuring effective coordination and cooperation.⁶

The Inspector General's vision is 'one professional team strengthening the integrity, efficiency, and effectiveness of Department of Defense programs and operations.' A key tenet of the OIG strategy is to link resources to the achievement of mission-based results.

Auditing: Section 3 (d) of the Inspector General Act establishes the requirement for the audit function within the OIG. The Office of the Deputy Inspector General for Auditing

⁶ IG Act, as amended, Section 8(c)

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(ODIG-AUD) conducts audits on all facets of DoD operations. The work results in recommendations for reducing costs, eliminating fraud, waste, and abuse of authority; improving performance; strengthening internal controls; and achieving compliance with laws, regulations, and policies. Audit topics are determined by law, requests from the SECDEF and other DoD leadership, Hotline allegations, congressional requests, and OIG risk analyses of DoD programs. In addition to all of the ongoing auditing requirements, OIG auditors continue to focus effort on Base Realignment and Closure (BRAC) by performing additional assessments that are related to the BRAC implementation process, and are also performing unanticipated audits to review the support being provided by DoD to relief efforts related to Hurricane Katrina and how providing such support impacts DoD operations.

In FY 2006 and FY 2007, OIG auditors will review issues related to Operation Iraqi Freedom (OIF) as a result of increased congressional focus on issues related to the Global War on Terrorism (GWOT) and to properly fulfill the statutory requirement to keep the Secretary of Defense and Congress fully and currently informed. This effort includes establishing a physical presence in theater to augment existing oversight of programs and activities in support of the GWOT. There are seven projects, planned or ongoing, that provide coverage for issues related to OIF.

In FY 2007, auditors will place particular emphasis on the President's Management Agenda (PMA) and related SECDEF and congressional interest items, dedicating resources to the high-risk areas of major acquisitions, contracting, information technology, information security, charge cards, readiness, and Homeland Security. The National Defense Authorization Act for FY 2006, Title VIII, expanded statutory requirements on major acquisitions programs. As of September 30, 2005, the DoD has 1,312 acquisition category I-IV programs, at a total estimated cost of \$2.3 trillion. OIG auditors also continue to lead DoD-wide and joint IG audits. An ongoing effort involves a statutory requirement to review non-DoD agencies (such as the General Services Administration (GSA)) that perform a significant number of contracting actions for DoD. The FY 2006 National Defense

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Authorization Act expands this requirement to include similar reviews of Department of the Treasury, National Aeronautics and Space Administration, and Department of the Interior. Auditors also continue to assist in investigations and related litigation, and participate as non-member advisors (at DoD management request) on a variety of task forces, process action teams, and studies.

Defense Financial Auditing Service: The OIG limited its FY 2005 financial statement audit work to comply with Section 352 of the FY 2005 National Defense Authorization Act, which prohibited the expenditure of FY 2005 funds on financial improvement initiatives including financial systems audits. The OIG redirected the Defense Financial Auditing Service staff to work on the review of Air Force acquisition contracts associated with the Boeing Aircraft Tanker Lease Program.

In November 2005, the auditors issued an unqualified opinion on the Military Retirement Fund; a qualified opinion on the Medicare Eligible Retiree Health Care Fund, and disclaimers of opinion on the DoD Agency-wide FY 2005 financial statements and seven of the components statements that support the Agency-wide statements. In addition, the auditors provided contractor oversight on six financial systems audits and completed approximately 30 other audits on internal controls, compliance with laws and regulations, and other financial-related issues.

In December 2005, DoD submitted the Financial Improvement and Audit Readiness (FIAR) Plan to congressional defense committees in accordance with the FY 2006 National Defense Authorization Act. The FIAR Plan is a roadmap to fix internal controls and correct processes necessary for financial statement audit readiness. The OIG serves in an advisory role to the FIAR Committee in updating and executing the FIAR plan.

In FY 2006 and FY 2007, the OIG will continue to work with the DoD components to identify deficiencies and recommend corrective actions, focusing on financial statement, system, internal control, compliance, and other financial-related audits to assist the Department

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to achieve auditable financial statements. DoD annually produces at least 65 individual financial statements, many of which are larger and more complex than most public corporations. The OIG is the sole DoD audit organization authorized to review those statements and issue opinions on them. The OIG will, in regard to the reliability of DoD financial statements, conduct audits that are consistent with Public Law 107-107, Section 1008⁷. As more components assert financial statement reliability, more effort will be required to audit financial statements in FY 2006 and future years.

Investigations: The Office of the Deputy Inspector General for Investigations (ODIG-INV) comprises the criminal and administrative investigations component of the OIG. The Defense Criminal Investigative Service (DCIS) protects America's warfighters by investigating suspected major criminal violations, focusing mainly on terrorism, computer crimes, substandard and defective products destined for the use and protection of our warfighters, illegal transfer of technology and protected weapon systems and equipment, and public corruption such as major DoD procurement fraud, bribery, corruption, kickbacks, and major thefts. DCIS also provides fraud awareness presentations DoD-wide on the resource and program impacts of fraud.

As a direct result of the terrorist attacks of September 11, 2001, the Inspector General expanded DCIS' traditional concentration on major procurement fraud, substitution of substandard and defective products, and bribery/corruption with the addition of anti-terrorism operations and the build-up of efforts to combat illegal technology transfer. DCIS participates with the Federal Bureau of Investigation (FBI) in the Joint Terrorism

⁷ Section 1008(d) "Limitation on Inspector General Audits," states that "[o]n each financial statement that an official asserts is unreliable . . . the Inspector General of the Department of Defense shall only perform the audit procedures required by generally accepted government auditing standards consistent with any representation by management." Complying with Section 1008(f), "Termination of the Applicability," audits will be conducted "[if] the Secretary of Defense certifies to the Inspector General of the Department of Defense that the financial statement for the Department of Defense or a financial statement for a Component of the Department of Defense, for a fiscal year is reliable"

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Task Forces (JTTFs) at the FBI headquarters and across the U.S. to protect DoD programs and operations. DCIS also works with U.S. Immigration and Customs Enforcement to stem the illegal transfer of DoD technology, weapon systems, and equipment through an intense criminal investigative effort and by participation in the Shield America Program, which provides awareness and indicators training regarding this type of criminal activity.

DCIS is an active participant in the Law Enforcement/Counter Intelligence Center (LECIC), which is part of the Joint Task Force - Global Network Operations (JTF-GNO) established to protect the Global Information Grid. The DCIS provides administrative support to JTF-GNO, LECIC, and serves, in coordination with the Secretaries of the Military Departments, as the Defense law enforcement community focal point for the design, development, and maintenance of information systems and databases that facilitate law enforcement operations and LECIC requirements, and provide data to the JTF-GNO and the common operational picture databases as appropriate.

In FY 2007, DCIS will continue to pursue the Global War on Terrorism, strengthen joint warfighting capabilities through continued participation in the JTTFs, and focus investigative resources on cyber crimes, computer intrusion, illegal technology transfer, and product substitution /defective parts. Additionally, DCIS is an active member of the President's Council on Integrity and Efficiency (PCIE)/ Executive Council on Integrity and Efficiency (ECIE) and Department of Justice Hurricane Katrina Task Forces which are investigating criminal activities (procurement fraud, public corruption, kickbacks) associated with the multi-year Gulf Coast reconstruction.

The DCIS continues to investigate DoD procurement fraud, including fraud and corruption, and defective and hazardous military equipment. Major fraud investigations, such as the Boeing Tanker Lease case, result in an extensive effort by criminal investigative and audit components that can lead to additional investigations and audit requirements, initiated internally by the IG or externally by Congress and the Departments of Defense

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and Justice. The publicity of these investigations also leads to an increase in the reporting of similar types of criminal activity.

The ODIG-INV is also responsible for all DoD reprisal and senior official investigations, conducted by the non-criminal investigative directorates that are founded on specific statutory directives aimed at enhancing the integrity of the Department and ensuring oversight of senior officials, and protecting whistleblowers:

- Investigations of Senior Officials (ISO) ensures, through aggressive investigations, that ethical violations, abuses of authority, or misuses of public office do not undermine the credibility of the national command structure. ISO is the only DoD component that possesses the independence needed to ensure that allegations against top DoD leaders are credibly investigated and to provide effective oversight of Service IG senior official investigations. When faced with congressional and public concerns over senior official conduct, the Department and members of Congress routinely turn to ISO to provide authoritative resolution. The close cooperation between ISO and Service IGs on senior official matters effectively leverages OIG resources and facilitates completion of over 400 investigations annually with minimal resources.

ISO was established in 1991 after members of Congress expressed concern about the quality of senior investigative work conducted by the Service IGs. Congressional committee language at the time specified that ISO should be staffed with 18 investigators to enable greater involvement in DoD senior official matters. In FY 2007, ISO will continue to address allegations of senior official misconduct that demoralize warfighters and undermine public confidence in DoD leadership. ISO will focus on alleged use of Government resources for personal benefit, conflicts of interest, abuses of authority, and behavior that fails to meet standards for exemplary conduct established by Congress in Sections 3583 (Army), 5947 (Navy), and 8583 (Air Force) of Title 10, United States Code.

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- Military Reprisal Investigations (MRI) conducts and oversees investigations of whistleblower reprisal under three federal whistleblower protection statutes: 10 U.S.C. 1034 (military members); 10 U.S.C. 1587 (nonappropriated fund employees); and 10 U.S.C. 2409 (DoD Contractor employees). MRI conducts or oversees investigations of alleged violations of DoD Directive 6490.1, "Mental Health Evaluations of Members of the Armed Forces." For military whistleblower reprisal allegations, which comprise more than 80 percent of MRI's workload, MRI must approve all decisions by the Military Departments to decline investigation, and all investigative conclusions of the Military Departments regarding reprisal allegations. MRI must also approve all Military Department investigative findings regarding improper mental health evaluation referrals of military members. In FY 2007, MRI will continue the aggressive investigation of alleged reprisal against DoD whistleblowers, who risk personal career damage to make their reports. Improved timeliness in resolving an ever-increasing number of allegations will continue to be the MRI focus. MRI also seeks to implement streamlined processes and expand outreach and training to the Military Department IGs to improve timeliness.

- Civilian Reprisal Investigations (CRI) reviews and investigates whistleblower reprisal allegations submitted to the DoD Hotline by DoD civilian appropriated fund employees. CRI remains the sole centralized resource for investigating reprisals against DoD intelligence and counter-intelligence whistleblowers. In FY 2007, CRI will continue the aggressive investigation of alleged reprisal against DoD whistleblowers and will take proactive measures to emphasize the protection available to DoD employees who report fraud, waste and abuse, and violations of rule, law, and/or regulation. CRI's first cases in the DoD Intelligence and Counterintelligence Communities have made it the center of compliance oversight and investigation with respect to whistleblower reprisal in the National Security Agency (NSA), Defense Intelligence Agency (DIA), National Geospatial-Intelligence Agency (NGA), National Reconnaissance Office (NRO), and the service intelligence communities. Following the public release of information regarding prisoner abuse at Abu Ghraib prison in Baghdad, Iraq, OIG DOD determined that

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the lack of a coordinated, seamless system of whistleblower protection programs with the DoD Intelligence and Counterintelligence Communities led to an untimely relay of information about prisoner abuse. In FY 2007, CRI will expand whistleblower protections available to employees in the intelligence community.

Policy and Oversight: The Office of the Deputy Inspector General for Policy and Oversight (ODIG-P&O) conducts inspections and evaluations, manages the DoD Hotline, and provides the oversight and policy for Audit and Investigative activities within DoD as required by Section 8 of the IG Act.

- At the request of Congress, the SECDEF, the IG, and other senior DoD officials, the Inspections and Evaluations (IE) Directorate inspects and evaluates DoD-wide programs to facilitate improved management efficiency and enhanced program effectiveness. The IE Directorate conducts a wide array of systemic assessments, including joint operations, homeland defense, strategic force management, Reserve Component forces, safety, occupational health, environment, and engineering.
- Uniquely in the Federal IG community, the Audit Policy and Oversight (APO) Directorate provides audit policy direction, guidance, and oversight for the ODIG-AUD, the Military Departments, the Defense Contract Audit Agency (DCAA), other Defense audit organizations and public accounting firms under the Single Audit Act. The APO provides guidance and oversight for over 6,000 auditors in DoD, which is nearly 40 percent of all auditors in Federal IG audit organizations. APO reinforces and oversees the implementation of the highest professional auditing standards within the DoD audit community. The APO directorate also develops policy, provides guidance, monitors actions, and evaluates program performance taken because of contract audit report recommendations, and reports the results as required to the SECDEF. As of October 1, 2005, APO provided oversight of 1,295 open contract audit reports with over \$4 billion in potential savings.

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- The Investigative Policy and Oversight (IPO) Directorate evaluates the performance and develops policy for the DoD law enforcement community and the non-criminal investigative offices of the DoD. The IPO Directorate also manages the IG Subpoena Program for the Defense Criminal Investigative Organizations (DCIOs) and administers the DoD Voluntary Disclosure Program, which allows contractors a means to report potential civil or criminal fraud matters. Recently, this office has responded to complex congressional and other agency requests to determine accountability for problems throughout the Department's criminal justice system (e.g., sexual assault policy at the Air Force Academy, and sufficiency of detainee abuse investigations). DoD Hotline receives reports from DoD personnel and the public on allegations of mismanagement, fraud, waste and abuse of authority. The Hotline conducts inquiries and tracks cases referred to other DoD investigative, audit, and operational organizations resulting from DoD Hotline contacts. The Hotline also provides oversight of hotlines operated by Inspectors General of other DoD components.

Due to increased congressional interest, ODIG-P&O expects an increase in FY 2007 in the number of independent reviews relating to the Department's criminal justice system. Inspections and evaluations of DoD-wide programs will increase in order to improve management efficiency and enhance program effectiveness. Additionally, increased oversight and policy of audit activities is essential to prevent significant deficiencies. In the aftermath of Hurricanes Katrina and Rita, the DoD Hotline will play a significant role in the investigation of allegations of fraud, waste, abuse of authority and mismanagement.

