Fiscal Year (FY) 2008/FY 2009 Budget Estimates

Office of the Secretary of Defense

February 2007

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OFFICE OF THE SECRETARY OF DEFENSE
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2008/FY 2009 Budget Estimates

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

	FY 2006 Actuals	Price Change	Program Change	FY 2007 Estimate	Price Change	Program Change	FY 2008 Estimate	Price Change	Program Change	FY 2009 Estimate
OSD	854,249	20,615	-78,126	796,738	18,420	278,584	1,093,742	24,750	25,105	1,143,597

* The FY 2006 Actual column <u>includes</u> $33,250.0 thousand of FY 2006 Supplemental funds (PL 109-148), $5,481.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148) and $10,000.0 thousand FY 2006 Avian Flu Supplemental.
* The FY 2007 Estimate column <u>excludes</u> $13,273.0 thousand of FY 2007 GWOT Title IX Supplemental funds and $0.0 thousand of FY 2007 Hurricane Supplemental funds.

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

<u>Mission and Functions</u>

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

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

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I. <u>Description of Operations Financed</u> (continued):

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

The overall OSD budget reflects transfers-in from the Washington Headquarters Services and from various other Defense Department Components plus the conversion of military to civilian personnel 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. The office provides oversight and policy relating to all aspects of defense acquisition and support to include the Department's technology base. Programs funded in this account provide direction to the world-wide Defense Acquisition Corps and have a direct and profound effect on the defense of this nation. Programs budgeted in this account support 5 primary objectives: 1) programs mandated by Congress, 2) programs that improve acquisition, technology and logistics business processes, 3) programs to improve accountability and conformance to National and Departmental regulatory requirements, 4) programs that will effectively disseminate current acquisition policy and guidance to the line acquisition corps of 150,000 people world-wide, and 5) programs providing decision support mechanisms to the corporate OSD staff.

B. Personnel and Readiness

Personnel and Readiness (P&R) oversees policy matters relating to readiness; personnel policies, programs and systems; equal opportunity; health policies, programs and activities;

I. Description of Operations Financed (continued):

Reserve Component programs; family policy; dependent's education; personnel support programs; and mobilization planning and requirements.

C. Comptroller/Chief Financial Officer

The Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer (CFO) 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 (Intelligence) (OUSD(I)) serves as the principal advisor to the Secretary and Deputy Secretary of Defense regarding intelligence, counterintelligence, security, sensitive activities, and other intelligence-related matters. Exercises the Secretary of Defense's authority, direction, and control over the Defense Agencies and DoD Field Activities that are Defense intelligence, counterintelligence, or security Components, and exercise planning, policy, and strategic oversight over all DoD intelligence, counterintelligence, and security policy, plans and programs.

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

I. Description of Operations Financed (continued):

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). The Office of Force Transformation is now under the OUSD (Policy).

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 (CIO) 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. Program Analysis and Evaluation

The Director, Program Analysis and Evaluation (D, PA&E) provides critical analyses of DoD programs and independent advice to the Secretary of Defense. More specifically, it develops and analyzes program alternatives, ensures that the Future Year Defense Program is holistically managed, and confirms that programs are properly funded.

I. Description of Operations Financed (continued):

H. 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.

I. 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.

J. 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.

K. 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.

L. 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.

M. 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.

I. Description of Operations Financed (continued):

The DA&M includes in his portfolio the Washington Headquarters Services and the Pentagon Force Protection Agency.

Budget Activity Explanations

1. Core Operating Program

	Dollars in Thousands		
FY 2006	FY 2007	FY 2008	FY 2009
Actual	Estimate	Estimate	Estimate
246,290	246,583	254,467	263,981

This program funds the operations of the Office of the Secretary of Defense (OSD), including:

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) Personnel Training, the funding for which was transferred from the Washington Headquarters Services;

6) 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

7) Permanent change of station (PCS), which covers the cost of moving personnel.

I. Description of Operations Financed (continued):

2. Other DoD Programs and Initiatives

		FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
			Dollars in Thousands		
a.	Capital Security Cost Sharing Program	0	126,700	131,700	158,000
b.	Contracts and Other Support Services	15,931	13,358	27,861	29,168
c.	Net Assessment	19,333	17,652	18,772	20,274
d.	Test Resource Management Center	5,434	5,215	5,443	5,878
e.	Republic of Korea Scholarship Program	–	484	500	548
f.	Other	40,428	–	–	–
	TOTAL	**81,126**	**163,409**	**184,276**	**213,868**

   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. This program funds various support requirements of the following offices and activities: 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. In addition, most of the Boards and Commissions realigned from the Washington Headquarters Services (WHS) to OSD are in this account. Included are the Defense Business Board, Sexual Assault in the Military, Commission on the National

I. <u>Description of Operations Financed (continued)</u>:

Guard and Reserve, Quadrennial Review of Military Compensation, Assessment of the EMP Threat and Future Boards and Commissions programmed funding.

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. **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..

e. **Test Resource Management Center:** The Test Resource Management Center (TRMC) is developing and maintaining a biennial, strategic plan reflecting the needs of DoD with respect to Test and Evaluation (T&E) facilities and resources for the Secretary of Defense and Congress, as directed in 10 U.S.C. 196. The strategic plan is a ten year, T&E capabilities and resources forecast that parallels and supports DoD's warfighting strategies, master plans, and guidance documents. Also, TRMC is currently reviewing, providing oversight, and certifying adequacy of the Service budgets to the Secretary of Service and Defense Agency T&E budgets, in accordance with written guidance. The TRMC is fulfilling 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.

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    f. Other: These are the components for which no additional appropriation is requested under OSD O&M including the components of the Business Transformation Agency formerly under OSD, the Supplemental Disaster Relief Effort under SO/LIC, the Freedom Walk 9/11 Memorial efforts, and Counternarcotics funds reprogrammed to OSD.

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

		FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
a.	Congressional Mandate	32,094	23,306	13,830	12,976
b.	Improve Acquisition & Logistics Process	52,363	42,621	53,217	59,862
c.	Regulatory Requirement	38,896	40,024	33,609	18,306
d.	Promulgate Policy	7,906	7,680	9,063	9,437
e.	OSD Analysis and Support	18,374	15,021	14,988	16,727
	Other	8,278	–	–	–
	TOTAL	**157,911**	**128,652**	**124,707**	**117,308**

Dollars in Thousands

    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 2007/FY 2008. 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 following 5 primary acquisition missions:

I. Description of Operations Financed (continued):

  a.   **Congressional Mandate**:   Programs in this category respond directly to specific Congressional Direction and comprise 11 percent/11 percent of the AT&L's 2008/2009 budget request ($13,830/$12,976 thousand).

		FY 2006 Actual	FY 2007 Estimate	FY2008 Estimate	FY 2009 Estimate
1.	Legacy Resource Management Program	8,308	7,898	8,098	8,211
2.	CFO Act Compliance	1,515	1,906	1,755	1,983
3.	Arctic Military Environmental Cooperation	278	1,223	–	–
4.	Native American Land Remediation S. 8044	9,752	10,231	237	266
5.	Electronic Business Center of Excellence	10,391	1,494	3,740	2,516
6.	Capital Asset Management System-Military Equipment (CAMS-ME)	1,850	–	–	–
7.	Defense Property Accountability Military & Military Equipment Valuation	–	554	–	–
	TOTAL	**32,094**	**23,306**	**13,830**	**12,976**

1) **Legacy Resource Management Legacy:**   Legacy projects support both statutory and mission-related environmental conservation requirements that support DoD training and testing.   Projects funded are selected on the basis of the most positive effects on military readiness, increased conservation efficiencies, and the need to meet congressional intent.

2) **CFO Act Compliance:**   Achieving compliance with the CFO Act (CFOA) and the Federal Financial Management Improvement Act is mandated by the Congress and is one of the Secretary's top priorities.   The DoD owns more than 80 percent of the government's

I. Description of Operations Financed (continued):

>   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. As requirements owner for Defense Procurement, this office links directly to the Business Transformation Agency and provides enterprise

I. Description of Operations Financed (continued):

objectives, guidance, and subject matter expertise to development of enterprise requirements, the sourcing portion of the business enterprise architecture, and implementation of the supporting defense business sourcing environment (DBSE) and its related portfolio of systems. Funds provided will enable the office to (1) identify and implement specific requirements within the DBSE systems to support DoD initiatives, (2) lead the functional portion of the DBSE governance structure addressing portfolio capabilities and requirements, (3) develop requirements that will ensure integration of federal processes and systems with DoD's and its Components', and (4) support deployment efforts with the Components of federal and DoD new initiatives, processes, and systems.

I. Description of Operations Financed (continued):

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 troop readiness and the defense of this nation. Programs constitute 43 percent/51 percent of the total 2008/2009 budget request ($53,217/$59,862 thousand).

		Dollars in Thousands		
		FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
1.	Consolidated Acquisition Reporting System	363	400	–	–
2.	Defense Management Initiatives	2,784	2,259	2,566	2,836
3.	Acquisition Programs Support Systems	7,602	7,734	7,931	8,858
4.	Logistics Systems Modernization	8,996	6,682	12,859	14,349
5.	Defense Procurement & Acquisition Policy	4,095	10,483	8,222	11,506
6.	Mission Capabilities/Systems Engineering	4,804	6,009	8,497	9,336
7.	Defense Installation Spatial Data Infrastructure	11,801	–	1,000	1,000
8.	Unique Item Identification (UID)	869	48	2,143	1,000
9.	Facilities Program Requirements	515	855	857	811
10.	Corrosion Prevention Program	8,136	8,151	8,101	9,060
11.	Human Capital Initiative	2,398	–	1,041	1,106
TOTAL		**52,363**	**42,621**	**53,217**	**59,862**

1) **Consolidated Acquisition Reporting System:** This program ends in FY 2007.
2) **Defense Management Initiative:** This Defense Management Initiative improves the management of the services and facilities (including housing) on defense

I. Description of Operations Financed (continued):

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 developed through organizational support funds and maintained by the eBusiness Center. Funding is essential due to 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. This funding also assures continuity of business/leadership operations through high availability and disaster recovery scenarios.

4) **Logistics Systems Modernization Support:** The DUSD Logistics and Material Readiness (L&MR) serves as the principal staff assistant and advisor to the Under Secretary of Defense for Acquisition, Technology & Logistics (USD(AT&L)), Deputy Secretary of Defense (DEPSECDEF), and Secretary of Defense (SECDEF) on logistics and materiel readiness in the Department of Defense (DOD) and is the principal logistics official within the senior management of the DoD.   In this capacity, the DUSD(L&MR):

- Prescribes policies and procedures for the conduct of logistics, maintenance, materiel readiness, strategic mobility, and sustainment support in the DoD, to include, supply, maintenance, and transportation.
- Advises and assists the USD(AT&L), SECDEF, and DEPSECDEF in providing guidance to the Secretaries of the Military Departments with respect to logistics, maintenance,

I. Description of Operations Financed (continued):

   materiel readiness, strategic mobility, and sustainment support in the DoD.
- Monitors and reviews all logistics, maintenance, materiel readiness, strategic mobility, and sustainment support programs within the DoD.
- Participates in the DoD Planning, Programming, and Budgeting System with respect to assigned areas of responsibilities.
- Performs such other duties as the USD(AT&L), DEPSECDEF or SECDEF may prescribe.

The DUSD(L&MR)has determined the following initiatives 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 include 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

I. Description of Operations Financed (continued):

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 business systems. Another integral component of this new policy is the development of a Supplier Engagement Strategy which will assist and facilitate early adoption of this RFID technology into the DoD suppliers' business processes.

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

6) Ensure the effectiveness, efficiency, and cost management of DoD transportation programs. Lead 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, supports acquisition policy initiatives and associated studies, supports updates to the DoD 5000 and management of the Defense Acquisition Guidebook, and conducts related communication and outreach. Initiatives address such critical areas as workforce management, contract management, contingency contracting, acquisition of services, and strategic sourcing. Funding for Continuous Learning will transfer to the Acquisition Knowledge Sharing System program and Acquisition Workforce/Career Management will transfer to the Human Capital Initiative in FY 2008.

