



# Department of Defense INSTRUCTION

NUMBER 7045.7

May 23, 1984

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Administrative Reissuance Incorporating Change 1, April 9, 1987

ASD(C)

SUBJECT: Implementation of the Planning, Programming, and Budgeting System  
(PPBS)

- References:
- (a) DoD Instruction 7045.7, "The Planning, Programming and Budgeting System," October 29, 1969 (hereby canceled)
  - (b) DoD Directive 7045.14, "The Planning, Programming, and Budgeting System (PPBS)," May 22, 1984
  - (c) DoD 5025.1-M, "DoD Directives System Procedures," April 1981, authorized by DoD Directive 5025.1, October 16, 1980
  - (d) General Accounting Office (GAO) PAD-81-27, "A Glossary of Terms Used in the Federal Budget Process," March 1981
  - (e) through (m), see enclosure E1.

## 1. REISSUANCE AND PURPOSE

1.1. This Instruction reissues reference (a) and establishes procedural guidance in support of reference (b) for the formulation, submission, analysis, review and approval of new and revised DoD plans, programs and budgets; the processing and approval of resource changes to the Five Year Defense Program (FYDP); and the maintenance and updating of the FYDP structure.

1.2. It authorizes the publication of DoD 7045.7-H, "FYDP Program Structure Handbook," consistent with reference (c).

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1. Can be obtained from U.S. General Accounting Office, Document Handling and Information Services Facility, P.O. Box 6015, Gaithersburg, Maryland 20884, (202) 275-6241.

## 2. APPLICABILITY

This Instruction applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as "DoD Components").

## 3. DEFINITIONS

Terms used in this Instruction are defined herein and in reference (d).

## 4. POLICY

4.1. The purpose of the PPBS is to produce a plan, a program, and finally, a budget for the Department of Defense. The budget is forwarded to the President for his approval. The President's budget is then submitted to Congress for authorization and appropriation.

4.2. The PPBS processes are based on and consistent with objectives, policies, priorities and strategies derived from National Security Decision Directives. Throughout the three major phases of planning, programming, and budgeting the Secretary of Defense will provide centralized policy direction while placing program execution authority and responsibility with the DoD Components. The DoD Components will provide advice and information as requested by OSD to permit the latter to assess execution and accountability. Participatory management involving the DoD Components shall be used in each phase to achieve the objective of providing the operational commanders-in-chief (CINCs) the best mix of forces, equipment and support attainable within resource constraints. The decisions (as modified by legislation or Secretary of Defense direction) associated with the three major phases of the PPBS will be reflected in the FYDP as Secretary of Defense approved programs for the military functions of the Department of Defense. The FYDP will address the prior, current, budget and program years.

## 5. PROCEDURES

5.1. Key PPBS Documents. See enclosure E2. These documents are:

5.1.1. Joint Long Range Strategic Appraisal (JLRSA);

- 5.1.2. Joint Strategic Planning Document (JSPD);
- 5.1.3. Defense Guidance (DC);
- 5.1.4. Program Objective Memoranda (POMs);
- 5.1.5. Joint Program Assessment Memorandum (JPAM);
- 5.1.6. Issue Books (IBs);
- 5.1.7. Program Decision Memoranda (PDMs);
- 5.1.8. Budget Estimates;
- 5.1.9. Program Budget Decisions (PBDs);
- 5.1.10. President's Budget.

5.2. PPBS Schedule. Timely publication of the PPBS documents is critical to the management of the Department of Defense. Since the system represents a dialogue among the many participants, the relevant documents, complete with annexes, must be issued to allow adequate time for analysis and response. A schedule of significant events in the PPBS process for the upcoming calendar year shall be developed by the Executive Secretary to the Defense Resources Board, assisted by the Office of the Assistant Secretary of Defense (Comptroller) (OASD(C)) with input from the Under Secretary of Defense for Policy (USD(P)), and the Director for Program Analysis and Evaluation (DPA&E) and shall be issued annually to establish the dates for:

- 5.2.1. Submission by the JCS of a recommended national military strategy and related military advice;
- 5.2.2. Issuance of the DG;
- 5.2.3. Submission and review of DoD Components' POMs;
- 5.2.4. Submission by the JCS of the JPAM;
- 5.2.5. Development and processing of IBs;
- 5.2.6. Issuance of Secretary of Defense PDMs;

5.2.7. Submission and review of the DoD Components' budget estimates;

5.2.8. Issuance of PBDs;

5.2.9. Other significant items having an impact on the decisionmaking cycle.

5.3. General System Description. Each of the documents cited below is described in detail in enclosure E2. Enclosure E4. is a general systems flow chart.

5.3.1. The PPBS is a cyclic process containing three distinct but inter-related phases: planning, programming, and budgeting. The process provides for decisionmaking on future programs and permits prior decisions to be examined and analyzed from the viewpoint of the current environment (threat, political, economic, technological, and resources), and for the time period being addressed.

5.3.2. The planning period encompasses the upcoming FYDP period (mid-term) plus a 10-year extended planning period (long-term). In the planning phase of the PPBS, the military role and posture of the United States and the Department of Defense in the world environment are examined, considering enduring national security objectives and the need for efficient management of resources. The focus is on the following major objectives: defining the national military strategy necessary to help maintain U.S. national security and to support U.S. foreign policy 2 to 7 years in the future; planning the integrated and balanced military forces necessary to accomplish that strategy; assuring the necessary framework (including priorities) to manage DoD resources effectively for successful mission accomplishment consistent with national resource limitations; and providing decision options to the Secretary to help him assess the role of national defense in the formulation of national security policy, and related decisions. Planning goals and programming objectives, milestones, progress, issues, and problems are discussed with the Secretary and remedial plans and actions initiated, as appropriate.

5.3.3. The first fundamental documents in the PPBS cycle are the Joint Long Range Strategic Appraisal (JLRSA), the Joint Strategic Planning Document (JSPD), complete with annexes, and the Military Departments' Long Range Plans. They contain the independent JCS and Military Departments' military strategy, advice and recommendations to be considered when developing the DG for the mid- and long-term. In addition, commanders of Unified and Specified Commands also provide the Secretary of Defense and the Defense Resources Board (DRB), their personal appraisals of major issues and problems of their commands that should be addressed in

the DG, including principal concerns and trends in both the threat and the evolving U.S. response.

5.3.4. The final document of the planning phase is the DG which promulgates defense policy, strategy, force planning, resource planning and fiscal guidance. The fiscal, force and resource planning guidance reflect economic constraints and the Secretary of Defense's management priorities.

5.3.5. The DoD Components develop proposed programs consistent with the policy, strategy force, resource, and fiscal guidance provided in the DG. These programs, expressed in the POMs, reflect systematic analysis of missions and objectives to be achieved, alternative methods of accomplishing them, and the allocation of resources. In addition to the budget year, the program period is the 4 years beyond the budget year for cost and manpower, 7 years beyond the budget year for forces.

5.3.6. After the are submitted, the JCS provide in the JPAM a risk assessment based on the capability of the composite force level and support program for the U.S. Armed Forces to execute the strategy outlined in the DG.

5.3.7. The POMs are analyzed, in the light of the JCS risk assessment, for compliance with previous guidance documents. Issues are developed, staffed, and compiled in Issue Books. The DRB then meets to discuss the issues. Decisions made on the issues by the Secretary and Deputy Secretary are then formally announced in the PDMs.

5.3.8. With the establishment of program levels in the POM as modified by PDMs, the budgeting phase begins with the DoD Components developing detailed budget estimates for the budget years of the approved program. These estimates are reviewed and analyzed during the Joint OMB/DoD Budget Review and are approved or revised in budget decision documents. Decisions reached as a result of the program review and promulgated in PDMs should not be reexamined in the budgeting phase, unless new information or new factors are brought to light.