Intelligence: The Office of the Deputy Inspector General for Intelligence (ODIG-INTEL) audits, reviews, evaluates, and monitors the programs, policies, procedures, and functions of the DoD Intelligence Community, including intelligence-related activities within the DoD components and Combatant Commands, Special Access Programs, and Nuclear Surety Issues within the DoD, to ensure proper, effective, and efficient management of intelligence and intelligence-related resources. ODIG-INTEL provides independent,

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objective and relevant information to the Department, Congress, and other Government agencies and is the OIG's primary advisor to the SECDEF on intelligence audit matters. ODIG-INTEL provides recommendations to improve the efficiency and effectiveness of DoD intelligence personnel, programs and operations; reduce costs, strengthen internal controls, and achieve compliance with laws and regulations. ODIG-INTEL external audit, review, and evaluation topics are determined by law, requests from the SECDEF and other DoD leadership, Hotline allegations, congressional requests, and internal analyses of risk in DoD programs. The ODIG-INTEL strategically focuses its reviews based on goals of the PMA, SECDEF Priorities, DoD Management Challenges, and Government Accountability Office (GAO) High Risk Areas.

ODIG-INTEL personnel also assist the Office of the Director of National Intelligence Inspector General (ODNI-IG) to administer, coordinate, and oversee the functions of the Intelligence Community Inspectors General (ICIG) Forum. The ICIG Forum promotes and improves information sharing among those Inspectors General whose duties include audits, inspections, evaluations, or investigations associated with programs and operations of Intelligence Community elements within their respective Departments and agencies. It also enables each Inspector General to carry out the duties and responsibilities established under the Inspector General Act of 1978, as amended, to avoid duplication and ensure effective coordination and cooperation. As the advisor to the DoD Inspector General, who is the Forum Co-Chair, the ODIG-INTEL advocates developing and assessing metrics to measure the performance of the Intelligence Community's programs and operations in attaining the President's National Security Strategy and the SECDEF's pronouncements on improving intelligence. Along with information sharing and coordination, the ICIG Forum members conduct projects of mutual interest. The ODIG-INTEL anticipates that the requirement for joint projects will increase, especially until the ODNI-IG is staffed to a sufficient level to enable it to conduct meaningful audits and evaluations. Topics under deliberation are Counterespionage Information Sharing, Counterterrorism Information Sharing, Human Intelligence Information Sharing, Open Source Intelligence, and all Intelligence Community issues critical to national security.

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As the issue area coordinator for the DoD Joint Intelligence Oversight Coordination Group (JIOCG), the ODIG-INTEL advocates improving the effectiveness and efficiency of DoD intelligence oversight activities by identifying areas needing more emphasis and eliminating redundancy. The JIOCG is planning to conduct joint projects that will enable the DoD intelligence oversight activities to leverage limited resources.

As the DoD coordinator on all Intelligence Community Whistleblower Protection Act (ICWPA) cases, the ODIG-INTEL serves a time-sensitive role in the determination process for alleged wrongdoings of urgent concern. The ICWPA provides a means for intelligence and counterintelligence employees of the four Defense intelligence organizations to communicate classified information to the Congress on allegations. The ODIG-INTEL transmits the initial determination, together with the complaint information, to the SECDEF within 14 days of receipt; the SECDEF forwards the transmittal to the congressional intelligence committees within seven days. There has been a significant increase in the number of inquiries about the ICWPA process. With continued scrutiny of intelligence community activities, the ODIG-INTEL anticipates an ICWPA workload increase.

Other Components, OIG:

1. **The Office of Communications and Congressional Liaison (OCCL)** also includes the Freedom of Information Act (FOIA)/Privacy Act Office, the OIG Web Development Team, and Strategic Planning. The Assistant Inspector General for Communications and Congressional Liaison is dual-hatted as the OIG Public Affairs Officer. OCCL personnel review and analyze pending and proposed legislation that affects the Department and the OIG, provide support for OIG witnesses who testify at congressional hearings, process responses to congressional correspondence, coordinate meetings with congressional staff, manage and maintain the OIG internet and intranet operations, implement a communication plan regarding external communication issues, process FOIA requests, and oversee the development and implementation of the OIG strategic plan. OCCL also provides staff support and serves as the liaison for the OIG to the PCIE and the Defense Council on Integrity and Efficiency (DCIE). The Inspector General established

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the DCIE in 2002 to ensure effective coordination and cooperation between and among the activities of the OIG and Defense agencies. OCCL is also responsible for providing input into the Department's annual Performance and Accountability Report (PAR) and for publishing the Semiannual Report to Congress.

2. **The Office of Legal Counsel**, which consists of nine billets including one Senior Executive Service (SES), is a relatively new component of the OIG. By SECDEF directive, the legal staff from the Office of General Counsel, DoD, that provided support to the OIG was transferred to the Office of Legal Counsel, OIG, effective December 13, 2004.

3. **The Office of Administration and Management (OAM)** serves as a *force multiplier* for the OIG operational components by providing common support for personnel, security, training, administration, logistics, and information technology. The OAM's customer service helps the operational components reduce cycle times, increase efficiency, and improve both the quality and effectiveness of their resulting audits, investigations, inspections and evaluations. The OAM also conducts proactive liaison and coordination with various DoD components to ensure timely resolution of budget, personnel, security, training, logistical, and information technology issues. OAM comprises six directorates: Administration and Logistics Services; Office of the Comptroller; Human Capital Management; Information Systems; Training; and Office of Security. These directorates supervise and carry out administrative and logistical functions in support of the OIG's day-to-day operations.

II. Force Structure Summary: N/A

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III. Financial Summary: (Dollars in Thousands)

	FY 2006						
	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>		
A. <u>Subactivities</u>							
Financial Statement Audits	18,344	32,500	-325	-1.0	32,175	32,175	34,736
Audits - Other	52,699	56,249	-262	-0.5	55,987	55,987	58,561
Investigations	65,529	64,293	1,428	2.2	65,721	65,721	68,484
Policy and Oversight	8,990	8,857	807	0.9	9,664	9,664	10,097
Intelligence	3,825	3,634	396	1.1	4,030	4,030	4,350
Other OIG	47,838	43,154	-4,141	-9.6	39,013	39,013	38,669
Procurement	1,100	1,000	0	0	1,000	**2,447	1,400
Total	198,325	209,687	-2,097	-1.0	207,590	209,037	216,297

* The FY 2005 Actual column includes \$148.0 thousand of FY 2005 Supplemental funds (PL 109-13).

* The FY 2006 Estimate column excludes \$263.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148).

** Procurement, FY 2006 Current Estimate, includes \$1,447.0 thousand of carryover.

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III. Financial Summary: (Dollars in Thousands) (Continued)

B. Reconciliation Summary:

	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	209,687	209,037
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-2,097	
Subtotal Appropriated Amount	207,590	
Fact-of-Life Changes (CY to CY Only)	1,447	
Subtotal Baseline Funding	209,037	
Anticipated Supplemental	263	
Reprogrammings		
Price Change		4,672
Functional Transfers		
Program Changes		2,588
Current Estimate	209,300	216,297
Less: Wartime Supplemental	-263	
Normalized Current Estimate	209,037	

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III. Financial Summary: (Dollars in Thousands) (Continued)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2006 President's Budget Request		209,687
<i>Memo: Procurement</i>		1,000
1. Congressional Adjustments		-2,097
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions	-2,097	
e. Congressional Earmarks		
FY 2006 Appropriated Amount		207,590
2. War-Related and Disaster Supplemental Appropriations:		263
Hurricane Katrina		
3. Fact of Life Changes: Carryover Procurement		1,447
FY 2006 Baseline Funding		209,300
4. Reprogrammings		
Revised FY 2006 Estimate		209,300
5. Less: Item 2, Hurricane Katrina Supplemental		-263
FY 2006 Normalized Current Estimate		209,037
<i>Memo: Procurement</i>		2,447
6. Price Change		4,672
7. Functional Transfers		
8. Program Increases		4,288
a. Annualization of New FY 2006 Program		
1) Federal Law Enforcement Training Center:	123	
Assessment for partner organizations to pay 50% of		
instructors' salaries. (Baseline \$153.0 thousand)		
2) Continued installation of additional SIPRNET lines	88	
to DCIS field offices. (Baseline \$259.6 thousand)		
b. One-Time FY 2007 Increase		
c. Program Growth in FY 2007		

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III. <u>Financial Summary:</u> (Dollars in Thousands) (Continued)		
1)	Increase equipment purchases per planned replacement cycle. Planned FY 2007 level supports cyclic replacement requirements to avoid end user interruptions and additional maintenance and repair. (Baseline \$1,463.3 thousand)	2,088
2)	Personnel cost increases after NSPS implementation. (Baseline \$146,531.0 thousand)	1,789
3)	Minor construction associated with the buildout of space to accommodate the plus-up of Defense Financial Statement auditor staff. (Baseline \$300.0 thousand)	200
9.	Program Decreases	-1,700
a.	Annualization of FY 2006 Program Decrease	
b.	One-Time FY 2006 Increases	
1)	Costs associated with Soft Skills and technical training of OIG employees to prepare the agency for NSPS implementation. (Baseline \$0.6 thousand)	-600
2)	Renewal of 3 year Microsoft License to access Microsoft software and products. (Baseline \$1.1 thousand)	-1,100
c.	Program Decreases in FY 2007	
	FY 2007 Budget Request	216,297
	<i>Memo: Procurement</i>	<i>1,400</i>

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IV. Performance Criteria and Evaluation Summary:

The OIG's Strategic Plan supports the President's Management Agenda (PMA) and the Department's mission. Its key goal is to improve DoD operations by promoting efficient, effective, and economical operations, including full and timely implementation of the PMA's primary goals and objectives, the Secretary's top priorities, and the GAO's High Risk Areas.

The OIG Strategic Plan's first objective states, "Above all, 'lead by example' in efforts to implement the President's Management Agenda initiatives of: strategic management of human capital; competitive sourcing; improved financial performance; expanded electronic government; and budget and performance integration." The Annual Performance Plan includes goals for each of the PMA objectives that relate to: employee retention rate; on-board fill rate (recruitment related); mandatory training, employee exit surveys, competing 15 percent of commercial jobs; the full implementation of the Defense Audit Management Information System; and the implementation of an integrated performance and budget-based management system. To monitor performance against the plan, the OIG complies with the Government Performance and Results Act of 1993, as amended, and tracks goal attainment on a quarterly basis to help ensure progress and results are realized to ensure a return on investment of taxpayer dollars.

The Audit component assists the Department in managing institutional risk in accordance with the strategic tenets supporting the Department's policy goals as identified in the Quadrennial Defense Review Report. A prime objective of the OIG Strategic Plan and the Audit Strategic Plan is to assess the risks and weaknesses in the Department and recommend the development or strengthening of management practices and controls to ensure the efficient use of resources and promote effective operations. One of the key measurements of Audit success is the identifying potential monetary benefits. In FY 2005, the ODIG-AUD produced 112 reports which claimed potential monetary benefits

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IV. Performance Criteria and Evaluation Summary: (Continued)

totaling \$95.8 million. In FY 2005, Audit also achieved \$2.173 billion in monetary benefits from reports issued in FY 2005 and earlier (i.e., funds were put to better use because of actions completed on audit recommendations), which included \$1.755 billion from congressional budgetary adjustments based on a report relating to a significant acquisition program. As of September 30, 2005, the Department has 1,312 acquisition category I-IV programs with an estimated total cost of \$2.3 trillion. Increased audit coverage of major acquisition programs and contracting issues could lead to greater monetary benefits for the Department and the mitigation of institutional risk. The Congress and senior DoD officials requested and used the IG audit products on BRAC, Homeland Security, information system projects, readiness, chemical and biological defense, acquisition processes, information assurance, maintenance, supply management, use of government credit cards, financial management, health care, and environmental issues. One initiative in progress is the implementation of customer satisfaction surveys to ensure that the result of Audit's work adds maximum value to the Department. The OIG goal is 100 percent on-time completion of audits that have a statutory due date; in FY 2005, the Audit component achieved that goal.

Priority demands on audit resources include:

- The Chief Financial Officer's Act of 1990, as amended by the Federal Financial Management Act of 1994;
- The Intelligence Authorization Act for FY 2002 which requires the OIG to audit the form and content of the financial statements of the National Security Agency, National Geospatial-Intelligence Agency, and Defense Intelligence Agency;
- Reports required or requested by Congress and senior DoD officials, or resulting from Hotline allegations (totaling approximately 80 percent of all reports); and
- Efforts to improve DoD processes which, while beneficial, do not result in reports that can be reflected in IG productivity statistics.

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IV. Performance Criteria and Evaluation Summary: (Continued)

The budget request funds the mandatory financial statement auditing requirements and some audits of high-risk operations. DoD operations are experiencing a period of higher than normal risks due to the disruptions caused by ongoing military operations; continued restructuring; ever-increasing reliance on automated information systems; security vulnerabilities; and the introduction of new processes, many of which are untried in DoD settings and not well understood by the workforce. The OIG will focus its audit efforts on high-risk areas including weapon and information systems acquisition, contract management, and inventory management, within the limits of available resources.

Previously, the criteria for evaluating the OIG's investigative operations included the number of indictments, convictions, fines; the amount of recoveries and restitutions; and the number of administrative investigations conducted or overseen. Using those criteria in FY 2005, DCIS had one of its most productive years since inception: 415 indictments; 362 convictions; and over \$929 million in investigative recoveries. Since inception, DCIS has been responsible for over \$9.9 billion in criminal, civil and investigative recoveries. The current measure of the DCIS' effectiveness is to conduct significant criminal investigations in support of crucial national defense priorities. The DCIS accomplishes this by: ensuring that investigative resources are used effectively and efficiently; placing primary emphasis on investigations of terrorism, product substitution/defective parts, computer crimes targeting the Global Information Grid, illegal technology transfer, and public corruption; and identifying offenders and/or detecting, disrupting, or dismantling the associated criminal activities.