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

I. Description of Operations Financed (continued):

SE promotes the application of sound and effective systems engineering and software engineering principles and practices in acquisition programs. SE promulgates best practices within national and international standards development organizations to reduce total ownership cost and cycle time of weapon systems. This program sets policy for SE practices and sees to their implementation including leading assessments of technical approaches and plans for systems and system-of-systems; 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, Test and Evaluation, 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 leads a DoD-wide activity to improve capabilities of modeling and simulation to support development of defense acquisition systems. SE supports management of the education and training requirements for approximately 40 percent 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) 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

I. <u>Description of Operations Financed (continued)</u>:

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

8) Unique Item Identification (UID): This program area is responsible for the overarching Unique Identification (UID) policy coordination to consistently enable globally unique identification of independent units and distinguishable persons, places, things and events which are of interest or concern to DoD. UID will provide on-demand information in a net-centric environment. The process of identification is critical to implementation of a capabilities-based model, which is at the core of the Quadrennial Defense Review. The Department is enabling synchronization of the data structures, systems and processes by working directly within the standards community to establish and execute unique identification standards. DoD leadership is resulting in UID standards that will enable transparency of resource data across planning, programming, budgeting, execution and assessment in support of meeting the requirements of the CFO Act of 1990. Item Unique Identification (IUID) is one element of the overall DoD strategic imperative for unique identification. IUID leverages the efforts we've expended in international standards and utilizes existing industry practices. IUID policy is the responsibility of the Deputy Director for Program Development and Implementation. IUID is implemented by the acquisition process through a mandatory DFARS clause that applies to all contracts for the delivery of items to DoD throughout the supply chain. Unique Item Identifiers (UII) and associated data allows users, maintainers, suppliers and acquirers to associate item data from multiple information

I. Description of Operations Financed (continued):

systems through globally unique identifiers that distinguish each item from any other like or unlike item. This program office accomplishes much of its outreach success through Industry Associations and by sponsorships of private events (e.g. UID Forums, IUID Boot camps) as well as making available online support tools. Close coordination with the Defense Acquisition University results in online training and a web-based special interest area dedicated to UID where Industry and Government share additional support tools. This program supports small pilot projects in each of the Services to demonstrate feasibility and return of investment for IUID implementation ranging from item marking, to automatic data capture, and improved data exchange.

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 business rules.

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 affects readiness and is a safety concern.

I. Description of Operations Financed (continued):

11) Human Capital Initiative (HCI): The No. 1 AT&L Strategic Goal is to enable a High Performing, Agile, and Ethical Workforce. The Human Capital Initiatives are focused on assessing the current AT&L workforce, identifying competency gaps, and using this knowledge to develop and right-shape the future AT&L workforce. These include continued strategic planning, building a robust capability to consistently assess the AT&L workforce based on quality data (integrated from the components), supporting the workforce by fully implementing and further enhancing through legislation DAWIA, and supporting AT&L's performance management; competency management; and recruitment, retention, and professional development initiatives. These will address several special interests: Congress' continued interest in the AT&L workforce via recent Congressional testimony questions and GAO reports on AT&L workforce, the Space Acquisition workforce, and DAWIA effectiveness; OMB/OFPP partnership in e-Gov lines of business and initiatives, application of the Human Capital Assessment and Accountability Framework in strategic planning, and partnership with the Federal Acquisition Institute; SEC DEF guidance for alignment to performance management goals and programs; OSD(P&R) effort for partnering, leveraging, and understanding the impact of overarching DOD human capital strategic plans on the AT&L workforce; and DOD components' effectiveness in meeting the needs of AT&L Senior Leaders, Strategic Steering Board, and Workforce Management Group. These efforts will include:

•   AT&L Human Capital Strategic Plan (HCSP) - Support implementation of programs and initiatives to include planning and managing progress against the stated goals, objectives and 38 associated tasks. Support the process of annually updating the HCSP to further refine the AT&L HCI strategies and in preparing annual State of the Workforce Reports.
•   Competency Management - Development of AT&L core and functional competency models for human capital planning, workforce management, training and workforce development use

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(Reference QDR, P&R HCSP, and AT&L HCSP competency management objectives).
•   DAWIA Policy and Implementation – Support in implementing statutory (DAWIA) and AT&L workforce policy and programs (Ref: DoDD 5000.52 and DoDI 5000.66).
•   AT&L Workforce/HCI Management Information System – Support capability improvements to workforce planning and management decisions through improved integration, standardization, and transparency of workforce data and data analysis. Significant outcome is quality of data-supported content in HCSP revisions and annual State of the AT&L Workforce report.
•   Performance Management – Further and sustain the implementation of OUSD(AT&L) SES, AT&L Key Leadership Parameters and other AT&L workforce-related Performance Management initiatives.
•   Recruitment, Outreach, & Communication – Programs that enhance Department-wide AT&L results in attracting, recruiting, and retaining workforce members.

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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 27 percent/16 percent of the FY 2008/2009 AT&L request ($33,609/$18,306 thousand).

		Dollars in Thousands		
	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
1. Acquisition Workforce Demonstration	1,677	1,089	542	–
2. Environmental Security Cooperation	1,292	1,501	1,539	1,719
3. Readiness and Environmental Protection Initiative	35,028	37,211	30,000	15,000
4. Base Realignment & Closure (BRAC) Support	677	–	–	–
5. Emerging Contaminants	–	–	1,300	1,333
6. Low Observable/Counter Low Observable Export Control (LO/CLO)	222	223	228	254
TOTAL	**38,896**	**40,024**	**33,609**	**18,306**

    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

I. Description of Operations Financed (continued):

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. Acquisition Demonstration Project participants will begin a staged process to transition into the National Security Personnel System (NSPS) with scheduled completion at the end of FY 2008.

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

3) **Readiness and Environmental Protection Initiative (REPI):** The Military Departments identify expanding development and urban growth as an increasing challenge to range and installation viability and a growing impediment to mission readiness. The REPI is an 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 Support:** This program ended in FY 2006.

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I. Description of Operations Financed (continued):

5) **Emerging Contaminants:** This program provides $1.3 million in FY 2008 to establish a core program for (1) early identification of Emerging Contaminants (ECs), (2) assessing impacts to human health and DoD functions, and (3) development of risk management options. Funding for this program will help the Department to make fully informed, risk-based investment decisions that protect human health and the environment and preserve DoD operational capabilities. The program applies lessons learned from DoD's experience with per chlorate and other ECs.

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

d. **Promulgate Policy:**

Programs in this category support improvements in timeliness and quality of policy, procedures, and guidance to the worldwide acquisition corps. In a rapidly evolving environment, these programs are critical in shaping business practices and reaping benefits. Programs constitute 7 percent/8 percent of the 2008/2009 AT&L budget request ($9,063/$9,437 thousand).

	Dollars in Thousands			
	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
1. Acquisition Knowledge Sharing System	3,546	3,408	4,622	4,635
2. Transform Procurement Regulations	1,040	1,702	1,804	1,858
3. Defense Acquisition Management Retrieval System	3,320	2,570	2,637	2,944
TOTAL	**7,906**	**7,680**	**9,063**	**9,437**

I. Description of Operations Financed (continued):

1) **Acquisition Knowledge Sharing System:**   The AT&L Knowledge Sharing System (AKSS), Defense Acquisition Guidebook (DAG) and Acquisition Community Connection (ACC) are the primary sources of up-to-date material on AT&L mandatory policies and discretionary practices; providing the Defense Acquisition Workforce Improvement Act (DAWIA) workforce of military and civilian DoD employees and over a million industry partners with instant access to DoD experts and to on-line collaborative knowledge communities. Funds provided will assist the office to: operate and support the AKSS, the DAG, the web enabled Integrated Framework Chart (IFC), ACC system and the Acquire search and discovery system. In addition funds will be used to convert the AKSS to a personalized portal system and develop "portlets" for use by Service and Agency portals; develop the Best Practices Clearinghouse (BPCh) system; develop an Acquire upgrade for searching video; develop various job performance support tools based on major business processes, such as the Standard Procurement System and major milestone plans. All of these activities are focused on providing learning and job support at the point and time of need of the workforce, to help them make more informed and smarter decisions in supplying the combat forces with weapons and support systems.

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

I.   Description of Operations Financed (continued):

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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I. Description of Operations Financed (continued):

    e. OSD Analysis and Support:

        Provides the Secretary, the 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 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
OSD Studies Program	18,374	15,021	14,988	16,727

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.

I. <u>Description of Operations Financed</u> (continued):

3. **Personnel and Readiness (P&R)**

	Dollars in Thousands			
	FY 2006 <u>Actual</u>	FY 2007 <u>Estimate</u>	FY 2008 <u>Estimate</u>	FY 2009 <u>Estimate</u>
a. Training Transformation	9,178	9,000	6,621	7,158
b. Combatant Commander's Exercise Engagement & Training Transformation	–	–	233,641	229,512
c. Base Allowance for Housing Research and Studies	4,150	3,432	3,573	3,858
d. Defense Safety Oversight Council (DSOC)	7,229	7,899	8,174	8,828
e. Administrative Support	448	1,073	1,118	1,207
f. Lost Work Day System	2,423	3,260	3,396	3,668
g. Advancing Diversity and Equal Opportunity	–	–	5,900	7,300
h. Defense Readiness Reporting System	<u>2,469</u>	<u>2,446</u>	<u>4,913</u>	<u>4,970</u>
TOTAL	**25,897**	**27,110**	**267,336**	**266,501**

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.

I. Description of Operations Financed (continued):

Departmental efforts supported with these funds include the Joint National Training Center's (JNTC) efforts towards an initial operating capability of October 2004, followed by full operating capability by October 2009; the Joint Knowledge Development and Distribution Capability (JKDDC) courseware development based on Combatant Commander(s) requirements (over 20 courses developed in 2004); and the Joint Assessment and Enabling Capability (JAEC) which provides the process to measure the degree to which training improves joint force readiness.

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

b. Combatant Commander's Exercise, Engagement and Training Transformation (CE2T2): The Combatant Commander's Exercise Engagement and Training Transformation (CE2T2) account has been established as a result of direction from the Quadrennial Defense Review to realign and consolidate joint training programs and apply resulting efficiencies against new mission areas and existing joint training shortfalls. All efforts support the Department's second priority to strengthen joint war-fighting capabilities. This account funds the following efforts:

- Joint National Training Capability (JNTC) that uses a mix of live, virtual and constructive models and simulations in an integrated network of over 33 persistent training sites to provide the most realistic collective joint mission experience possible. The JNTC provides a way to train that offers the Services and joint forces a potential spectrum of live, virtual and constructive training environments: live – real people in real locations using real equipment; virtual simulation – real people in simulators and constructive simulation – simulated entities in a simulated

I. Description of Operations Financed (continued):

environment. The L-V-C environment combines existing exercises with live forces, creating a more realistic training experience. The JNTC incorporates the Military Departments and Agencies, interagency and multinational coalition partners. By 2009, full operational capability will be achieved, providing the ability to train any audience by linking command and control, training facilities, ranges and simulation centers throughout the world.

- Joint Knowledge Development and Distribution Capability (JKDDC) provides joint operational art to the individual warfighter by developing progressive combatant commander-sanctioned educational and training content, leveraging state-of-the-art-distribution processes and advanced technologies to provide training content to Defense personnel anytime, anywhere and track user's progress.

- Joint Assessment and Enabling Capability (JAEC) measures the degree to which joint training improves joint readiness and where improvements should be made.

- The Joint Warfighting Center at the U.S. Joint Forces Command (JFCOM) supplies the Unified Command Plan directed support to the Combatant Commanders (CoCOMs) by providing joint and multinational training exercises and certification exercise venues along with training exercise feedback. These tasks facilitate certification of designated Joint Task force and functional component headquarters. The JWFC develops and produces joint doctrine to support the Chairman of the Joint Chiefs of Staff, conducting joint Operations modules of instruction to support the National Defense University Flag Officer and Senior Non-Commissioned officer PINNACLE, CAPSTONE and KEYSTONE courses.

- The Joint Deployment Training Center delivers individual functional user training on a variety of Command and Control applications on the Global Command and Control System-Joint that constitute the major planning and situational awareness tools used by the

I. Description of Operations Financed (continued):

Military Departments, the Combatant Commands, and other Government Agencies to conduct daily operations in support of the Global War on Terror and other missions including Homeland Security and response to natural disasters. Training ensures that personnel are qualified and ready to support the full spectrum of joint operations worldwide.

- Combatant Command Headquarters Support provides the CoCOMs resources for their participation in training and exercise events to prepare for operational missions.