5.3.9. The President's Budget is finalized and sent to Congress as the final output of the PPBS.

5.3.10. Following the enactment of the budget into authorization and appropriation acts by the Congress, several actions are taken to monitor accountability and execution. The monitorship involves administrative control of funds; reporting of

actual results; assessment of applicability of those results to the preparation of future plans, programs, and budgets; and supplying financial information to DoD managers. The centerpiece of the execution process is the annual apportionment of budget funds to the Military Departments and Defense Agencies. Resource requirements are reconsidered, revised allocations made and funds released or withheld for administrative or technical considerations. Funds are subsequently obligated and expended in accordance with apportionment guidelines. The Secretary of Defense's Performance Review is an integral element of the execution process. This recurring review of selected programs of high priority and top level policy interest is a vehicle for Secretarial decisions and the initiation of further review or action. Goals and objectives, milestones, progress, issues and problems are discussed with the Secretary during these reviews.

5.3.11. The interface between the weapons acquisition process, as defined in DoD Directive 5000.1 (reference (k)) and DoD Instruction 5000.2 (reference (j)), and the PPBS is achieved by designated membership of the Defense Systems Acquisition Review Council (DSARC) and the Defense Resources Board (DRB), and the requirement to develop an acquisition strategy for all major systems. In the development of the acquisition strategy there are four distinct phases: (1) concept development; (2) demonstration and validation; (3) full scale development; and (4) production and deployment. Milestone decision points are identified in the acquisition strategy in conjunction with these phases. A requirement validation, based on the Military Department's justification of a major system new start, is submitted as part of their POMs. Secretary of Defense directions are included as part of his PDMs. At Milestone II, the Secretary of Defense decides on program go-ahead and whether to proceed with full scale development, based on the recommendation of the DSARC. Approval to proceed is contingent upon the Military Department's demonstration that sufficient funds are included in their POMs and extended planning annexes to fund the acquisition and support of the weapon system.

#### 5.4. FYDP and Reporting Requirements

##### 5.4.1. General

5.4.1.1. The FYDP quantifies forces and resources associated with Secretary of Defense approved programs for the Department of Defense. It resides in an automated data base which is updated and published at least three times a year. Major publications coincide with (a) submission of Component POMs, (b) submission of budget estimates, and (c) submission of the President's Budget. The FYDP contains forces, manpower, and total obligational authority (TOA) identified to a

program element structure aggregated into ten major defense programs. Program elements within the 10 defense programs represent aggregations of organizational entities comprising the combat forces and support functions of the Department of Defense. Resources are further subdivided by resource identification codes (RICs) which identify force type, manpower type, and budget appropriation. (See enclosure E5. for the FYDP concepts and structure.)

5.4.1.2. The FYDP is assigned Report Control Symbol (RCS) DD-COMP(AR)853.

5.4.1.3. DoD 7045.7-H, maintained by the ASD(C), contains the DoD program structure; it includes all approved definitions, codes and titles used in the FYDP data base, and program and program element criteria.

5.4.1.4. Program Change Requests (PCRs) will be used to propose out-of-cycle changes to FYDP data that would result in a net change to a DoD Component's resources. Pursuant to DoD 7110.1-M (reference (e)), PCRs shall be submitted by the gaining organization to reflect the resource impact of functional transfers. The resource impact of the transfer shall be incorporated in the next FYDP update only after having been approved by a Program Change Decision (PCD). Approval for the functional transfer may be accomplished by memorandum or other decision document, but must be signed by the Secretary of Defense. PCRs will also be used to propose changes to the FYDP structure definitions and codes which would result in no net change to a DoD Component's resources. (See enclosure E6. for use and preparation of PCRs.)

5.4.1.5. PCDs shall be used to reflect OSD decisions on PCRs. (See enclosure E7. for use and preparation of PCDs.)

#### 5.4.2. Other FYDP Usage

5.4.2.1. The FYDP is used extensively as a data base for many related processes within the Executive Branch. Within DoD, in addition to containing the official published results of the PPBS process, it is also widely used as a source of data both for analysis and as an input to alternative ways of displaying and portraying actual and programmed resources. The uses include: the Secretary of Defense's Annual Report to the Congress; the Defense Manpower Requirements Report, and the Defense Planning and Programming Category Reports.

5.4.2.2. As a result of congressional requests, a special annual

publication of the FYDP, containing the prior, current, and budget years, and a procurement annex containing the prior, current, budget and four outyears, have been developed and provided to various congressional oversight committee staffs and the Congressional Budget Office (CBO). Since the FYDP outyear programs reflect internal planning assumptions, FYDP data beyond the budget year shall not be released outside the Executive Branch of the Government without the expressed written consent of the Assistant Secretary of Defense (Comptroller).

5.4.2.3. The CBO has developed a Defense Resource Model (DRM) for use as an analytical tool in support of alternative levels of defense resources. Following the budget submission to Congress, budget year data are extracted from the FYDP according to CBO specifications, which aggregate program elements and resource identification codes to unclassified summary levels for input to the DRM. Data from the DRM are used by CBO to fulfill the legal requirement for mission-oriented displays under Pub. L. 93-344 (reference (f)).

5.4.3. Subsystems and Annexes. There are a number of data bases that are subsidiary to, or reconcilable with, the data in the FYDP. The sponsoring office is responsible for design, installation, and maintenance of subsystems and annexes, their data bases, and for compliance with DoD Directive 5000.19 (reference (g)). Currently they are:

5.4.3.1. Research, Development, Test, and Evaluation (RDT&E) and Acquisition Data Base. All procurement line items in the Procurement Annex, and all program elements in the RDT&E Annex are coded in accordance with the Under Secretary of Defense for Research and Engineering (USDR&E) mission area structure, to be used as the basis for mission area analysis, justification of major systems new starts, and the POM review of all acquisition activities. Sponsoring Office: OUSDR&E. RCS DD-COMP(AR)1092.

5.4.3.2. RDT&E Annex. This Annex is the official reflection of the RDT&E program elements approved during the review processes. It will be maintained to reflect all applicable decisions and provide consistency with the FYDP. Sponsoring Office: OASD(C). RCS DD-COMP(AR)1092.

5.4.3.3. Procurement Annex. This Annex is the official reflection of the procurement line item programs approved during the review processes. It will be maintained to reflect all applicable decisions and provide consistency with the FYDP. Sponsoring Office: OASD(C). RCS DD-COMP(AR)1092.



5.4.3.4. Construction Annex. This Annex is the official reflection of the construction projects approved during the review process. It will be maintained to reflect all applicable decisions and provide consistency with the FYDP. Sponsoring Office: OASD(C). RCS DD-COMP(AR)1092,

## 5.5. Decision Implementation

5.5.1. Secretary of Defense decisions normally will be identified in one of the decision documents described herein. In addition, reprogramming actions in accordance with DoD Instruction 7250.10 (reference (h)) shall be reflected in FYDP updating. DoD Components will implement Secretary of Defense decisions and will enter the forces, manpower, and cost data in the FYDP data file by program element in accordance with DoD instruction 7045.8 (reference (i)). The ASD(C) shall issue a PCD directing FYDP updates to be submitted. The PCD will include any special instructions, program structure changes, limitations, and controls necessary for the update.

5.5.2. The Defense Systems Acquisition Review Council (DSARC) assists the Secretary of Defense in deciding on affordability and other factor bearing on the development of a weapon system in accordance with approved and proposed schedules, to include provisions for support and maintainability of the system. Reviews are held at several established milestones in the acquisition process (DoD Instruction 5000.2, reference (j)) to determine if the weapon system is ready to progress to the next phase, should be terminated, or held in current phase of development. Documentation prepared for programs presented to the DSARC by the Military Departments for review must include aggregated TOA financial data projections which demonstrate that sufficient resources are in the total Military Department FYDP and Extended Planning Annex to execute the program along with needed support funding in accordance with acquisition plans recommended. Any differences that may develop between the baseline program established at Milestone II and the program included in the POM or budget submission must be justified by the Secretary of the Military Department concerned, with respect to acquisition management requirements to budget-to-cost.