It is difficult to quantify the results of criminal investigative operations. For example, in bribery and kickback cases, the dollar impact on the cost of a major contract is not readily identifiable, yet bribes and kickbacks undermine the integrity and efficiency of departmental programs and operations. The OIG also identifies areas of criminal vulnerability regarding DoD activities and ensures that the Department takes action to correct deficiencies. Another valuable byproduct of criminal investigative

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IV. Performance Criteria and Evaluation Summary: (Continued)

activities is the deterrent effect, which results from an awareness of the vigorous pursuit of violations of the law. The OIG attempts to ensure that the Department takes appropriate administrative action, whether or not prosecutions are obtained. The IG seeks to have disreputable contractors suspended or debarred and to recover monies due to the Department.

Whistleblower protection for military service members, DoD nonappropriated fund employees, and DoD contractor employees is the statutorily-mandated mission of the Directorate for Military Reprisal Investigations (MRI). In FY 2005, MRI closed 447 cases that included in-house cases and oversight reviews of Service IG cases. Of these, 332 cases were closed after preliminary inquiries and 115 cases received full investigations. Twenty-six full investigations resulted in one or more substantiated reprisal allegations, and 15 investigations found procedural violations under the DoD directive pertaining to referral of military members to involuntary mental health evaluations. Faced with a continuing increase in whistleblower reprisal allegations received by both the OIG and the Military Department Inspectors General (from 320 complaints received in FY 1997 to 552 complaints received in FY 2005), the MRI strives to implement policies and procedural efficiencies to improve the timeliness in processing and resolving such allegations. The Directorate conducts training workshops on the conduct of military whistleblower reprisal investigations for representatives of the Military Services, the Joint Chiefs of Staff, and other defense agencies.

Whistleblower protection for civilian appropriated fund personnel is the primary mission of the Directorate for Civilian Reprisal Investigations (CRI). In FY 2005, its first year of operation, the Directorate closed two cases, and docketed 18. The two cases closed included the first case under a joint protocol with the NSA IG for the review of security clearance decisions alleged to be a pretext for reprisal. In FY 2006, CRI expects 50 preliminary inquiries and 20 accepted cases, with the highest priority given

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IV. Performance Criteria and Evaluation Summary: (Continued)

to contractor fraud and abuse within the Defense Intelligence and counter-intelligence communities.

The Directorate for Investigations of Senior Officials (ISO) completed 68 inquiries or investigations in FY 2005. ISO also oversaw 400 investigations by DoD components. ISO is also evaluated by the impact that those investigations may have on public confidence in DoD leaders and ultimately on national security. Investigative impact may be evaluated by the percentage of investigations that were of significance to DoD or congressional leaders, and the percentage of investigations that substantiated alleged misconduct. Fully 50 percent of investigations conducted by ISO in FY 2005 had significant media, SECDEF, or congressional interest, with results provided directly to the SECDEF or members of Congress. Over 18 percent of the investigations substantiated allegations against senior officials and resulted in immediate removal from command, reprimands, reductions in rank, and reimbursement to the Government, thereby demonstrating that the Department holds senior leaders accountable for misconduct. Both statistics reflect increases over previous years and indicate the increasing complexity of allegations involving senior officials and associated requirement for comprehensive, manpower intensive investigative work. Recent examples in the area of senior official inquiries include substantiated allegations of using Government property for unauthorized purposes, engaging in conduct unbecoming an officer and gentleman, taking official action for private gain, accepting of gifts from prohibited sources, and taking unauthorized personnel actions. As part of its responsibility to fully inform the President and Senate of adverse information concerning senior officials being nominated for promotion, reassignment, or other action, the office conducted almost 3,000 name checks on DoD senior officials in the past year. The Senate Armed Services Committee relies exclusively on checks completed by ISO before confirming military officer promotions.

Policy and Oversight operations are evaluated on the reviews conducted, as measured by the number of reports issued; the Hotline activities reported; voluntary disclosures

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IV. Performance Criteria and Evaluation Summary: (Continued)

processed; subpoenas processed; and outcomes achieved. Policy and Oversight conducts evaluations of DoD-wide programs and reviews to ensure the quality of the performance of other DoD audit agencies, outside public accounting firms, DoD law enforcement and criminal investigative agencies, and other Defense activities. Inspectors and evaluators consult to identify recommendations to prevent fraud, waste, abuse and mismanagement. The follow-up phase of every evaluation project emphasizes measuring the impact of the recommendations implemented by management. Inspectors and evaluators also facilitate process improvement activities that do not result in separate formal reports, such as advising the Iraqi Ministry of Defense Inspector General, assisting the coalition forces in Afghanistan build self-sustaining Afghan institutions, developing joint doctrine and training for Combatant Command IGs, recommending safety initiatives to prevent accidents, advising DoD managers, and promoting communications and collaboration among the various DoD IG communities. In FY 2005, Audit Policy and Oversight (APO) issued eight reports with recommendations for overall improvements and efficiencies in the audit process and two reports that addressed adequacy and timeliness of implementation of contract audit recommendations. APO provided training to 100 federal and non-federal auditors for the PCIE sponsored National Sampling Initiative, to DCAA auditors on OMB Circular A-133, Single Audit, and external peer review processes to DoDIG and Service auditors. In addition, APO assisted the OIG for Health and Human Services in its reviews of Maine and Alaska single audits by reviewing the state-related National Guard program.

Investigative Policy and Oversight (IPO) accepted eight voluntary disclosures, closed nine cases and issued 227 subpoenas. In FY 2004 and FY 2005, IPO evaluated the accountability of 32 senior officials for decisions that hid sexual assaults at the Air Force Academy. The IPO designed and conducted sexual assault and leadership surveys at the Department's military academies, surveying 5,105 male and female cadets and midshipmen and achieved a 96.9 percent response rate. That, in turn, improved the opportunity for future annual measurements enabling Congress to improve its oversight responsibilities at these taxpayer supported institutions. In FY 2005, IPO completed a

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IV. Performance Criteria and Evaluation Summary: (Continued)

review that validated the accidental nature of the death of an Army soldier in Iraq. The office continues oversight of criminal investigations of prisoner and detainee abuse investigations in Iraq, Afghanistan and Cuba, the examination of the investigation, arrest and imprisonment of a Muslim chaplain that touches a broad range of US Government agencies, the evaluation of multiple investigations of a friendly fire death of an Army soldier who was a professional football star, and the evaluation of an Army investigation into the apparent suicide of an Army soldier in Afghanistan. In FY 2005, the DoD Hotline handled an average of 1,068 calls and letters per month, reflecting approximately a workload increase of 35 percent since September 11, 2001.

The ODIG-INTEL focuses on assessing the efficient, effective, and appropriate use of intelligence personnel and resources with emphasis on support to the warfighter and national command authority. In FY 2005, ODIG-INTEL provided DoD leadership and Congress a record 20 intelligence evaluation and audit reports such as Nuclear Command and Control; Defense Human Intelligence; Intelligence Capabilities Related to the Terrorist Attacks of September 11, 2001; National Security Agency programs and initiatives; Special Access Programs; Counterintelligence and Counterespionage; and BRAC for the Defense Intelligence Community. Congressional directed actions or requests, management requests, or DoD Hotline complaints initiate 70 percent of ongoing projects. The other 30 percent comes from a proactive process of identifying projects to promote effective operations and ensure efficient use of resources in vital intelligence and related mission areas in support of the Department's goals and the OIG Strategic Plan.

In FY 2005, the ODIG-INTEL developed and implemented new standardized policies and procedures, including internal quality assurance mechanisms. The ODIG-INTEL also met its performance measure to plan, staff, and manage projects so that projects are completed within an average of 330 days (actual average was 323 days, which is 20 percent less than the average of 402 days for the prior period). ODIG-INTEL will continue to define project scope and objectives for FY 2006 and FY 2007 projects in order to effect an

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IV. Performance Criteria and Evaluation Summary: (Continued)

additional five percent decrease in project cycle time. In FY 2006, ODIG-INTEL will also determine a meaningful goal for average number of work hours. ODIG-INTEL will continue participating in quarterly meetings of the Intelligence Community Inspectors General (ICIG) Forum and chair the Joint Intelligence Oversight Coordination Group (JIOCG) to prevent duplication and overlap between the OIG, Service audit agencies, Military IGs, and other Intelligence Agencies components, or jointly with DoD intelligence agency IGs and Intelligence Community IG Forum members.

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IV. Performance Criteria and Evaluation Summary: (Continued)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
<u>AUDIT</u>			
Reports issued	112	120	120
Potential monetary benefits (\$ Millions)	\$95.8	*	*
(* Monetary benefits can not be estimated)			
Achieved monetary benefits (\$ Millions)	\$2,173.0	-	-
GAO surveys and reviews processed	215	*	*
GAO draft and final reports processed	308	*	*
(* Function moved to Policy and Oversight as part of OIG reorganization)			
<u>DEFENSE FINANCIAL AUDITING SERVICE INITIATIVE</u>			
Reports issued	9	15	15
<u>CRIMINAL INVESTIGATIONS</u>			
Indictments and Charges	415	300	351
Convictions	362	280	300
Fines/penalties/restitutions, etc. (\$ Millions)	\$929	\$452	\$521
<u>NONCRIMINAL INVESTIGATIONS</u>			
Civilian Reprisal - Investigations opened	18	20	20
Civilian Reprisal - Investigations closed	2	15	15
Civilian Reprisal - Investigations oversight	1	5	10
Military Reprisal - Investigations opened	567	575	600
Military Reprisal - Investigations closed	447	500	550
Military Reprisal - Investigations oversight	263	300	300
Investigations of Senior Officials - opened	72	70	70
Investigations of Senior Officials - closed	68	70	70
Investigations of Senior Officials - oversight	403	450	450

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IV. Performance Criteria and Evaluation Summary: (Continued)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate
<u>POLICY and OVERSIGHT</u>			
Audit oversight reports	10	8	8
Investigative policy and oversight reports	3	8	8
Hotline calls/letters received	13,300	14,000	14,000
Substantive cases generated	2,500	3,500	4,000
Voluntary disclosures-new disclosures	9	8	8
Voluntary disclosures-admitted	8	6	6
Annual monetary benefits from disclosures (\$ Millions)	.058	1.5	.7
Subpoenas issued	227	250	300
Inspection & Evaluation Reports	6	6	6
Improved program effectiveness	*	*	*
GAO surveys and reviews processed		215	215
GAO draft and final reports processed		308	308
<u>INTELLIGENCE</u>			
Reports issued	20	16	16
Potential monetary benefits (\$ Millions)	0	0	0

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V. Personnel Summary	FY 2005	FY 2006	FY 2007	Change FY 2005/2006	Change FY 2006/2007
Active Military End Strength (E/S)					
(Total)	29	29	29	0	0
Officer	27	27	27	0	0
Enlisted	2	2	2	0	0
Civilian End Strength (Total)	1,383	1,468	1,334	85	-134
U.S. Direct Hire	1,382	1,467	1,333	85	-134
Total Direct Hire	1,382	1,467	1,333	85	-134
Foreign National Indirect Hire	1	1	1	0	0
Memo: Reimbursable Civilians Included	1	1	1	0	0
Active Military Average Strength					
(A/S) (Total)	29	29	29	0	0
Officer	27	27	27	0	0
Enlisted	2	2	2	0	0
Civilian FTEs (Total)	1,293	1,422	1,404	129	-18
U.S. Direct Hire	1,292	1,421	1,403	129	-18
Total Direct Hire	1,292	1,421	1,403	129	-18
Foreign National Indirect Hire	1	1	1	0	0
Average Annual Civilian Salary	111,517	113,161	118,294	1,644	5,133

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

	FY 2005 <u>ACTUALS</u>	Change from FY 2005 to FY 2006		FY 2006 <u>ESTIMATE</u>	Change from FY 2006 to FY 2007		FY 2007 <u>ESTIMATE</u>
		PRICE <u>GROWTH</u>	PROGRAM <u>GROWTH</u>		PRICE <u>GROWTH</u>	PROGRAM <u>GROWTH</u>	
<u>CIVILIAN PERSONNEL COMPENSATION</u>							
Executive, General and Spec. Schedules	143,303	3,339	13,521	160,163	3,732	1,310	165,205
Wage Board	30	1	11	42	1	0	43
Voluntary Separation Incentive Pay	0	0	0	0	0	0	0
Disability Compensation	462	0	17	479	0	121	600
Total Civilian Personnel Compensation	143,795	3,340	13,549	160,684	3,733	1,431	165,848
<u>TRAVEL</u>							
Travel of Persons	7,063	148	-12	7,199	155	202	7,556
Total Travel	7,063	148	-12	7,199	155	202	7,556
<u>DEFENSE WCF SUPPLIES & MATERIALS PURCHASES</u>							
GSA Managed Equipment	3,022	63	-2,470	615	13	38	666
Total Fund Equipment Purchases	3,022	63	-2,470	615	13	38	666
<u>TRANSPORTATION</u>							
Commercial Transportation	305	6	-3	308	6	1	315
Total Transportation	305	6	-3	308	6	1	315
<u>OTHER PURCHASES</u>							
Foreign National Indirect Hire	22	0	53	75	1	1	77
Rent Payments to GSA (SLUC)	14,349	301	73	14,723	309	0	15,032
Purchased Communications (Non-Fund)	2,870	60	97	3,027	64	0	3,091
Rents (Non-GSA)	25	1	77	103	2	0	105
Postal Services (U.S.P.S.)	20	0	0	20	0	1	21
Supplies & Materials (Non-Fund)	3,128	66	-271	2,923	61	1	2,985
Printing & Reproduction	22	0	1	23	0	0	23
Equipment Maintenance - Contract	2,180	46	-57	2,169	46	-1	2,214
Facility Maintenance - Contract	3,027	64	-2,579	512	11	193	716

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

	Change from			Change from			FY 2007 <u>ESTIMATE</u>
	FY 2005 <u>ACTUALS</u>	FY 2005 to FY 2006		FY 2006 <u>ESTIMATE</u>	FY 2006 to FY 2007		
		<u>PRICE</u> <u>GROWTH</u>	<u>PROGRAM</u> <u>GROWTH</u>		<u>PRICE</u> <u>GROWTH</u>	<u>PROGRAM</u> <u>GROWTH</u>	
Equipment Purchases (Non-Fund)	6,022	140	-1,477	4,685	99	1,072	5,856
Management & Professional Support Services	11	0	-11	0	0	0	0
Studies, Analysis & Evaluations	292	6	-298	0	0	0	0
Other Intra-government Purchases	3,520	74	-878	2,716	57	-2	2,771
Other Contracts	5,882	124	217	6,223	131	-412	5,942
Other Costs	682	14	141	837	18	-16	839
Total Other Purchases	42,052	896	-4,912	38,036	799	837	39,672
<u>INFORMATION SERVICES</u>							
DISA Information Systems (Megacenters)	0	0	0	0	0	0	0
Communications Svcs Tier 2	254	4	2	260	6	-1	265
Total Information Services	254	4	2	260	6	-1	265
<u>PRINTING AND PUBLICATION SERVICES</u>							
Defense Publication & Printing Service	70	-1	2	71	2	0	73
Total Printing and Publication Services	70	-1	2	71	2	0	73
<u>FINANCIAL OPERATIONS</u>							
Defense Finance & Accounting Svc	1,287	-35	129	1,381	-134	162	1,409
Total Financial Operations	1,287	-35	129	1,381	-134	162	1,409
<u>OTHER</u>							
PRMRF Purchases	477	-95	101	483	92	-82	493
Total PRMRF Purchases	477	-95	101	483	92	-82	493
TOTAL	198,325	4,326	6,386	209,037	4,672	2,588	216,297

* The FY 2005 Actual column includes \$148.0 thousand of FY 2005 Supplemental funds (PL 109-13).