- Joint Training Information Management System (JTIMS) provides the Joint warfighter a web-based, collaborative tool set supporting execution of the Joint Training System. The system facilitates the analysis of the CoCOMs Joint Mission Essential task list, which becomes the foundation for each CoCOM training and exercise program. The system supports development of each CoCOM joint training plan, automating CoCOM training and exercise scheduling, cost information and provides on-line and stand-along tools to support execution of training events and the joint event life-cycle. The system documents training results and support assessment of events and feeds the Defense Readiness Reporting System that facilitates readiness reporting.

- Joint Training System Specialist Program provides Joint Training System specialists, Joint Interagency Specialists, Joint Lesson Learned Specialists to the Miltary Departments, the CoCOMs, Command Support Agencies (CSAs), the National Guard Bureau (NGB)and other US Government agencies to integrate Joint training into a cohesive program supporting Joint Training requirements across the DoD. The program integrates emerging Joint Training issues, requirements and lessons learned, ensuring that CoCOMs, CSAs and the NGB training objective being developed are in concert with the overall Joint Training plan requirements. Interagency specialists assess, plan and support the execution of non-DoD agency training and education programs and draft policy for inter-governmental and interagency integration.   Lessons-learned

I. <u>Description of Operations Financed</u> (continued):

specialists develop command or service-specific lessons learned guidance documents as well as formulate and coordinate corrective actions.

- <u>Joint Training Facilitator Program</u> provides on-site joint training individual and staff training support to the CoCOMs. The program supports policy, procedure, action and milestone development required to conduct CoCOM individual and staff joint training programs. The training ensures that the commander has resident expertise to support the establishment, revision and execution of a comprehensive, organization-wide joint training program that supports requirements. This ensures that individuals assigned to the units are fully trained and ready to support the mission.

c. **Personnel & Readiness Studies Program:** 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.

d. **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.

e. **Personnel & Readiness - Defense Safety Oversight Council (DSOC):** In a continuing effort to reduce accidents to meet the Secretary's 50 percent 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

I. Description of Operations Financed (continued):

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. The DSOC continues to consider new initiatives based on best practices and successful safety outcomes. The DSOC will also manage the execution of the initiative program and the oversight of the projects. As such, they have high visibility and support within the Department.

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

g. Lost Work Days System: Lost Work Days is now known as the Secretary's Mishap Reduction Initiative. The Secretary sought to change how the Department views the safety of its military personnel and civilian employees. The goal is zero preventable mishaps.

The Secretary's 50 percent reduction goal is achievable and will directly increase operational readiness. The Department's world-class military will not tolerate preventable accidents.

h. Advancing Diversity and Equal Opportunity: This program has three parts.

Workforce Recruitment Program (WRP) for College Students with Disabilities. The number and percent of people with targeted disabilities (PTD) in the federal civilian workforce will be increased. SECDEF has set a goal of 2.0 percent DoD-wide, emphasizing the benefit for wounded service members returning from the global war on terrorism. SECDEF and the Secretary of Labor issued a joint memorandum highlighting the WRP as a tool for

I.   Description of Operations Financed (continued):

the President's New Freedom Initiative. The 10-year downward trend in employment of people with targeted disabilities is a matter of concern in the media and on Capitol Hill. EEOC proposes action government-wide. The resources requested will put DoD in a leadership role in collaboration with EEOC and step-by-step will create a centrally managed government wide program for employment of individuals with severe disabilities, including disabled veterans.

Defense Equal Opportunity Management Institute (DEOMI). This proposal will assist in insuring warfighters remain current in cultural, equal opportunity and diversity management matters through an improved Department training, education and research capacity at DEOMI, as follows. Enhance the ability of the DEOMI to develop: curricula and train military personnel in issues related to cultural sensitivity/awareness in warfare; appropriate research to support such training; classroom training and field reference materials for military personnel regarding discrimination issues involving EO issues of deployed government contractor personnel and government civilian employees; and improved website and clearinghouse materials to better support deployed military equal opportunity advisors. This proposal also seeks to increase DEOMI's baseline to allow the Institute to meet mission/training requirements prescribed by DoD directives. This proposal aligns DEOMI's operating costs with its charter, providing funds required for staff proficiency training, course equipment/supplies and required travel to engage Service EO professionals in the field. Additionally, it fulfills DEOMI's research requirements to sustain COE accreditation.

Support the SECDEF's charge to improve diversity in the senior ranks in DoD. This initiative will improve representational diversity in DoD, with programs to enhance the diversity of participants in key occupational pipelines (such as aviation, engineering, mathematics, and physical sciences) that feed into military flag/general officer and

I.   Description of Operations Financed (continued):

civilian senior executive service positions by expanding current avenues through niche marketing and by enhancing diversity in DoD internship programs.

i.   Defense Readiness Reporting System (DRRS):   In the past, 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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I.   Description of Operations Financed (continued):

5.   Comptroller and Chief Financial Officer

	Dollars in Thousands			
	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
a. Future Years Defense Program Improvement	3,490	3,334	3,625	3,915
b. Comptroller Initiatives	12,203	11,133	16,838	17,785
c. Administrative Support	472	443	471	509
TOTAL	**16,165**	**14,910**	**20,934**	**22,209**

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

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

I.   Description of Operations Financed (continued):

Defense Financial Management Regulation, reporting requirements in compliance with the Government Performance Results Act (GPRA) and the President's Management Agenda, and other financial management initiatives intended to improve the Department's financial management and related operations.

c.   OUSD(C) Administrative Support: The Comptroller Administrative Support program funds the Contracts and Other Support Services requirements including Intergovernmental Personnel Act requirements.

6.   Under Secretary of Defense (Intelligence)

		FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
			Dollars in Thousands		
a.	Enterprise Management	–	3,067	5,040	5,241
b.	OUSD(I) Mission & Analysis Fund	15,688	–	–	–
c.	Special Access Programs	16,385	–	–	–
d.	Counterintelligence and Security	11,749	–	–	–
e.	Management Support Office	1,769	–	–	–
f.	Counterintelligence	–	1,744	2,927	3,044
g.	Security	–	5,457	10,893	11,328
h.	Intelligence and Warfighting Support	–	5,169	21,448	20,683
i.	Military Intelligence Programs	–	1,788	5,163	5,369
j.	Preparation and Warning	–	953	8,100	8,423
k.	Global War on Terror	–	11,740	–	–
	TOTAL	**45,591**	**29,918**	**53,571**	**54,088**

I. Description of Operations Financed (continued):

a. Enterprise Management:

Congressional Activities Directorate: Facilitate intelligence-related DoD interaction with Congress to promote Congressional understanding and generate Congressional support of intelligence resources and legislation as it complements Department goals. Develop and implement standardized processes with regard to defense Intelligence and Congressional interaction on issues related to the Defense Intelligence Community. Ensure White House and DoD policy positions on important intelligence issues connected to the Defense Intelligence dialogue with Congress are widely understood throughout the legislative offices of various DoD intelligence-related organizations and clearly articulated to the Congress. Ensure close coordination with the Office of the Director for National Intelligence (DNI) on Defense Intelligence matters and issues of shared interest. Maintain and manage records that document the OUSD(I) interaction with Congress.

Policy and Strategy Directorate: Serve as the OSD focal point within OUSD(I) for the formal coordination of DoD policy issuances. Responsible for oversight of DoD intelligence policy and strategy development, strategic management, and planning guidance to ensure conformance with the policy and priorities of the Secretary of Defense and, as appropriate, the DNI. Serves as the primary interface with ODNI for policy and strategy matters to ensure Defense Intelligence requirements are reflected in the Intelligence Community (IC) strategies, policies and plans; and, that the ODNI policies are implemented as appropriate by the Defense Intelligence Components. Advises the Senior Director for Enterprise Management, and USD(I) on issues involving Defense Intelligence and IC strategy and policy. Responsible for formulating and promulgating DoD intelligence positions on relevant policies, strategies, and related documents developed by other DoD components, agencies and organizations within the Intelligence

I.   Description of Operations Financed (continued):

Community, and other Executive Branch bodies, as appropriate.   Develops high-level performance metrics to monitor and track Defense Intelligence progress toward meeting the objectives and priorities of the Secretary of Defense.

Organizational Management and Support Directorate: Serve as the administrative arm for OUSD(I). Enabling services provided are security and clearances, correspondence tasking and control, document management, travel, manpower and payroll, training, supplies, facilities, property management, internal organizational Continuity of Operations management, evacuation planning, USD-I budget allocations and control, and documents/records management.   Serve as the focal point for coordination of organization-wide matters.

b.   OUSD(I) Mission & Analysis Fund: Does not continue due to reorganization.

c.   Special Access Programs: Does not continue due to reorganization.

d.   Counterintelligence and Security: Does not continue due to reorganization.

e.   Management Support Office: Does not continue due to reorganization.

f.   Counterintelligence (CI):

Counterintelligence Directorate: Develop, staff and disseminate CI and credibility assessment policies for the Department and provide oversight for the DoD CI and credibility assessment programs.   Provide staff support on CI budget matters to the USD(I) (MIP) for CI resources within the National Intelligence Programs, DoD Foreign CI Program and within the USDI MIP.   Provide staff support on CI and credibility

I. Description of Operations Financed (continued):

assessment matters to the Office of the Secretary of Defense and other customers, represent the USD(I) at DoD, national and international forums dealing with CI and credibility assessment and conduct an outreach program to the DoD CI Community to facilitate the exchange of information and issues.

Intelligence Access for Warfighter Support Directorate: Responsible for the OUSD(I) governance linkage for the Defense Intelligence Mission Area (DIMA) portfolio to: Ensure effective delivery of Information Technology (IT) capabilities; minimize duplication of DoD intelligence IT initiatives; enable Ops/Intel integration; maximize information sharing; oversee DIMA Portfolio Management reviews with DIA and the DoD intelligence components in coordination with the DoD CIO.

g. Security:

Security Directorate: Serve as the principal DoD office for providing 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. Provide DoD coordination and analysis on security policy issues to interagency fora that include National Security Council Policy Coordinating Committees, the intelligence community working groups, Congressional inquires, National Disclosure Policy Committee, Committee for Foreign Investment in the U.S., the Weapons of Mass Destruction Commission, and others requiring frequent and rapid response. Perform as the Executive Agency for the National Industrial Security Program.

I. Description of Operations Financed (continued):

   h.   Intelligence and Warfighting Support: The principal office ensuring that
intelligence support across the Department meets critical and timely warfighter needs
and requirements.   This includes staff proponency, policy development and support,
planning support, review of EXORDs, DEPORDs, RFFs, interagency coordination and
deconfliction, special initiatives, technology development and Policy and Operational
oversight.   Aligns policies and programs with current operational requirements, ensures
oversight and sufficiency of special access programs, various intelligence-related
strategies and assessments, and aligns cutting-edge and emerging intelligence-related
technologies with warfighter needs, financial support and Information Operations
(IO) policies and programs.   Strengthens intelligence disciplines and All-Source
Analysis capability, enhancing professionalization and sustainment of the intelligence
workforce (military and civilian).   Conducts interagency coordination with ODNI, NCTC,
NCS, and DHS for policy development and support to operational requirements.   Enhanced
international engagement through NATO, ISAF, MNF-I and addresses releasability issues
associated with coalition warfare/combined operations.   In conjunction with the Joint
Staff and other components, is charged with developing DoD policy and doctrine,
coordinating Joint doctrine, and overseeing DoD transformational efforts to posture the
Department to operate in cyberspace.

Warfighter Support Directorate: DUSD(IWS)'s principal office for operational support
concerning DoD intelligence and related activities directly supporting the warfighter.
Conducts operational assessments and technical analyses for Global War on Terrorism and
COCOM intelligence requirements.   Develops new intelligence policies, strategies and/or
programs to facilitate agility, precision, speed, and persistence required of intel
platforms and operational forces.   Formulates, coordinates, manages and oversees Defense
HUMINT policy, guidance and implementation.   Evaluates and oversees Special
Reconnaissance Operations, National Programs, and critical sensitive operations and

I. Description of Operations Financed (continued):

support within DoD and to other government agencies. Ensures coordination and deconfliction of activities among stakeholders. Provides functional oversight and support for administration of USD(I) compartmented and sensitive activities.

Special Technology Directorate: Develop, oversee, and manage special activities addressing critical intel needs, operational shortfalls, and interagency requirements.

