UNITED STATES DEPARTMENT OF DEFENSE

FISCAL YEAR 2011 BUDGET REQUEST

OVERVIEW

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OFFICE OF THE UNDER SECRETARY OF DEFENSE (COMPTROLLER) / CFO

Preface

This Overview book highlights the funding, programs, and priorities of President Obama's FY 2011 Department of Defense (DoD) budget request. The Overview's purpose is to help inform Congress and the American people on how taxpayer dollars are being invested to strengthen our national security.

The FY 2011 DoD budget includes the funding needed to secure and advance U.S. security interests around the world in the coming fiscal year. It begins to carry out the recommendations in the Quadrennial Defense Review (QDR) that Secretary of Defense Robert Gates is submitting along with this budget. The 2010 QDR and FY 2011 budget build upon the substantial changes that the President and Secretary Gates made in the FY 2010 budget request to allocate defense dollars more wisely and reform DoD processes.

This Overview is organized into the following chapters:

1. FY 2011 Budget Summary.
2. Quadrennial Defense Review.
3. Taking Care of People.
4. Rebalancing the Force.
5. Reforming How DoD Does Business.
6. Supporting our Troops in the Field.
7. Performance Improvement / Targets.
8. Resources: Funding tables, glossary of abbreviations, and more.

This book and extensive other material on this and previous DoD budgets are available from the public web site of the Under Secretary of Defense (Comptroller): www.comptroller.defense.gov. Especially relevant is the Press Release and Budget Briefing. Also key is the Program Acquisition Costs by Weapons System book, which includes details on major DoD acquisition programs -- e.g., aircraft, ground forces programs, shipbuilding, space systems, etc. Other background information can be accessed though www.defense.gov.

Table of Contents

1. FY 2011 BUDGET SUMMARY 1-1

2. QUADRENNIAL DEFENSE REVIEW (QDR) 2-1

3. TAKING CARE OF PEOPLE 3-1
Sustain Our All-Volunteer Military 3-1
Care For Wounded, Ill, and Injured 3-2
Sustain and Enhance Military Health System (MHS) and Family Support Programs. 3-3
Build and Sustain Excellent Facilities 3-5

4. REBALANCING THE FORCE 4-1
Enhance Capabilities For Current Conflicts 4-1
Enhance Capabilities For Future Conflicts 4-3
Advance New Missile Defense Approach 4-5
Strengthen Our Reserve Component 4-6

5. REFORMING HOW DOD DOES BUSINESS 5-1
Reform What DoD Buys 5-1
Reform How DoD Buys 5-3
Strengthen Our Civilian Workforce 5-4
Improve Financial Management 5-5
Improve Contingency Contracting 5-6

6. SUPPORTING OUR TROOPS IN THE FIELD 6-1
Achieve Success in Iraq and Afghanistan 6-1
Support Overseas Contingency Operations (OCO) 6-5
Provide Resources and Oversight 6-9

7. PERFORMANCE IMPROVEMENT 7-1
DoD Mission and Organization Structure 7-1
DoD Performance Budget Plan Framework 7-5
FY 2009 DoD Performance Report 7-8
FY 2010 DoD Performance Budget Plan Revisions 7-12
FY 2011 DoD Performance Budget Plan 7-13
DOD Performance Budget Challenges and Initiatives 7-16
Exhibit A – DoD Enterprise-level Performance Goals/
Targets by Strategic Goal and Strategic Objective 7-19
Exhibit B – DoD High Priority Performance Goals 7-39

8. RESOURCE EXHIBITS

Table 8-1 Base Discretionary Budget Authority by Appropriation Title..... 8-1
Table 8-2 Base Discretionary Budget Authority by Military Department..... 8-1
Table 8-3 Base Discretionary Budget Authority by Service Appropriation Title..... 8-2
Table 8-4 Overseas Contingency Operations Funding by Military Operation 8-3
Table 8-5 Overseas Contingency Operations by Functional Categories..... 8-3
Table 8-6. U.S. Casualty Status for OIF and OEF..... 8-4
Acronym List..... 8-5

1. FY 2011 BUDGET SUMMARY

President Obama's FY 2011 budget requests $708.2 billion for the Department of Defense (DoD): (Figure 1-1 and Figure 1-2)

- $548.9 billion for the DoD base budget, which excludes costs related to overseas contingency operations (OCO). This is $18.2 billion higher than the $530.7 billion enacted for FY 2010 -- an increase of about 3.4 percent, or 1.8 percent after adjusting for inflation (real growth).
- $159.3 billion for OCO requirements.

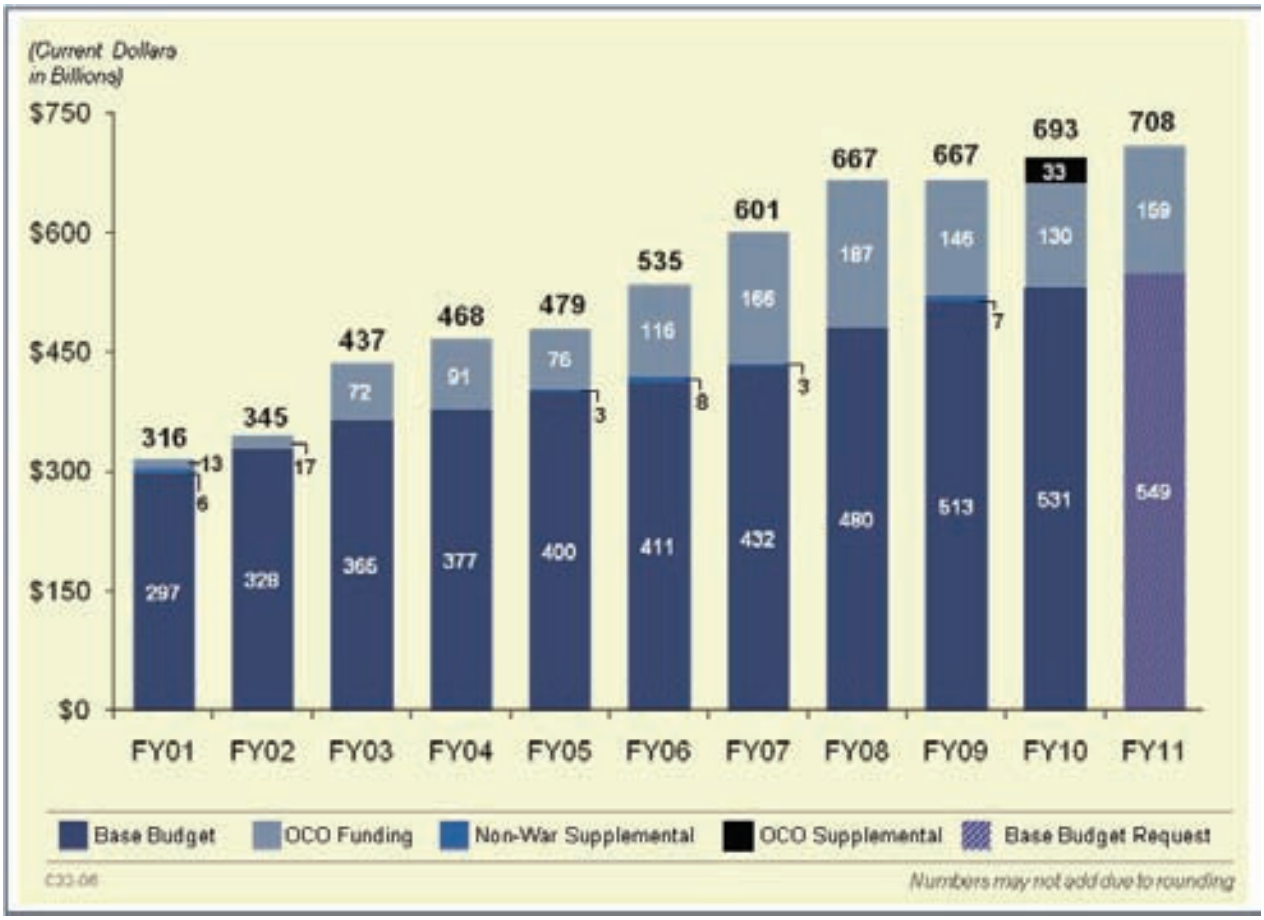
The FY 2011 budget continues the reform agenda that President Obama and Secretary Gates began with their FY 2010 defense budget request. It reflects the same reform themes as in FY 2010:

FY 2011 Budget Themes

- Taking Care of People
- Rebalancing the Force
- Reforming How DoD Does Business
- Supporting Our Troops in the Field

- Taking care of people.
- Rebalancing our forces to more effectively fight current wars.
- Reforming how DoD does business; reforming what and how we buy.
- Supporting our troops in the field.

Figure 1-1. Department of Defense Topline



The FY 2011 budget begins to implement the recommendations of the Quadrennial Defense Review (QDR) completed in January 2010. The QDR established objectives and defined the capabilities and policies needed to rebalance and reform the Department of Defense to enhance future security and make the best use of taxpayer dollars.

The QDR also guided formulation of the FY 2011-2015 Future Years Defense Program (FYDP) and will guide preparation of the DoD budget for FY 2012 and beyond.

The QDR and FY 2011 budget build on the substantial changes that President Obama and Secretary Gates have already introduced to strengthen our all-volunteer force, change how and what DoD buys, and rebalance DoD programs. The continuation of these initiatives will enhance U.S. capabilities to fight today's wars and counter the threats we are most likely to face in the future. Last year's FY 2010 budget request reflected many program terminations and restructurings, which Secretary Gates announced in April 2009. The FY 2011 budget includes more program changes and lays the foundation for further initiatives in FY 2012 and beyond.

Figure 1-2. Department of Defense Budget

DoD Budget *$ in Billions*	FY 2010			FY 2011 Request
	Enacted	Supp	Total	
Base	530.7	–	530.7	548.9
Overseas Contingency Operations	129.6	33.0	162.6	159.3
Total Budget	**660.3**	**33.0**	**693.3**	**708.2**

Numbers may not add due to rounding
Discretionary budget authority

The FY 2011 OCO request reflects President Obama's decision to send 30,000 more American troops to Afghanistan. (The President also is submitting an FY 2010 Supplemental requesting $33.0 billion to support his Afghanistan troop buildup for the rest of this fiscal year.)