* The FY 2006 Estimate column excludes \$263.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148).

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Former Soviet Union Threat Reduction
Cooperative Threat Reduction Program



February 2006

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Former Soviet Union Threat Reduction:(\$ in thousands)

	<u>FY 2005</u>	<u>Price</u>	<u>Program</u>	<u>FY 2006</u>	<u>Price</u>	<u>Program</u>	<u>FY 2007</u>
Defense Threat Reduction Agency	Actuals	Change	Change	Estimate	Change	Change	Estimate
	407,873	9,789	-7,225	410,437	9,029	-47,338	372,128

* Amounts include no Supplemental funding.

I. Description of Operations Financed:

The mission of the Cooperative Threat Reduction (CTR) Program is to prevent the proliferation of weapons of mass destruction (WMD) and related materials, technologies, and expertise from Former Soviet Union (FSU) states through the safe destruction of Soviet-era WMD, associated delivery systems, and related infrastructure. The Department of Defense (DoD) has expanded the strategic focus of the CTR Program to support the Global War on Terrorism. It has broadened the scope of Biological Weapons Proliferation Prevention activities and established a program in coordination with other Federal Agencies to permit non-Russia FSU states to detect and capture WMD crossing their borders. Other Agencies include the Department of Energy, Department of State, U.S. Coast Guard, and the Department of Homeland Security.

The CTR Program directly supports the U.S. National Security Strategy and Strategy to Combat Weapons of Mass Destruction and contributes to national security by reducing the WMD threat to the U.S. and its allies; denying rogue states and terrorists access to WMD and related materials, technologies, and expertise; exploiting the Soviet legacy of pathogens, data, and expertise to enhance preparedness against biological threats; contributing to stability and cooperation in the FSU; and expanding U.S. influence in the FSU states. The CTR Program continues, at their source, to dismantle strategic weapons delivery systems and infrastructure; enhance the security of WMD and weapons material;

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prevent proliferation of weapons technology, materials, and expertise; and facilitate defense and military contacts to encourage military reductions and reform.

The Administration has taken a new approach toward providing assistance to Russia that stringently applies conditions that must be met to certify Russia for CTR and Freedom Support Act assistance. Concern over Russian commitment to comply with the Biological Weapons and Toxins and Chemical Weapons Convention (BWC and CWC, respectively) and to forego military modernization that exceeds legitimate defense requirements resulted in the Administration not certifying Russia since fiscal year (FY) 2001. Instead, the Administration requested and exercised certification waivers to be able to continue to provide CTR and Freedom Support Act assistance to Russia because of its important contributions to U.S. national security. The Administration has developed interagency guidelines that govern potential dual-use assistance. The Department has augmented these guidelines that require strict accountability and oversight for dual-use assistance such as cooperative biological research projects.

CTR Program objectives and related assistance activities are:

A. Dismantle Former Soviet Union (FSU) WMD and associated infrastructure:

The potential proliferation of WMD, delivery systems, and related technologies is a serious threat to U.S. and international security. The DoD, through the Cooperative Threat Reduction (CTR) Program, seeks to reduce this threat by providing assistance to FSU states to dismantle WMD and associated delivery systems and infrastructure.

The DoD, through the CTR program, assists Russia in dismantling Russian intercontinental ballistic missiles (ICBM); ICBM silo launchers and road and rail mobile launchers; ICBM launchers; submarine launched ballistic missiles (SLBM), SLBM launchers

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and the associated strategic nuclear submarine; and WMD infrastructure. DoD also supports storage of 163 SS-24 ICBM rocket motors from dismantled SS-24 ICBMs in Ukraine.

Biological weapons capabilities in FSU states also pose a significant threat to U.S. national security. The DoD estimates that approximately 40 Biological Research and Production Centers are located in FSU states. Through the CTR Program, the DoD has funded a project to dismantle infrastructure associated with biological weapons production or research at Soviet legacy facilities. This project will eliminate infrastructure, equipment, and facilities previously used to perform biological weapon related research and/or produce biological weapons.

As a State Party to the Chemical Weapons Convention (CWC), Russia has agreed to eliminate its stockpile of chemical weapons and demilitarize its former chemical weapon production facilities. Subject to Russia's being certified for the conditions specified by Congress or a presidential waiver being authorized and exercised, CTR assistance will continue to fund construction of a chemical weapon destruction facility for organophosphorus (nerve) agent-filled artillery munitions. The DoD will construct the Chemical Weapon Destruction Facility near the Shchuch'ye chemical weapon storage facility which contains approximately 47 percent of the Russian nerve agent-filled artillery munitions (estimated at 5,460 metric tons in nearly two million rocket and tube artillery warheads/projectiles). Additionally, CTR assistance supports demilitarization of OAO Khimprom former nerve agent production facilities at Novocheboksarsk in Russia. Demilitarization will decontaminate, dismantle and destroy specialized equipment and features related to the production, transfer and storage of chemical agents/weapons as outlined in the Chemical Weapons Convention.

B. Consolidate and secure former Soviet Union WMD and related technology and materials:

The CTR Program in Russia encourages nuclear warhead dismantlement and provides enhanced security for strategic and tactical nuclear warheads in storage. The CTR

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Program assists in the secure transport of an estimated 1,000 nuclear warheads per year to dismantlement or secure storage facilities. Conclusion of a limited access protocol and associated arrangement with the Ministry of Defense (MOD) enables DoD to enhance security at 24 nuclear storage areas throughout Russia. CTR assistance is coordinated with the Department of Energy's (DOE) Materials Protection, Control and Accounting assistance program.

CTR provides for consolidation and enhanced security and safety systems for dangerous virus and bacteria pathogen repositories at biological research centers. This assistance will help prevent the theft, diversion, or accidental release of dangerous biological pathogens. The DoD will also undertake new Biological Threat Agent Detection and Response activities that will strengthen the DoD's ability to detect and diagnose outbreaks, to attribute them to natural or terrorist causes, to access real-time, unfiltered medical intelligence, to consolidate pathogen collections into central labs, to modernize diagnostic capabilities to minimize need for pathogen retention at vulnerable field stations, and to develop a network of trained, ethical partner scientists equipped to prevent, deter, and contain a bioattack.

C. Increase transparency and encourage higher standards of conduct:

Cooperative Threat Reduction (CTR) Cooperative Biological Research enhances the U.S. capability to prevent proliferation of the former Soviet biological weapons scientific and technology base to rogue states and terrorist groups, while increasing transparency at former Soviet Union biological research facilities. Research projects address biotechnology issues between U.S. and former Soviet Union scientists in the areas of force health protection, medical countermeasures, counter-terrorism and modeling. They provide the U.S. access to scientific expertise and the opportunity to transfer dangerous pathogens to the U.S. for forensics reference. Cooperative research through DoD's partnership with the International Science and Technology Center (ISTC) encourages higher standards of openness, ethics and conduct at the scientist level and preempts potential

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"brain drain" of scientists to rogue states. Due to continuing concerns over Russia's compliance with the Biological Weapons Convention, stringent management oversight is enforced for Cooperative Biological Research activities in Russia.

D. Support defense and military cooperation with the objective of preventing proliferation:

The WMD Proliferation Prevention Initiative will enhance the capability of non-Russian former Soviet Union states to deter, detect, and interdict illicit trafficking of WMD and related materials, and to respond to WMD incidents at the border or in country. DoD will provide equipment, training, infrastructure and logistics support to enhance national and regional capabilities to prevent the proliferation of WMD, components, and materials to terrorists, rogue states, or organized crime groups. The DoD is pursuing maritime border control projects in Azerbaijan and Kazakhstan, land and maritime border control projects in Ukraine, a portal monitor project in Uzbekistan, and plans to implement a land border project with Moldova. This program is coordinated with the International Counter-Proliferation Program and other Inter-Agency border security programs in the former Soviet Union.

The Cooperative Threat Reduction (CTR) Program also supports expanded contacts between defense establishments to promote counter-proliferation, demilitarization and democratic reforms in Former Soviet Union (FSU) states. The DoD has negotiated a series of implementing arrangements with FSU states that govern the Defense and Military Contacts program. DoD has provided support to 32 separate major commands, service headquarters, and subordinate commands for approximately 260 events per year between the U.S. and FSU states. Events include exchange visits between the Secretary of Defense and the Chairman, Joint Chiefs of Staff with their FSU counterparts; visits between naval, air and ground units; bilateral exercises and ship visits; and visits of the nation's senior officials. Participating states currently include Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Ukraine, and Uzbekistan.

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The CTR Program will also secure and eliminate a stockpile of chemical weapons agents in Albania. This activity is authorized under Section 1308 of the FY 2004 National Defense Authorization Act that permits the U.S. to take advantage of opportunities to achieve long-standing nonproliferation goals.

E. Other Program Support:

Other Assessments/Administrative Support funds the Audits and Examination (A&E) program as identified in the appropriate umbrella and implementing agreements with CTR Program recipient states and overall program management and administration costs. The A&E program ensures that DoD-provided equipment, services, and training are fully accounted for, used effectively and efficiently for the purpose intended, and support CTR Program objectives. Additionally, CTR funding is required to support CTR delegation and technical teams' travel expenses, translator/interpreter support, and administrative and advisory support. CTR presence at Embassy offices in six former Soviet Union countries are also supported with these funds.

Program management and support costs are funded by the individual CTR Program areas and include contract logistic support, contract transportation support, administrative and advisory support, and travel.

A. Strategic Offensive Arms Elimination (SOAE) - Russia: The DoD assists Russia by contracting for, and overseeing destruction of, strategic weapons delivery systems in accordance with the SOAE Implementing Agreement and relevant Strategic Arms Reduction Treaty (START) provisions and agreements, including the START Conversion or Elimination (C or E) Protocol. DoD is providing equipment and services to destroy or dismantle intercontinental ballistic missiles (ICBMs), ICBM silo launchers, road and rail mobile launchers, submarine launched ballistic missiles (SLBMs), SLBM launchers, and the associated strategic nuclear submarines (SSBNs) reactor cores, and WMD infrastructure. The Cooperative Threat Reduction (CTR) Program also supports placement of spent naval

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reactor fuel when defueling SSBNs into casks designed for long-term storage and provides emergency response support equipment.

Emergency Response Support Equipment

Includes consolidated logistics support to maintain CTR-provided equipment, which would be used to recover missiles in case of an accident.

Solid Propellant ICBM/SLBM and Mobile Launcher Elimination

This project provides support to eliminate SS-24/25 and SS-N-20 solid propellant missile systems. Activities include operations and maintenance of Russian missile disassembly and elimination facilities, the equipment and operation of mobile launcher elimination facilities, destruction of treaty-limited components, and operation of a temporary storage facility for solid propellant missiles and solid rocket motors.

Liquid Propellant Intercontinental Ballistic Missile (ICBM) and Silo Elimination

This project supports the deactivation and dismantlement of SS-18 and SS-19 ICBM silos and associated launch control center (LCC) silos. Additionally, SS-18 and SS-19 ICBM and associated launch canisters will be eliminated.

Submarine Launched Ballistic Missile (SLBM) Launcher Elimination/SSBN Dismantlement

This project eliminates SLBM launchers from Delta class and Typhoon class Russian nuclear ballistic missile submarines (SSBNs) at four START-designated elimination facilities. In addition, this project provides the infrastructure required to defuel the SSBNs at the Zvezdochka and Zvezda naval facilities.

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Spent Naval Fuel (SNF) Disposition

This project supports the disposition of SNF removed from Russian Federation SSBNs (Delta and Typhoon) to permit elimination of SLBM launchers and partial dismantlement of Russian SSBNs through dry storage of SNF removed when defueling SSBNs.

Liquid Propellant SLBM Elimination

This project ships, defuels, neutralizes, and destroys liquid propellant SS-N-18 and SS-N-23 missiles removed from SLBM launchers that are being eliminated, including spares, consistent with all relevant START Treaty provisions and agreements, including the relevant provisions of the START Conversion or Elimination Protocol. The effort refurbished and maintains SLBM elimination facilities at the Revda Base, Sergiev Posad Design Institute, and the Krasnoyarsk Krasmach to support this work.

B. Nuclear Weapons Storage Security - Russia: Undertaken pursuant to the Agreement Between the Department of Defense of the United States of America and the Ministry of Defense (MOD) of the Russian Federation Concerning Cooperation in Nuclear Weapons Storage Security through Provision of Material, Services, and Related Training.