5.5.3. In accordance with DoD Directive 5000.1 (reference (k)), mission need determinations for proposed major system new starts are accomplished in the POM review and the Secretary's decision and program guidance regarding the Justification for Major System New Starts (JMSNS) are provided in the PDM. This guidance and decision authorizes the DoD Components, when funds are available, to

initiate the next acquisition phase.

5.6. Limitations. Approval of programs in the DSARC or the PPBS process shall not constitute authority either to commit or obligate funds.

## 6. RESPONSIBILITIES

6.1. The Secretary and the Deputy Secretary of Defense, assisted by the OSD staff, exercise centralized control of executive policy direction by concentrating on major policy decisions, defining planning goals, and allocating resources to support these objectives, to include joint, DoD-wide, cross-Service and cross-command programs.

6.2. The Heads of DoD Components shall:

6.2.1. Participate in the planning, programming, budgeting process described above.

6.2.2. Develop and execute the necessary programs.

6.2.3. Provide the day-to-day management of the resources under their control.

6.2.4. Audit and evaluate program execution.

6.2.5. Participate in meeting the objectives and requirements of national security objectives as identified in all stages of the PPBS.

6.3. The Chairman, Defense Resources Board, and the Board's Members, under references (1) and (m), shall be responsible for:

6.3.1. The management and oversight of all aspects of the entire DoD planning, programming, and budgeting process.

6.3.2. Managing the planning process which develops the annual DoD DG with the USD(P) in the lead.

6.3.3. Managing the POM review process, with DPA&E in the lead, to ensure adherence to the fiscal and other mandatory guidance.

6.3.4. Overseeing the annual budget review process.

6.3.5. Minimizing the reevaluation of decisions in the absence of new information or new factors.

6.4. The Executive Secretary to the DRB shall:

6.4.1. Coordinate DRB management of the entire PPBS process, in support of the Board and the Chairman.

6.4.2. Manage the DRB agenda and meetings process.

6.4.3. Manage the DG preparation process.

6.4.4. Manage the POM program review issue process.

6.4.5. Oversee the annual budget review process.

6.4.6. Chair the Program Review Group to support management of the DRB program review process.

6.4.7. Record major decisions of the Deputy Secretary of Defense, taken on advice of the DRB.

6.4.8. Prepare the annual PPBS calendar of key events, assisted by the OASD(C), and with input from USD(P) and DPA&E.

6.4.9. Prepare, as appropriate, PPBS DoD Directives and Instructions, assisted by the ASD(C), in coordination with USD(P) and DPA&E.

6.5. The Under Secretary of Defense for Policy shall:

6.5.1. Take the lead in the development of overall policy, strategy, force and resource planning guidance.

6.5.2. Take the lead in developing and coordinating, with the DRB, the publication of the DG.

6.6. The Under Secretary of Defense for Research and Engineering shall:

6.6.1. Coordinate with ASD(C), ASD(MI&L) and DPA&E the interface of the acquisition process with the PPBS.

6.6.2. Coordinate review of the JMSNS provided by DoD Components in the POM to determine whether major system new starts should be included in the PDM.

6.7. The Under Secretary of Defense for Research and Engineering, and the Assistant Secretary of Defense (Manpower, Installations, and Logistics) shall be responsible for assisting in the development of resource planning goals, programming objectives, and related guidance.

6.8. The Assistant Secretary of Defense (Comptroller) shall:

6.8.1. Coordinate the annual budget review in support of the DRB.

6.8.2. Be responsible for central control and management of the FYDP, including DoD 7045.7-H, "FYDP Program Structure Handbook."

6.8.3. In conjunction with the DPA&E, develop annual fiscal guidance for the annual DG.

6.8.4. Assist the Executive Secretary to the DRB in the preparation of the annual PPBS calendar of key events, with input from USD(P) and DPA&E.

6.8.5. Assist the Executive Secretary to the DRB in the preparation of PPBS Directives and Instructions, in coordination with USD(P) and DPA&E.

6.8.6. Be responsible for coordinating the presentation and justification of the budget to Congress.

6.9. The Director for Program Analysis and Evaluation shall:

6.9.1. Integrate the POM Preparation Instructions;

6.9.2. Coordinate the annual program review and the IB development in support of the Executive Secretary to the DRB;

6.9.3. In conjunction with the ASD(C), develop fiscal guidance for the annual DG.

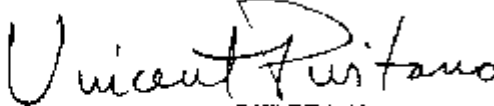
## 7. INFORMATION REQUIREMENTS

Each DoD Component shall comply with the provisions of DoD Directive 5000.19

(reference (g)) within their respective areas of responsibility. Reporting requirements are addressed in subsection 5.4., above.

#### 8. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Forward three copies of implementing documents to the Assistant Secretary of Defense (Comptroller) within 120 days.

  
VINCENT PURITANO  
Assistant Secretary of Defense  
(Comptroller)

Enclosures - 8

1. References
2. Description of Key Planning, Programming, and Budgeting System (PPBS) Documents
3. Definition of Issue Books and Assignment of Responsibility
4. PPBS Flow Chart
5. The FYDP Concepts and Structure
6. Instructions for the Use and Preparation of Program Change Requests (PCRs)
7. Instructions for Use and Preparation of Program Change Decisions (PCDs) and Program Budget Decisions (PBDs)
8. *Participation in the Planning, Programming and Budgeting System by the Commanders in Chief of the Unified and Specified Commands (CINCs)*

E1. ENCLOSURE 1

REFERENCES

- (e) DoD 7110.1-M, "Department of Defense Budget Guidance Manual," July 8, 1982 (Reprint) as amended, authorized by DoD Instruction 7110.1, October 30, 1980
- (f) Public Law 93-344, "The Congressional Budget and Impoundment Control Act," July 12, 1974
- (g) DoD Directive 5000.19, "Policies for the Management and Control of Information Requirements," March 12, 1976
- (h) DoD Instruction 7250.10, "Implementation of Reprogramming of Appropriated Funds," January 10, 1980
- (i) DoD Instruction 7045.8, "Procedures for Updating Five Year Defense Program Data," May 23, 1984
- (j) DoD Instruction 5000.2, "Major System Acquisition Procedures," March 8, 1983
- (k) [DoD Directive 5000.1](#), "Major System Acquisition," March 29, 1982
- (l) Secretary of Defense Memorandum, "Establishment of Defense Resources Board," April 7, 1979
- (m) Deputy Secretary of Defense Memorandum, "Management of the DoD Planning, Programming and Budgeting System," March 27, 1981

## E2. ENCLOSURE 2

### DESCRIPTION OF KEY PLANNING, PROGRAMMING, AND BUDGETING SYSTEM (PPBS) DOCUMENTS

#### E2.1. JOINT LONG RANGE STRATEGIC APPRAISAL (JLRSA)

The JLRSA shall be submitted by the JCS to provide transition from long-range to mid-range strategic planning. The JLRSA is intended to stimulate more sharply focused strategic studies. Additionally, the JLRSA influences the development of the JSPD.

#### E2.2. JOINT STRATEGIC PLANNING DOCUMENT (JSPD)

The approved national military strategy with a reasonable assurance of success, and views on the attainability of these forces in consideration of fiscal responsibility, manpower resources, material availability, technology, industrial capacity, and interoperability in joint and cross-Service programs. The JSPD shall also provide an appraisal of the capabilities and risks associated with programmed force levels, based on the planning forces considered necessary to execute the strategy as a benchmark, and shall recommend changes to the force planning and programming guidance. The JSPD provides a vehicle for an exchange of views on defense policy among the President, the Secretary of Defense, the National Security Council and the Joint Chiefs of Staff.