TAKING CARE OF PEOPLE

America has asked much of its All-Volunteer Force and the civilians who support that force. Multiple and extended deployments have taken a toll on our people and their families. As a nation we are obligated to take care of our people to the best of our ability. From wartime force management issues, to recruiting, retention, family support, and Wounded Warrior care, we must tend to the health of the All-Volunteer Force.

The FY 2011 budget robustly supports DoD efforts to take care of its people by increasing military and civilian pay by 1.4 percent, a percent equal to the most recent increase in the Employment Cost Index. It continues to improve care for our wounded warriors and to sustain and enhance our Military Health System and family support programs. It also includes substantial funding to build, renovate, and sustain excellent facilities for our personnel – including added funding for DoD schools for the children of military families. See Chapter 3 for details.

REBALANCING THE FORCE

The FY 2011 budget continues progress toward a better balance in our defense posture – especially by emphasizing capabilities needed for current conflicts and contingencies. For example, the budget includes robust funding to field more helicopters and air crews, increase Special Operations personnel and equipment, increase electronic warfare capabilities, and procure and deploy more unmanned vehicles. See Chapter 4 for details.

REFORMING HOW DOD DOES BUSINESS

The FY 2011 budget supports ongoing efforts to reform how DoD does business. See Chapter 5 for details. Our initiatives include:

- ***Reform what DoD buys:*** Terminating or restructuring programs that are no longer needed or are performing poorly.
- ***Reform how DoD buys:*** Intensify acquisition reform efforts to strengthen our acquisition workforce, improve upfront cost estimates for acquisition programs, prevent frequent changes in system requirements, and ensure proper contract oversight and program execution.
- ***Strengthen our civilian workforce:*** Transition out of the National Security Personnel System and hire DoD civilians to replace contractors for inherently governmental functions.
- ***Improve financial management:*** Produce better information for DoD decision making and auditable financial statements to improve budget transparency and oversight.
- ***Improve contingency contracting:*** Strengthen processes and oversight to ensure effective and efficient use of contractors, who remain essential to successful U.S. military operations.

SUPPORTING OUR TROOPS IN THE FIELD

The FY 2011 budget and FY 2010 Supplemental request the funding needed to support our deployed military and ensure progress in Afghanistan and Iraq. The Supplemental is needed primarily to fund, for the rest of this fiscal year, President Obama's troop buildup in Afghanistan. See Chapter 6 for details.

2. QUADRENNIAL DEFENSE REVIEW (QDR)

This chapter summarizes Secretary Gates' Quadrennial Defense Review (QDR)—released along with the FY 2011 budget request. It includes some examples of how the FY 2011 budget begins to implement the QDR, but many more details are in the subsequent chapters.

As a global power, the strength and influence of the United States is deeply intertwined with the fate of the broader international system. In this century as in the last, the United States has strived to protect our people, promote stability in key regions, provide assistance to nations in need, and promote the common good.

Successfully maintaining strategic balance while addressing complex global challenges requires the steadfast engagement of the United States, a continued willingness to commit substantial resources to the maintenance of international order, and renewed commitments by the United States and its partners abroad to pursue cooperative, purposeful action in the pursuit of common interests.

In order for the Department of Defense to best protect the American people and advance their interests now and in the future, we must prevail in ongoing conflicts, rebalance our Armed Forces, take care of our troops and their families, strengthen our relationships, and reform how we do business.

U.S. SECURITY IN A COMPLEX ENVIRONMENT

The United States faces a complex and uncertain security landscape in which the pace of change continues to accelerate. The rise of new powers, the growing influence of non-state actors, the spread of weapons of mass destruction and other destructive enabling technologies, and a series of enduring and emerging trends pose profound challenges to international order.

2010 QDR – Major Themes

- U.S. Security in a Complex Environment
- America's Global Role
- Priority Defense Objectives
- Rebalancing the Force
- Taking Care of People
- Strengthening Relationships
- Reforming How We Do Business
- Implementing QDR Results

The distribution of global political, economic, and military power is becoming more diffuse. The rise of China, the world's most populous country, and India, the world's largest democracy, will continue to shape an international system that is no longer easily defined—one in which the United States will remain the most powerful actor but must increasingly rely on key allies and partners if it is to sustain stability and peace.

The continued power and influence of non-state actors will remain a key feature of the environment. Globalization is accelerating the process of technological innovation while lowering entry barriers for a wider range of actors to develop and acquire advanced technologies. As the pace of innovation accelerates, non-state actors will continue to gain capabilities that, during the last century, remained largely the purview of states.

The proliferation of weapons of mass destruction (WMD) undermines global security, further complicating efforts to sustain peace and prevent harmful arms races. Perhaps most concerning, the instability or collapse of a WMD-armed state, leading to the potential for rapid proliferation of WMD material, weapons, and technology, would quickly become a global crisis that could pose a direct physical threat to the United States and our allies and partners.

Finally, a series of powerful trends are likely to add complexity to the security environment. From rising demand for resources, to rapid urbanization, the effects of climate change, the emergence of new strains of disease, and profound cultural and demographic tensions in several regions, future conflicts are likely to be sparked or exacerbated by the complex interplay between these and other trends.

AMERICA'S GLOBAL ROLE

America's interests are inextricably linked to the integrity and resilience of the international system. Chief among these interests are security, prosperity, broad respect for universal values, and an international order that promotes cooperative action.

Consistent with the President's vision, the United States will advance these interests by strengthening our domestic foundation and integrating all elements of national power, engaging abroad on the basis of mutual interest and mutual respect, and promoting an international order that advances our interests by reinforcing the rights and responsibilities of all nations.

America's interests and role in the world require armed forces with unmatched capabilities and a willingness on the part of the nation to employ them in defense of our interests and the common good. The United States remains the only nation able to project and sustain large-scale operations over extended distances. This unique position generates an obligation to be responsible stewards of the power and influence that history, determination, and circumstance have provided.

PRIORITY DEFENSE OBJECTIVES

In order to help defend and advance our national interests, the Department of Defense balances resources and risk among four priority objectives: prevail in today's wars; prevent and deter conflict; prepare for a wide range of contingencies; and preserve and enhance the All-Volunteer Force. These priorities reflect the need for a strategic approach that can evolve and adapt in response to a changing security environment.

1. Prevail in today's wars: We must ensure the success of our forces in the field—in Afghanistan, Iraq, and around the world. Along with our allies and partners, we have renewed efforts to help the governments of Afghanistan and Pakistan disrupt, dismantle, and defeat Al Qaeda and eliminate its safe havens within both nations. In Iraq, years of effort have helped enable that government to take the lead in protecting its people and providing essential services. As the responsible drawdown of the U.S. military presence proceeds, U.S. forces will continue to play important roles advising, training, and supporting Iraqi forces. Elsewhere, U.S. forces work with partners and allies to locate and dismantle terrorist networks.

2. Prevent and deter conflict: America's enduring effort to advance common interests without resort to arms is a hallmark of its stewardship of the international system. Preventing the rise of threats to U.S. interests requires the integrated use of diplomacy, development, and defense, along with intelligence, law enforcement, and economic tools of statecraft, to help build the capacity of partners to maintain and promote stability. Such an approach also requires working closely with our allies and partners to leverage existing alliances and create conditions to advance common interests.

Our deterrent remains grounded in land, air, and naval forces capable of fighting limited and large-scale conflicts in environments where anti-access weaponry and tactics are used, as well as forces prepared to respond to the full range of challenges posed by state and non-state groups. These forces are enabled by cyber and space capabilities and enhanced by U.S. capabilities to deny adversaries' objectives through ballistic missile defense and counter-WMD, a resilient infrastructure, and our global basing and posture.

3. Prepare for a wide range of contingencies: If deterrence fails and adversaries challenge our interests with the threat or use of force, the United States must be prepared to respond in support of U.S. national interests. Not all contingencies will require the involvement of U.S. military forces, but the Defense Department must be prepared to provide the President with options across a wide range of contingencies, which include supporting a response to an attack or natural disaster at home, defeating aggression by adversary states, supporting and stabilizing fragile states facing serious internal threats, and preventing human suffering due to mass atrocities or large-scale natural disasters abroad.

4. Preserve and enhance the All-Volunteer Force: Years of war have significantly stressed our military personnel and their families. Given the continuing need for substantial and sustained deployments in conflict zones, the Department must do all it can to take care of our people—physically and psychologically. For too long, the health of the All-Volunteer Force, the civilian workforce that supports it, and the processes by which the Department provides needed equipment and platforms have been underemphasized priorities. The prolonged wartime period since 2001 has greatly elevated their importance, and the consequences of failure have accordingly become more serious. To reflect the urgency that the Department's leadership places on these issues, they are included as core components of our policy, planning, and programming considerations.

These four priority objectives are at once both timely and enduring. Successfully balancing among them requires that the Department make hard choices on the level of resources required, as well as accepting and managing risk in a way that favors success in today's wars.

REBALANCING THE FORCE

In order to successfully protect and advance U.S. interests while balancing among the priority objectives outlined above, the Department—building on the momentum from the FY 2010 budget decisions—will continue to rebalance America's Armed Forces to better enable success in the following six missions critical to achieving our strategic objectives.

1. Defend the United States and support civil authorities at home: The rapid proliferation of destructive technologies, combined with potent ideologies of violent extremism, requires sustaining a high level of vigilance against terrorist threats. Moreover, state adversaries are acquiring new means to strike targets at greater distances from their borders and with greater lethality. The United States must also be prepared to respond to the full range of domestic emergencies and natural disasters.

2. Succeed in counterinsurgency, stability, and counterterrorism operations: The United States must retain the capability to conduct large-scale counterinsurgency, stability, and counterterrorism operations in a wide range of environments. In order to ensure that America's Armed Forces are prepared for this complex mission, it is vital that the lessons emerging from today's conflicts are further enshrined in military doctrine, training, capability development, and operational planning.