Automated Inventory Control and Management System

This project provides hardware and off-the-shelf software for a fully integrated system at 18 sites to account for and track strategic and tactical nuclear weapons scheduled for dismantlement. The project will provide an integrated weapons inventory system that supports local site data management and aggregate data management at multiple levels of MOD's management structure.

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Guard Force Equipment and Training

This project provides specialized equipment, training aids, associated training, and logistical support at storage site locations to improve the MOD's guard force capability to deny access to nuclear weapons storage sites.

Site Security Enhancements

This project improves safety and security at Russian nuclear weapons storage sites. Russian MOD nuclear weapons storage sites include both national stockpile sites and operational storage sites of the Russian Navy, Air Force, and Strategic Rocket Force (SRF), as well as some temporary storage locations, such as road to rail transfer points. The Department of Energy (DOE) is providing comprehensive security enhancements at some SRF and all Navy sites. Permanent storage locations that contain either strategic or tactical nuclear weapons will receive security enhancements.

Far East Training Center

This project will establish a Far East Training Center (FETC) to complement the existing Security Assessment and Training Center at Sergiev Posad and the Kola Technical Center. The FETC will serve as a training facility for all branches of the MOD involved with providing security for WMD, specifically supporting the operators, maintainers, and system administrators of the approved "objective suite" of physical security equipment. Additionally, the FETC will serve as a regional depot-level maintenance facility for that equipment.

C. Nuclear Weapons Transportation Security - Russia: This program supports U.S. proliferation prevention objectives by enhancing the security, safety, and control of nuclear weapons during shipment and provides railcar maintenance, procurement, and transportation safety enhancements.

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Nuclear Weapons Transportation

This project assists Russia to safely and securely transport deployed nuclear warheads to secure storage and dismantlement facilities.

Railcar Maintenance and Procurement

This project supports the certification of a required set of Ministry of Defense (MOD) nuclear weapons transport railcars through preventive and depot maintenance and initiates production of up to 100 safe and secure weapons transport and 15 guard cars. Russia will eliminate two weapons transport cars for each new one provided.

D. Chemical Weapons Destruction - Russia: This program supports the Agreement for the Safe, Secure, and Ecologically Sound Destruction of Chemical Weapons and preventing the proliferation of chemical weapon capabilities to rogue states and terrorist groups.

Chemical Weapons Destruction Facility

This project provides for the creation of the first Russian Chemical Weapons Destruction Facility for organophosphorous (nerve) agent filled munitions. The project includes the design; equipment acquisition; and installation, construction, systems integration, training, and start-up of the facility (near Shchuch'ye, Kurgan Oblast); as well as associated unique destruction process and equipment development.

Former Chemical Weapon Production Facility Dismantlement

This project eliminates a former chemical weapons production facility at Novocheboksarsk in accordance with the Organization for the Prohibition of Chemical Weapons-approved plan.

E. Biological Weapons Proliferation Prevention - Former Soviet Union: Cooperative Threat Reduction assistance consolidates and secures or eliminates dangerous pathogen

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collections at biological research institutes; dismantles former Soviet biological weapons research and production facilities; targets cooperative biological research to prevent the proliferation of expertise on dangerous pathogens and to encourage higher standards of openness, ethics, and conduct at the scientist level; and provides Biological Threat Agent Detection and Response. The DoD has engaged a large number of former Soviet Union biological research and production centers (BRPCs) that were contributors to the Soviet era biological weapons program. While the total population is unknown at this time, the estimates herein will provide for engagement with at least 40 centers located throughout the former Soviet Union.

Biological Weapons Infrastructure Elimination

This project supports the elimination of former Soviet biological weapons production facilities at Stepnogorsk, Kazakhstan and Tblisi, Georgia. The objective is to eliminate all former biological weapons facilities in the former Soviet Union either through the removal of all dual use equipment or through the total destruction of the facility.

Biosecurity and Biosafety and Biological Weapons Threat Agent Detection and Response

This project provides biosecurity and biosafety upgrades at institutes engaged in legitimate work with especially dangerous pathogens. Biosecurity and biosafety upgrades are necessary at some sites to permit safe performance of Cooperative Biological Research projects and at institutes involved in the Threat Agent Detection and Response project. The TADR portion of this project in Kazakhstan, Uzbekistan, Georgia, Azerbaijan, and Ukraine strengthens dangerous pathogen detection and response networks, enabling discovery of or identification of an accidental release of biological materials, and consolidates pathogen collections from multiple existing sentinel stations into secure and safe storage in a central reference laboratory (CRL) in each country.

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Cooperative Biological Research

This project increases transparency, improves standards of conduct of scientists, and leverages the extensive expertise of former Soviet biological weapons scientists to address DoD bio-defense needs in the areas of force protection, medical countermeasures, counter-terrorism, modeling, and disease surveillance. U.S. researchers are currently collaborating with former Soviet biological weapons research institutes working side-by-side with counterparts on approved projects.

F. Weapons of Mass Destruction Proliferation Prevention Initiative: This project will enhance the capability of non-Russian former Soviet Union countries to prevent, deter, detect and interdict illicit trafficking in WMD or related materials. Individual and unit equipment; infrastructure; operations and maintenance training will be provided to military, internal security forces, border guards and customs officials, for defined roles in WMD proliferation prevention. DoD assistance will complement ongoing Counter-Proliferation assistance provided by Department of Energy Second Line of Defense and Department of State Export Control and Related Border Security programs.

Land Border/Maritime Proliferation Prevention (Ukraine)

This project will provide a comprehensive WMD and related materials detection and interdiction capability on Ukraine's border with Moldova. Ukraine will achieve these capabilities by improving WMD detection and interdiction, surveillance, comprehensive interdiction, communications/data storage, training, maintenance, and sustainment. This project will expand to address maritime proliferation prevention on the Black Sea.

Caspian Sea Maritime Proliferation Prevention (Kazakhstan)

This project will provide maritime surveillance equipment and procedures; repair and upgrade of existing vessels where economical; potential addition of new patrol craft;

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provision of equipment for boarding crews, including WMD detection devices; the construction, repair, and upgrade of command and control, maintenance, and logistics facilities; and the potential construction of coastal operating locations along the Kazakhstan southern coast to improve the on-station time and expand the patrol areas of the Maritime Border Guard's maritime boarder guard craft.

Portal Monitoring (Uzbekistan)

This project will provide portal monitors and associated hand-held detection equipment, installation, training, and other support. This will increase Uzbekistan's ability to monitor its borders for the illegal transport of fissile and radioactive material.

Caspian Sea Maritime Proliferation Prevention (Azerbaijan)

This project will provide maritime surveillance equipment and procedures; repair and upgrade of existing vessels where economical; provision of equipment for boarding crews, including weapons of mass destruction (WMD) detection devices; the construction, repair, and upgrade of command and control, maintenance, and logistics facilities; and the construction of coastal operating locations along the Azeri southern coast to improve the on-station time and expand the patrol areas of the MBG craft.

Land Border Proliferation Prevention (Moldova)

DoD plans to enhance Moldova's capability to monitor its borders for illegal transport of WMD and WMD-related materials.

Fissile and Radioactive Material Proliferation Prevention (Kazakhstan)

This project will secure radiological sources found in an unprotected environment.

G. Defense and Military Contacts: This project develops improved cooperation between the U.S. and Former Soviet Union military establishments through increased bilateral

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contacts such as high level visits and specialist exchanges between the DoD and the respective Ministry of Defense. These bilateral activities are designed to engage Former Soviet Union military and defense officials in activities that promote demilitarization of excess infrastructure and defense reform or further counter-proliferation efforts.

H. Other Assessments/Administrative Support:

Audits and Examinations

This project allows the U.S. Government to account for Cooperative Threat Reduction (CTR) assistance that is delivered; examine the serviceability of the CTR-provided equipment; and evaluate whether or not equipment, services, and training provided is being used for intended purposes of the CTR Program.

Program Management/Administration

This project provides for general program administrative and overall support costs, project development costs, contracted systems engineering and technical assistance, Defense Threat Reduction Agency infrastructure support, and travel.

This project also funds six permanent full-time Defense Threat Reduction Embassy offices (DTROs) in Moscow, Russia; Kiev, Ukraine; Baku, Azerbaijan; Almaty, Kazakhstan; Tashkent, Uzbekistan; and Tblisi, Georgia. In some instances, the DTROs will ensure compliance with Section 1305 of Public Law 106-136, FY 2004 National Defense Authorization Act which requires the DoD to appoint an On-site Manager from among employees of the Federal Government for any CTR project in the FSU involving dismantlement, destruction, or storage facilities or construction of a facility where the total DoD contribution is expected to exceed \$50M. Also included is overall in-country management and translation support as long as such expenses are not unique to specific projects or established implementing agreements.

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I. Chemical Weapons Destruction - Albania: This project will secure and eliminate a stockpile of chemical weapons agent that consists of bulk-agent mustard, lewisite, and minimal quantities of arsenical compounds. The Cooperative Threat Reduction (CTR) elimination effort will dispose of the chemical agents in accordance with the Albanian government requirements under the Chemical Weapons Convention. The project is being implemented using the authority provided by Section 1308 of the FY 2004 National Defense Authorization Act, which allows CTR funds to be used for nonproliferation projects outside the former Soviet Union.

J. Strategic Nuclear Arms Elimination - Ukraine: This project will assist Ukraine to store 163 SS-24 solid rocket motors (SRMs) since Ukraine indicated its willingness to continue discussing alternative methodologies to water washout disposal of SS-24 SRMs. DoD continues to offer to assist Ukraine with a low cost, low risk alternative.

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	Program	Project	FY 2005	FY 2006	FY 2007
A.	Strategic Offensive Arms Elimination (R)		\$52,495	\$62,688	\$76,985
		Emergency Response Support Equipment	\$400	\$400	\$400
		Solid Propellant ICBM/SLBM and Mobile Launcher Elimination	\$36,585	\$31,350	\$55,296
		Liquid Propellant ICBM and Silo Elimination	\$12,815	\$8,129	\$16,007
		SLBM Launcher Elimination/SSBN Dismantlement	\$1,868	\$21,783	\$2,592
		Spent Naval Fuel Disposition	\$419	\$261	\$230
		Liquid Propellant SLBM Elimination	\$408	\$765	\$2,460
B.	Nuclear Weapons Storage Security (R)		\$73,899	\$84,100	\$87,100
		Automated Inventory Control & Management System	\$1,500		
		Guard Force Equipment and Training	\$100		
		Site Security Enhancements	\$72,299	\$74,100	\$87,100
		Far East Training Center		\$10,000	
C.	Nuclear Weapons Transportation Security (R)			\$30,000	\$33,000
		Nuclear Weapons Transportation		\$14,084	\$18,484
		Railcar Maintenance and Procurement		\$15,916	\$14,516
D.	Chemical Weapons Destruction (R)		\$157,875	\$108,500	\$42,700
		Chemical Weapons Destruction Facility	\$154,675	\$108,500	\$42,700
		CW Production Facility Demilitarization	\$3,200		
E.	BW Proliferation Prevention (FSU)		\$68,699	\$60,849	\$68,357
		BW Infrastructure Elimination - FSU		\$1,500	\$1,700
		Biosecurity & Biosafety and Threat Agent Detection and Response	\$58,261	\$54,749	\$45,657
		Cooperative Biological Research - FSU	\$10,438	\$4,600	\$21,000
F.	WMD Proliferation Prevention		\$36,700	\$40,600	\$37,486
		Caspian Sea Maritime Proliferation Prevention (Azerbaijan)	\$11,961	\$4,993	\$8,218
		Caspian Sea Maritime Proliferation Prevention (Kazakhstan)	\$4,135	\$2,065	\$10,957
		Land Border/Maritime Proliferation Prevention (Ukraine)	\$5,634	\$25,345	\$12,297
		Portal Monitoring (Uzbekistan)	\$10,472	\$4,750	\$5,014
		Land Border Proliferation Prevention (Moldova)		\$3,447	\$1,000
		Fissile Radioactive Materials Proliferation Prevention (KZ)	\$4,498		
G.	Defense & Military Contacts (FSU)		\$7,963	\$8,000	\$8,000
		Defense & Military Contacts	\$7,963	\$8,000	\$8,000
H.	Other Assessments/Administrative Costs (O)		\$3,387	\$14,600	\$18,500
		Audits and Examinations	\$500	\$500	\$500
		Program Management/Administration	\$2,887	\$14,100	\$18,000
I.	Chemical Weapons Destruction Albania		\$6,855		
		Chemical Weapons Destruction Albania	\$6,855		
J.	Strategic Nuclear Arms Elimination (U)			\$1,100	
		SS-24 Missile Disassembly, Storage, and Elimination		\$1,100	
	Total		\$407,873	\$410,437	\$372,128

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III. Financial Summary \$ in Thousands):

	FY 2005 <u>Actuals</u>	Budget <u>Request</u>	FY 2006 <u>Congressional Action</u>		Appro- <u>priation</u>	Current <u>Estimate</u>	FY 2007 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>Sub-Activity Group</u>							
1. Strategic Offensive Arms Elimination-Russia	52,495	78,900	-5,112	6.5	73,788	62,688	76,985
2. Nuclear Weapons Storage Security-Russia	73,899	74,100			74,100	84,100	87,100
3. Nuclear Weapons Transportation Security-Russia	0	30,000			30,000	30,000	33,000
4. Chemical Weapons Destruction- Russia	157,875	108,500			108,500	108,500	42,700
5. Biological Weapons Proliferation Prevention	68,699	60,849			60,849	60,849	68,357
6. WMD Proliferation Prevention Initiative	36,700	40,600			40,600	40,600	37,486
7. Defense and Military Contacts	7,963	8,000			8,000	8,000	8,000
8. Other Assessments/Administrative Support	3,387	14,600			14,600	14,600	18,500
9. Chemical Weapons Destruction- Albania	6,855	0			0	0	0
10. Strategic Nuclear Arms Elimination - Ukraine	0	0			0	1,100	0
Total	407,873	415,549	-5,112	1.2	410,437	410,437	372,128

* No Supplemental funds are included in any column.