#### E2.3. DEFENSE GUIDANCE (DG)

After consideration of the military advice of the JCS, as expressed in the JLRSA and JSPD, a draft of the DG is issued to solicit comments of all DoD Components, including the CINCs, on the major issues, problems, and resource constraints in developing and programming forces to execute the policy, strategy, and management direction. The draft DG is also provided to the Department of State, the Staff of the National Security Council, and the Office of Management and Budget for comment. The final version of the DG, which is an output of the planning phase, serves as an authoritative statement directing defense policy, strategy, force and resource planning, and fiscal guidance for development of the POMs. The DG will consist of the following elements: near and long-term threat assessment and opportunities; policy and strategy guidance; force planning guidance; resource planning guidance; fiscal

guidance; and unresolved issues requiring further study.

#### E2.4. PROGRAM OBJECTIVE MEMORANDA (POMs)

Annually, each Military Department and Defense Agency shall prepare and submit to the Secretary of Defense a POM that is consistent with the strategy and guidance, both programmatic and fiscal, as stated in the DG. Major issues that are required to be resolved during the year of submission must be identified. Supporting information for POMs will be in accordance with the annual POM Preparation Instructions or requirements established by DoD Directive or Instruction.

#### E2.5. JOINT PROGRAM ASSESSMENT MEMORANDUM (JPAM)

The JPAM shall be submitted by JCS for consideration in reviewing the POMs, developing IBs, and drafting PDMs. It shall provide a risk assessment based on the composite of the POM force recommendations and include the views of the JCS on the balance and capabilities of the overall POM force and support levels to execute the approved national military strategy. When appropriate, the JCS shall recommend actions to achieve improvements in overall defense capabilities within alternative funding levels directed by the Secretary of Defense.

#### E2.6. ISSUE BOOKS (IBs)

E2.6.1. Based on a review of the POMs in relation to the DG and JPAM, issues shall be prepared by the OSD staff, the DoD Components and OMB. One-page outlines of proposed major issues may be submitted by any DRB or Program Review Group (PRG) (a working group subordinate to the DRB) member. The issues should have broad policy force, program, or resource implications. Particular emphasis should be given to cross-Service issues that have not been adequately, or consistently, addressed in the POMs. Major issues that were decided during the previous year's program and budget review should be addressed only if some major new factors have appeared since that decision.

E2.6.2. The proposed issues shall be reviewed by the PRG, which shall recommend whether or not they are appropriate for DRB consideration. The selected issues shall be developed by an issue team under the direction of a lead office designated by the PRG, and assigned to one of the IBs. (See enclosure E3. for a description of the IBs and assignment responsibilities.) IBs will be sent to the DRB



for their review. The full DRB will meet to discuss the issues. The major issues that are raised during the program review will be measured against the DG, against available budgetary resources, and against the management initiatives. The program produced as a result of the review should demonstrate the maximum-degree of policy implementation consistent with national resource limitations. The Deputy Secretary of Defense will make all appropriate decisions after consultation with the Secretary.

#### E2.7. PROGRAM DECISION MEMORANDA (PDMs)

DRB program review decisions shall be recorded in a set of PDMs, signed by the Secretary or the Deputy Secretary of Defense, and distributed to the DoD Components and OMB. The PDMs will then be the basis for the budget submissions.

#### E2.8. BUDGET ESTIMATES

Annually, each DoD Component shall submit its budget estimates to the Secretary of Defense in accordance with DoD 7110.1-M (reference (e)). The budget estimates shall include the prior, current, and budget fiscal years (budget year plus one for programs requiring Congressional authorization) in accordance with established procedures. Data for the outyears (the 4 years beyond the budget year) will be derived from, or be consistent with, the FYDP update coincident with the submission of budget estimates. Budget estimates shall be prepared and submitted based on the program as approved in the PDMs, and on economic assumptions related to pay and pricing policies. The ASD(C), in close coordination with the Director, OMB, will develop and promulgate the applicable economic assumptions. These assumptions shall be contained in separately prescribed detailed budget guidance each year, if they are not available in time to be included in the PDMs. Subsequent modifications may be necessary to remain consistent with Administration policy.

#### E2.9. BUDGET DECISIONS

E2.9.1. In order to maximize the review and analysis time, the Department of Defense and the Office of Management and Budget (OMB) jointly shall review the budget estimates. Participation in this joint review will be open to all DoD Components. Inputs from participants will be solicited for inclusion in the PBDs, the decision documents that are signed by the Secretary or Deputy Secretary of Defense. These decisions will address all of the resources in the budget request and be related to the appropriations and budget activity structure of the Department of Defense. The

decisions will include the current year, the budget year, the authorization year (budget year +1) and an estimate of the resource impact on the three succeeding program years. Priority will be placed on assuring that budgets are prepared to true program cost for all years and that affordability in the outyears is explicitly reviewed and examined.

E2.9.2. PBDs that are approved by the Secretary or Deputy Secretary shall be translated into the automated budget review system to reflect changes in the submissions. Periodic summary status reports will be provided by the ASD(C) to the Secretary and Deputy Secretary, the OSD managers and staff, OMB and the submitting DoD Components. Status will be in terms of total obligational authority, budget authority, outlays, and military/civilian end-strengths.

E2.9.3. While the review is progressing, the DRB shall meet periodically to consider Component appeals of Secretary or Deputy Secretary of Defense decisions, to discuss proposed decisions, to examine out-year affordability of current decisions, to prepare or agree on recommendations to the President, and to provide to the Components the results of the Secretary's meeting with the President. The DRB shall also provide guidance and recommendations for program cancellations or reductions to meet fiscal guidance, and provide for budgeting-to-cost of individual programs.

E2.9.4. After review of the tentative budget decisions, DoD Components may identify issues that are serious enough to warrant a major issue meeting with the Secretary of Defense. Later decisions made by the Secretary will be announced in revisions to issued PBDs.

E2.9.5. The final decisions are reflected in the President's budget and in appropriate justification exhibits for use during the congressional authorization and appropriation processes.

## E2.10. APPORTIONMENT REVIEW

Annually, each DoD Component shall submit its apportionment budget request in accordance with DoD 7110.1-M (reference (e)). This submission shall provide supporting justification as required. Major program categories and program plans will be reviewed to identify resource requirement changes. Program funding changes will be in accordance with established reprogramming procedures. Program funds subject to adjustments resulting from on-going authorization and appropriation review will be administratively withheld pending final Congressional budget action. Program

funding which does not meet appropriate acquisition management, policy, technical, or programmatic standards and criteria will be withheld pending resolution by the OSD staff.

### E3. ENCLOSURE 3

#### DEFINITION OF ISSUE BOOKS AND ASSIGNMENT OF RESPONSIBILITY

E3.1.1. The Policy and Risk Assessment book (1) is intended to focus attention on broad Defense-wide policy, strategy and resource allocation issues, and to estimate the risk associated with the proposed programs submitted by the DoD Components. This book will contain two major sections. The first will be a broad overview of the effectiveness of the proposed programs in carrying out the force planning priorities stated in the Defense Guidance. The second will be an evaluation of how well the POMs carry out the strategy. This second section will draw heavily from the material presented in the JPAM, but may include other views as well. Risks and shortcomings affecting the success of the strategy will be identified. The information that will be provided in this book is intended to establish the overall context within which subsequent, more detailed; force and program decisions will be made. USD(P) and the JCS shall be the main contributors to Section I and DPA&E and the JCS to Section II. USD(P) shall be responsible for assembling the book as called for by the schedule.

E3.1.2. The Nuclear Forces book (2) will include both Strategic and Theater Nuclear Force issues. USDR&E Assistant Secretary of Defense (International Security Policy) (ASD(ISP)), and DPA&E shall be the main contributors with DPA&E responsible for assembling the book as called for by the schedule.