Intelligence Development Directorate: Focused on operational requirements, processes, and technology support to the warfighter in the areas of Special Technology, Foreign Materiel and Intelligence Engagement, and other activities that involve the broad integration of intel capabilities to specific DoD missions. The Directorate identifies, assesses, and oversees development of new concepts and manages for the rapid application of new solutions to identified intelligence and operational shortfalls. The Directorate conducts research, analysis, and coordination of initiatives among Service and Defense Agencies to minimize overlapping programs, maximize cross-functional applications, and leverage existing investments. Specific initiatives include support to the COCOMs, Special Operations Forces, law enforcement agencies, the Counter Threat and Special Communications Communities.

Information Operations and Strategic Studies Directorate: Serves as principal staff advisors to USD(I) for DoD Information Operations (IO) and related strategic activities, such as operational requirements, field operating activities, Interagency SAP coordination, coordination with COCOMs and Services, intel-related strategies and assessments, Strategic Communication integration and other warfighter needs and requirements. Supports development of an integrated, multi-service and agency DoD IO Technology Architecture; provides analysis and recommendations for increasing coordination, deconfliction and coherence of technology among Government organizations,

I. <u>Description of Operations Financed (continued):</u>

industry, and academia; provides technical expertise in complex disciplines to support assessments, analyses and decision-making for DoD IO Technology Architecture and associated implementation and integration strategies across the Department; supports development, coordination, and review of sensitive capability employment packages in support of the Global War on Terrorism (GWOT).

<u>Information Operations Directorate</u>: Office of primary responsibility for development, oversight and integration of DoD IO policy, programs, plans, and activities, including: DoD investment strategy for IO programs and capabilities in support of the DoD Technology Architecture; OUSD(I) security administrative support for offensive IO and related activities; budgetary assessments of IO programs and activities; oversight of DoD IO capability and technology integration and evaluations; support to military Information Operations (e.g. GWOT) and related activities; oversee and coordinate DoD Intelligence Support to IO activities.

<u>Strategy, Transformation, Assessments and Plans Directorate</u>: Lead for implementing the USD(I) Remodeling Defense Intelligence vision through coordination with the Office of the Director of National Intelligence; the Intelligence Community, DoD's Intelligence Combat Support Agencies, Combatant Commanders, the Services and the Joint Staff. The Remodeling of Defense Intelligence effort will develop policy and directives pertaining to all intel disciplines (CI, Defense HUMINT, MASINT, SIGINT, GEOINT, OSINT), and new organization concepts (Joint Intelligence Operation Centers). Sustain USD(I) Intel Campaign Planning (ICP) efforts to synchronize and integrate the national and defense intelligence community efforts in support of designated COCOM OPLANS and CONPLANS. Maintain capability to represent USD(I) as part of the USG, Intelligence Community and Department of Defense Continuity Programs. Charged by the USDI to serve as the OUSD(I) focal point and coordinator for the development and assessment of the continuity

I. Description of Operations Financed (continued):

of operations critical and essential functions. Conduct readiness surveys of the Combat Support Agencies' COOP plans and participate in interagency exercises to insure the preparedness of USD(I) for COOP emergencies.

Personnel Development and Readiness Directorate: Provide oversight, policy and guidance for all DoD intelligence positions. Develop, implement and exercise policy oversight of Defense Civilian Intelligence Personnel System. Develops high-level metrics to monitor and track all Defense intelligence personnel readiness (e.g., language, recruitment, retention, sustainment etc.) Oversee implementation of DoD detailee policy within the Defense Intelligence components over the assignment of DCIPS personnel to an external DoD organization (to include implementation of the civilian Joint Duty program). Primary interface between the USD(I) and the Office of the Director of National Intelligence (ODNI) Chief Human Capital Officer to ensure DoD intelligence requirements are reflected in the Intelligence Community (IC) human capital strategies, policies, plans and programs and that ODNI policies are implemented as appropriate by intelligence components in DoD. Develop and oversee all Defense Intelligence Training and Education, professional development policies. Primary DoD interface with Associate DNI/Training and Education (Chancellor of the National Intelligence University).

Military Intelligence Program (MIP): The DUSD Military Intelligence Program (MIP) is responsible for creating and overseeing execution of the Military Intelligence Program, a balanced program of military intelligence capabilities supporting components, Combatant Commanders and the National Intelligence Community. Additionally, DUSD MIP analyzes National Intelligence Community (Office of the Director of National Intelligence) investment in the National Intelligence Program that supports military capabilities. DUSD MIP has embarked on a DEPSECDEF tasked experiment to manage the DoD's investment in a "portfolio" construct that balances capability and risk over a

I. Description of Operations Financed (continued):

number of capability focus areas. Supporting strategic objectives include: the "operationalization" of intelligence; the convergence and recapitalization of DoD ISR capabilities; global persistent surveillance; horizontal integration of intelligence information; collaborative net-centric distributed operations; and, the transformation of ISR management.

Enterprise Vision and Framework Directorate: Responsible for developing the holistic rationale for DoD intelligence capabilities and National Intelligence Program capabilities that support DoD entities. Outputs include a framework for articulating DoD capability needs, the Congressionally-mandated ISR Integration Roadmap, a prioritized set of capability attributes desired by the warfighter, and a statement of warfighter needs. The directorate is the primary OUSDI voice in the JROC process and is responsible for managing the ISR Integration Council. The directorate serves as the primary OUSDI interface with the J-8 for JROC process and issues, and the primary DUSD MIP interface with DUSD PW for national intelligence priorities.

Guidance and Investment Strategy Directorate: Responsible for developing an investment strategy that addresses warfighter ISR needs near-term and long-term. Represents OUSDI and advocates for MIP capabilities throughout the POM and budget process in the Department, and works closely with ODNI to ensure appropriate linkages and dependencies between the MIP and the NIP. Outputs include the annual Defense Intelligence Guidance, the military intelligence portion of the annual Budget Estimate Submission, and the MIP Congressional Justification Books. The directorate serves as the primary OUSD(I) interface with ODNI, OMB, PA&E, USD(C), and the Joint Staff for programming and budget matters and congressional appeals and processes.

I. Description of Operations Financed (continued):

Implementation, Assessment and Execution Directorate: Responsible for monitoring the DoD acquisition process for intelligence programs, overseeing current-year execution of the MIP, institutionalizing intelligence concepts and capabilities at military doctrine development organizations, and assessing the degree to which the DoD intelligence vision, framework, and investments meet warfighter needs. Outputs include USD(I)'s perspective in DoD acquisition documents, improving intelligence doctrine and training, and assessing intelligence capabilities. The directorate serves as the primary USD(I) interface with USD (AT&L), ASD (NII), and USD(C) for current year execution and reprogramming actions.

j. Preparation and Warning:

Forecasting and Evaluation Directorate: 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, which is more directly associated with customer operational needs, response times, and missions. Manage the development of measures of effectiveness and methodologies to assess the timelines, depth, quality, and focus of Defense Intelligence products.

Planning and Preparation Directorate: Responsible for development, preparation, synthesis, and coordination of draft guidance for the USD(I) dealing with future surveillance and reconnaissance Horizontal Integration (HI) concepts. 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

I. Description of Operations Financed (continued):

assurance and data sharing.   Includes future concepts for global intelligence surveillance and reconnaissance across a full range of platforms and sensors mapping these into an integrated Intelligence, Surveillance and Reconnaissance Road Map. Performing oversight of ongoing ISR acquisitions is also a key part of the future concepts and capabilities portfolio.   Also includes implications of threats to space systems and disruptive technologies for sustaining an advantage-based strategy for intelligence and for addressing potential vulnerabilities of intelligence systems.

7. Under Secretary of Defense (Policy)

	Dollars in Thousands			
	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
a. Policy Operations	15,194	6,917	11,077	11,751
b. Support to the Organization for Security Cooperation in Europe (OSCE)	250	611	637	688
c. Strategic Communication and Integration	–	–	3,000	3,100
d. Rewards Program	3,484	2,446	2,547	2,751
e. US Mission to NATO	568	–	2,900	3,100
f. Force Transformation Office	12,692	10,865	11,554	12,478
g. Assistant Secretary of Defense for Homeland Defense (HD)	9,042	12,729	13,462	14,539
h. Homeland Defense Critical Infrastructure Protection	29,579	20,083	18,997	20,053
i. Homeland Defense Maritime Domain	4,362	4,453	5,000	5,717
TOTAL	**75,171**	**58,104**	**69,174**	**74,177**

I. Description of Operations Financed (continued):

a. **Policy Operations:** Policy Operations provides 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, furthering cooperative relations with foreign countries, understanding with option to react against irregular warfare, monitor international security operations, and deny proliferation of weapons of mass destruction. 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. Funding provides analysis and recommendations in response to international crises and assists the Secretary's effort globally to train and equip international partners.

This funding provides an understanding of the strategic environment, the likely threats, defense strategies, implications for forces and capabilities, implications for programs and investment mix, and development of capabilities and adaptive planning concepts. Builds expertise to ensure that critical U.S. military technological advantages are preserved and diversion of defense related goods to terrorists is prevented. Develops, negotiates, implements, and monitors defense agreements with foreign countries on military facilities. Integrates programs to build, maintain, and defend alliances and relationships on political-military issues of DoD interest that relate to foreign governments and their defense establishments. This funding develops expertise on the access and operating rights for United States military facilities.

Integrates programs to build, maintain, and defend alliances and relationships on political-military issues of DoD interest that relate to foreign governments and their

I. Description of Operations Financed (continued):

defense establishments.   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. Strategic Communication: This is not a new start, but a consolidation of previous efforts to synchronize the linkage of strategic communication among the various DoD organizations and the information they relay to the media, public, and US allies.   This supports the Strategic Communication Integration Group (SCIG) as directed by the Secretary and Deputy Secretary.   Funding integrates the diverse actions (policy, planning, resourcing, and acquisition) more effectively with other communication functions within DoD.   Provides a regular and more structured interaction of strategic communication through a small cadre of civilian, military, and contractor support (pay, travel, contracts, etc.).   Funding will coordinate, integrate, and synchronize communication efforts across DoD and link information and communication issues with broader policies, plans, and actions.   Funding will enable complex coordination across the DoD to bring together organizational change and institutionalize a DoD process by which principles of Strategic Communication are incorporated in the development of strategy, policy formulation, and execution.

Strategic communication focuses DoD processes and efforts to understand and engage key audiences to create, strengthen, or preserve conditions favorable to advance national

I. Description of Operations Financed (continued):

interests and objectives through the use of coordinated information, themes, plans, programs, and actions synchronized with other elements of national power.

Funding will address long range trends and objectives of broad scope and importance. Also, funding will investigate emergent issues of interest and immediate significance that need coordination across several agencies.

d. **Rewards Program:** Provides funds to pay rewards for information and publicity for the program outside the United States in order to disrupt international terrorist activities and enhance US personnel security. Funds are managed by Assistant Secretary of Defense for Special Operations and Low Intensity Conflict. Funds are distributed to the Combatant Commands. The program is a proven critical tool in the War on Terrorism.

e. **US Mission to NATO:** US Mission to the North Atlantic Treaty Organization (USNATO) supports 75 Defense Personnel (military and civilian) and over 7,000 US military visitors on NATO issues. Funding provides regional stability interface with US allies, NATO resolution of regional conflicts, response to terrorism and unstable conditions in fragile and failed nation states that include NATO involvement, weapon of mass destruction bilateral measures, and support of overseas facilities. OSD has traditionally paid personnel, travel and some contract support. The remaining support responsibility was transferred from the Washington Headquarters Services.

f. **Office of Force Transformation:** The objective of The Office of Force Transformation is to facilitate the Department's transformation of its military force; to produce new sources of military power; and to perform as the change catalyst for the Secretary of Defense. This process is developed through support to transformational chairs at the military institutional education programs, transformation research programs,

I. Description of Operations Financed (continued):

transformational analysis and recommendations, transformational short courses, and transformational leadership programs. Funds support experimentation and exercise assessment, training, studies, prototyping, multi-media, transportation, travel, contractor support and publications.

g. Assistant Secretary of Defense for Homeland Defense (HD): Funding for the Assistant Secretary of Defense for Homeland Defense (HD) meets civil support mission requirements, provides incident and consequence management, coordinates national security special events, supplies specialty functions for civil engineering and military operations, and supports continuity of operations and continuity of government. The ever-changing affairs of the Directorate are met with a minimal Government staff and the ability to contract various subject matter experts. This range of expertise provides a dynamic organization to meet changing threats, by interchanging levels of individuals proficient in managing defense department events during a domestic crisis, either by an act of nature or through terrorism.