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III. Financial Summary (\$ in Thousands):

B. Reconciliation Summary:

	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	415,549	410,437
Congressional Adjustments (Distributed)	-	N/A
Congressional Adjustments (Undistributed)	-	-
Adjustments to meet Congressional Intent	-	-
Congressional Adjustments (General Provisions)	-5,112	-
Subtotal Appropriated Amount	410,437	-
Fact-of-Life Changes	-	-
Subtotal Baseline Funding	-	-
Anticipated Supplemental	-	-
Reprogrammings	-	-
Price Changes	-	9,029
Functional Transfers		
Program Changes	-	-47,338
Current Estimate	410,437	372,128
Less: Wartime Supplemental	-	-
Normalized Current Estimate	410,437	372,128

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III. Financial Summary (\$ in Thousands):

C. Reconciliation of Increases and Decreases:

	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		415,549
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8109A - Excessive Growth in Travel and Transportation	-309	
2) Sec 8125 - Economic Assumptions	-656	
3) 1 percent Rescission	-4,147	
e. Congressional Earmarks -		
FY 2006 Appropriated Amount		410,437
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding		410,437
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		410,437
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		410,437
6. Price Change		9,029
7. Functional Transfers		
8. Program Increases		26,157
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007		
1) <u>Strategic Offensive Arms Elimination-Russia (FY 2006 Base:</u> <u>\$62,688)</u> Completes preparations to increase throughput rate for SS-25 ICBM elimination. Eliminates 10 SS-N-20 solid propellant SLBMs.	12,919	
2) <u>Nuclear Weapons Storage Security-Russia (FY 2006 Base:</u> <u>\$84,100)</u> Increases funding to complete site security enhancements by the end of 2008.	1,150	

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III. Financial Summary (\$ in Thousands):

	<u>Amount</u>	<u>Totals</u>
3) <u>Nuclear Weapons Transportation Security-Russia (FY 2006 Base: \$30,000)</u> Increase provides for tariff rate increases which have historically increased 10% - 15% each year. Increase also reflects increased costs of cargo railcar procurement due to labor and raw material cost inflation.	2,340	
4) <u>Biological Weapons Proliferation Prevention-FSU (FY 2006 Base: \$60,849)</u> Continues the phased expansion of Biosecurity, Biosafety, BW Threat Agent Detection and Response and Cooperative Biological Research activities in the non-Russian states. Continues construction and outfitting of one central reference laboratory (CRL) in Georgia. Completes staff training, outfitting and sustains 17 Epidemiological Monitoring Stations in the non-Russian states.	6,169	
5) <u>Other Assessments/Administrative Support (FY 2006 Base \$14,600)</u> Other Assessments will take on increased program management overhead costs for the CTR Program's Integrated Logistics Support contract. In addition, increases in Embassy support costs for the Defense Threat Reduction Offices within the FSU are anticipated.	3,579	
9. Program Decreases		-73,495
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007		
1) <u>Chemical Weapons Destruction (FY 2006 Base \$108,500)</u> FY 2007 funding will complete equipment installation, systemization of installed equipment and systems, and training programs for operating personnel at the Chemical Weapons Destruction Facility.	-68,212	
2) <u>WMD Proliferation Prevention (non-Russia FSU) (FY 2006 Base: \$40,600)</u> Draws down Caspian Sea Maritime efforts in Azerbaijan to a sustainment phase.	-4,007	
3) <u>Defense and Military Contacts (FY 2006 Base \$8,000)</u> Pricing adjustment due to inflation. Program is level funded at \$8M.	-176	

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III. Financial Summary (\$ in Thousands):

	<u>Amount</u>	<u>Totals</u>
4) <u>Strategic Nuclear Arms Elimination (Ukraine) FY 2006 Base</u>	-1,100	
\$1,100 No additional funding is provided for storage of 163 SS-24 SRMs.		
FY 2007 Budget Request		372,128

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IV. Performance Criteria and Evaluation Summary:

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
A. <u>Strategic Offensive Arms Elimination (SOAE)-Russia:</u>	52,495	62,688	76,985

FY 2005 funds:

- Eliminate 10 SS-N-20 solid propellant SLBMs;
- Eliminate base infrastructure for 3 SS-25 road mobile ICBM deployment areas;
- Transport, dismantle and eliminate 24 solid propellant SS-25 ICBMs, 10 road mobile launchers and 45 associated support vehicles;
- Decommission 4 SS-25 road mobile ICBM regiments;
- Complete the upgrade of the infrastructure at the SS-25 ICBM and launcher elimination facilities;
- Eliminate 6 liquid propellant ICBM silos and 1 Launch Control Center and 1 training silo;
- Decommission 6 liquid propellant ICBM silos;
- Transport, dismantle and eliminate 19 liquid propellant ICBMs;
- Initiate repair of the Perm Closed Burn Stand for SS-24s and SS-25s;
- Initiate repair of infrastructure and facilities to transport and prepare SS-25 solid rocket motor (SRM) for burning;
- Provide consolidated logistical support to maintain Cooperative Threat Reduction (CTR) provided equipment; and
- Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:

- Decommission 4 SS-25 road mobile ICBM regiments;
- Transport, dismantle and eliminate 40 solid propellant SS-25 ICBMs, 24 road mobile launchers and 108 associated support vehicles;
- Provide transport support and rail maintenance for solid propellant ICBM elimination;
- Dismantle and eliminate 20 liquid propellant ICBMs;
- Eliminate 20 SLBM launchers and defuel 1 SSBN;
- Complete repair of Perm Closed Burn Stand;

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IV. Performance Criteria and Evaluation Summary (Continued):

Complete repair of infrastructure and facilities to transport and prepare SS-25 solid rocket motor (SRM) for burning;
 Provide consolidated logistical support to maintain CTR-provided equipment; and
 Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:

Eliminate 10 SS-N-20 solid propellant SLBMs;
 Dismantle and eliminate 10 liquid propellant SLBMs;
 Decommission 5 SS-25 road mobile ICBM regiments;
 Transport, dismantle and eliminate 48 solid propellant SS-25 ICBMs and 39 road mobile launchers and 176 associated support vehicles;
 Provide transport support and rail maintenance for solid propellant ICBM elimination;
 Eliminate 16 liquid fueled ICBM silo launchers and 2 Launch Control Silos;
 Dismantle and eliminate 21 liquid propellant ICBMs;
 Provide consolidated logistical support to maintain Cooperative Threat Reduction provided equipment; and
 Provide for technical support services and contractor administrative and advisory support.

(\$ in Thousands)		
<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
73,899	84,100	87,100

B. Nuclear Weapons Storage Security - Russia:

FY 2005 funds:

Complete projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at 9 MOD nuclear weapons storage sites and 2 rail transfer points;
 Initiate and complete new projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and

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IV. Performance Criteria and Evaluation Summary (Continued):

installation for comprehensive security upgrades at up to 4 sites identified by MOD;

Provide consolidated logistical support to maintain Cooperative Threat Reduction (CTR)-provided equipment; and

Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:

Initiate new projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at up to 8 sites recently identified by MOD;

Provide for designing, constructing, equipping, and limited follow-on support to a Russian Federation MOD Far East Training Center (FETC);

Provide consolidated logistical support to maintain CTR-provided equipment; and

Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:

Complete projects to provide vulnerability analyses, preliminary and comprehensive site security designs, site upgrades, equipment, and installation for comprehensive security upgrades at up to 8 sites recently identified by MOD;

Provide consolidated logistical support to maintain Cooperative Threat Reduction (CTR)-provided equipment; and

Provide for technical support services and contractor administrative and advisory support.

(\$ in Thousands)			
	FY 2005	FY 2006	FY 2007
C. <u>Nuclear Weapons Transportation Security - Russia</u>	0	30,000	33,000

FY 2005 funds:

Program was in limited execution while Russian MOD negotiated transportation transparency improvements with DoD. An amendment to the Nuclear Weapons

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IV. Performance Criteria and Evaluation Summary (Continued):

Transportation Implementing Agreement was signed June 14, 2005 which provides the transparency required for shipments to continue. FY 2005 funds were realigned to the equally important Nuclear Weapons Storage Security program.

FY 2006 funds will:

- Transport approximately 48 trainloads of deactivated nuclear warheads (1,000 to 1,500) from deployed locations to enhanced security storage sites and to dismantlement facilities;
- Initiate incremental procurement of up to 100 cargo railcars that support the transportation of nuclear weapons;
- Provide maintenance/certification for MOD nuclear weapons transport railcars; and
- Provide consolidated logistical support to maintain CTR Program-provided equipment and services.

FY 2007 funds will:

- Transport approximately 48 trainloads of deactivated nuclear warheads (1,000 to 1,500) from deployed locations to enhanced security storage sites and to dismantlement facilities;
- Continue the procurement of up to 100 cargo railcars that support the transportation of nuclear weapons;
- Provide maintenance/certification for MOD nuclear weapons transport railcars; and
- Provide consolidated logistical support to maintain CTR Program-provided equipment and services.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
D. <u>Chemical Weapons Destruction - Russia:</u>	157,875	108,500	42,700

FY 2005 funds:

- Complete construction of Chemical Weapons Destruction Facility (CWDF) administrative building;
- Continue construction of CWDF industrial support, safety and service buildings to include management offices, fire station, water and sewer lines, gas rescue

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IV. Performance Criteria and Evaluation Summary (Continued):

station, transformer substation, waste water area, and water supply and sewer lines;
Continue construction of the framing for CWDF demilitarization process facility (building 101);
Continue CWDF equipment procurement and installation to include distributed control system, catalytic reactors, pumps, furnaces, laboratory testing and monitoring equipment, low voltage motor control centers, and chemical monitors;
Initiate systemization of installed CWDF equipment and systems to include the destruction process line (DPL);
Initiate training program for CWDF operating personnel;
Complete demilitarization of former CWPF at Novocheboksarsk; and
Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:

Continue Chemical Weapons Destruction Facility (CWDF) equipment installation to include distributed control system, catalytic reactors, pumps, furnaces, laboratory testing and monitoring equipment, low voltage motor control centers, and chemical monitors;
Continue systemization of installed CWDF equipment and systems to include the destruction process line (DPL);
Continue training program for CWDF operating personnel; and
Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:

Complete balance of CWDF equipment installation;
Complete systemization of installed CWDF equipment and systems to include the DPL;
Complete training program for CWDF operating personnel;
Provide for facility demonstration and start-up;
Facilitate Transfer of Custody of facility to Russian Federation; and

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IV. Performance Criteria and Evaluation Summary (Continued):

Provide for technical support services and contractor administrative and advisory support.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
E. <u>Biological Weapons Proliferation Prevention:</u>	68,699	60,849	68,357

FY 2005 funds:

In Non-Russia Former Soviet Union:

Initiate 5 new Cooperative Biological Research (CBR) projects to include required biosecurity and biosafety upgrades, and continue 7 ongoing projects;
Commence two CBR project and one biosecurity and biosafety project in Ukraine;
Fund bioethics/nonproliferation training and other additional training as required;
Provide operation and maintenance support for interim security and safety upgrades (ISSU) completed at 4 non-Epidemiological Monitoring Stations (EMS) institutes;
Complete facility design and pre-construction permitting for 2 Central Reference Laboratories (CRL) (1 in Uzbekistan, 1 in Georgia);
Commence construction of 1 CRL in Georgia;
Initiate development of 3 mobile response teams;
Provide Computer and Information Technology (CIT) to support 17 Epidemiological Monitoring Stations (EMS);
Equip and renovate 9 EMS; train scientists at 17 EMS; and
Provide for technical support services and contractor administrative and advisory support.

In Russia:

Continue implementing 4 ongoing CBR projects including 3 smallpox projects at Vector;
Continue 4 ongoing biosecurity and biosafety projects;
Provide 4 institutes with partial operational maintenance and support;
Provide the International Science and Technology Center with staff support, training, workshops, and travel funding to support oversight and management of Biological Weapons Proliferation Prevention projects; and
Provide technical oversight for all biosecurity and biosafety projects in Russia.

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IV. Performance Criteria and Evaluation Summary (Continued):

FY 2006 funds will:

In Non-Russia Former Soviet Union:

Initiate 3 new Cooperative Biological Research (CBR) projects, to include required biosecurity and biosafety upgrades, and continue implementing 12 ongoing projects;

Complete 2 biosecurity and biosafety projects in Azerbaijan and commence 3 biosecurity and biosafety projects in Ukraine;

Fund bioethics/nonproliferation training and other additional training as required;

Provide operation and maintenance support for Interim Safety and Security Upgrades completed at 4 non-Epidemiological Monitoring Stations (EMS) institutes;

Continue construction of 1 Central Reference Laboratory (CRL) in Georgia;

Complete development and training of 3 mobile response teams;

Support test and maintenance of previously installed Computer and Information Technology (CIT) at 1 CRL and 17 Epidemiological Monitoring Stations (EMS);

Maintain 17 previously upgraded EMS;

Train scientists located at 17 EMS;

Provide for technical support services and contractor administrative and advisory support.

In Russia:

Continue implementing 4 Cooperative Biological Research (CBR) projects, including 3 smallpox projects at Vector;

Provide the International Science and Technology Center with staff support, training, workshops, and travel funding to support oversight and management of Biological Weapons Proliferation Prevention projects.

FY 2007 funds will:

In Non-Russia Former Soviet Union:

Start 4 new CBR projects and continue implementing 15 ongoing Cooperative Biological Research (CBR) projects;

Complete 3 biosecurity and biosafety projects in Ukraine;

Fund bioethics/nonproliferation training and other additional training as required;

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IV. Performance Criteria and Evaluation Summary (Continued):

Provide operation and maintenance support for interim safety and security upgrades (ISSU) completed at 4 non-Epidemiological Monitoring Stations (EMS) institutes; Continue construction and outfitting of 1 Central Reference Laboratory (CRL) in Georgia; Maintain 3 mobile response teams; Support testing and maintenance of installed Computer and Information Technology (CIT) for one CRL and 17 EMS; Maintain 17 EMS; and Provide for technical support services and contractor administrative and advisory support.