3. Build partnership capacity: Since the end of World War II, DoD has worked to build the defense capacity of allied and friendly states and to ensure that the Armed Forces of the United States have ample opportunities to train with and learn from counterpart forces. As ongoing conflicts in Afghanistan and Iraq make clear, these dimensions of U.S. defense strategy have never been more important.

Reflecting this importance, the FY 2011 budget requests an increase from $350 million to $500 million for Global Train and Equip (Section 1206) authority to help build the capabilities of key partner nations to fight terrorism and support U.S. stability operations.

4. Deter and defeat aggression in anti-access environments: U.S. forces must be able to deter, defend against, and defeat aggression by potentially hostile nation states. This capability is fundamental to the nation's ability to protect its interests and the integrity of U.S. alliance and security partnerships.

The FY 2011 budget includes robust funding for shipbuilding, tactical aircraft including the F-35 Joint Strike Fighter, systems for ground forces, and other key modernization programs – all of which are critical to the success of this mission.

5. Prevent proliferation and counter weapons of mass destruction: The potential spread of weapons of mass destruction poses a grave threat. As the ability to create and employ weapons of mass destruction spreads globally, so must our combined efforts to detect, interdict, and contain the effects of these weapons. Deterrence of such threats and defense against them can be enhanced through measures aimed at better understanding potential threats, securing and reducing dangerous materials wherever possible, positioning forces to monitor and track lethal agents and materials and their means of delivery, and, where relevant, defeating the agents themselves.

The FY 2011 budget begins new enhancements for countering WMD including programs providing for:

- Reduction of biological and nuclear threats.
- Technical and analytical support for the warfighter.
- Countering biological and chemical agents.
- Research and development to support arms control.

6. Operate effectively in cyberspace: The security environment demands improved capabilities to counter threats in cyberspace. In the 21st century, modern armed forces simply cannot conduct effective high-tempo operations without resilient, reliable information and communication networks and assured access to cyberspace. DoD must actively defend its networks. To help do this, the Department is standing up its new Cyber Command.

TAKING CARE OF PEOPLE

We have asked much of America's All-Volunteer Force. Multiple and extended deployments have taken a toll on our people and their families. We are obligated to take care of our people to the best of our ability. The Department is focusing on several fronts:

Wounded Warrior care: Our wounded, ill, or injured Service Members deserve every opportunity to return to active duty following their recovery, or to make a seamless transition to veteran status if they cannot be returned to active duty. Apart from prevailing in current conflicts, caring for our wounded warriors is our highest priority, and we will work to provide them top-quality care that reflects their service and sacrifice.

Managing the deployment tempo: Doing everything possible to better manage a complex deployment tempo is an important aspect of the Department's commitment to our personnel and families. We must strive to provide them and their families with greater clarity and predictability regarding current and planned deployments.

Recruiting and retention: Despite the pressures of war, the Department continues to meet its recruiting and retention goals. Our recruiting efforts are long-term investments that can yield generational gains. The Department must continue developing innovative programs to attract qualified young men and women into the Armed Forces, and to retain them

Support to families: We have a critical and enduring obligation to better prepare and

support families during the stress of multiple deployments. Access to robust single member, spouse, child, and youth services is no longer a desirable option, but necessary, as these are services essential to maintain the health of the All-Volunteer Force.

STRENGTHENING RELATIONSHIPS

Achieving the Administration's strategic objectives requires close collaboration with allies and partners abroad and key counterparts at home. Through its foreign defense relationships, the United States not only helps to avert crises but also improves its effectiveness in responding to them. Moreover, by integrating U.S. defense capabilities with other elements of national power—including diplomacy, development, law enforcement, economics, and intelligence—the nation can ensure the right mix of expertise is at hand to take advantage of emerging opportunities and thwart potential threats. The Department will therefore:

Strengthen key relationships abroad: America's power and influence are enhanced by sustaining a vibrant network of enduring defense alliances and new partnerships, building cooperative approaches with key states, and maintaining interactions with important international institutions such as the United Nations.

Evolve U.S. global defense posture: The United States will continue to tailor its defense posture to enhance other states' abilities to solve global security problems, and address challenges including ongoing conflicts, the proliferation of nuclear technology and theater ballistic missiles, anti-access and area-denial capabilities, and maintaining secure access to the global commons.

Improve unity of effort: The Department remains committed to further improving a whole-government approach to national security challenges. From improving our partnership with the Department of State in conflict zones, to our enduring relationship with America's intelligence community, to supporting civil authorities at home through our partnership with the Department of Homeland Security, the Department of Defense will continue to closely cooperate with other U.S. departments and agencies to better protect and advance America's interests.

REFORMING HOW WE DO BUSINESS

Years of war have demanded that America's Armed Forces rapidly innovate and adapt, and the Department's institutional base must do the same. The FY 2011 budget supports initiatives to continue to reform how DoD operates, with four issues receiving particular attention:

Reforming security assistance: *U.S.* security is inextricably tied to the effectiveness of our efforts to help partners and allies build their own security capacity. Despite an increased emphasis on the capacity-building mission over the past few years, America's toolkit remains constrained by a complex patchwork of authorities, persistent shortfalls in resources, unwieldy processes, and a limited ability to sustain efforts beyond a short period.

Reforming how we buy: The conventional acquisition process is too long and too cumbersome to fit the needs of the many systems that require continuous changes and upgrades—a challenge that will become only more pressing over time. The Department will improve how it matches requirements with mature technologies, maintains disciplined systems engineering approaches, institutionalizes rapid acquisition capabilities, and implements more comprehensive testing. We must avoid sacrificing cost and schedule for promises of improved performance. Our efforts must also include ensuring the provision of rapid logistical support to our forces abroad, and improved management in the acquisition and provision of health care services for our military personnel and families.

***Strengthening America's technology and industrial bases*:** America's security and prosperity are increasingly linked with the health of our technology and industrial bases. In order to maintain our strategic advantage well into the future, the Department requires a

consistent, realistic, and long-term strategy for shaping the structure and capabilities of the defense technology and industrial bases—a strategy that better accounts for the rapid evolution of commercial technology, as well as the unique requirements of ongoing conflicts.

Reforming the U.S. export control system: Today's export control system is a relic of the Cold War and must be adapted to address current threats. The current system impedes cooperation, technology sharing, and interoperability with allies and partners, hindering U.S. industrial competitiveness. The Department will work with interagency partners and with Congress to ensure that a new system fully addresses the threats the U.S. will face in the future.

Crafting a strategic approach to climate and energy: Climate change and energy will play significant roles in the future security environment. The Department is developing policies and plans to manage the effects of climate change on its operating environment, missions, and facilities. The Department already performs environmental stewardship at hundreds of DoD installations throughout the United States, working to meet resource efficiency and sustainability goals. We must continue incorporating geostrategic and operational energy considerations into force planning, requirements development, and acquisition processes.

IMPLEMENTING QDR RESULTS

The priorities advanced in the 2010 QDR reflect the need to do all we can to enable success in today's wars while preparing for a complex and uncertain future. For too long we have asked our men and women in uniform to rapidly adapt to complexity without requiring that the broader Department do the same.

The FY 2011 budget begins implementation of the QDR, as detailed in this book. It builds on the FY 2010 budget, which reflected many of the priorities now fully developed in the QDR.

The FY 2011 budget request maintains the emphasis on providing our troops with what they need to succeed in the difficult and dangerous missions we ask of them. This budget did not defer hard choices but made them. The budget choices described herein will better enable the creation and maintenance of armed forces that can protect the American people and advance their interests.

3. TAKING CARE OF PEOPLE

The FY 2011 Budget supports the QDR assessment that the talent and determination of our DoD personnel form the bedrock of U.S. security. America's All-Volunteer Force is its greatest strategic asset. It includes robust funding to ensure that the Department of Defense can take good care of its people – military and civilian, and their families.

Since wartime operations began after the September 11th attacks, our nation's defense professionals have faced extraordinary demands. Especially difficult have been frequent and extended deployments on dangerous missions.

To help address this, DoD leaders are trying to increase the time our military people have at home station between deployments. Our planning objective for the Active Component remains two years at home station for every one year deployed. Our objective for mobilization of Guard and Reserve units remains five years demobilized for every one year mobilized.

We also must provide our Service members and their families with clarity, predictability and confidence concerning current and planned deployments. Between deployments, we must also give our personnel sufficient time to recover and prepare.

Even though dangerous overseas deployments have made recruiting and retention more difficult, the Military Services continue to meet their goals. However, this success is at least partially built on the economic downturn. As the country recovers economically, we will likely face more recruiting and retention challenges. Taking care of our military people is essential to meeting those challenges.

This chapter highlights specific ways in which the FY 2011 budget helps take care of our people and advance QDR priorities.

Key Priorities

- Sustain Our All-Volunteer Military
- Care for Wounded, Ill, and Injured
- Sustain and Enhance Military Health System and Family Support Programs
- Build and Sustain Excellent Facilities

SUSTAIN OUR ALL-VOLUNTEER MILITARY

The FY 2011 budget includes an increase of 1.4 percent for military basic pay. This proposed raise is equal to the Employment Cost Index as of September 30, 2009, as prescribed by law, and will keep military pay increases in line with those in the private sector. The budget also funds bonuses and other incentives to meet recruiting and retention quality and quantity goals – especially for our most critical skills and experience levels.

The FY 2011 base budget supports the Active Duty end strength shown in Figure 3-1. It includes funding for the significantly higher Army and Marine Corps end strength levels achieved since FY 2007 – increases that help maintain a more sustainable rotation base and ease the stress on our military members and their families.