Funding supports initiatives such as an onsite twenty-four hour, daily watchstanders operations center at the Department of Homeland Security (DHS). Watchstanders allow centralization of information and data and integration of support on domestic functions, in case of military involvement. Funding also provides resources to the Military Services, Defense Agencies, and Combatant Commands to sustain civil support and related requirements and to provide operational integration of information between the Department and DHS during alerts or catastrophic events that warrant DoD involvement (i.e aftermath of hurricanes).

I. Description of Operations Financed (continued):

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.

h. 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.

In addition, DCIP is the lead, within DoD, for responsibilities related to 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.

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

I. Description of Operations Financed (continued):

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.

In FY 2004, critical infrastructure protection (CIP) funding and program responsibilities were centralized within OSD thus establishing the Defense Critical Infrastructure Program (DCIP). With the recent publication of DOD Directive 3020.40, as well as the DCIP assessment standards and benchmarks, DCIP is now positioned to decentralize program funding. DCIP COCOM funding was established for each of the Combatant Commands (COCOMs) beginning in FY2008. This funding will be used to manage the following program enhancements:
- Identify defense critical assets (to include inter- and intra-dependencies on other DoD-owned assets)
- Prioritize critical assets based on the combatant commander's warfighting requirements (utilizing the joint mission essential task list)
- Coordinate DCIP assessments on those defense critical assets in the respective AOR
- Apply risk management on those defense critical assets with identified vulnerabilities through remediation and mitigation planning

Remaining DCIP funding will be allocated to the Military Services, Defense Sectors/Agencies, and the DIB. The Military Services, the Defense Sectors/Agencies, and the DIB will identify defense critical assets supporting DoD missions using a standard methodology. In addition, these DoD components will identify critical asset inter-and intra-dependencies as well as conduct DCIP assessments and perform risk management

I. Description of Operations Financed (continued):

activities. Funding will also be used to ensure program activities and DoD Directive 3020.40 responsibilities are conducted in accordance with program metrics.

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

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

I. Description of Operations Financed (continued):

8. Director, Program Analysis & Evaluation

Dollars in Thousands

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
a. Office of the Director Support	-	227	240	259
b. Long-Range Planning	22,689	18,504	20,676	22,255
c. Defense Resource Management Study Program (DRMS)	3,507	3,260	4,160	4,237
TOTAL	**26,196**	**21,991**	**25,076**	**26,751**

a. Office of the Director Support: This fund is required for studies and analysis to support cost estimation via the Cost Analysis Improvement Group, developing cost analysis capabilities for DoD acquisitions, generating Congressionally-required reports, and enhancing simulation models.

b. Long Range Planning: The Long Range Planning and Analytical Support Program provides critical analyses of DoD programs and independent advice to the Secretary of Defense in support of the program and budget decisions, the Quadrennial Defense Review, strategy and force planning, and transformation. More specifically, it develops and analyzes program alternatives, ensures that the Future Year Defense Program is holistically managed, and confirms that programs are effective, efficient, and properly costed and funded. 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.

I. Description of Operations Financed (continued):

- 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. Plays a key role in developing the President's Budget submission by setting the stage for the Program/Budget Review. Informs program and budget deliberations.

- 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).

I.   Description of Operations Financed (continued):

- 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 statute.

- 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. Estimates costs 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 manage the coordination process for program issues, and an automated system to assist in the management of internal PA&E resources.

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

I. Description of Operations Financed (continued):

    c. Defense Resource Management Study Program (DRMS): The DRMS program is co-sponsored by OUSD (Policy) and OD,PA&E. The program's goal is to reform the defense resource management process of foreign countries in the process of establishing democratic control in the areas of defense and national security. Through DRMS, the Department assists the defense reform movement in these regions by helping define defense and national security requirements and analyzing their current and alternative defense programs. The DRMS will foster transparency, strengthen democratic control of the military, and promote regional stability.

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

	Dollars in Thousands			
	FY 2006 Actual	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate
a. NII Mission and Analysis Fund	25,580	19,198	23,145	27,973
b. Command Information Superiority Architecture (CISA)	4,526	4,323	4,598	4,966
c. Information Superiority Integration Support (ISIS)	8,672	8,952	9,519	10,281
d. Chief Information Officer (CIO)	12,806	14,857	15,699	16,955
e. Information Systems Security Program (ISSP)	18,529	15,696	16,690	18,025
f. eGov Initiatives and Government-Wide Councils	23,800	28,078	24,550	26,514
g. NII Special Program Support	27,593	-	-	-
TOTAL	**121,506**	**91,104**	**94,201**	**104,714**

I. Description of Operations Financed (continued):

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. 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

I. Description of Operations Financed (continued):

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.

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

I. Description of Operations Financed (continued):

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.

d. Chief Information Officer: The DoD CIO program provides:
1. Analytic assessments and technical expertise support for a net-centric warfare and business environment, relying to the maximum extent possible on existing initiatives;
2. Implementation and the extension of the Net-Centric Data Strategy;
3. Oversight and enforcement of the Global Information Grid (GIG) architecture to ensure interoperability and supportability of IT and NSS across the Department;
4. 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;
5. Pursuit of DoD enterprise software licensing opportunities to include Federal SmartBUY agreements;
6. Expansion of 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;
7. Development of policies, procedures and governance structures for managing IT investments as portfolios; and

I. <u>**Description of Operations Financed (continued)**</u>**:**

> 8. Continued development and implementation of initiatives to educate and train IT personnel.

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

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

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

III. Financial Summary ($ in Thousands)

A. BA Subactivities	FY 2006 Actuals	Budget Request	FY 2007 Congressional Action Amount	Per-cent	Appro-priated	Current Estimate	FY 2008 Estimate	FY 2009 Estimate
1. Core Operating Program	246,290	246,583	–	–	246,583	246,583	254,467	263,981
Compensation and Benefits	222,937	224,586	–	–	224,586	224,586	231,115	239,406
Travel of Persons	16,926	16,192	–	–	16,192	16,192	15,719	16,487
Transportation	160	120	–	–	120	120	123	125
Official Representation	2,342	1,664	–	–	1,664	1,664	1,701	1,725
Training of Personnel	–	–	–	–	–	–	1,700	1,800
IPA/Reimbursable Details	3,805	3,919	–	–	3,919	3,919	4,005	4,326
Permanent Change of Station	120	102	–	–	102	102	104	112
2. Other DoD Programs and Initiatives	81,126	159,145	2,731	1.7	161,876	163,409	184,276	213,868
Capital Security Cost Sharing	–	126,700	–	–	126,700	126,700	131,700	158,000
BMSI	21,783	–	–	–	–	–	–	–
Financial Mgt. CBMA	4,988	–	–	–	–	–	–	–
Installation & Environment (AT&L)	3,263	–	–	–	–	–	–	–
Acquisition Domain (AT&L)	6,117	–	–	–	–	–	–	–
EIE CBMA (NII)	248	–	–	–	–	–	–	–
Contracts & Other Support Services	15,931	8,344	3,481	41.7	11,825	13,358	27,861	29,168
Net Assessment	19,333	18,219	-567	-3.1	17,652	17,652	18,772	20,274
ROK Scholarship	–	500	-16	-3.2	484	484	500	548
Def. Test Resource Management Center	5,434	5,382	-167	-3.1	5,215	5,215	5,443	5,878
Disaster Relief Efforts	3,200	–	–	–	–	–	–	–

III. Financial Summary ($ in Thousands)

A. BA Subactivities	FY 2006 Actuals	FY 2007 Budget Request	Congressional Action Amount	Per- cent	Appro- priated	Current Estimate	FY 2008 Estimate	FY 2009 Estimate
Freedom Walk 9/11 Memorial Efforts	196	–	–	–	–	–	–	–
Counternarcotics	633	–	–	–	–	–	–	–
3. OUSD(AT&L) Programs	**157,911**	**103,818**	**26,834**	**25.8**	**130,652**	**128,652**	**124,707**	**117,308**
Congressional Mandate								
Legacy	8,308	8,151	-253	-3.1	7,898	7,898	8,098	8,211
CFO Act Compliance	1,515	1,967	-61	-3.1	1,906	1,906	1,755	1,983
Arctic Mil. Env. Cooperation AMEC	278	1,262	-39	-3.1	1,223	1,223	–	–
Native American Lands Environmental Mitigation	9,752	239	9,992	4,180.8	10,231	10,231	237	266
E-Business COE	10,391	1,542	-336	-3.1	1,494	1,494	3,740	2,516
Capital Asset Management System	1,850	–	–	–	–	–	–	–
Def. Prop. Accountability & Mil. Eq.	–	572	-18	-3.1	554	554	–	–
Military Critical Technical Support	–	2,000	–	–	2,000	–	–	–
Subtotal Congressional Mandate	**32,094**	**15,733**	**9,573**	**60.8**	**25,306**	**23,306**	**13,830**	**12,976**
Improve Acquisition & Logistics Processes								
Consolidated Acq. Reporting System	363	413	-13	-3.1	400	400	–	–
Def. Reform Project for Competition	2,784	2,331	-72	-3.1	2,259	2,259	2,566	2,836
Acquisition Program Support System	7,602	7,982	-248	-3.1	7,734	7,734	7,931	8,858
Logistics Systems Modernization (LSM)	8,996	4,660	2,022	43.4	6,682	6,682	12,859	14,349
Def. Procurement & Acq. Policy	4,095	10,819	-336	-3.1	10,483	10,483	8,222	11,506
Mission Capabilities/Sys.	4,804	6,202	-193	-3.1	6,009	6,009	8,497	9,336

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A. BA Subactivities	FY 2006 Actuals	FY 2007 Budget Request	Congressional Action Amount	Per- cent	Appro- priated	Current Estimate	FY 2008 Estimate	FY 2009 Estimate
Engineering								
Defense Installation Spatial Data Infrastructure (DISDI)	11,801	–	–	–	–	–	1,000	1,000
Unique Item ID	860	50	-2	-4.0	48	48	2,143	1,000
Facilities Program Requirements	515	882	-27	-3.1	855	855	857	811
Corrosion Prevention	8,136	8,413	-262	-3.1	8,151	8,151	8,101	9,060
Human Capital Initiatives	2,398	–	–	–	–	–	1,041	1,106
Subtotal Improve A&L Processes	**52,363**	**41,752**	**869**	**2.1**	**42,621**	**42,621**	**53,217**	**59,862**
Regulatory Requirement								
Acquisition Workforce Demo	1,677	1,124	-35	-3.1	1,089	1,089	542	–
Environmental Security Cooperation	1,292	1,549	-48	-3.1	1,501	1,501	1,539	1,719
REPI	35,028	20,000	17,211	86.1	37,211	37,211	30,000	15,000
BRAC Support	677	–	–	–	–	–	–	–
Emerging Contaminants	–	–	–	–	–	–	1,300	1,333
Assess EMP Threat	–	–	–	–	–	–	–	–
Low Observable (LO)/Counter LO	222	230	-7	-3.0	223	223	228	254
Subtotal Regulatory Requirement	**38,896**	**22,903**	**17,121**	**74.8**	**40,024**	**40,024**	**33,609**	**18,306**
Promulgate Policy								
Acquisition Knowledge Sharing (AKSS)	3,546	3,517	-109	-3.1	3,408	3,408	4,622	4,635
Transform Procurement Regulations	1,040	1,757	-55	-3.1	1,702	1,702	1,804	1,858
DAMIRS	3,320	2,653	-83	-3.1	2,570	2,570	2,637	2,944
Subtotal Promulgate Policy	**7,906**	**7,927**	**-247**	**-3.1**	**7,680**	**7,680**	**9,063**	**9,437**
OSD Analysis and Support								