E3.1.3. The Conventional Forces book (3) will include General Purpose Forces issues. USDR&E, Assistant Secretary of Defense (International Security Affairs) (ASD(ISA)), and DPA&E shall be the main contributors with DPA&E responsible for assembling the book as called for by the schedule.

E3.1.4. The Modernization and Investment book (4) will include all issues which are predominantly of a modernization and investment nature that are not appropriate to include in the Nuclear and Conventional Forces Books. USDR&E, ASD(MI&L) and DPA&E shall be the main contributors and USDR&E will be responsible for assembling the book as called for by the schedule.

E3.1.5. The Readiness and Other Logistics book (5) will include readiness and logistics related issues. ASD(MI&L) shall be the main contributor and responsible for assembling the book as called for by the schedule.

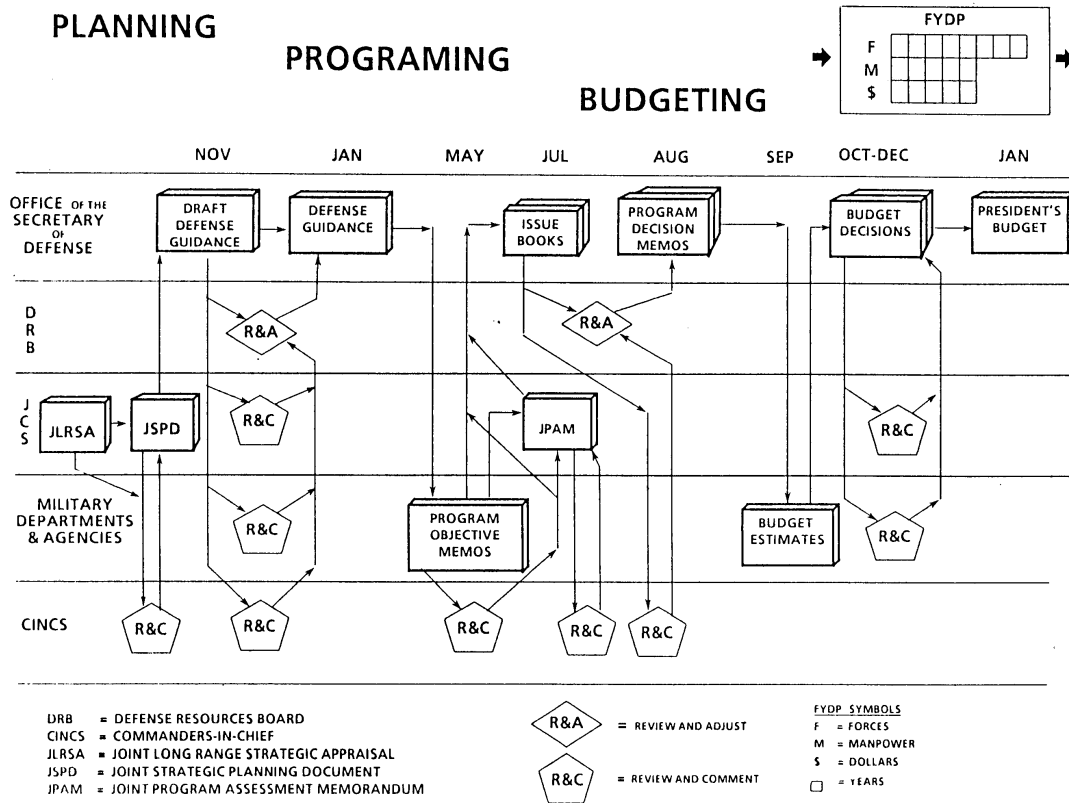
E3.1.6. The Manpower book (6) will include manpower related issues.

ASD(MI&L) and Assistant Secretary of Defense (Health Affairs) (ASD(HA)) shall be the principal contributors with ASD(MI&L) responsible for assembling the book as called for by the schedule.

E3.1.7. The Intelligence book (7) will be confined to Defense elements of the National Foreign Intelligence Program (NFIP), the Defense Reconnaissance Support Program (DRSP), and other compartmented Tactical Intelligence and Related Activities (TIARA). Other issues concerning TIARA will be addressed in the Modernization and Investment Book. The Deputy Under Secretary of Defense for Policy (DUSD(P)) and Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)) jointly shall prepare the Intelligence Book, and USDR&E shall have overall responsibility for assembling the book as called for by the schedule. Due to the classification this book will be reviewed by selected members of the DRB in executive session.

E3.1.8. The Management Initiatives book (8) will review the application in the POMs of the principles enunciated in the acquisition management initiatives and review and summarize the economies and efficiencies submissions. In addition to any specific issues raised in accordance with paragraph E2.6. of enclosure E2., the Management Initiatives book will include a review of JMSNS proposals; pose alternatives approving, modifying or disapproving such proposals; conduct a similar review for multi-year contracts; and propose decision alternatives that would improve the application of the acquisition management initiatives or provide increased economies and efficiencies. USDR&E, ASD(MI&L), and ASD(C) shall be the principal contributors to the book and USDR&E will be responsible for assembling the book as called for by the schedule.

## E4. ENCLOSURE 4 PPBS FLOW CHART



## E5. ENCLOSURE 5

### THE FYDP CONCEPTS AND STRUCTURE

#### E5.1. GENERAL

E5.1.1. The FYDP is the official document which summarizes forces and resources associated with the programs approved by the Secretary of Defense (prescribed in PDMs, PCDs, budget decisions, and other Secretary of Defense decision documents) for the Department of Defense. The FYDP, which contains prior year (PY), current year (CY), budget year (BY) and BY + 1 through BY + 4 (BY + 7 for forces), is published 3 times a year and reflects the total resources programmed by the Department of Defense, by fiscal year. A historical FYDP is published annually, following the POM update of the FYDP, and contains prior year resource data consistent with the official accounting records for fiscal years 1962 through the prior year.

E5.1.2. In its first dimension, the FYDP is composed of ten major defense programs (5 combat force-oriented programs and 5 centrally managed support programs) used as a basis for internal DoD program review, and in its second dimension, by the input-oriented appropriation structure used by the Congress in reviewing budget requests and enacting appropriations. Hence, it serves a purpose of cross-walking the internal review structure with the congressional review structure. This two-dimensional structure and attendant review methodology provide a comprehensive approach to accounting for, estimating, identifying, and allocating resources to individual or logical groups of organizational entities, major combat force or support programs referred to as program elements. (For description of program elements, see section E5.3., below).

E5.1.3. These program elements are designed and quantified in such a way as to be both comprehensive and mutually exclusive, and are continually scrutinized to maintain proper visibility of defense programs. This scrutiny includes vigilance over the resources necessary to equip, man, operate, maintain, and manage a class of combat unit or type of support activity. The elements are frequently rearranged and reaggregated in ways to provide summary categories and FYDP dimensions different from the ten major force and support programs. Since there are varying criteria for mission categories, the Department of Defense has not restricted such analytical schemes to a single display format, favoring instead a more dynamic approach to analytical tools.

E5.1.4. The approval of the ASD(C), or his designee, must be obtained prior to making any changes to the FYDP structure.

## E5.2. PROGRAMS

E5.2.1. A program is an aggregation of program elements that reflects a force mission or a support function of the Department of Defense and contains the resources allocated to achieve an objective or plan. It reflects fiscal year time-phasing of mission objectives to be accomplished, and the means proposed for their accomplishment.