Figure 3-1. Active Military End Strength

End Strength – Base Budget*	FY 2007 Baseline	FY 2011 Request	Change
Army	482,400	547,400	+65,000
Navy	337,600	324,300	-13,300
Marine Corps	175,000	202,100	+27,100
Air Force	333,500	332,200	-1,300
Total	**1,328,500**	**1,406,000**	**+77,500**

** Excludes end strength funded in OCO appropriations. The OCO component of the FY 2011 budget includes funding for 22,000 additional Active Army soldiers – a temporary wartime allowance -- to help the Army meet its commitments in Iraq and Afghanistan. The OCO budget also includes 4,400 active duty Navy Individual Augmentees (IAs) who are supporting current contingency operations – such as with Military Police and medical support.*

CARE FOR WOUNDED, ILL, AND INJURED

The FY 2011 budget supports DoD's intense focus on the care of our wounded, ill, and injured (WII) military members. DoD leaders are working to achieve the highest level of care and management and to standardize care among the Military Services and Federal agencies. Key initiatives include:

- Achieving a seamless transition to Veteran status for members leaving the military and superlative cooperation between the Departments of Defense and Veterans Affairs (VA).
- Ensuring a high standard for facilities caring for Wounded Warriors. Especially key are first rate hospitals as well as facilities and trained staff for the Army's Warrior Transition Units (WTUs) – designed to ensure exemplary support for Wounded Warriors and their families.
- Enhancing case management of individuals needing care and transition to civilian life.
- Establishing a better Disability Evaluation System – to create a simpler, faster, more consistent process for determining which members may continue their military service and helping them become as independent and self-supporting as possible.
- Working with VA to create Virtual Lifetime Electronic Records, a key Administration initiative, which is critical to improving veteran care and services by enhancing the availability of administrative and health information.

Since wartime operations began after September 2001, the Department of Defense has had over 4,000 members killed in action and over 36,000 wounded in action. Thousands more have had war-related illnesses and injuries (Figure 3-2 and Chapter 8, Table 8-6).

Figure 3-2. U.S. Casualty Status

Operation	Killed In Action	Wounded In Action
Operation Iraqi Freedom	3,478	31,633
Operation Enduring Freedom	689	4,829
Total	**4,167**	**36,462**

Source: www.Defense.gov
Data as of January 22, 2010

The FY 2011 budget request includes $2.2 billion for enduring WII programs along with $0.3 billion in infrastructure investments for the completion of Army's WTU complexes and new medical facilities in the National Capital Region. The $2.2 billion for enduring WII programs is $0.1 billion higher than the FY 2010 enacted amount and is more than double the FY 2008 level of $1.0 billion. (Figure 3-3)

Figure 3-3. Wounded, Ill, and Injured
(Dollars in Billions)

Program (base budget)	FY 2010 Enacted	FY 2011 Request
Enhanced Care and Support	0.9	1.1
Traumatic Brain Injury/Psychological Health*	1.2	1.1
Total Enduring WII Prog.	**2.1**	**2.2**
One-Time Infrastructure Investments		
Infrastructure Support	0.6	0.1
National Capital Region (NCR) Medical Centers**	0.9	0.2
Total One-Time Invest.	**1.5**	**0.3**
Total WII funding	**3.6**	**2.5**

** Includes research & development; FY10 $120M Cong Add*
***Construction of major new facilities at Bethesda and Fort Belvoir.*

SUSTAIN AND ENHANCE MILITARY HEALTH SYSTEM (MHS) AND FAMILY SUPPORT PROGRAMS.

Military Health System

The FY 2011 budget includes $50.7 billion for the DoD Unified Medical Budget to support our Military Health System (MHS). The MHS currently has 9.5 million eligible beneficiaries, which include active military members and their families, military retirees and their families, dependent survivors, and certain eligible Reserve Component members and their families.

The FY 2011 budget supports strong programs to prevent and treat mental illness. In formulating its budget, DoD also added funding for the Electronic Health Record program.

Over the past decade, U.S. health care costs have grown substantially, and MHS costs have been no exception. MHS costs more than doubled between FY 2001 ($19 billion) and FY 2010 ($49 billion) and continue to grow in FY 2011. (Figure 3-4). MHS costs are projected to increase between 5 and 7 percent per year through FY 2015. Given this projection, MHS costs are expected to grow from 6 percent of the DoD total budget to over 10 percent in FY 2015.

The principal factors driving cost increases include:

- Enrollment fees for the TRICARE Prime program have not been modified since its inception in FY 1995; as of 2007, the average out-of-pocket cost for a family of three covered by TRICARE Prime was $1,192/year, as compared to the $3,320/year paid on average by a family of three covered under the Federal Employee Health Benefit Plan's HMO (Kaiser).
- Increases in users – many beneficiaries are returning to the MHS, opting to use their more generous TRICARE benefits instead of their other health plans (e.g., other health insurance either through their employer or a spouse's plan). The GAO recently found that over 85 percent of retirees 45–49 years of age and 50 percent of retirees between 60–64 years of age had access to other group health insurance, but many choose TRICARE instead.
- Increases in utilization – the MHS continues to see annual increases in the number of health care visits per user. For example, between FY 2005 to FY 2008, the average number of outpatient visits per enrollee increased by 14.6 percent from 8.70 to 9.97 visits. Similar measures for pharmacy utilization show an increase of 5.5 percent over this same period.
- Substantial and consistent increases in health care costs due to inflation and advances in medical technology and pharmaceuticals enabling more complex treatments.
- Greater benefits authorized by Congress (e.g., TRICARE-for-Life and expanding TRICARE for Reservists).

Figure 3-4. Military Health Care Costs
(Dollars in Billions)

Program	FY 2010 Enacted/1	FY 2011 Request
Defense Health (DHP)	29.2	30.9
Military Personnel/2	7.5	7.9
Military Construction/2	1.0	1.0
Health Care Accrual/3	10.8	10.9
Unified Medical Budget	**48.5**	**50.7**
Treasury Receipts for Current Medicare-Eligible Retirees/4	*8.6*	*9.4*

1/ FY 2010 enacted (base), excludes OCO funds and other transfers.
2/ Funded in the Military Personnel & Construction accounts, not DHP.
3/ Includes health care accrual contributions into the Medicare-Eligible Health Care Fund to provide for the future health care costs of our personnel currently serving on active duty – and their family members – when they retire.
4/ Transfer receipts in the year of execution to support 2.1 million Medicare-eligible retirees and their family members.

Military Family Support Programs.

Support for military families is firmly established as a top priority for the Administration and has been personally endorsed repeatedly by the President, the First Lady, and the Vice President.

The Department remains fully committed to providing assistance to the All-Volunteer Force and their families particularly in light of the unprecedented demands that have been placed on them. The fact that families play a crucial role in supporting military members is not a new concept for family support policy makers or program developers. The family assistance programs serve a critical need in direct mission support for the mobilization and deployment of Active Duty military and the Guard and Reserve.

To that end, the Department has undertaken major initiatives to improve the quality of life of its military members and their families. Some initiatives focus primarily on the military member, while others -- like child care and school programs -- focus on the children and youth. Others are devoted to spouses. All are inextricably interwoven. All affect the family in total and are designed to reduce the burdens during all phases of deployment.

The Military Services recognize the need to continue their higher investments in family assistance programs, and that is reflected in the FY 2011 DoD base budget request, which funds vital family assistance for military members and their families on more than 300 installations worldwide.

The FY 2011 budget also reflects the decision to shift funding for family support programs that are enduring – i.e., programs that will not disappear as combat deployments and war funding decline -- from the OCO budget to the base budget.

The FY 2011 budget includes about $8.1 billion (Figure 3-5) for a variety of family support programs vital to the morale and well-being of our military members and their families.

Key programs include:

- ***Child Care and Youth Programs***: Includes funding for child care, child and youth development programs, National Guard Youth Challenge Program, and child development centers. In FY 2011, funding provides for over 186,000 childcare spaces.
- ***Morale, Welfare, and Recreation:*** Includes funding for Community Support Activities, recreation programs, voluntary education and tuition assistance, temporary duty lodging, and revenue generating programs.
- ***Warfighter & Family Services:*** Includes funding for Family Support Centers and for counseling support services for Active Duty, Guard, and Reserve members and their families. The increase of $0.3 billion in FY 2011 is primarily due to increases in the Family Assistance Program at the DoD Education Activity (DoDEA), including the Troops-to Teacher program.

Figure 3-5. Military Family and Health Care Programs
(Dollars in Billions, All appropriations Base Budget only)

Program (base budget)	FY 2010 Enacted	FY 2011 Request
Child Care and Youth Programs	1.1	1.1
Morale, Welfare and Recreation	1.8	1.8
Warfighter and Family Services	1.2	1.5
Commissary	1.3	1.3
DoDEA Schools	2.1	2.3
Military Spouse Employment	0.1	0.1
Subtotal – Family Support Programs*	**7.6**	**8.1**
Basic Allowance for Housing	19.0	19.7
Family Housing Services	2.3	1.8
Unified Medical Budget (DHP)	48.5	50.7
Total	**77.4**	**80.3**

**OCO funding would raise Family Support funding to $8.5B in FY 10 and $8.8B in FY 11.*
Numbers may not add due to rounding

- ***Commissary:*** Operations are appropriated with the Defense Commissary Agency (DeCA) Working Capital Fund. DeCA operates about 250 stores at military installations around the world and employ a workforce that consists of over 14,700 civilian Full-Time Equivalents.
- ***Spouse Employment:*** Provides for tuition assistance and intern programs to support military spouses' employment opportunities. Funding expands an 18-installation demonstration program through the voluntary education program ($66 million). Also includes funding in FY 2011 to support the Military Spouse Federal Intern Program to assist in securing positions in other Federal agencies ($18 million).
- **Department of Defense Education Activity *(DoDEA) Schools:*** FY 2011 budget supports the education of more than 58,000 students in 127 schools in 12 countries and nearly 30,000 students in 67 schools in 7 states, Puerto Rico, and Guam.

Upgrading DoDEA Schools

The FY 2011 budget begins a 5-year plan to replace and recapitalize more than half of the 194 DoDEA schools. Additional funding will address DoDEA schools in poor or failing condition. In FY 2011, the Military Construction investment for DoDEA is $439 million, which will replace or modernize 10 schools at: Fort Benning, Georgia; Fort Bragg (2) and Camp Lejeune, North Carolina; Quantico, Virginia; West Point, New York; Mons, Belgium; the United Kingdom; Germany; and Puerto Rico.