III. Financial Summary ($ in Thousands)

A. BA Subactivities	FY 2006 Actuals	Budget Request	FY 2007 Congressional Action Amount	Per- cent	Appro- priated	Current Estimate	FY 2008 Estimate	FY 2009 Estimate
OSD Study Program	18,374	15,503	-482	-3.1	15,021	15,021	14,988	16,727
Other								
Environmental Restoration	3,880	–	–	–	–	–	–	–
Joint Rapid Acquisition Cell	742							
Management Support	3,656	–	–	–	–	–	–	–
Subtotal AT&L Other	8,278	–	–	–	–	–	–	–
4. OUSD(Personnel & Readiness)	25,897	27,980	-870	-3.1	27,110	27,110	267,336	266,501
Training Transformation (T2)	9,178	9,289	-289	-3.1	9,000	9,000	6,621	7,158
COCOM Exercise Engagement & T2(CE2T2)	–	–	–	–	–	–	233,641	229,512
Studies/CAAS Support	3,704	3,103	-96	-3.1	3,007	3,007	3,131	3,381
Base Allowance for Housing	446	439	-14	-3.1	425	425	442	477
Defense Safety O/S Council	7,229	8,153	-254	-3.1	7,889	7,889	8,174	8,828
Administrative Support	448	1,107	-34	-3.1	1,073	1,073	1,118	1,207
Lost Work Day System	2,423	3,365	-105	-3.1	3,260	3,260	3,396	3,668
Advancing Diversity & EO	–	–	–	–	–	–	5,900	7,300
Defense Readiness Reporting System	2,469	2,524	-78	-3.1	2,446	2,446	4,913	4,970
5. OUSD(Comptroller) Programs	16,165	15,388	-478	-3.1	14,910	14,910	20,934	22,209
FYDP Improvement	3,490	3,441	-107	-3.1	3,334	3,334	3,625	3,915
Comptroller Initiatives/DCFO	12,203	11,490	-357	-3.1	11,133	11,133	16,838	17,785
Administration & CAAS Support	472	457	-14	-3.1	443	443	471	509
6. OUSD(Intelligence) Programs	45,591	18,761	-583	-3.1	18,178	29,918	53,571	54,088
Enterprise Management	–	3,165	-98	-3.1	3,067	3,165	5,040	5,241

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			FY 2007					
			Congressional Action					
		Budget		Per-	Appro-	Current	FY 2008	FY 2009
	FY 2006	Budget		Per-	Appro-	Current	FY 2008	FY 2009
A. BA Subactivities	Actuals	Request	Amount	cent	priated	Estimate	Estimate	Estimate
OUSD(I) Mission & Analysis Fund	15,688	–	–	–	–	–	–	–
OUSD(I) Special Access Programs	16,385	–	–	–	–	–	–	–
Counterintelligence and Security	11,749	–	–	–	–	–	–	–
Management Support Office	1,769	–	–	–	–	–	–	–
Counterintelligence	–	1,800	-56	-3.1	1,744	1,744	2,927	3,044
Security	–	5,632	-175	-3.1	5,457	5,457	10,893	11,328
Intelligence & Warfighting Support	–	5,335	-166	-3.1	5,169	5,169	21,448	20,683
Military Intelligence Programs	–	1,845	-57	-3.1	1,788	1,788	5,163	5,369
Preparation and Warning	–	984	-31	-3.1	953	953	8,100	8,423
Global War on Terror (Supp)	–	–	–	–	–	11,740	–	–
7. OUSD(Policy) Programs	**75,171**	**59,968**	**-1,864**	**-3.1**	**58,104**	**58,104**	**69,174**	**74,177**
Policy Operations	15,194	7,139	-222	-3.1	6,917	6,917	11,077	11,751
Support to OSCE	250	631	-20	-3.1	611	611	637	688
Strategic Comms & Integration	–	–	–	–	–	–	3,000	3,100
Rewards Program	3,484	2,524	-78	-3.1	2,446	2,446	2,547	2,751
US Mission to NATO	568	–	–	–	–	–	2,900	3,100
Force Transformation Office	12,692	11,214	-349	-3.1	10,865	10,865	11,554	12,478
Homeland Defense	9,042	13,137	-408	-3.1	12,729	12,729	13,462	14,539
Critical Infrastructure Protection	29,579	15,567	-484	-3.1	20,083	20,083	18,997	20,053
Maritime Domain	4,362	9,756	-303	-3.1	4,453	4,453	5,000	5,717
8. Program Analysis & Evaluation	**26,196**	**22,697**	**-706**	**-3.1**	**21,991**	**21,991**	**25,076**	**26,751**
Director Studies/CAAS	–	234	-7	-3.1	227	227	240	259
Long-Range Planning	22,689	19,098	-594	-3.1	18,504	18,504	20,676	22,255

III. <u>Financial Summary ($ in Thousands)</u>

			FY 2007					
			Congressional Action					
A. BA Subactivities	**FY 2006 Actuals**	**Budget Request**	**Amount**	**Per- cent**	**Appro- priated**	**Current Estimate**	**FY 2008 Estimate**	**FY 2009 Estimate**
Defense Resource Management Study	3,507	3,365	-105	-3.1	3,260	3,260	4,160	4,237
9. Networks & Information Integration	**121,506**	**94,028**	**-2,924**	**-3.1**	**91,104**	**91,104**	**94,201**	**104,714**
NII Mission and Analysis Fund	25,580	19,814	-616	-3.1	19,198	19,198	23,145	27,973
Command Info Superiority Architecture	4,526	4,462	-139	-3.1	4,323	4,323	4,598	4,966
Info Superiority Integration Spt	8,672	9,239	-287	-3.1	8,952	8,952	9,519	10,281
Chief Information Officer	12,806	15,334	-477	-3.1	14,857	14,857	15,699	16,955
Information Systems Security	18,529	16,200	-504	-3.1	15,696	15,696	16,690	18,025
eGov and Councils	23,800	28,979	-901	-3.1	28,078	28,078	24,550	26,514
NII Special Programs Support	27,593	662	-28,255	-	-	-	-	-
10. Congressional Adds/Fact of Life	**58,396**	**-**	**28,230**	**-**	**28,230**	**28,230**	**-**	**-**
Armed Forces Medical & Food Research	-	-	1,430	100	1,430	1,430	-	-
Military Voter Registration System	-	-	600	100	600	600	-	-
Foreign Disclosure Train Ed & Cert	976	-	1,000	100	1,000	1,000		
Chem/Bio Resistant Hydration on Move	976	-	-	-	-	-	-	-
Focus on Family at Neuman College	488	-	-	-	-	-	-	-
Women's Campaign International	-	-	1,500	100	1,500	1,500	-	-
Jt ROTC Mil Leadership U of S Fl	3,735	-	-	-	-	-	-	-
Middle East Regional Security	1,264	-	1,400	100	1,400	1,400	-	-
Minority Contract Enhancement Program	-	-	1,700	100	1,700	1,700	-	-
Dedicated Information Sys Security	976	-	-	-	-	-	-	-
Svc-Wide Safety: Alcohol Breath Det	244	-	-	-	-	-	-	-
Virtual Reality Spray Paint Sys Sys	976	-	1,000	100	1,000	1,000		

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A. BA Subactivities	FY 2006 Actuals	Budget Request	Amount	Per-cent	Appro-priated	Current Estimate	FY 2008 Estimate	FY 2009 Estimate
			FY 2007					
			Congressional Action					
Wind Demonstration Project	4,150	–	5,000	100	5,000	5,000	–	–
Country Study Series	488	–	–	–	–	–	–	–
Beyond Goldwater Nichols	1,074	–	–	–	–	–	–	–
SSBN Transit Protection System	976	–	–	–	–	–	–	–
Critical Language Training SDU	976	–	1,000	100	1,000	1,000	–	–
Grants								
Intrepid Sea-Air-Space Museum	3,759	–	4,500	100	4,500	4,500	–	–
ACW Center at Historic Tredegar	976	–	–	–	–	–	–	–
Am. Red Cross Consol Blood Svc Fac	1,465	–	1,000	100	1,000	1,000	–	–
Battleship Texas Foundation	1,465			–				
Ctr for App Science & Engineering	4,296	–	2,600	100	2,600	2,600	–	–
Eisenhower Memorial Commission	1,660	–	–	–	–	–	–	–
Ft Des Moines Mem Park & Ed Ctr	830	–	–	–	–	–	–	–
GMU Clinic for Legal Services	488	–	–	–	–	–	–	–
Iraq Cultural Heritage Asst Project	976			–				
Museum of Flight	1,465	–	–	–	–	–	–	–
National Guard Youth Foundation	976	–	–	–	–	–	–	–
Pacific Aviation Museum	1,318	–	–	–	–	–	–	–
PA Veterans Museum Media Armory	976	–	–	–	–	–	–	–
Pentagon Memorial Fund Inc.	976	–	–	–	–	–	–	–
Presidio Trust (Parade Field)	1,953	–	2,000	100	2,000	2,000	–	–
T.H.A.N.K.S USA	3,906	–	–	–	–	–	–	–
Telluride Adaptive Sports Program	146	–	–	–	–	–	–	–

III. Financial Summary ($ in Thousands)

			FY 2007						
			Congressional Action						
A.	BA Subactivities	FY 2006 Actuals	Budget Request	Amount	Per-cent	Appro-priated	Current Estimate	FY 2008 Estimate	FY 2009 Estimate
	United Services Organization	2,490	–	–	–	–	–	–	–
	Vietnam Veterans Memorial Fund	976	–	–	–	–	–	–	–
	Westchester County WTC Memorial	488	–	–	–	–	–	–	–
	Women in the Military Memorial	976	–	1,000	100	1,000	1,000		
	Avian Influenza Title II Supplemental	10,000	–	–	–	–	–	–	–
	Fisher House	–	–	2,500	100	2,500	2,500	–	–
Total		**854,249**	**748,368**	**47,870**	**6.4**	**798,738**	**810,011**	**1,093,742**	**1,143,597**

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B. Reconciliation Summary	Change FY 2007/FY 2007	Change FY 2007/FY 2008	Change FY 2008/FY 2009
Baseline Funding	748,368	796,738	1,093,742
Congressional Adjustments (Distributed)	11,200	n/a	n/a
Congressional Adjustments (Undistributed)	17,168	n/a	n/a
Adjustments to Meet Cong. Intent	13,600	n/a	n/a
Congressional Adjustments-General Provisions	-3,203	n/a	n/a
Congressional Adjustments (Earmark)	9,605	n/a	n/a
Subtotal Appropriated Amount	**796,738**	n/a	n/a
Title IX Supplemental	13,273	n/a	n/a
Reprogramming	–	n/a	n/a
Price Changes	–	18,420	24,750
Functional Transfers	–	256,100	–
Program Changes	–	22,484	25,105
Current Estimate	**810,011**	**1,093,742**	**1,143,597**
Less: Wartime Supplemental	**-13,273**	–	–
Normalized Current Estimate	**796,738**	**1,093,742**	**1,143,597**

III. **Financial Summary ($ in Thousands)**

C. Reconciliation of Increases and Decreases	Amount	Totals
FY 2007 President's Budget Request (Amended, if applicable)		**748,368**
1. Congressional Adjustments		
a. Distributed Adjustments		11,200
1) Military Voter Registration System (P&R)	600	
2) Foreign Disclosure on-Line Training Education and Certification	1,000	
3) Women's Campaign International	1,500	
4) Middle East Regional Security Issues Program	1,400	
5) Minority Contract Enhancement	1,700	
6) Virtual Reality Spray Paint Simulator System and Training Program	1,000	
7) Wind Demonstration Program	5,000	
8) Military Critical Technologies Program, Transfer to OSD RDT&E	-2,000	
9) Critical Language Training: San Diego State University	1,000	
b. Undistributed Adjustments		17,168
1) Armed Forces Medical and Food Research	1,430	
2) Unobligated Balances	-4,262	
3) Compatible Use Buffer Program (to REPI)	20,000	
c. Adjustments to meet Congressional Intent		
d. General Provisions Distributed (Section 8088 except Fisher House)		13,600
1) Intrepid Sea-Air Space	4,500	
2) American Red Cross Consolidated Blood Services Facility	1,000	
3) Center for applied Science and Engineering at Jordan Valley	2,600	
4) Presidio Trust (Parade Field Renovation)	2,000	
5) Women in the Military Service for America Memorial Foundation	1,000	
6) Fisher House (Section 8075)	2,500	
e. General Provisions (Undistributed)		-3,203
1) Section 8106 Economic Assumptions (-66,951)	-2,641	
2) Section 8097 Excessive Growth in Travel and Transportation	-562	
f. Congressional Earmarks		9,605

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C. Reconciliation of Increases and Decreases	Amount	Totals
1) *(Offset)* Section 8044 Mitigation of Env. Impacts and Training on Indian Lands	-395	
2) *(Earmark)* Section 8044 Mitigation of Env. Impacts and Training on Indian Lands	10,000	