E5.2.2. The FYDP is comprised of ten major defense programs as follows:

Program 1 - Strategic Forces

Program 2 - General Purpose Forces

Program 3 - Intelligence and Communications

Program 4 - Airlift and Sealift Forces

Program 5 - Guard and Reserve Forces

Program 6 - Research and Development

Program 7 - Central Supply and Maintenance

Program 8 - Training, Medical, and Other General Personnel Activities

Program 9 - Administration and Associated Activities

Program 0 - Support of Other Nations

E5.2.3. The major programs of the FYDP fall within the general organizational areas of responsibility within the Office of the Secretary of Defense, as shown below. However, since resources in these programs may overlap areas of management and functional responsibility, the programs are not considered to be the exclusive responsibility of any one particular organizational element of the Office of the Secretary of Defense.

E5.2.3.1. Program 1 - Strategic Forces. Offices of Prime Responsibility (PR): USD(P); USD(R&E); DPA&E. Strategic forces are those organizations and associated weapon systems whose missions encompass intercontinental or trans-oceanic inter-theater responsibilities. Program 1 is further subdivided into strategic offensive forces and strategic defensive forces, including operational management headquarters, logistics, and support organizations identifiable and associated with these major subdivisions.

E5.2.3.2. Program 2 - General Purpose Forces. Offices of PR: USDR&E;



DPA&E. General purpose forces are those organizations and associated weapon systems whose mission responsibilities are, at a given point in time, limited to one theater of operations. Program 2 consists of force-oriented program elements, including the command organizations associated with these forces, the logistics organizations organic to these forces, and the related support units which are deployed or deployable as constituent parts of military forces and the field organizations. Also included are other programs, such as the Joint Tactical Communications Program (TRI-TAC), JCS-directed and coordinated exercises, Coast Guard ship support program, war reserve materiel ammunition and equipment, and stockfunded war reserve materiel.

E5.2.3.3. Program 3 - Intelligence and Communications. Offices of PR: USDR&E and USD(P). Consists of intelligence, security, and communications program elements, including resources related primarily to centrally-directed DoD support mission functions, such as mapping, charting, and geodesy activities, weather service, oceanography, special activities, nuclear weapons operations, space boosters, satellite control and aerial targets. Intelligence and communications functions which are specifically identifiable to a mission in the other major programs shall be included within the appropriate program.

E5.2.3.4. Program 4 - Airlift and Sealift Forces. Offices of PR: USDR&E; DPA&E. Consists of program elements for airlift, sealift, traffic management, and water terminal activities, both industrially-funded and nonindustrially-funded, including command, logistics, and support units organic to these organizations.

E5.2.3.5. Program 5 - Guard and Reserve Forces. Offices of PR: ASD(RA); DPA&E. The majority of Program 5 resources consist of Guard and Reserve training units in support of strategic offensive and defensive forces and general purpose forces. In addition, there are units in support of intelligence and security; airlift and sealift; research and development; central supply and maintenance; training, medical, and other general personnel activities; administration; and support of other nations.

E5.2.3.6. Program 6 - Research and Development. Office of PR: USDR&E. Consists of all research and development programs and activities that have not yet been approved for operational use and includes:

E5.2.3.6.1. Basic and applied research tasks and projects of potential military application in the physical, mathematical, environmental, engineering, biomedical, and behavioral sciences.

E5.2.3.6.2. Development, test, and evaluation of new weapon systems, equipment, and related programs.

E5.2.3.7. Program 7 - Central Supply and Maintenance. Office of PR: ASD(MI&L). Consists of resources related to supply, maintenance, and service activities, both industrially-funded and nonindustrially-funded, and other activities, such as first and second destination transportation, overseas port units, industrial preparedness, commissaries, and logistics and maintenance support. These functions or activities, which are usually centrally managed, provide benefits and support necessary for the fulfillment of DoD programs.

E5.2.3.8. Program 8 - Training, Medical, and Other General Personnel Activities. Offices of PR: ASD(HA); ASD(MI&L). Consists of resources related to training and education, personnel procurement, personnel services, health care, permanent change of station travel, transients, family housing, and other support activities associated with personnel. Excluded from this program is training specifically related to and identified with another major program. Housing, subsistence, health care, recreation, and similar costs and resources that are organic to a program element, such as base operations in other major programs, are also excluded from this program. Program 8 functions and activities, which are mainly centrally managed, provide benefits and support necessary for the fulfillment of DoD programs.

E5.2.3.9. Program 9 - Administration and Associated Activities. Office of PR: ASD(C). Consists of resources for the administrative support of departmental and major administrative headquarters, field commands, and administration and associated activities not accounted for elsewhere. Included are activities such as construction planning and design, public affairs, contingencies, claims, and criminal investigations.

E5.2.3.10. Program 0 - Support of Other Nations. Office of PR: ASD(ISA). Consists of resources in support of international activities, including Service support to the Military Assistance Program (MAP), foreign military sales, and the North Atlantic Treaty Organization (NATO) infrastructure.

### E5.3. PROGRAM ELEMENTS

E5.3.1. A program element is a primary data element in the FYDP and generally represents aggregations of organizational entities and resources related thereto. Program elements represent descriptions of the various missions of the Department of

Defense. They are the building blocks of the programming and budgeting system and may be aggregated and reaggreated in a variety of ways:

- E5.3.1.1. To display total resources assigned to a specific program;
- E5.3.1.2. To display weapon systems and support systems within a program;
- E5.3.1.3. To select specified resources;
- E5.3.1.4. To display logical groupings for analytical purposes;
- E5.3.1.5. To identify selected functional groupings of resources.

E5.3.2. The program element concept allows the operating manager to participate in the programming decision process since both the inputs and outputs shall be quantified in program element terms. Each program element may contain forces, manpower, or dollars, or any combination thereof, depending on the definition of the element.

#### E5.4. RESOURCE IDENTIFICATION CODES (RICs)

E5.4.1. RICs are used to identify the types of resources assigned to each program element. An explanation of the types of RICs follows:

E5.4.1.1. Force Codes. The force resource identification code is a four-digit code used to identify specific hardware items or weapon systems, by type and model, such as aircraft, missiles, ships, and specific force organizations such as divisions, brigades, battalions, and wings.

E5.4.1.2. Manpower Codes. The manpower resource identification code is a four-digit code used to identify officer, enlisted, and civilian manpower both in the active and the guard and Reserve establishments. Separate codes permit the recognition of students, trainees, cadets and ROTC enrollees, and identify civilians as either U.S. direct hire, foreign direct hire, or foreign indirect hire.

E5.4.1.3. Appropriation Codes. The appropriation resource identification code is a four-digit code used to identify all appropriation accounts contained in the President's budget as well as those of a historical nature applicable to the FYDP prior-years period. These codes in most cases relate to Treasury-assigned appropriation symbols.

E5.4.2. Each DoD Component submitting data to the DoD FYDP has been assigned codes for use in reporting such data in response to guidance for updating the FYDP. The visibility of these resource identification codes by program element allows selection of specific data for analysis and management summary purposes.

## E6. ENCLOSURE 6

### INSTRUCTIONS FOR THE USE AND PREPARATION OF PROGRAM CHANGE REQUESTS (PCRs)

E6.1.1. PCRs shall be used to request changes requiring a net increase or decrease in a DoD Component's resources as recorded in the latest FYDP, when the document expressing such a decision and requiring that increase or decrease does not provide sufficient detail to permit FYDP updating. A PCR may also be used to request program and program element restructures or resource identification codes, or for modification or deletion of such codes in connection with the above actions.

E6.1.2. PCRs may be originated by DoD Components and submitted to the Secretary of Defense through the ASD(C) over the signature of the head of the Component concerned or his designee (attachment E6.A1. to this enclosure shows the prescribed format), in accordance with the following instructions:

E6.1.2.1. PCR Number. Assign PCR numbers in consecutive sequence starting with 1 each calendar year. The Component identifier code as prescribed by DoD 7045.7-H and a prefix designating the calendar year will precede each number (for example N-4-01). Numbers assigned to proposals that are subsequently withdrawn or canceled shall not be reused.