BUILD AND SUSTAIN EXCELLENT FACILITIES

Caring for our military people, their families, and the facilities in which they work and live is a high priority for the Department. Accordingly, the FY 2011 budget includes $18.7 billion to fund critical military construction and family housing requirements,. The FY 2011 Military Construction (MilCon) investment funding is less than prior years because most of the funding needed to implement the 2005 round of Base Realignment and Closure (BRAC) decisions by the statutory deadline of September 15, 2011, has already been appropriated. (Figure 3-6)

- ***Military Construction*** *($14.2 billion)**:*** Includes funds to modernize DoD facilities to support U.S. military and their families. Includes construction to support the relocation of 8,000 Marines from Okinawa to Guam, growth in the Army and Marine Corps ground forces and to recapitalize schools and medical facilities.
- ***Base Realignment and Closure (BRAC) Implementation*** *($2.7 billion)**:*** Includes 24 major realignments, 24 base closures, and 765 lesser actions by September 15, 2011. FY 2011 budget funds military construction, operation, and maintenance to relocate personnel and equipment; conduct environmental studies and remediation; and install communications, automation, and information management system equipment in support of construction projects.
- ***Family Housing*** *($1.8 billion)**:*** Funds construction, operation and maintenance of government-owned housing, and the privatization of over 500 family housing units. Over 300 of those units to be privatized are in support of the Grow the Force initiative, which increased Army and USMC end strength.

Figure 3-6. MilCon and Family Housing
(Dollars in Billions)

Base Budget	FY 2010	FY 2011
Military Const (without BRAC)	13.1	14.2
BRAC	7.9	2.7
Family Housing	2.3	1.8
Total MilCon-VA Bill*	**23.3**	**18.7**

**The Military Construction and Family Housing titles get appropriated as part of each year's Military Construction and Veterans Affairs Appropriations Act*

4. REBALANCING THE FORCE

The FY 2011 budget reflects DoD's efforts to rebalance America's defense capabilities, which Secretary Gates has been working toward for the past three years. The Secretary articulated his concept of balance in the January-February 2009 issue of *Foreign Affairs*. He said the U.S. should strive for balance between:

- Trying to prevail in current conflicts versus preparing for future contingencies.
- Institutionalizing capabilities such as counterinsurgency and foreign military assistance versus maintaining the existing U.S. conventional and strategic techno-logical edge against other military forces.
- Retaining those cultural traits that have made the U.S. armed forces successful versus shedding those that hamper their ability to do what needs to be done.

The FY 2010 budget included major initiatives to rebalance America's defense posture. The FY 2011 budget builds on those initiatives and continues the quest to rebalance and reform – guided by the 2010 QDR, which was completed concurrently with formulation of the FY 2011 request.

The QDR and all DoD budgets inherently incorporate an additional type of balance – the balance between risk and resources. QDR plans and budgets can never provide enough resources to eliminate all risk. DoD leaders, and the President and Congress, must always seek a balance. They must decide what level of risk the nation can accept, taking into account fiscal realities.

The QDR used various methods to decide how best to rebalance U.S. forces. For example, the QDR:

- Explicitly linked force planning, which determines the size and key capabilities of U.S. forces, to the defense strategy's priorities.
- Evaluated the capabilities of alternative future force postures against a diverse set of scenarios.

Key Priorities

- Enhance Capabilities for Current Conflicts
- Enhance Capabilities for Future Conflicts
- Advance New Missile Defense Approach
- Strengthen Our Reserve Component

- Identified gaps in capabilities that U.S. forces might encounter in executing key missions over the near-, mid-, and longer-term.
- Produced initiatives to address gaps and shortfalls and guidance to shape the evolution of U.S. forces and their capabilities over the longer-term.

This chapter highlights how the FY 2011 budget advances the rebalancing of America's defense capabilities.

ENHANCE CAPABILITIES FOR CURRENT CONFLICTS

Since taking office, Secretary Gates has taken decisive action to increase the capabilities available to our deployed forces – especially those forces in combat in Iraq and Afghanistan. The FY 2011 budget builds upon his previous actions, which Congress generally has supported, and advances the QDR recommendations.

This section highlights major examples of these enhanced capabilities.

Rotary wing aircraft

The FY 2011 budget requests more than $9.6 billion for the acquisition of a variety of modern rotary wing aircraft including:

- UH-60 Blackhawk ($1.4 billion)
- CH-47 Chinook ($1.2 billion)
- V-22 Osprey ($2.7 billion)
- MH-60R/S SeaHawk ($1.7 billion)

The budget supports creation of two Combat Aviation Brigades (CABs). The Army will:

- Consolidate existing aviation assets to create a 12th active duty CAB in FY 2011.
- Begin actions to create a 13th active-duty CAB in FY 2011 to be fielded as soon as possible.

For FY 2010, Secretary Gates requested and Congress approved an added $426 million to increase the Army helicopter training capacity. The FY 2011 budget adds to that higher funding and continues the increase in Army helicopter pilots.

Intelligence, surveillance, and reconnaissance (ISR)

The FY 2011 budget request reflects Secretary Gates' continuing efforts to provide greater ISR support to our fighting forces. It includes $2.6 billion (most of it in OCO request) for increased capabilities as recommended by DoD's ISR Task Force.

Secretary Gates created the ISR Task Force in April 2008 to determine priorities for increasing critical operational ISR capacity – primarily in Afghanistan and Iraq. Since then he has worked to field and sustain the ISR support our warfighters need most.

ISR funding is supporting key enhancements for our deployed forces including:

- Introduction of innovative airborne collection platforms -- such as new unmanned aircraft and ground-based collection systems.
- Marked increases in the number of full motion video and signals intelligence collection systems optimized for counter-insurgency operations.
- Enhanced ISR communications and its supporting infrastructure.
- Significant increases in processing, exploitation and dissemination capabilities – both people and systems.

The FY 2011 budget supports multi-year efforts to increase the Combat Air Patrols (CAPs) available to deployed forces to provide them valuable battlefield information, including efforts to:

- Nearly double procurement of the MQ-9 Reapers over the next few years -- leading to an increase in CAPs provided by this type aircraft from 37 now to 65 CAPs.
- Advance the goal of providing 6 CAPs per deployed Army BCT by FY 2015.

Electronic warfare (EW)

The FY 2011 budget request supports the QDR's call for better EW capabilities for today's warfighters. It responds to the Combatant Commanders' urgent operational request for additional Joint Airborne Electronic Attack (EA) capability by enhancing several programs.

For example, the FY 2011 budget includes increased funding for acquisition of EA-18G aircraft – a total of $1.1 billion for 12 aircraft in FY 2011 and $2.4 billion for 24 aircraft in FY 2012. These EA-18G aircraft will provide the required recapitalization of four expeditionary EA-6B squadrons that the Navy had planned to disestablish by the end of FY 2012.

This initiative will help fill an EW shortfall that has been consistently highlighted by the Combatant Commanders as one of their highest warfighting priorities. The EA-18G provides one of the most flexible offensive EW capabilities available to the joint warfighter across the spectrum of conflict.

Also to enhance EW capabilities, the Air Force will field additional EC-130s.

Special Operations Forces (SOF)

The FY 2011 budget supports the QDR's validation of the importance of SOF. It requests $6.3 billion for USSOCOM – about 6 percent higher funding than FY 2010. The budget also supports an increase of about 2,800 personnel – up nearly 5 percent over last year. DoD plans call for SOF funding to continue to increase sharply over the next several years.

This increased support is designed to strengthen core SOF capabilities; provide additional equipment; and improve and

increase ISR, training, and communication capabilities.

Budget plans also call for all SOF funding to be included in the base budget by FY 2015, thus preserving this needed warfighting capability independent of any ongoing OCO requirements.

Countering weapons of mass destruction

The FY 2011 budget request funds enhancements for countering WMD including programs for biological and nuclear threat reduction, technical and analytical support to the warfighter, countering biological and chemical agents, and research and development to support arms control verification.

Homeland security – response forces

The FY 2011 budget supports QDR decisions to enhance DoD capabilities for assisting civil authorities in response to homeland security emergencies. It advances initiatives to:

- Provide a more robust capability to speed response time and increase effectiveness to save more lives.
- Support key low-cost and high-payoff improvements in the capabilities of general purpose forces to counter WMD threats.

Cyber Command

Reflecting the QDR's emphasis on cyber security, the FY 2011 budget supports the standup of the U.S. Cyber Command (USCYBERCOM) -- a new command to organize and standardize DoD cyber practices and operations. USCYBERCOM will be a sub-unified command under the U.S. Strategic Command. It will lead, integrate, and better coordinate the protection and operation of DoD networks.

ENHANCE CAPABILITIES FOR FUTURE CONFLICTS

While the FY 2011 budget focuses on today's wars, it also makes substantial investments to enhance capabilities that are critical to U.S. predominance in future conflicts.

Tactical aircraft

The FY 2011 budget funds a robust program to develop and procure superior aircraft to conduct a wide range of operations over current and future battlefields. (Figure 4-1)

The FY11 budget reflects the DoD's commitment to the Joint Strike Fighter (JSF) F-35 program as the backbone of the future tactical aircraft inventory for the Air Force, Navy, and Marine Corps, as well as our international partners. The FY 2011 budget reflects a restructuring of the JSF program to stabilize its schedule and cost. DoD has adjusted F-35 procurement quantities based on new data on costs and on likely orders from our foreign nation partners and realigned development and test schedules.

The FY 2011 budget includes $10.7 billion for the F-35 to continue development and to procure 42 aircraft.

The FY 2011 budget does not fund the JSF Alternate Engine. The Department maintains that the risks involved with a single engine supplier are acceptable, and that savings associated with competition, which may be realized in the future, will not sufficiently offset the upfront development costs when competing against existing priorities. DoD considered all aspects of this program and decided that -- because of cost and management issues -- the Department should not develop and procure an alternate engine.

Figure 4-1. Major Tactical Aircraft
(Dollars in Billions)

Program Base Budget	FY 2010 Enacted	Qty	FY 2011 Request	Qty
F-35	10.8	30	10.7	*42
F/A-18E/F	1.7	18	1.9	22
E/A-18G	1.7	22	1.1	12
Other	1.1	–	1.4	–
Total	**15.3**	**70**	**15.1**	**76**

Includes base budget Procurement and RDT&E.
Numbers may not add due to rounding
**FY 2011 OCO request funds one additional F-35.*

Mobility and Tanker Aircraft

The FY 2011 budget continues to support development of a new aerial refueling tanker. The KC-X, the first phase of KC-135 recapitalization, will procure 179 commercial derivative tanker aircraft to replace roughly one-third of the current aerial refueling tanker fleet at an estimated cost of $35 billion. Contract award is expected in summer 2010, and procurement should begin in FY 2013.