	Amount	Totals
FY 2007 Appropriated Amount		**796,738**
2. Program Changes (FY 2007 to FY 2007 only)		-
FY 2007 Baseline Funding		**796,738**
3. War-Related and Disaster Supplemental Appropriations		13,273
a. Title IX	13,273	
Revised FY 2007 Estimate		**810,011**
4. Less War-Related and Disaster Supplemental Appropriations		-13,273
a. Title IX	-13,273	
FY 2007 Normalized Current Estimate		**796,738**
5. Transfers		
a. Anticipated Supplementals		**-**
b. Functional Transfers		
1) Transfers In		256,100
a) Personnel Training from WHS	1,700	
b) US Mission to NATO from WHS-OUSD(P)	2,900	
c) Assess the EMP Threat from WHS-OUSD(AT&L)	2,100	
d) New Strategic Posture from WHS-OUSD(P)	200	
e) Defense Reconstruction Support Office from WHS OUSD(P)	900	
f) Defense Business Board from WHS	600	
g) Future Boards and Commissions from WHS	1,400	
h) Sexual Assault in the Military-OUSD(P&R)	6,400	
i) Commission on the National Guard and Reserve from WHS-OUSD(P&R)	5,300	
j) Quadrennial Review of Military Compensation from WHS-OUSD(P&R)	3,200	

III. <u>Financial Summary ($ in Thousands)</u>

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
k) COCOM Exercise Engagement & Training Transformation program	231,400	
2) Transfers Out		
6. Price Change		18,420
7. Program Increases		
a. Annualization of New FY 2008 Program		–
b. One-Time FY 2008 Increases		–
c. Program Growth in FY 2008		85,979
1) Compensation and Benefits – Increased for two additional paid days. (FY 2007 baseline: 224,586)	1,261	
2) Capital Security Cost Sharing – Increased costs for the Defense Department's pro-rata share of the cost of the Department of State Capital Security Cost Sharing program to improve physical security. (FY 2007 baseline: 126,700)	2,086	
3) Net Assessment Office – Increase for additional studies and assessments. (FY 2007 baseline: 17,652)	715	
4) ROK Scholarship Fund and Test Resource Management Center – This increase will allow the US to meet its commitments to the Republic of Korea and will assist to fulfill a congressional requirement to provide support to improve the management of the Department's Operational Test and Evaluation. (FY 2007 baseline: 5,699)	114	
5) AT&L Legacy Resource Management- This increase will assist to fulfill a congressional requirement to provide support and improve the management of the Department's funds and assets. (FY 2007 baseline: 7,896)	20	
6) E-Business Center of Excellence – This increase will assist to fulfill a congressional requirement to provide support and improve the management of the Department's funds and assets. (FY 2007 baseline: 1,495)	2,242	

III. Financial Summary ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
7) Defense Management Initiatives – This increase will provide for analytical products and tools needed to improve management of installations and facilities. (FY 2007 baseline: 2,258)	257	
8) Acquisition Program Support Systems – Provides for increased sustainment efforts, including training. (FY 2007 baseline: 7,735)	19	
9) Logistics Systems Modernization – Provides for increased sustainment efforts, including training. (FY 2007 baseline: 6,682)	6,024	
10) Mission Capabilities/Systems Engineering – Provides for increased sustainment efforts, including training. (FY 2007 baseline: 6,009)	2,350	
11) Defense Installation Spatial Data Infrastructure – Increase provides funding for contractor support (FY 2007 baseline: 0)	1,000	
12) Unique Item Identification – This increase will support providing globally unique identification of independent units and distinguishable persons, places, things and events. (FY 2007 baseline: 122)	2,019	
13) Emerging Contaminants – Provides for contract support for a new program to study establishment of a defense against these contaminants. (FY 2007 baseline: $0)	1,300	
14) Acquisition Knowledge Sharing System (AKSS) and Transform Procurement Regulations And DAMIR – Increase required for up-to-date material on AT&L mandatory policies and discretionary practices and to increase the efficiency and improve the quality and effectiveness of the DoD's procurement regulatory process and rulemaking capability. (FY 2007 baseline: 8,755)	107	
15) OUSD (P&R) COCOM Exercise Engagement and T2 – Realigned from Training Transformation to consolidate T2 resources. (FY 2007 baseline: 0)	2,241	

III. Financial Summary ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals

16) OUSD (P&R) Studies Program, Defense Safety Oversight Council, P&R Admin Support, Base Allowance for Housing, Lost Work Day System – Provides increase in contract support. (FY 2007 baseline: 11,331) — 240

17) OUSD (P&R) Advancing Diversity and Equal Opportunity – This is a new program needed to reverse the downward trend in personnel with targeted disabilities and to increase representation of minorities in senior ranks. (FY 2007 baseline: $0) — 5,900

18) OUSD (P&R) Defense Readiness Reporting System – The program increase is needed to provide quick analysis of force capability issues, effective program oversight, operator training, and data maintenance for the on-going DRRS program. (FY 2007 baseline: 2,446) — 2,411

19) OUSD (Comptroller) FYDP Improvement, Comptroller Initiatives, and Administrative Costs, – This increase will fund additional contractor support to support reporting requirements in compliance with the Government Performance Results Act (GPRA) and the President's Management Agenda. It also provides funding for increased contract costs for improved Future Years Defense Program (FYDP) production, and performance of tasks required to obtain clean audit opinions. (FY 2007 baseline: 14,910) — 5,682

20) OUSD (Intelligence) Enterprise Management, Security, Intelligence & Warfighting Support, Military Intelligence Programs and Preparation and Warning – The increases will provide needed contractor support to the OUSD(I) for its full range of expanding policy and oversight missions for intelligence, security, and intelligence-related activities, including the Intelligence, Surveillance and Reconnaissance (ISR) Portfolio and the design and adoption of a new Intelligence personnel system similar to the National Security Personnel System. The details are — 34,978

III. Financial Summary ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals

classified and available on a need to know basis and in the Classified Congressional Justification Book.   (FY 2007 baseline: 18,178)

21) OUSD(Policy) Operations. The Policy Operations increase will strengthen the US response to Iraq, global war on terrorism, and irregular warfare. It uses social scientists for cultural development and understanding of unstable countries and provides foreign affair specialists to analyze unique situations worldwide.   2,901

Also builds a knowledge base of global experts that understand terrorist cells and other asymmetric threats. Provides consultants for special situations and uses subject matter experts in linguistics and culture development to evaluate the evolving challenges of the international security environment. Underwrites research for countering weapons of mass destruction and provides understanding of threats to the US.

Also strengthens Near Eastern/Southeast Asia (NESA) organization in support of USCENTCOM by providing policy, strategy, advice, recommendations, intelligence, expertise, and subject matter experts. Supports USPACOM by formulating international security and political-military policy efforts that maintain the US presence against the rise of counter-Asia interests while maintaining stability.

Also provides policy, strategy, advice, recommendations, intelligence, expertise, and subject matter experts in the prevention of irregular terrorism by developing new options in the defense against extremist ideologies and the absence of effective

III. Financial Summary ($ in Thousands)

		Amount	Totals
C.	**Reconciliation of Increases and Decreases**		

governance. Increases DoD capability and capacity to conduct counter-network operations, rebalances Joint and Service military and civilian education and training for the conduct and support of irregular warfare operations, and transforms the way DoD manages its people to meet irregular warfare operational requirements. (FY 2007 baseline 6,917) (Congressional adds totaling 1,100 will be executed in Policy Operations in FY 2007 and the increase is adjusted for this).

22) OUSD(Policy) Strategic Communication – Consolidates previous   3,000
efforts to understand the linkage of strategic communication among the various DoD organizations and the information they relay to the media, public, and US allies. Supports the Strategic Communication Integration Group (SCIG) as directed by the Secretary and Deputy Secretary through integration of diverse actions (policy, planning, resourcing, and acquisition) more effectively with other DoD communication functions. Provides a regular and more structured interaction of strategic communication through a small cadre of civilian, military, and contractor support (pay, travel, contracts, etc.). Coordinates, integrates, and synchronizes communication efforts across DoD and links information and communication issues with broader policies, plans, and actions. Enables complex coordination across the DoD to bring together organizational change and institutionalize a DoD process by which principles of Strategic Communication are incorporated in the development of strategy, policy formulation, and execution. Addresses long range trends and objectives of broad scope and importance. Also, funding will investigate emergent issues of interest and immediate significance that need coordination across several agencies. (FY 2007 baseline: (0)

III. Financial Summary ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
23) OUSD(Policy) Rewards, OSCE, Force Transformation, Homeland Defense, Maritime Domain – These increases are needed for additional rewards and Contract Support for the expanding OUSD(Policy) program responsibility. (FY 2007 baseline: 31,104)	1,371	
24) Director, Program Analysis and Evaluation (PA&E) Studies and Long Range Planning and Defense Resource Management Studies (DRMS) – The Long Range Planning increase will be used for maintenance and operational support for IT systems and software used to support analytic studies directed by the Secretary of Defense. These analytic efforts will focus on irregular warfare, ground force structure (to include manpower, equipment, and readiness), the integration of intelligence, surveillance, and reconnaissance capabilities, and the use of modeling and simulation across all warfare areas. The increase to DRMS restores funding for the Defense Resource Management Study program in order to fully fund start up costs for two foreign countries per year and sustainment of studies underway. The Defense Resource Management Study provides U.S. defense and security assistance by working with selected foreign governments to produce a balanced, resource-constrained, multi-year defense program that supports the host nation's national security strategy. (FY 2007 baseline: (21,991)	2,573	
25) Assistant Secretary of Defense (Networks and Information Integration-NII) Mission and Analysis Fund, Command Information Superiority Architecture (CISA), Information Superiority Integration Support (ISIS), Chief Information Officer, and Information Systems Security Program - Increase required to furnish administrative contract support and to fund studies and information technology contract support necessary to these programs and the Distributive Nuclear/National Command and Control (DNC2) program. (FY 2007 baseline: 94,028)	5,178	

III. Financial Summary ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
8. Program Decreases		
a. Annualization of FY 2008 Program Decreases		
b. One-Time FY 2008 Decreases		-
1) Congressional Adds not Carried Forward	-29,181	
2) Earmark Not Carried Forward – Section 8044 NALEMP	-10,230	
Subtotal		-39,106
c. Program Decreases in FY 2008		-24,389
1) Travel of Persons, Official Representation/Intergovernmental Personnel Act and Reimbursable Details - Reduced requirements due to ongoing efforts to improve efficiencies within the Department. (FY 2007 baseline: 21,775)	-850	
2) Contracts and Other Support Services (COSS) – Reduced due to increases not carried forward. (FY 2007 baseline: 8,344)	-3,231	
3) OUSD (AT&L) Congressional Mandate: CFO Act Compliance, AMEC, Defense Property Accountability and Military Equipment Value – Reductions reflect reevaluation of existing efforts and the ending of the Arctic Military Environmental Cooperation Program (AMEC) and the Defense Property Accountability & Military Equipment Value program. (FY 2007 baseline: 3,682)	-2,010	
4) OUSD (AT&L) Improve Acquisition and Logistics Processes: Consolidated Acquisition Reporting System, Defense Procurement and Acquisition Policy, Facilities Program Requirement, Corrosion Prevention Program, and Human Capital Initiatives - Decrease is a reflection of the Department's efforts to maintain costs and improve efficiencies. (FY 2007 baseline: 18,742)	-950	
5) OUSD (AT&L) Regulatory Requirement: Acquisition Workforce Demonstration and Readiness & Environmental Protection Initiative (REPI) program reduction. (FY 2007 baseline: 38,299)	-8,637	

III. Financial Summary ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
6) OUSD (AT&L) OSD Study Program – This decrease is a reflection of the Department's efforts to maintain costs, improve efficiencies and of funding constraints. (FY 2007 baseline: 15,021)	-378	
7) OUSD (Personnel and Readiness): Training Transformation (T2) – This program is reduced to align these resources with the T2 resources under the COCOM Exercise Engagement and T2 (CE2T2) program. (FY 2007 baseline: $9,000)	-2,586	
8) Homeland Defense Critical Infrastructure Protection – OASD(HD) DCIP funding for the National Guard Bureau (NGB) will be reduced due to the Joint Requirements Oversight Council's (JROC) recent decision requiring the Military Services to identify funds for the NGB to conduct assessments on Defense Industrial Base (DIB) assets. (FY 2007 baseline: 20,083)	-1,547	
9) OASD (NII) eGov and Councils – The decrease reflects the Department's efforts to maintain costs and improve efficiencies. (FY 2007 baseline: 28,078)	-4,200	
FY 2008 Budget Request		**1,093,742**
9. Price Changes		24,750
10. Transfers		–
11. Program Growth in FY 2009		
a. Annualization of New FY 2008 Program		–
b. One-time FY 2009 Costs		–
c. Program Growth in FY 2009		55,519
1) Compensation and Benefits – The increase will provide for the conversion of military authorizations from military to civilian with a resulting increase in Full Time Equivalents. (FY 2008 baseline: 231,115)	2,512	