E6.1.2.2. Title. Assign a brief title to each PCR which adequately describes the subject matter of the request.

E6.1.2.3. FYDP "as of" Date. Enter the date of the specific FYDP update on which the proposal is based.

E6.1.2.4. Principal Action Officer. Enter the name, organization, and phone number of the individual most knowledgeable of the proposed change.

E6.1.2.5. Justification.

#### E6.1.2.5.1. Functional Transfers

E6.1.2.5.1.1. Briefly describe the rationale for the transfer, provide a summary of the functions being transferred, including the organizations involved; and any additional supportive data including a copy of the required approval of the transfer (see paragraph 212.1 and Chapter 442 of DoD 7110.10-M (reference (e))). A

copy of the memorandum of agreement shall be attached to the PCR. Detailed displays, in the following format, showing resource net change impact in terms of program elements, manpower, and appropriations shall be provided either in the justification section of the PCR or attached to the PCR.

	FY__	FY__	FY__	FY__	FY__
Program Element Code & Title					
Civilian Direct Hire	+ 11	+ 12	+ 13	+ 13	+ 13
Operation & Maintenance (O&M)	+ 220	+ 220	+ 230	+ 230	+ 230
Program Element Code & Title					
Civilian Direct Hire	- 11	- 12	- 13	- 13	- 13
O&M	- 220	- 220	- 230	- 230	- 230

E6.1.2.5.1.2. Continuation sheets may be used to provide any additional documentation in support of the proposal, or to provide any additional clarification deemed appropriate.

E6.1.2.5.1.3. The gaining organization is responsible for preparation of PCRs relating to functional transfers.

E6.1.2.5.2. Other PCR Actions Requiring Net Resource Changes. Briefly describe the change which results in the net increase or decrease in the Component's resources. Provide any supportive data or rationale for the proposed change. Detailed resource displays similar in format prescribed for functional transfers in subparagraph E6.1.2.5.1.1. above, are required.

E6.1.2.5.3. Program Structure Changes. Briefly describe the rationale for the proposal, provide a summary of the resources affected by the change, and any additional supportive information that may be of value in assessing the proposal. The following specific information is required:

E6.1.2.5.3.1. Proposed Implementation Date. The request must indicate in which FYDP update the proposal, if approved, should be implemented. If a special update is desired, provide detailed justification and explanation why the proposal cannot be accommodated during a regularly scheduled update.

E6.1.2.5.3.2. Fiscal Years Affected. The FYDP is the single most comprehensive data base in the Department of Defense for prior year information. To preserve consistency and to provide comparability with outyear data, structure change proposals should include prior years when the necessary data are available.

E6.1.2.5.3.3. Program Element Changes

E6.1.2.5.3.3.1. If new program elements are requested or data are being shifted among program elements, net changes in resources for the first unexecuted fiscal year affected shall be provided. The format for this display follows, and may be included in the body of the PCR or as an attachment thereto, depending on the number of program elements involved.

FY 85	Military Manpower	Civilian Manpower	Investment <sup>1</sup> \$ _____	Operating <sup>1</sup> \$ _____	Forces
PE 1	+ 100	+ 50	+ 100	+ 5,000	N/A
PE 2	+ 2,000	+ 100	N/A	+100,000	+ 6
FE 3	+ 300	+ 500	+ 1,000	+250,000	N/A
PE 4	- 2,400	- 650	- 1,100	-355,000	- 6

1. Identify specific appropriations and amounts for each.

E6.1.2.5.3.3.2. The above data are required for the first unexecuted fiscal year only and shall be used to assess the impact of the proposal on the resource content of the programs and program elements affected.

E6.1.2.5.3.3.3. Assessment of the organizational impact of the change will be provided. For example, if the proposal will subdivide a DoD Component's funded activities into several programs or program elements, this information shall be provided.

E6.1.2.5.3.3.4. Enclosure E5. provides guidance for programs and program elements. All requests for structure changes shall be evaluated against this guidance. If the proposal deviates significantly from this guidance, detailed justification for such deviation shall be provided.

E6.1.2.5.3.3.5. New or revised program element definitions that will result if the proposal is approved shall be appended to the PCR. Revised definitions should include a marked-up version of the current definition and a final version of the proposed revision (attachment E6.A2. to this enclosure shows sample definitions).

E6.1.2.5.3.3.6. If a program element is being deleted or designated as historical, a brief explanation is required.

E6.1.2.5.3.3.7. Program element title changes shall be included in the revised definition, or if the request is for a title change only, it shall be so stated and explained in the request.

E6.1.2.5.3.4. RIC Changes. RIC changes (additions, deletions,

title changes) shall include an explanation or existing authorization for the change.

E6.1.2.6. Thirty copies of functional transfer PCRs and fifteen copies of all other PCRs shall be forwarded to the Director for Program and Financial Control, OASD(C), for processing, staffing, and decision. A PCD will be prepared announcing the decision.

Attachments - 2

1. Program Change Request
2. Department of Defense Program Element Definitions



E6.A1. ENCLOSURE 6, ATTACHMENT 1  
PROGRAM CHANGE REQUEST FORM

PROGRAM CHANGE REQUEST		Request Number
Title	FYDP As of Date	
Principal Action Officer		
Description		
Justification		
Signature and Date		

E6.A2. ENCLOSURE 6, ATTACHMENT 2

DEPARTMENT OF DEFENSE PROGRAM ELEMENT DEFINITIONS

\*\*UNCLASSIFIED\*\*

August 15, 1983

DEPARTMENT OF DEFENSE  
Program Element Definitions

313270 (A,N) Technical Reconnaissance and Surveillance;X-1-007;C

31328F Strategic Air Command GDIP Activities;X-0-007;  
Includes manpower authorizations, unique and support equipment, necessary facilities and the associated costs specifically identified and measurable to support GDIP efforts assigned to SAC. Activities include:

544th Strategic Intelligence Wing (544th SIW), 9th Reconnaissance Technical Squadron (9th RTS), SAC Intelligence Data Handling System, Defense Dissemination System (DDS).

313290 (A,F,N) European Command GDIP Activities;X-0-007;  
Includes manpower authorizations, unique and support equipment, ADP, necessary facilities and the associated costs specifically identified and measurable to support the General Defense Intelligence Program efforts in Europe, includes:

ARMY: European Command Defense Analysis Center (EUDAC), EUCOM J-2 Intelligence Data Handling System (IDHS), EUCOM Special Security Office (SSO).

NAVY: European Command Headquarters; Commander in Chief U.S. Naval Forces Europe; Fleet Ocean Surveillance Information Center Detachment, London; Fleet Ocean Surveillance Information Facility, Rota, Spain; EUDAC Manpower.

AIR FORCE: 497 Reconnaissance Technical Group, Intelligence Data Handling System (IDHS), Defense Dissemination System (DDS), EUDAC Manpower.

313300 (A,N,F) Pacific Command GDIP Activities;X-0-007;  
Includes manpower authorizations, unique and support equipment, ADP, secure communications, necessary facilities, and the associated costs specifically identified and measurable to the General Defense Intelligence Program mission of the Pacific Command. Includes:

ARMY: IPAC Manpower

NAVY: Commander in Chief Pacific, Commander in Chief Pacific Fleet, Intelligence Center Pacific (IPAC), Fleet Intelligence Center, Pacific, Fleet Ocean Surveillance Information Center Detachment, Pacific, Fleet Ocean Surveillance Information Facility, Western Pacific.

AIR FORCE: 548 Reconnaissance Technical Group, Intelligence Data Handling System (IDHS), Defense Dissemination Program (DDP), IPAC Manpower.