In Russia:

Continue implementing 4 Cooperative Biological Research (CBR) projects, including 3 smallpox projects at Vector; Provide the International Science and Technology Center with staff support, training, workshops, and travel funding to support oversight and management of Biological Weapons Proliferation Prevention projects.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
F. <u>WMD Proliferation Prevention Initiative -</u>	36,700	40,600	37,486
<u>(non-Russia Former Soviet Union):</u>			

FY 2005 funds:

Continue the efforts to provide equipment and training to improve WMD prevention border control capabilities and consolidated logistics support and maintenance training of Cooperative Threat Reduction (CTR) provided equipment. Support additional WMD Proliferation Prevention projects and respond to new proliferation threats. Specific assistance will be based on effectiveness of initial assistance that could include:

Ukraine: upgrade international ports of entry, enhance capabilities of mobile response teams, continue project assessments, enhance WMD detection and

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IV. Performance Criteria and Evaluation Summary (Continued):

interdiction capabilities, and enhance maritime proliferation prevention capability in the Black Sea;
Kazakhstan and Azerbaijan: enhance maritime WMD surveillance and patrol capabilities in the Caspian Sea, to include radars, command control, project assessments, vessel upgrades, boarding equipment and training, and WMD detection equipment. Enhance southern Caspian Sea patrol capabilities through infrastructure upgrades;
Uzbekistan: install nuclear detection portal monitors at the Ports of Entry (POEs). Analysis of communications requirements to connect POEs with higher commands of the State Customs Committee and the Border Guards and begin communications installation. Analysis of training requirements to support portal monitor operations and begin training program. Initiate assessments to enhance WMD detection and interdiction capability along the land borders; and
Provide for technical support services and contractor administrative and advisory support.

FY 2006 funds will:

Continue the efforts to provide equipment and training to improve WMD prevention border control capabilities and consolidated logistics support and maintenance training of Cooperative Threat Reduction provided equipment. Support additional WMD Proliferation Prevention projects and respond to new proliferation threats. Specific assistance will be based on effectiveness of previous assistance that could include:
Ukraine: continue efforts to enhance WMD detection and interdiction capabilities along the Moldova/Transnistria border. Continue project assessments and upgrade of additional international and state ports of WMD entry;
Conduct threat and vulnerability assessments at additional ports of entry and enhance maritime proliferation prevention capability in the Black Sea;
Kazakhstan and Azerbaijan: continue efforts to enhance the capability of the two countries to detect and interdict WMD at their maritime borders in the Caspian

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IV. Performance Criteria and Evaluation Summary (Continued):

Sea. Continue project assessments, expand Border Guard coastal radar net, and establish a joint command and control center;

Uzbekistan: install nuclear detection portal monitors at additional ports of entry (POE). Complete communications upgrades and training plan implementation. Conduct operational assessments to validate improved Uzbekistan capabilities. Continue efforts to enhance WMD detection and interdiction capabilities along the land borders;

Moldova: conduct initial threat and vulnerability assessments and provide equipment and training to improve border control capabilities; and

Provide for technical support services and contractor administrative and advisory support.

FY 2007 funds will:

Continue to provide equipment and training to improve WMD detection and interdiction capabilities and consolidated logistics support and maintenance training of Cooperative Threat Reduction provided equipment. Support additional WMD Proliferation Prevention projects and respond to new proliferation threats. This program uses a spiral development and incremental acquisition approach to provide for upgrade of in-country capabilities. As such, specific assistance will be based on prior year assessment of needs and the effectiveness of previous assistance. This assistance could include:

Ukraine: support continuing efforts to enhance WMD detection and interdiction capabilities along the Moldova/Transnistria border and other borders, continue project assessments, upgrade additional international and state ports of entry, conduct threat and vulnerability assessments at additional ports of entry (POE), and increase WMD interdiction capability on the Black Sea;

Kazakhstan and Azerbaijan: support initial efforts focusing on upgrading WMD detection and interdiction capabilities for the maritime borders in the Caspian Sea, fund continual project assessments, expand Border Guard coastal radar net, and enhance coastal patrol fleet;

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IV. Performance Criteria and Evaluation Summary (Continued):

Uzbekistan: conduct additional operational assessments as required. Transition maintenance and sustainment to non-Cooperative Threat Reduction organizations. Continue efforts to enhance WMD detection and interdiction capabilities along the land borders;

Moldova: continue provision of equipment and training to improve border control capabilities; and

Provide for technical support services and contractor administrative and advisory support.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
G. <u>Defense and Military Contacts - Former Soviet Union:</u>	7,963	8,000	8,000

FY 2005 will fund approximately 266 defense and military exchanges.

FY 2006 will fund approximately 263 defense and military exchanges.

FY 2007 will fund approximately 258 defense and military exchanges.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
H. <u>Other Assessments/Administrative Support:</u>	3,387	14,600	18,500

FY 2005 through FY 2007 funds will conduct 16 Audits and Examinations per year and provide for agency support services as well as contractor administrative and advisory support. Funds will also provide Embassy Support for 6 DTRA/Cooperative Threat Reduction offices within the Former Soviet Union.

(\$ in Thousands)

	FY 2005	FY 2006	FY 2007
I. <u>Chemical Weapons Destruction - Albania:</u>	6,855	0	0

FY 2005 funds developed a plan, surveyed the storage location and infrastructure, procured an elimination system, completed site preparation, and disposed of chemical agents.

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IV. Performance Criteria and Evaluation Summary (Continued):

(\$ in Thousands)

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
J. <u>Strategic Nuclear Arms Elimination - Ukraine:</u>	0	1,100	0
FY 2006 funds will support the storage of 163 SS-24 solid rocket motors.			

V. Personnel Summary: N/A

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

<u>OP 32 Line</u>	FY 2005 <u>Actuals</u>	Change from FY 2005/FY 2006		FY 2006 <u>Estimate</u>	Change from FY 2006/FY 2007		FY 2007 <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
308 Travel of Persons	2,345	56	1,179	3,580	79	-579	3,080
399 Total Travel	2,345	56	1,179	3,580	79	-579	3,080
920 Supplies & Materials (Non- centrally managed)	100	2	8	110	2	-12	100
925 Equipment Purchases (Non-centrally managed)	30,620	735	16,545	47,900	1,054	10,746	59,700
932 Management and Professional Support Services	170	4	9,026	9,200	202	218	9,620
934 Engineering and Technical Services	14,123	339	-62	14,400	317	83	14,800
987 Other Intra-governmental Purchases	200,130	4,803	-48,425	156,508	3,443	-69,529	90,422
998 Other Costs	160,385	3,849	14,505	178,739	3,932	11,735	194,406
999 Total Other Purchases	405,528	9,733	-8,404	406,857	8,950	-46,759	369,048
Total	407,873	9,789	-7,225	410,437	9,029	-47,338	372,128

Includes no Supplemental funds.

Fiscal Year (FY) 2007 Budget Estimates
Overseas Humanitarian, Disaster, and Civic Aid,
Defense (OHDACA)



February 2006

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DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

	<u>FY 2005</u> <u>Actuals*</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2006</u> <u>Estimate</u>	<u>Price</u> <u>Change</u>	<u>Program</u> <u>Change</u>	<u>FY 2007</u> <u>Estimate</u>
DSCA (OHDACA)	175,809	4,879	-119,899	60,789	2,341	74	63,204

* The FY 2005 Actual column includes \$22,000 thousand of FY 2005 Emergency Supplemental funds (PL 109-13). In addition, the FY 2005 column includes \$95,000 thousand in OHDACA funding for Tsunami Disaster Relief, which was transferred to OHDACA via Reprogramming Action and subsequently issued to PACOM for Tsunami Relief.

I. Description of Operations Financed:

The FY 2007 budget estimate requests \$63.2 million for the OHDACA appropriation to finance three programs: humanitarian assistance, humanitarian mine action, and foreign disaster relief and emergency response.

The Humanitarian Assistance (HA) Program was established in 1986 to assure friendly nations and allies of our support and provide basic humanitarian aid and services to populations in need. The Department and Combatant Commanders seek to help avert political and humanitarian crises, promote democratic development and regional stability, and enable countries to begin to recover from conflicts.

HA projects and activities accomplish these objectives in several ways. They support (1) donation of excess non-lethal DoD property and (2) the provision of on-the-ground activities carried out by U.S. military personnel aimed at assuring friendly nations of our support by improving U.S. military presence in countries. Such activities include assessment of needs, rudimentary construction of clinics, schools, and roads, as well as medical, technical and logistical assistance.

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (continued)

In non-crisis peacetime settings, DoD humanitarian assistance programs support the Combatant Commanders by providing access to and fostering goodwill for the U.S. military in selected countries.

DoD, in coordination with the Department of State (DoS), transports non-lethal excess defense property in support of US national security and foreign policy objectives. Funding also provides for distribution of relief supplies, acquisition and shipment of transportation assets to assist in distribution; purchase and provision of relief supplies; refurbishment and restoration of excess DoD non-lethal equipment; storage of excess property; and inspection, packaging and intermediary warehouse storage until excess material is delivered. The costs of DoD assistance include other smaller scale activities conducted by U.S. forces targeted at relieving suffering and promoting U.S. military presence in countries. These activities include training, rudimentary construction, and medical, technical, engineering and logistical assistance. Among the functions of such activities are surveys and assessments to ensure the DoD excess property is appropriately used for the intended purpose and that local personnel are trained in its operation and maintenance.

Humanitarian Assistance activities of the Combatant Commanders reflect the priorities of the Secretary of Defense and the Chairman, Joint Chiefs of Staff. They also include support programs that ensure proper administration of humanitarian activities and allow the DoD to anticipate future requirements and understand key issues related to program execution. Activities include technical and administrative assistance and studies, including initiatives to support actions to improve civilian-military collaboration and coordination of humanitarian assistance and operations with NGO and international organizations. These activities provide for timely response to emerging priorities defined by USG principals as important to the bilateral military relations of the United

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (continued)

States, to include requests from other agencies that further national security and foreign policy objectives.

In FY 2007, \$40.3 million is requested to support DoD humanitarian assistance programs and activities. Activities include transportation, excess property, and other targeted assistance for disaster preparedness and mitigation. Current plans call for the Commanders to conduct humanitarian assistance activities as part of their regional security cooperation strategy, and to enhance readiness for crisis response to emergencies in their regions.

The 600+ Humanitarian Assistance projects by Combatant Command are reflected below:

<u>Combatant Command</u>	<u>Number Projects</u>	<u>Estimated Cost (\$M)</u>
USCENTCOM	58	\$ 8.9
USEUCOM	192	11.8
USPACOM	133	7.7
USSOUTHCOM	<u>237</u>	<u>11.9</u>
	620	\$40.3

The Humanitarian Mine Action (HMA) Program is a major component of DoD's security cooperation strategy. Explosive Remnants of War (ERW), which include landmines, unexploded ordnance, and small arms ammunitions, are the residues of civil wars and internal conflicts on virtually every continent. Increasingly in these conflicts, these ERW deny civilian populations their livelihoods, uproot them from their lands, and promote political instability. Today, explosive remnants of war kill or maim at least 1,000 people every month - most of them innocent civilians.

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (continued)

The HMA Program, executed by the Combatant Commanders, provides significant training and readiness-enhancing benefits to U.S. forces while contributing to alleviating a highly visible, worldwide problem. The program aids in the development of leadership and organizational skills for host country personnel to sustain their mine action programs after U.S. military trainers have redeployed. The DoD program provides access to geographical areas otherwise not easily available to US forces and contributes to unit and individual readiness by providing unique in-country training opportunities that cannot be duplicated in the United States. U.S. military personnel do NOT enter active minefields or remove emplaced landmines. Our military forces hone critical wartime, civil-military, language, cultural, and foreign internal defense skills. Additionally, DoD health services professionals are included in training missions, which increase their knowledge and ability to deal with blast/trauma wounds, while providing advice and assistance to host nations on immediate and short-term victims assistance issues. These victim assistance activities include epidemiological studies of injuries caused by ERW, first responder training, educational material development, surgical care and training, and enhancement of consultative services using telemedicine technology. Projects provide direct humanitarian assistance while benefiting DoD by providing excellent training opportunities for our soldiers and by expanding U.S. military medical contacts with foreign medical providers.

The Humanitarian Demining Training Center (HDTC), established at Fort Leonard Wood, Missouri, is the Department of Defense military center of excellence for the training of deploying U.S. personnel for mine action missions. HDTC also collects information on ERW in countries approved for participation in the USG HMA program. HDTC incorporates new demining technologies and techniques in training plans and provides current data on country specific ERW (including unexploded ordnance (UXO), mines, booby traps, and small arms ammunition) in support of training. HDTC is also tasked to expand current training

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (continued)

in mine risk education to include personnel from other USG agencies, NGO, and international organizations and to develop linkages to those agencies and academic institutions.

Humanitarian Mine Action is a Combatant Commander managed training and security cooperation program primarily using Special Operations Forces (SOF) to assist host nations to educate civilian populations on the dangers of explosive remnants of war and how to identify and report their locations. The program trains local demining cadre to identify suspected contaminated areas, conduct surveys and assessments, destroy ERW and return those cleared areas to productive use. It also provides supplies, services, and equipment, to a limited degree, to host country mine action centers to help clear contaminated areas impeding the repatriation of internally displaced persons and/or refugees and obstructing the means to lead productive lives. The Humanitarian Mine Action Program enhances the deployment and war-fighting skills of our military forces, and is instrumental in promoting regional stability and improving USG and Combatant Commanders' relations with host nations.

Travel and transportation requirements for deploying forces are a major expense of the program. Deployments primarily consist of highly skilled SOF, medical, engineers, explosive ordnance disposal (EOD), and other general purpose forces to help host nations establish mine action programs and to train and advise local cadre in managing their sustainment operations.

In FY 2007, \$5.0 million is requested for DoD humanitarian mine action activities. Funding will provide for assessments of newly designated countries, ongoing worldwide training operations, incremental funding of high-priority, emerging operations, and evaluations of current programs to determine if projected "end states" have been met.

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (continued)

The HMA training missions projected by Combatant Command for various Host Nations are identified below.