For the C-17 transport, the FY 2011 budget supports production line shutdown activities and continues the modification of existing C-17s. The last procurement of C-17 aircraft is in FY 2010. A total of 223 aircraft will be procured, more than enough to meet current and projected requirements.

Shipbuilding

The FY 2011 budget reflects the Department's formulation of a realistic, executable shipbuilding plan through the FY 2011-2015 FYDP. The FY 2011 budget supports the capabilities necessary to provide the global reach; persistent presence; and strategic, operational, and tactical effects expected of Navy forces.

FY 2011 and planned outyear funding would allow the Department to:

- Maintain aircraft carrier production on a five-year build cycle, resulting in a force structure of ten to eleven aircraft carriers.
- Stabilize near-term production quantities for the Littoral Combat Ship (LCS) and the Joint High Speed Vessel (JHSV) to support a wide range of operations.
- Produce two Virginia Class attack submarines per year beginning in FY 2011 and continue development of a new ballistic missile submarine to underwrite nuclear deterrence.
- Build three Mobile Landing Platform (MLP) ships: in FY 2011, FY 2013, and FY 2015.

The FY 2011 President's Budget includes $25.1 billion for Procurement and RDT&E for shipbuilding – including $15.7 billion in the Shipbuilding and Conversion, Navy (SCN) account.

The Navy will procure 9 new ships in FY 2011 and 50 ships through FY 2015, averaging 10 ships per year for FY 2011 – FY 2015. The Army will procure 1 new JHSV in FY 2011. Army procurement of JHSV ends with its last ship in FY 2012.

The FY 2011 shipbuilding portfolio funds the following new construction:

- Two DDG 51 destroyers.
- Two Virginia Class submarines.
- Two Littoral Combat Ships.
- One Amphibious Assault Ship Replacement (LHA-R).
- One Mobile Landing Platform (MLP).
- Two Joint High Speed Vessels (one Navy funded and one Army funded).

DoD shipbuilding plans balance capability, affordability, and industrial base stability.

Ground forces modernization

Last year Secretary Gates restructured the Army's Future Combat Systems (FCS). FCS was a core program with spin-outs of mature technologies to the current force. Its replacement – Brigade Combat Team (BCT) Modernization – is an incremental program focused on improving current forces as quickly as possible.

The FY 2011 request for BCT Modernization is $3.2 billion, $2.5 billion for research and development. It will fund:

- Increased ISR and related capabilities;
- Better and more robotic capability -- both air and ground;
- More responsive precision fires;

- Better situational awareness and situational understanding of friendly and enemy locations in complex terrain, such as urban environments.

The FY 2011 budget also supports the development of a new ground vehicle program, to replace aging systems. The design of the new program will take into account the success of Mine Resistant Ambush Protected (MRAP) vehicles in Iraq and Afghanistan.

Next generation bomber

The budget includes $0.2 billion for FY 2011 and $1.7 billion for FY 2011-2015 for a Next generation bomber, which could be manned or unmanned or a combination of both. Included are funds to maintain the bomber industrial base while studying the type of bomber appropriate for future decades.

Space capabilities

The FY 2011 budget continues to strengthen U.S. capabilities in space, which are critical to being prepared for future conflicts. It includes $0.6 billion to support future launches of Advanced Extremely High Frequency (AEHF) satellites, which will be deployed instead of the Transformational Satellite, which Secretary Gates cancelled in the FY 2010 budget.

The budget supports ongoing changes to the National Polar-orbiting Operational Environmental Satellite System (NPOESS) program. NPOESS is a joint program between DoD and the Department of Commerce (DoC) to develop a polar-orbiting satellite with numerous sensors to provide weather and environmental data. However, it has experienced cost overruns and delays, and would require significant additional investment to satisfy current acquisition plans. DoD and Commerce have agreed to diverge their satellite development efforts, although some aspects of the NPOESS partnership will continue -- including data gathering, data sharing, and possibly some sensor development. The two departments will work cooperatively to define transition details.

Nuclear weapons infrastructure

DoD strongly supports the Administration's initiative to modernize the U.S. nuclear weapons infrastructure and to add funding to the Department of Energy's National Nuclear Security Administration (NNSA) to do that.

Modernization of the infrastructure is needed to ensure safe, secure, sustainable and cost-effective operations in support of scientific and manufacturing activities. It is also necessary to bolster key scientific, technical and manufacturing capabilities needed to ensure that the U.S. nuclear weapons stockpile remains safe and effective while avoiding the requirement for new nuclear tests.

ADVANCE NEW MISSILE DEFENSE APPROACH

Last year, in announcing his decision to strengthen missile defenses in Europe, President Obama stated his commitment to "deploying strong missile defense systems which are adaptable to the threats of the 21st century."

In support of this new approach, and as articulated in the Ballistic Missile Defense (BMD) Review completed in January 2010, the FY 2011 budget supports the following policy priorities: defend the Homeland against limited ballistic missile attacks; defend against regional missile threats to U.S. forces, allies and partners; rigorously test new capabilities before they are deployed; develop new capabilities that are fiscally sustainable; field missile defenses that are adaptable and flexible to adjust to future threats; and expand our international efforts.

The most immediate change resulting from the BMD Review has been the decision to align capabilities and programs with the Administration's new adaptive approach to BMD. This has resulted in increased investment and focus on regional BMD capabilities that can defend against existing short- and medium-range ballistic missiles threats. This new approach puts in place missile defenses, including sensors, interceptors, and command and control systems,

that are tailored to individual regions and allows the U.S. to seek out opportunities for international cooperation.

A primary example of the new focus on regional BMD is the European Phased Adaptive Approach (PAA). The European PAA contains four phases that more directly address the threat to Europe, while also augmenting defense of the Homeland. Through these phases, the U.S. will deploy sea- and land-based sensors and interceptors that will work together, and in conjunction with any other NATO missile defense assets that may be fielded in the future, to provide protection against threats from the Middle East.

This decision will enable a flexible, scalable response to BMD threats around the world by incorporating new technologies quickly and cost-effectively and maintaining a focus on current threat assessments. This provides warfighters with the BMD capabilities they require now, while also maintaining the flexibility necessary to respond to new threats as they materialize. It also provides a number of additional opportunities for interoperable and shared missile defense with partners and friends.

DoD efforts subsequent to the recommendations of the Review are already beginning or will be initiated in the near term. These include comprehensive planning for the management of missile defense forces and elements on both a global and regional basis across the Combatant Commanders' areas of responsibility and alignment of emerging capabilities and systems with individual Services for training, manning, deployment, and sustainment.

To advance the new BMD approach, the FY 2011 budget includes $9.9 billion for BMD programs – including $8.4 billion for the Missile Defense Agency. This funding supports the development and fielding of an integrated, layered Ballistic Missile Defense System (BMDS) architecture that provides multiple opportunities to destroy missiles and their warheads before they can reach their targets. The BMDS architecture includes:

- Networked sensors and ground- and sea-based radars for target detection and tracking.
- Ground- and sea-based interceptor missiles for destroying a ballistic missile using either the force of a direct collision, called "hit to kill" technology, or an explosive blast fragmentation warhead.
- A command and control, battle management, and communications network providing the warfighter with the needed links among the sensors and interceptor missiles to address ballistic missile threats of all ranges.

Airborne Laser (ABL). The ABL program is transitioning to the Missile Defense Agency's Directed Energy Research program. The ABL aircraft will be used in the National Laser Test Program, which will also provide a venue for other integrated laser weapon system demonstrations.

STRENGTHEN OUR RESERVE COMPONENT

Achieving the defense strategy articulated in the QDR requires a strong National Guard and Reserve seamlessly integrated into the Total Force. Effective use of the Guard and Reserve enhances the Total Force because it can:

- Increase the Total Force's capacity and the range of its capabilities.
- Lower personnel and operating costs when used effectively.
- Better ensure the right mix and availability of equipment.
- Contribute to the sustainability of both the Active and Reserve Components.

Reserve Component (RC) units and individual members are heavily utilized across the full spectrum of current military operations -- ranging from combat in support of OCO missions to homeland emergencies – and have demonstrated their readiness and importance. The Reserve Components must be able to serve in an operational capacity – available, trained, and equipped for predictable routine deployments -- as well as in a strategic capacity. Preventing and deterring conflict will likely necessitate the continued use of some RC elements in an operational capacity well into the future.

Accordingly, the Department will use the Guard and Reserve where needed as an operational reserve -- rather than the "force of last resort" -- to fulfill requirements for which they are well suited in the United States and overseas. Today's Citizen Warriors have made a conscious decision to serve, with full knowledge that their decisions mean periodic recalls to active duty under arduous and hazardous conditions.

The FY 2011 budget request (Figure 4-2) supports QDR initiatives and the Department's Ready Reserve totaling about 1.1 million members contributing about 43% of the total military end strength (Figure 4-3) at a cost of about 9% of the total base budget. The Ready Reserve consists of:

- Selected Reserve -- about 846,200.
- Individual Ready Reserve (IRR) -- about 250,000.
- Inactive National Guard (ING) -- about 2,000.

The FY 2011 request includes $49.6 billion to fund pay and allowances, readiness training, incentives, equipment, and operation and maintenance costs. It supports preparation of both units and individuals to participate in missions, across the full spectrum of military operations, in a cyclic or periodic manner that provides predictability for the combatant commands, the Services, military members, their families, and civilian employers, while potentially increasing the Department's overall capacity and reducing costs.

Figure 4-2. Reserve Component Funding
(Dollars in Billions)

Program (Base Budget)	FY 2010	FY 2011
Army Reserve	9.6	9.4
Navy Reserve	3.7	3.7
Marine Corps Reserve	1.0	1.1
Air Force Reserve	5.2	5.3
Army National Guard	18.9	19.9
Air National Guard	10.2	10.3
Subtotal Reserve	**19.5**	**19.5**
Subtotal National Guard	**29.1**	**30.2**
Total	**48.6**	**49.6**

Numbers may not add due to rounding

Since September 2001, an average of 140,000 Guard and Reserve members have been in a mobilized status at any given time to support operations initiated in response to the terrorist attacks. About 724,000 Guard and Reserve members have been activated to date.