\*\*\*UNCLASSIFIED\*\*\*

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## E7. ENCLOSURE 7

### INSTRUCTIONS FOR USE AND PREPARATION OF PROGRAM CHANGE DECISIONS (PCDs) AND PROGRAM BUDGET DECISIONS (PBDs)

#### E7.1. PROGRAM CHANGE DECISIONS (PCDs).

E7.1.1. PCDs shall be used to reflect Secretary of Defense decisions on PCRs, to provide detailed guidance for updates of the FYDP and related annexes, and for other decisions the Secretary may make.

E7.1.2. PCDs are formatted in a manner compatible with PCRs, using SD Form 428 (Program Change Decision) (attachment E7.A1. to this enclosure) in accordance with the following instructions:

E7.1.2.1. PCD Number. Enter the request number assigned to the PCR. When the PCD is originated without benefit of PCR input or responds to two or more PCRs, the letter X preceding the year will be assigned (for example, X-4-01). For FYDP update PCDs, and in special cases as determined by OASD(C), the letter Z will be assigned.

E7.1.2.2. Implementing Component. Enter the DoD Component designated to implement the decision. When more than one Component is involved, insert "all" or "see below." In the latter case, specify the Components that are required to implement the decision.

E7.1.2.3. Program Element Code. Enter the code as assigned by DoD 7045.7-H. When more than one element is involved, insert "various" and identify each program element in the body of the decision.

E7.1.2.4. Guidance. Enter relevant DoD issuance or official (for example, DoD Instruction 7045.7, or ASD(C)).

#### E7.1.2.5. Discussion/Evaluation/Decision.

E7.1.2.5.1. Provide a brief summary of the proposed change as originally submitted by the PCR, or outline the objective of the proposed change and provide summary background information to explain why the change is needed.

E7.1.2.5.2. Include an evaluation of the logic of the proposed change,

and the variances or alternatives considered. Include all significant information that might influence the decision.

E7.1.2.5.3. Include the actual decision, either approved or disapproved or the approval of an alternative. If an alternative or modification to the original proposal is being approved, coordination with the Components shall be effected and the staffing results indicated in the PCD or covering memorandum. If disapproved, the reasons for disapproval shall be stated.

E7.1.2.5.4. The decision shall be described in program element terms.

E7.1.2.5.5. The PCD shall specify when the change will be incorporated in the FYDP. If OASD(C) determines that a special update to the FYDP is justified, the date for that update will be specified in the PCD.

E7.1.2.6. Signature and Date. Normally, PCDs will be signed by ASD(C) or his designee.

## E7.2. PROGRAM BUDGET DECISIONS (PBDs)

E7.2.1. General. The data applied to the PBD (attachment E7.A2.), and its continuation sheet (attachment E7.A3.), are variable and shall not be confined to a specific pattern. As frequently as possible, the decision will be expressed by use of a single-page document.

E7.2.2. Specific Entries. Enter data in accordance with detailed instructions prescribed by the annual Program/Budget instructions.

E7.2.3. Attachments. When an out-year impact (first year beyond the budget year) is apparent, the decision record that accompanies the PBD will express the impact in program element terms.

### Attachments - 3

1. Program Change Decision, SD Form 428
2. Program Budget Decision
3. PBD Continuation Sheet

E7.A1. ENCLOSURE 7, ATTACHMENT 1  
PROGRAM CHANGE DECISION, SD FORM 428

PROGRAM CHANGE DECISION		PCR NUMBER
IMPLEMENTING DOD COMPONENT	PROGRAM ELEMENT CODE	GUIDANCE
ADJUSTMENT REQUESTED		
SIGNATURE AND DATE		

SD Form 428  
1 OCT 69

PAGE \_\_\_\_ OF \_\_\_\_ PAGES

E7.A2. ENCLOSURE 7, ATTACHMENT 2

PROGRAM BUDGET DECISION

FOR OFFICIAL USE ONLY  
PROGRAM BUDGET DECISION \_\_\_\_\_ No.

SUBJECT:

DOD COMPONENTS:

ISSUE:

(TOA, Dollars in Millions)

FY 1984

FY 1985

Service Estimate

Alternative

SUMMARY OF EVALUATION:

ALTERNATIVE:

DECISION \_\_\_\_\_ Date \_\_\_\_\_

FOR OFFICIAL USE ONLY

E7.A3. ENCLOSURE 7, ATTACHMENT 3

PBD CONTINUATION SHEET

FOR OFFICIAL USE ONLY  
PBD Continuation Sheet

\_\_\_\_\_  
No.

DETAIL OF EVALUATION: (Continued)

SUMMARY OF ECONOMIES AND EFFICIENCIES: Not applicable

OUTYEAR IMPACT:

	<u>(TOA, Dollars in Millions)</u>			
	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
Service Estimate				
Alternative				

FOR OFFICIAL USE ONLY

E8. ENCLOSURE 8

PARTICIPATION IN THE PLANNING, PROGRAMMING AND BUDGETING SYSTEM BY THE COMMANDERS IN CHIEF OF THE UNIFIED AND SPECIFIED COMMANDS (CINCS)

E8.1. Objective

*The Planning, Programming and Budgeting System should provide the Commanders in Chief of the Unified and Specified Commands (CINCS) the best mix of forces, equipment, and support attainable within resource constraints. This enclosure describes how the CINCS participate in each phase of PPBS.*

E8.2. Planning Phase

*The CINCS shall be invited to provide, at the beginning of the Defense Guidance (DG) drafting process, their personal recommendations to the Secretary of Defense for major changes to the existing DG. These comments, along with those of Defense Resources Board (DRB) members, shall be considered during the drafting process. Successive drafts of the DG shall be forwarded to the CINCS for comment. The DRB shall meet with the CINCS before the final draft is provided for the Secretary's signature in order to consider their views on the adequacy of the DG's treatment of policy, strategy, forces, and resource planning guidance.*

E8.3. Programming Phase

*The primary interaction between the CINCS and the Military Departments shall be through component commanders. At a time specified by the Military Departments, each CINC shall identify his requirements to the Service commands responsible for providing programming support. The components shall be afforded every opportunity to resolve CINC concerns. In addition, direct communications between the CINCS and the Military Departments may be used to resolve CINC problems and concerns during Program Objective Memorandum (POM) development.*

*Each CINC shall prepare a list of his high priority needs, prioritized across Service and functional lines and with consideration of reasonable fiscal constraints. These Integrated Priority Lists (IPLs) shall be submitted to the Secretary of Defense, the Deputy Secretary of Defense, and the Chairman of the Joint Chiefs of Staff (CJCS) on*



*a date determined by the Executive Secretary to the DRB (Programming Phase). The IPLs are intended to provide visibility for those few key problem areas which, in the judgment of a CINC, require the highest-priority attention by the Department of Defense in finding solutions.*

*In order to assess the degree of responsiveness to CINC requirements in the POMs, there must be sufficient visibility of the manner in which those requirements were considered. Each Military Department, therefore, shall prepare a Unified and Specified Command Annex to the POM that clearly identifies the CINCs' requirements, whether they were met in the POMs, and provide supporting rationale where such needs were not met. The IPL submitted by the CINCs shall form the framework for this Annex, with supporting details derived from the CINCs' requirements. The CINCs shall review the POMs and submit to the Executive Secretary to the DRB outlines of major issues each would like to have discussed during the program review. In addition, CINCs shall be afforded the opportunity to participate on program review issue teams and in "out-of-court" settlements. The CINCs shall meet, at the beginning of the program review, with the Secretary of Defense and the DRB to present their views on the national military strategy and the adequacy of the POMs to meet that strategy. Finally, the CINCs shall attend such other sessions of the DRB as the Deputy Secretary deems necessary. The CJCS shall serve as the spokesman for the CINCs in their absence.*

#### **E8.4. Budgeting Phase**

*Normally, the CJCS shall present CINC concerns during the OSD/OMB budget review and during discussion of major budget issues with the Deputy Secretary. The Chairman shall establish appropriate procedures to inform the CINCs of significant budget review events.*