<u>Combatant</u> <u>Command</u>	<u>Host</u> <u>Nations</u>
USCENTCOM	Iraq, Lebanon, Yemen
USEUCOM	Armenia, Azerbaijan, Chad, Estonia, Georgia, Mauritania, Senegal, Tunisia, Zambia
USPACOM	Cambodia, Thailand, Vietnam
USSOUTHCOM	Argentina, Chile, Colombia, Ecuador, Peru

Foreign Disaster Relief and Emergency Response (FDR/ER): This activity enables the Combatant Commanders to respond timely and effectively to crises in their areas of responsibility. FDR/ER enables the Commanders to assist countries by improving local crisis response capacity and training in disaster planning and preparedness. This minimizes the potential for crises to develop or expand - promoting regional stability and reducing a requirement for large-scale deployment of US military forces at a later date. These disaster preparedness efforts increase host nation's capability to respond to natural or manmade disasters, reducing the likelihood that future disasters will require a significant USG/DoD response.

The OHDACA funded FDR/ER activities support readiness by providing the legal authority and funding to enable rapid responses by DoD elements to sudden emergencies. Amounts expended for any particular disaster are often too small to merit the major institutional efforts of requesting supplemental appropriations or Presidential Drawdown authority pursuant to the Foreign Assistance Act of 1961. Yet, for the individual Commander,

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (continued)

without funding for these expenses from the OHDACA appropriation, the readiness of their command would be adversely affected.

In times of severe natural disasters, the U.S. military has been and will continue to be, called upon to provide aid and assistance. The Commanders have unique assets and capabilities to respond to major disasters. OHDACA funding allows the Commanders to provide immediate life-saving assistance to countries in their region. These funds have helped the Defense Components and the Commanders reduce their costs of operations as well as transportation costs for logistical support. OHDACA funding is available to support the DoD response to small-scale contingencies, and to provide seed money aimed at leveraging larger assistance packages from national and international donors responding to complex emergencies.

DoD also plays a key role in humanitarian crises by providing effective response when asked by the Department of State and the Agency for International Development. The U.S. military offers exceptional operational reach and can be immediately deployed as a stopgap measure to limit the extent of emergencies. DoD's ability to respond rapidly assists in the containment of crises and limit threats to regional stability by donating and/or transporting relief aid within hours or a few days of a disaster. The DoD is unmatched in regard to command and control, logistics, transportation, and communications, and in the amount of cargo able to be transported by available air or sealift. These capabilities would be extremely expensive to develop and maintain in any other government agency.

Emergency response encompasses transportation, logistical support, provisions of Humanitarian Daily Rations (HDRs) (to maintain the health of moderately malnourished recipients until conventional relief programs or targeted feeding can be resumed), search and rescue, medical evacuation, and assistance to internally displace persons and

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

I. Description of Operations Financed: (continued)

refugees, in the form of both supplies and services. Projects also include those that help build recipient country and non-governmental organizations' emergency response capability to reduce the potential need for U.S. military involvement in future crises response.

In FY 2007, \$17.9 million is requested to improve the capacity of the Department, through the Combatant Commanders, to respond to the increasing number and degree of natural and man-made disasters and to mitigate the humanitarian aspects of security crises. This level reflects an increase of \$1.8 million from Humanitarian Mine Action based on experiences with recent disasters. The increased program in FY 2007 is primarily based on the Department's experience supporting USG relief efforts caused by the tsunami, flooding and mudslides in Guatemala, and the Pakistan earthquake disaster.

II. Force Structure Summary: None.

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

III. Financial Summary (\$ in Thousands):

	*FY 2005 <u>Actuals</u>	Budget <u>Request</u>	FY 2006 Congressional Action		<u>Appropriated</u>	<u>Current Estimate</u>	<u>FY 2007 Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>Budget Activity Subactivities:</u>							
BA 1 Operating Forces							
Humanitarian Assistance	56,809	41,546	-757	-1.8	40,789	40,789	40,302
Humanitarian Mine Action Program	4,000	10,000			10,000	5,000	5,000
Foreign Disaster Relief/Emergency Response	20,000	10,000			10,000	15,000	17,902
Tsunami Disaster Relief - via Prior Approval Reprogramming actions	95,000						
Total	175,809	61,546	-757	-1.2	60,789	60,789	63,204

* The FY 2005 Actual column includes \$22,000 thousand of FY 2005 Emergency Supplemental funds (PL 109-13). In addition, the FY 2005 column includes \$95,000 thousand in OHDACA funding for Tsunami Disaster Relief, which was transferred to OHDACA via Reprogramming Action and subsequently issued to PACOM for Tsunami Relief.

DEFENSE SECURITY COOPERATION AGENCY
 Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
 Fiscal Year (FY) 2007 Budget Estimates

III. Financial Summary (\$ in Thousands): (continued)

B. <u>Reconciliation Summary</u>	<u>Change</u> <u>FY 2006/FY 2006</u>	<u>Change</u> <u>FY 2006/FY 2007</u>
Baseline Funding	61,546	60,789
Congressional Adjustments (Distributed)		
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-757	
Subtotal Appropriated Amount	60,789	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	60,789	60,789
Anticipated Supplemental		
Reprogrammings		
Price Changes		2,341
Functional Transfers		
Program Changes		74
Current Estimate	60,789	63,204
Less: Wartime Supplemental		
Normalized Current Estimate	60,789	

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

III. Financial Summary (\$ in Thousands): (continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request		61,546
1. Congressional Adjustments		
a. Distributed Adjustments		
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8109 (A) - Excessive growth in Travel and Transportation	-46	
2) Sec 8125 - Economic Assumptions	-97	
3) 1 percent Rescission	-614	
FY 2006 Appropriated Amount		60,789
2. War-Related and Disaster Supplemental Appropriations		
3. Fact of Life Changes		
FY 2006 Baseline Funding		60,789
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2006 Estimate		60,789
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		
FY 2006 Normalized Current Estimate		60,789
6. Price Change		2,341
7. Functional Transfers		
8. Program Increases		1,827
a. Annualization of New FY 2006 Program		
b. One-Time FY 2007 Increases		
c. Program Growth in FY 2007 in Foreign Disaster Relief and Emergency Response Programs (FY 2006 Baseline: \$15,000 thousand)	1,827	

DEFENSE SECURITY COOPERATION AGENCY
 Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
 Fiscal Year (FY) 2007 Budget Estimates

III. Financial Summary (\$ in Thousands): (continued)

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
9. Program Decreases		-1,753
a. Annualization of FY 2006 Program Decreases		
b. One-Time FY 2006 Increases		
c. Program Decreases in FY 2007 in the Humanitarian Assistance Programs (FY 2006 Baseline: \$40,789)	-1,753	
FY 2007 Budget Request		63,204

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

As is the case with humanitarian projects and support of foreign disaster relief and emergency crises, additional and immediate requirements emerge during the execution year. Accordingly, performance criteria are difficult to summarize. Useful measures are the amount of actual obligations reported, planned obligations, and the number of projects and training missions planned and identified in the descriptions of the operations financed for each subactivity above.

<u>Funding Levels</u>	FY 2005*		FY 2006	FY 2007
	<u>Budget</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Humanitarian Assistance Program	38,854	56,809	40,789	40,302
Humanitarian Mine Action Program	6,500	4,000	5,000	5,000
Foreign Disaster Relief/Emergency Response	13,500	20,000	15,000	17,902
Tsunami Disaster Relief		95,000		
Total	58,854	*175,809	60,789	63,204

* FY 2005 includes \$22,000 thousand in OHDACA Emergency Supplemental Funding (P.L. 109-13). In addition, the FY 2005 column includes \$95,000 thousand in OHDACA funding for Tsunami Disaster Relief, which was transferred to OHDACA via Reprogramming Action and subsequently issued to PACOM for Tsunami Relief.

DEFENSE SECURITY COOPERATION AGENCY
Overseas Humanitarian, Disaster and Civic Aid (OHDACA)
Fiscal Year (FY) 2007 Budget Estimates

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

<u>OP 32 Line</u>	FY 2005 <u>Actuals</u>	Change from <u>FY 2005 to FY 2006</u>		FY 2006 <u>Estimate</u>	Change from <u>FY 2006 to FY 2007</u>		FY 2007 <u>Estimate</u>
		<u>Price Growth</u>	<u>Program Growth</u>		<u>Price Growth</u>	<u>Program Growth</u>	
Travels of Persons	2,663	64	-2,548	179	4	34	217
DLA Managed Supplies & Materials	400	5	79	484	3	99	586
Special Mission support (Navy Transportation)	5,000	1,080	-30	6,050	823	-773	6,100
JCS Exercises	3,000	-156	256	3,100	161	-111	3,150
MSC Cargo	2,000	-20	120	2,100	275	-225	2,150
Commercial Transportation	11	0	-11	0	0	0	0
Supplies & Materials (Non-SF)	2,379	57	-1,867	569	13	106	688
Equipment Purchases by Contracts	93	2	-95				
Other Intra- governmental Purchases	1,300	31	242	1,573	35	295	1,903
Other Contracts	148,833	3,572	-105,671	46,734	1,028	648	48,410
Other Costs	10,130	243	-10,373	0	0	0	0
Total	175,809	4,879	-119,899	60,789	2,341	74	63,204

* The FY 2005 actual column includes \$22,000 thousand of FY 2005 Emergency Supplemental funds (PL 109-13). In addition, the FY 2005 column includes \$95,000 thousand in OHDACA funding for Tsunami Disaster Relief, which was transferred to OHDACA via Reprogramming Action and subsequently issued to PACAM for Tsunami Relief.

Fiscal Year (FY) 2007 Budget Estimates

Support for International Sporting Competitions

(SISC)



February 2006

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THE JOINT STAFF
Support for International Sporting Competitions
Fiscal Year (FY) 2007 President's Budget

I. Description of Operations Financed:

The Support for International Sporting Competitions (SISC), Defense appropriation is a no-year appropriation that provides for continuing DoD support to international and special events that are certified by the Attorney General.

These funds are available to fund safety, security and logistical requirements for special events. Under the authority of 10 U.S.C., section 2564, the DoD has the authority to assist Federal, State or local agencies in support of civilian sporting events, if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs. Currently, there are no events designated for FY 2007.

The DoD provides this support through the SISC appropriation only as a supplier of last resort while ensuring that no degradation to readiness results from this effort. Such support is essential to the national responsibility of ensuring the safety of competitors participating and visitors attending these events.

The amount to be executed from SISC in FY 2007 has not been determined, but will be based on providing physical security, aviation, communications, explosive ordnance disposal, temporary facilities, related equipment, and the manpower costs associated with international sporting events.

The current account balance in the SISC account is \$26.6 million.

II. Force Structure Summary: N/A

THE JOINT STAFF
 Support for International Sporting Competitions
 Fiscal Year (FY) 2007 President's Budget

III. Financial Summary (\$ in Thousands)

A. <u>Budget Activity (BA)</u>	<u>FY 2005 Actuals</u>	<u>Budget Request</u>	<u>FY 2006</u>				<u>Current Estimate</u>	<u>FY 2007 Estimate</u>
			<u>Congressional Action</u>					
			<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>			
Budget Authority	-	-	-	-	-	-	-	
Unobligated Balance Carried Forward, Start of Year	-	-	-	-	-	-	-	
Obligated Balance End of Year	26,564	-	-	-	-	-	-	
Total	26,564	-	-	-	-	-	-	

* The FY 2005 actual column contains no supplemental funding.

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Support for International Sporting Competitions
Fiscal Year (FY) 2007 President's Budget

B. <u>Reconciliation Summary</u>	<u>Change</u>	<u>Change</u>
	<u>FY 2006/FY 2006</u>	<u>FY 2006/FY 2007</u>
Baseline Funding	-	-
Congressional Adjustments (Distributed)	-	-
Congressional Adjustments (Undistributed)	-	-
Adjustments to Meet Congressional Intent	-	-
Congressional Adjustments (General Provisions)	-	-
Subtotal Appropriated Amount	-	-
Fact-of-Life Changes (CY to CY Only)	-	-
Subtotal Baseline Funding	-	-
Anticipated Supplemental	-	-
Reprogrammings	-	-
Price Changes	-	-
Functional Transfers	-	-
Program Changes	-	-
Current Estimate	-	-
Less: Wartime Supplemental	-	-
Normalized Current Estimate	-	-

THE JOINT STAFF
 Support for International Sporting Competitions
 Fiscal Year (FY) 2007 President's Budget

<u>C. Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2006 President's Budget Request	-	-
1. Congressional Adjustments	-	-
FY 2006 Appropriated Amount	-	-
2. War-Related and Disaster Supplemental Appropriations	-	-
3. Fact of Life Changes	-	-
FY 2006 Baseline Funding	-	-
4. Reprogrammings (requiring 1415 Actions)	-	-
Revised FY 2006 Estimate	-	-
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund	-	-
FY 2006 Normalized Current Estimate	-	-
6. Price Change	-	-
7. Functional Transfers	-	-
8. Program Increases	-	-
9. Program Decreases	-	-
FY 2007 Budget Request	-	-

THE JOINT STAFF
Support for International Sporting Competitions
Fiscal Year (FY) 2007 President's Budget

* Note: Planned obligations for FY 2006 and FY 2007 will be adjusted as events are approved by the Attorney General and scheduled for Department of Defense support. In accordance with the FY 2003 Defense Appropriations Act, SISC funds "are to remain available until expended, in order to provide for future events."

IV. Performance Criteria and Evaluation Summary:

The information below reflects the estimate for all known event requirements through FY 2007 (excluding the additional enhanced security and logistics requirements that may be established for these after the September 11, 2001, attacks) and does not address potential requests for assistance or funding for DoD assistance for events that are not yet scheduled for FY 2007. Obligations from the SISC account are at this time undetermined.

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

	<u>Change from</u> <u>FY 2005 to FY 2006</u>			<u>Change from</u> <u>FY 2006 to FY 2007</u>		
FY 2005	Price	Program	FY 2006	Price	Program	FY 2007
Actual	Growth	Growth	Estimate	Growth	Growth	Estimate
Supplies and Materials (non DWCF)	-	-	-	-	-	-

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