All Reserve Components are moving towards a more predictable "dwell to deployment" rotation. Current DoD policy mandates that involuntary mobilizations be limited to no more than 12 months – not including individual skill training days required for mobilization nor deployment or terminal leave. It also sets a ratio goal of not more than one year mobilized to five years not mobilized for

Figure 4-3. Reserve Component End Strength – Actual & Authorized
(E/S in Thousands)

Program	FY 2010	FY 2011
Army Reserve	205.0	205.0
Navy Reserve	65.5	65.5
Marine Corps Reserve	39.6	39.6
Air Force Reserve	69.5	71.2
Army National Guard	358.2	358.2
Air National Guard	106.7	106.7
Total	**844.5**	**846.2**

Numbers may not add due to rounding

the Reserve components. The Services are moving toward this goal as quickly as possible given current operational requirements. The Reserve Components must be ready, manned, trained, medically prepared, and equipped when their scheduled availability comes up, and they must be funded accordingly.

Equipping and Basing Operational Reserve Forces

The FY 2011 budget requests $5.5 billion for Reserve Component equipment procurement funded by the Military Services as a subset of their procurement budget. Effective and realistic readiness training at home requires that the National Guard and Reserve have access to equipment compatible with the Active Components. In the past, the Reserve Components often relied on cascaded equipment from the Active Components. Reserve Forces now receive the same equipment as their Active counterparts.

Family Support of the Guard and Reserve

Family Support is fully supported in the budget request. Of particular interest are outreach efforts for National Guard and Reserve families who are geographically dispersed across the United States. This outreach provides a robust family support component during the entire deployment cycle. The Yellow Ribbon Reintegration Program and other programs are robustly funded and essential to taking good care of our RC members and their families.

Homeland Defense and Civil Support

The FY 2011 budget continues support for the National Guard and Reserve to play an important role in mitigation of significant domestic events including terrorist attacks, natural disasters, and major local emergencies. Civil authorities rely upon the Department in times of crisis. Locally based and community-oriented with a presence in every State and territory, the National Guard and Reserve are uniquely positioned to have a large role in local Homeland Defense and Civil Support missions.

The Department continues to work with the Department of Homeland Security, other Federal agencies, State Governors, and others to define specific military requirements. The budget request funds:

- National Guard Weapons of Mass Destruction-Civil Support Teams (WMD-CST).
- The Homeland Response Force (HRF).
- A Chemical, Biological, Radiological, Nuclear, and High Explosive (CBRNE) Enhanced Response Force Package (CERFP).
- Air Sovereignty Alert and domestic missile defense capabilities.

5. REFORMING HOW DOD DOES BUSINESS

This chapter highlights how DoD is reforming the way it manages its programs, people, and operations. Our goals include focusing defense resources – dollars, people, and leadership attention – where they are most critically needed. We seek the most "bang for the buck" – the best security payoff for every taxpayer dollar invested.

REFORM WHAT DOD BUYS

President Obama and Secretary Gates have acted decisively to change what weapons and systems DoD buys. Their aim has been to end troubled programs and to achieve a better balance between capabilities needed to succeed in current or most likely conflicts and capabilities needed to prepare long-term for possible future conflicts.

The President's FY 2010 budget request reflected the termination of eight major programs and the restructuring of several others. The eight major terminations were: C-17 transport, F-22 fighter, Joint Strike Fighter Alternate Engine, Transformational Satellite, Combat Search and Rescue Helicopter, VH-71 Presidential Helicopter, Multiple Kill Vehicle, and Kinetic Energy Interceptor.

These terminations, along with business process efficiencies, reduced the costs to complete these and other programs by a multi-year total of about $330 billion. Some of these savings will be reinvested in follow-on programs, such as a new program to develop a Presidential helicopter. But the terminations and restructuring of programs also permitted the Department to direct defense resources to programs most needed by current and future warfighters.

FY 2011 budget -- terminations

The FY 2011 budget request builds on the terminations and other program changes from last year.

Key Priorities

- Reform What DoD Buys
- Reform How DoD Buys
- Strengthen Our Civilian Workforce
- Improve Financial Management
- Improve Contingency Contracting

Unneeded programs. The FY 2011 budget reflects an end to these programs primarily because they are unneeded:

- ***C-17 procurement:*** DoD does not need additional C-17 aircraft. Therefore we are ending production under this program. Current fleet size of 223 C-17 aircraft provides DoD with sufficient capability to meet known operational requirements.
- ***Joint Strike Fighter Alternate Engine:*** DoD has considered all aspects of this program and decided that -- because of cost and logistics issues -- the Department should not develop and procure an alternate engine.
- ***Large Cruiser CG(X):*** This program was cancelled due to affordability and rebalancing concerns. Any resulting capability gap will be filled with an enhanced Navy destroyer program.
- ***Navy Intelligence Aircraft EP(X):*** This Navy-planned EP-3 replacement was cancelled because of cost growth and the potential to use other technology or systems.
- ***Third Generation Infrared Surveillance (3GIRS):*** This sensor system was cancelled because alternative programs better met DoD needs.

Poorly performing programs. The FY 2011 budget reflects termination of these programs primarily because of poor performance – i.e., insufficient results or promise of results for the money spent or needed:

- ***The Defense Integrated Military Human Resources System (DIMHRS):*** has been in development for over 10 years and cost $500 million – with little to show and limited prospects. DIMHRS will be replaced with Service-level programs.
- ***Net Enabled Command and Control (NECC):*** This joint program has been delayed at least two years with cost overruns and performance shortfalls.

Principles guiding what DoD buys

The terminations and restructuring in the FY 2011 budget, as in the FY 2010 budget, reflect the application of five principles that Secretary Gates has used in evaluating DoD programs. The five principles:

1. Emphasize proven technologies: We should consider halting or delaying production on systems that rely on as-yet unproven technologies, while continuing to produce and, as necessary, upgrade systems that we know work and that are the best at what they do (best in class).

2. Seek joint, not single Service solutions: Where different modernization programs within the Military Services exist to counter roughly the same threat, or accomplish roughly the same mission, we must look more to capabilities available across the Services.

3. Incorporate combat experience: DoD leaders must determine if modernization programs have sufficiently incorporated the experiences of combat operations since the September 11th terrorist attacks. This is particularly important to the ground services, which will be in the lead for irregular and hybrid campaigns of the future.

4. Beware of the exquisite solution: DoD needs to shift away from seeking the 99 percent "exquisite" systems – especially Service-centric systems. Such exquisite solutions usually are so costly and so complex that they take too many years to develop and build, then can be deployed in very limited quantities because of their exorbitant cost. With the fast pace of technological and geopolitical change, and the range of possible contingencies, we must look more to the 80 percent multi-Service solution that can be produced on time, on budget, and in significant numbers.

5. The need for balance: DoD needs to think about future conflicts in a different way – to recognize that the strict distinction between irregular war and conventional war is an outdated model. We must understand that we face a more complex future, a future where all conflict will range across a broad spectrum of operations and lethality. It is a future where adversaries large and small will use irregular or asymmetric tactics that target our traditional military strengths where non-state actors like terrorist organizations may have weapons of mass destruction or sophisticated missiles. This kind of warfare will require capabilities with the maximum possible flexibility to deal with the widest possible range of conflict.

Looking ahead

U.S. forces need the right mix of weapons and platforms to deal with the span of threats we will likely face. The goal of our acquisition programs should be to develop a portfolio – a mixture of capabilities whose flexibility allows us to respond to a spectrum of contingencies.

The QDR guides us toward the right mix, and the FY 2011 budget moves us closer to achieving that mix. The FY 2011 budget adds to the program terminations and restructuring begun in the FY 2010 budget, and reflects the continuing use of the Secretary's guiding principles.

Terminations and restructuring do not necessarily diminish the importance of the missions affected. Usually the missions are still critical and a new approach is needed. For example, we still need a highly capable Presidential Helicopter. So we are reviewing requirements and developing a new program to replace the terminated VH-71 program.

REFORM HOW DOD BUYS

Acquisition reform is the process by which DoD is changing how it buys its weapons and other important systems and investments. DoD is focused on acquisition reform at the strategic and tactical level.

- At the strategic level, we are ensuring investments are affordable and consistent with warfighting priorities.
- At the tactical level, we are focused on acquiring warfighting capability via a disciplined, effective and knowledge-based acquisition process.

Our objective is to achieve predictable cost, schedule and performance outcomes based on mature, demonstrated technologies and realistic cost and schedule estimates. We are also implementing initiatives that will increase the numbers and capabilities of the acquisition workforce, improve funding stability, enhance the source selection process, and improve contract execution. Our intent is to provide the warfighter with world class capability while being good stewards of the taxpayer dollar.

Assessing the Problem

The first step in genuine reform of the DoD acquisition system is a firm grasp on the major problems.

Too often, DoD establishes for its future systems unrealistic requirements that are at the far limit of the technological boundaries. Sometimes these can lead to breakthrough developments that can revolutionize warfare. But far more often, the result is disappointing initial performance followed by cost and schedule overruns to correct those performance failures.

DoD needs to add critical skills to its acquisition workforce. Over the last ten years, defense spending on contracts for weapons and other systems nearly tripled -- while the DoD acquisition workforce fell by more than ten percent. More important, the Department now lacks sufficient numbers of technically trained personnel to conduct effective oversight. DoD needs additional contracting officers, cost estimators, systems engineers and acquisition managers.

Reform How DoD Buys

- People: Increase acquisition workforce by 20,000.
- Process: Strengthen milestones and front end scrutiny of requirements.
- Cost estimation: Increase cost analysis capabilities.
- Execution: Achieve better contracting, oversight, and more.

DoD must no longer rely on overly optimistic cost estimates. To produce weapon systems efficiently, it is critical to have budget stability. But it is impossible to attain that stability in our modernization budgets if the cost of our weapons systems is underestimated from the start.