III. Financial Summary ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
2) Travel, Personnel Training, Intergovernmental Personnel Act and Permanent Change of Station – Increased SECDEF travel, staffing, and associated costs in support of the Department's mission. (FY 2008 baseline: 21,528)	724	
3) Capital Security Cost Sharing – Increased costs for the Defense Department share of the cost of the Department of State Capital Security Cost Sharing (CSCS) program to improve physical security. (FY 2008 baseline: 131,700)	23,403	
4) Contracts and Other Support Services – The increase will provide for additional contract support. (FY 2008 baseline: 27,861)	695	
5) Net Assessment Office – Provides funding for additional approved studies and analyses. (FY 2008 baseline: 18,772)	1,090	
6) Republic of Korea Scholarship Fund and Test Resource Management Center – This increase provides for increased scholarships and for improved contract support. (FY 2008 baseline: 5,943)	353	
7) CFO Act Compliance and Native American Land Remediation Program (NALEMP) These increases will fund a congressional requirement to provide support and improve the management of the Department's funds and assets and for administration of the NALEMP. (FY 2008 baseline: 1,792)	214	
8) Defense Management Initiatives and Acquisition Programs Support Systems - This increase will provide for improved analytical products and tools needed to improve management of installations and facilities. (FY 2008 baseline: 10,497)	967	
9) Logistics Systems Modernization – The increase will provide for additional contract support needed and correct reductions made in prior years which were not correct. (FY 2008 baseline: 12,859)	1,208	

III. Financial Summary ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
10) Defense Procurement & Acquisition Policy, Mission Capabilities/Systems Engineering, and Corrosion Prevention Program, – Provides for needed contract support and increased sustainment efforts. (FY 2008 baseline: 24,829)	4,538	
11) Human Capital Initiatives, Environmental Security Cooperation and Low Observable/Counter Low Observable – This increase will implement the DoD AT&L Education, Training and Career Development Program and support Security Cooperation. (FY 2008 baseline: 3,024)	216	
12) Transform Procurement Regulations and Defense Acquisition Management Information Retrieval System (DAMIR) - Increase required for up-to-date material on AT&L mandatory policies and discretionary practices and to increase the efficiency and improve the quality and effectiveness of the DoD's procurement regulatory process and rulemaking capability. (FY 2008 baseline: 4,441)	264	
13) OSD Study Program – The program increase is needed to sustain contractor support and maintain expertise available to perform studies and analyses for OSD components. (FY 2008 baseline: 14,988)	1,410	
14) OUSD(P&R) Training Transformation, Studies Program, Base Allowance for Housing, Defense Safety Oversight Council – The increases are needed to continue adequate contract administrative support to the OUSD(P&R), including training and safety. (FY 2008 baseline: 18,368)	1,075	
15) OUSD(P&R) Administrative Support and Lost Work Day System – The program increase is needed to provide adequate contractor support to the OUSD (P&R) and to sustain the Lost Work Day System needed in DoD. (FY 2008 baseline: 4,514)	263	

III. <u>Financial Summary ($ in Thousands)</u>

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
16) OUSD(P&R) Advancing Diversity and Equal Opportunity – The program increase is required for contractor supported effort to increase the number and percent of people with targeted disabilities (PTD) in the federal civilian workforce. (FY 2008 baseline: 5,900)	1,271	
17) FYDP Improvement, Comptroller Initiatives and OUSD(C) Administrative Contract Support This program increase is needed to provide improved Future Years Defense Program (FYDP) production, perform tasks needed to obtain clean audit opinions and provide adequate contract administrative support to the OUSD(Comptroller). (FY 2008 baseline: 15,934)	816	
18) OUSD(I) Enterprise Management, Security, Intelligence & Warfighting Support, Military Intelligence Programs and Preparation and Warning – This increase is needed to furnish contract support and fund studies necessary to sustain these essential programs. (FY 2008 baseline: 53,571)	578	
19) OUSD(Policy) Operations, Support to Organization for Security Cooperation in Europe, Strategic Command & Communication, Rewards Program, US Mission to NATO, Force Transformation, ASD Homeland Defense, Critical Infrastructure Protection, Maritime Domain Awareness – These increases are required to sustain contract support and support to other agencies, including the Department of Homeland Security, for these critical programs. (FY 2008 baseline: 69,174)	3,484	
20) Director, PA&E Studies and Long Range Planning – Increases required to sustain contract and electronic information technology support to essential critical analytical programs. (FY 2008 baseline: 25,916)	1,029	

III. Financial Summary ($ in Thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		

21) ASD(NII) Mission and Analysis (M&A) Fund, Command Information — Amount **8,417**
   Superiority Architecture (CISA), Information Superiority
   Integration Support (ISIS), Chief Information Officer,
   Information Systems Security Program, and eGov and Councils –
   Increase for requirements to sustain the programs which maintain
   electronic technological superiority for the DoD, including the
   Global Information Grid and M&A program support for the
   Distributive Nuclear/National Command and Control (DNC2) program
   as well as increased support to the critical portfolio management
   activities. Additionally, the ISSP program expands efforts to
   implement the Net-centric Data Strategy Office by exploiting
   Community of Interest (COI) best practices and the   E-Gov
   program will support new initiatives coming on line in FY 2009
   along with the increasing costs of maturing initiatives. (FY
   2008 baseline: 94,201)

12. Program Decreases
   a. Annualization of FY 2009 Program Decreases
   b. One-Time FY 2009 Decreases
   c. Program Decreases in FY 2009 — Totals **-30,414**
      1) Compensation and Benefits - This decrease for one less paid day — Amount **-882**
         in FY 2009. (FY 2008 baseline: 231,115)
      2) Transportation and Official Representation – Reduction reflects — Amount **-14**
         ongoing efforts to improve efficiencies within the Department.
         (FY 2008 baseline: 1,824)
      3) OUSD (AT&L) Legacy Resource Management Program and E-Business — Amount **-1,371**
         Center of Excellence – Decrease is a reflection of the
         Department's efforts to maintain costs and improve efficiencies.
         (FY 2008 baseline: 11,838)

III. Financial Summary ($ in Thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
4) OUSD (AT&L) Defense Installation Spatial Data Infrastructure, Unique Item Identification and Facilities Program Requirements, Decreases reflect the ending of the Unique Item Identification Program in FY 2009 and the Department's efforts to maintain costs and improve efficiencies. (FY 2008 baseline: $4,000)	-1,276	
5) OUSD (AT&L) Acquisition Workforce Demonstration – This program ends in FY 2009. (FY 2008 baseline: 542)	-553	
6) OUSD (AT&L) Defense Readiness and Environmental Protection Initiative (REPI) – Decrease in REPI projects from the FY 2008 level. (FY 2008 baseline: 30,000)	-15,660	
7) Acquisition Knowledge Sharing – Decrease is a reflection of the Department's efforts to maintain costs and improve efficiencies. (FY 2008 baseline: 4,622)	-88	
8) COCOM Exercise Engagement and Training Transformation – Decrease reflects efforts to maintain costs and improve efficiencies. (FY 2008 baseline: 233,641)	-9,269	
9) Defense Readiness Reporting System – Decrease due to efforts to maintain costs and improve efficiencies. (FY 2008 baseline: 4,913)	-51	
10) Intelligence and Warfighting Support – Decrease is a reflection of the Department's efforts to maintain costs and improve efficiencies. (FY 2008 baseline: 21,448)	-1,236	
11) Defense Resource Management Study – (DRMS) Decrease is a reflection of the Department's efforts to maintain costs and improve efficiencies. (FY 2008 baseline: 4,160)	-14	
13. FY 2009 Budget Request		**1,143,597**

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, commonly referred to as the Annual Defense Report containing the DoD goals. These reports are available on the Internet at:.

					Change		
					FY 2006/	FY 2007/	FY 2008/
V. Personnel Summary	FY 2006	FY 2007	FY 2008	FY 2009	FY 2007	FY 2008	FY 2009
Active Military End Strength (E/S)							
Officer	371	401	397	391	-30	-4	-6
Enlisted	74	77	57	32	+3	-20	-25
Civilian End Strength (Total)							
U.S. Direct Hire	1,514	1,538	1,565	1,598	+24	+27	+33
Active Military Average Strength (A/S)							
Officer	371	401	397	391	+30	-4	-6
Enlisted	74	77	57	32	+3	-20	-25
Civilian FTEs (Total)							
U.S. Direct Hire	1,514	1,538	1,565	1,598	+24	+27	+33
Memo: Reimbursable Civilians Included	-	-	-	-	-	-	-
Average Annual Civilian Salary ($)	113	114	116	119	+1	+2	+3

VI. <u>OP 32 Line Items as Applicable (Dollars in thousands)</u>:

OP 32 Line	FY 2006 Actuals	Change FY 2006/FY 2007		FY 2007 Estimate	Change FY 2007/FY 2008		FY 2008 Estimate	Change FY 2008/FY 2009		FY 2009 Estimate
		Price	Program		Price	Program		Price	Program	
101 Executive, Gen'l & Special Schedules	222,937	5,445	-3,796	224,586	5,268	1,261	231,115	5,779	2,512	239,406
308 Travel of Persons	16,375	393	-576	16,192	372	-845	15,719	345	423	16,487
771 Transportation	160	3	-134	29	0	94	123	2	0	125
912 Rental Payments to GSA (SLUC)	1,598	38	264	1,900	43	-43	1,900	41	211	2,152
915 Rent to non-GSA	145	3	-148	-	-	-	-	-	-	-
920 Comm, Utililties & Misc/Supp & Mat	11,996	287	-7,348	4,935	112	21,371	26,418	580	2,474	29,472
921 Printing & Reproduction	47	1	71	119	2	-1	120	2	13	135
922 Equipment Maintenance by Contract	1,282	30	-7	1,305	30	-2	1,333	29	148	1,510
925 Equipment Purchases (non-Fund)	11,532	299	-10,431	1,400	32	-2	1,430	31	159	1,620
931 Contract Consultants	10,435	250	-9,435	1,250	28	22	1,300	28	88	1,416
932 Management and Professional Support Services	73,045	1,753	-39,772	35,026	805	10,169	46,000	1,012	988	48,000
933 Studies, Analysis and Evaluation	142,611	3,422	16,158	162,191	3,730	34,079	200,000	4,400	600	205,000
934 Engineering and Technical Services	121,742	2,921	16,566	141,229	3,248	12,342	156,819	3,450	23,630	183,899

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VI. <u>OP 32 Line Items as Applicable (Dollars in thousands)</u>:

OP 32 Line	FY 2006 Actuals	Change FY 2006/FY 2007 Price	Change FY 2006/FY 2007 Program	FY 2007 Estimate	Change FY 2007/FY 2008 Price	Change FY 2007/FY 2008 Program	FY 2008 Estimate	Change FY 2008/FY 2009 Price	Change FY 2008/FY 2009 Program	FY 2009 Estimate
987 Other Intra-Government Purchases	71,365	1,712	-37,941	35,136	808	-808	35,136	772	3,900	39,808
988 Grants	36,210	869	15,871	52,950	1,217	-4,167	50,000	1,100	5,550	56,650
989 Other Contracts	118,654	2,851	-3,015	118,490	2,725	205,114	326,329	7,179	-15,591	317,917
989 Other Costs	14,115	338	-14,453	-	-	-	-	-	-	-
Total	**854,249**	**20,615**	**-78,126**	**796,738**	**18,420**	**278,584**	**1,093,742**	**24,750**	**25,105**	**1,143,597**

* The FY 2006 Actual column <u>includes</u> $33,250.0 thousand of FY 2006 Supplemental funds (PL 109-148), $5,481.0 thousand of FY 2006 Hurricane Supplemental funds (PL 109-148) and $10,000.0 thousand FY 2006 Avian Flu Supplemental.
* The FY 2007 Estimate column <u>excludes</u> $13,273.0 thousand of FY 2007 GWOT Title IX Supplemental funds and $0.0 thousand of FY 2007 Hurricane Supplemental funds.

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