To address these problems, the Department is undertaking a far reaching set of reforms.

People

To operate effectively, the acquisition system must be supported by an appropriately sized cadre of acquisition professionals with the right skills and training to successfully perform their jobs. To achieve this and improve the quality of the acquisition workforce, DoD will increase the number of its acquisition personnel by 20,000 positions – from about 127,000 in FY 2010 to about 147,000 by FY 2015. This includes rebalancing the workforce to create 10,000 authorizations through 2015 as a result of insourcing. We will also be making significant increases in training and retention programs in order to bolster the capability and size of the acquisition workforce.

Strengthening the Front End of the Process

Each major program will be subject to a mandatory process entry point, the Materiel Development Decision Milestone prior to Milestone A. This will ensure programs are based on approved requirements and a rigorous assessment of alternatives. To

reduce technical risk, our standard practice will be to conduct a Preliminary Design Review before Milestone B. Independent reviews must certify the maturity of program technologies for a program to progress to the costly final phase of development – Engineering and Manufacturing Development. We will use competitive prototypes when possible and cost effective.

Improved Cost Estimation

To strengthen DoD's cost analysis capability, we plan to fully implement the provision of the Weapons System Acquisition Reform Act of 2009 by expanding the capabilities and scope of our new Cost Assessment and Program Evaluation (CAPE) organization in the Office of the Secretary of Defense. We will also modernize cost and price analysis education and training programs. To strengthen our cost database, we will improve contractor data reporting of actual costs, earned value management, and pricing.

Executing Programs Properly

DoD also needs to strengthen the execution phase of its weapons development programs.

- First, we plan to emphasize use of the most appropriate contract type that would result in the best value for the warfighter and taxpayer.
- Second, to address the issue of "requirements creep," we will continue to employ Configuration Steering Boards that were required by the FY 2009 National Defense Authorization Act.
- Third, to align profitability with performance, we have several initiatives. Contract fee structures will be tied to contractor performance. We will also rigorously examine services contract strategies to ensure an alignment of fee earned and services provided. We will eliminate the use of unpriced contractual actions, whenever possible. And, we will ensure the use of multiyear contracts is limited to instances when real, substantial savings are accrued to the taxpayer.

Summary

In short, DoD needs to match requirements with mature technologies, maintain disciplined systems engineering integrated with testing, and avoid sacrificing cost and schedule for promises of improved performance.

The Department of Defense is determined to improve the effectiveness of our acquisition system -- a key element of its overall national security capability. Critical Initiatives are underway. We agree with the strategic intent of recent legislation and will work closely with the Congress to achieve our collective intent.

STRENGTHEN OUR CIVILIAN WORKFORCE

The FY 2011 budget funds a pay raise of 1.4 percent for DoD civilians – the same increase that is proposed for military basic pay.

The request includes funding to transition out of the National Security Personnel System (NSPS) -- as directed by the FY 2010 National Defense Authorization Act. About 225,000 DoD employees are covered by NSPS. NSPS employees must convert to a successor statutory personnel system. Most employees will convert back to the government-wide General Schedule (GS). Moreover, the law ensures no loss of or decrease in pay upon conversion out of NSPS. New hires in NSPS organizations must now be placed in the successor statutory personnel system.

The FY 2011 budget includes $23 million to implement NSPS transition and $239 million for estimated higher civilian pay for employees transitioning out of NSPS.

The request supports the DoD plan, announced last year, to grow its civilian workforce by insourcing – replacing contractors with DoD civilian employees. DoD is on track to reduce the number of support service contractors from 39 percent of our workforce in FY 2009 to the pre-2001 level of 26 percent, and replace them with full-time government employees. DoD will authorize the hiring of about 13,500 new civil

servants in FY 2010 and about 33,400 new civil servants for FY 2010 to FY 2014 – to replace selected contractors. Through FY 2011 DoD will authorize the hiring of 19,800 new civil servants as part of the insourcing initiative.

IMPROVE FINANCIAL MANAGEMENT

Beginning in FY 2009, DoD refocused its financial improvement efforts to first address the accuracy of information used most often by decision makers, while continuing to attack internal control weaknesses, document and strengthen business processes, and sustain a skilled, dedicated financial management workforce.

To support and sustain these efforts, the Department continues to make progress in modernizing its financial systems with the deployment of Enterprise Resource Planning (ERP) systems in the Military Departments and Defense Agencies. The FY 2011 budget provides resources to move forward with the ERPs in several ways:

- The Navy ERP will be deployed at the Naval Sea Systems command in FY 2011.
- The Army ERP (GFEBS) will be deployed at about 30 installations by the end of FY 2011.
- The Air Force ERP (DEAMS) will be deployed at TRANSCOM by FY 2011.
- The Defense Agencies ERP (DAI) will begin to be deployed at DISA in FY 2011.

The revised strategy for auditability, which was supported by the FY 2010 National Defense Authorization Act, establishes the following Financial Improvement and Audit Readiness (FIAR) priorities:

- ***Budgetary Information:*** Focus improvement work on the processes, controls, and systems used to manage the Department's budgets, appropriations, funds availability, and expenditure information, which are critical to effectively managing operations and acquisitions. This priority will result in:
  - Strong control over funds management.
  - Accurate obligation data for Planning, Programming, Budgeting, and Execution.
  - Reduced improper payments and unmatched disbursements.
  - Unqualified opinions on Statements of Budgetary Resources (SBRs).
- ***Mission Critical Asset Information:*** Improve and validate the accuracy of information (e.g., location, condition) of mission critical assets (military equipment, real property, and supplies) by improving the processes, controls and systems used to acquire, manage and maintain these assets. This priority will benefit the Warfighters and those that support them by ensuring that they properly equipped and supplied by:
  - Improved asset stewardship and lifecycle management (e.g., utilization, maintenance, disposition), and
  - Improved capital budget planning.

The Department has already made progress on this revised FIAR strategy, and that progress will continue throughout FY 2010 and FY 2011. Specifically, the Marine Corps has asserted audit readiness for its SBR and the Corps' FY 2010 statement will be audited. All the Services expect to assert audit readiness on appropriations received by FY 2011, and the Department will seek validation of these critical results in FY 2011. All the Services will also have detailed plans for improving budgetary information and achieving audit readiness on their SBRs by the beginning of FY 2011.

The ultimate goal of this overall improvement initiative is higher quality financial information that will inform senior leadership decision-making in support of the war fighter. A valuable by-product will be financial audit readiness.

IMPROVE CONTINGENCY CONTRACTING

Contractors have been essential to supporting U.S. combat operations since they began in 2001. Contractor support allows our military to focus on operational missions. Additionally, the downsizing of our military after the end of the Cold War included significant reductions to military logistical and other support personnel. Contractors fill the resulting shortfalls in support.

DoD is working to improve contracting in support of deployed forces and humanitarian operations through innovative policy, guidance, and oversight. The Department has initiatives underway addressing almost all of the observations from the interim report (June 2009) of the Commission on Wartime Contracting.

Specific DoD actions include:

- The DoD Task Force on Wartime Contracting is tracking implementation of DoD initiatives dedicated to improving contingency contracting operations, facilitating the exchange of information between the Services and Defense Agencies regarding the current status of efforts. This will enable DoD to remove, with the help of Congress, any roadblocks to ensure accomplishment of the stated efforts/milestones.
- DoD leaders have implemented new policy, training and procedures across the Department designed to increase the emphasis on ethics, governance, identifying and combating fraud, and improving contract surveillance.
- A partnership with the Defense Acquisition University (DAU) will enhance synergies and exploit core strengths. DAU recently implemented a new contingency contracting course using the Joint Contingency Contracting Handbook as the foundation.
- In concert with the Services and DAU, DoD created a Joint Contingency Contracting Officer Representative (COR) Handbook, and accompanying DAU training. This Handbook will be used by CORs in the field during contingency operations and will contain checklists, “how to” guides, and form procedures and examples.
- DoD is developing a Standardized Contingency Contracting After Action Report to better capture experiences and lessons learned from contingency contracting members.
- DoD is establishing contract management business systems to provide improved visibility in an expeditionary environment. The goal is to provide the appropriate electronic tools for contracting deployment phases, which include initial, build-up, sustainment and termination/redeployment. These systems will provide electronic tools to address requirements definition, contract writing, and receipt/acceptance of supplies and services.

6. SUPPORT OUR TROOPS IN THE FIELD

President Obama's FY 2011 budget includes $159.3 billion for overseas contingency operations (OCO) to support Operation Enduring Freedom (OEF) – mostly in Afghanistan -- and Operation Iraqi Freedom (OIF) – mostly in Iraq.

The President also is submitting an FY 2010 Supplemental request for $33.0 billion to support the Afghanistan troop buildup.

Key Priorities

- Achieve Success in Iraq and Afghanistan
- Support Overseas Contingency Operations (OCO)
  - OCO Functional Breakout
  - Force Level Assumptions
  - FY 2010 Supplemental
  - FY 2011 OCO Request
- Provide Resources and Oversight

ACHIEVE SUCCESS IN IRAQ AND AFGHANISTAN

The United States remains a nation at war. The outcome of today's conflicts will directly shape the global security environment for decades to come. Success in today's wars constitutes a critical pillar of America's national security and defense strategy.

Strong support of the President's FY 2010 Supplemental and FY 2011 OCO request are critical to our success and our goals in Iraq and Afghanistan. This section includes highlights of how the two requests are essential to success in Iraq and Afghanistan. Further details are included later in this chapter in the summaries of each request.

In Iraq, the requested funding supports the responsible drawdown of forces and responsible transition of authority, building on Iraq's improved yet fragile security gains. In Afghanistan, we must fund new efforts to bring to bear the coordinated efforts of the U.S. and its allies, and to support Pakistan in denying safe haven to the extremists that threaten the democratic government in Islamabad, our regional partners, and the U.S. homeland.

Iraq

The United States seeks to assist in establishing an Iraq that is sovereign, stable and self-reliant. We seek an Iraqi government that is just, representative, and accountable; neither a safe haven for, nor sponsor of, terrorism; integrated into the global economy; and a long-term partner contributing to regional peace and security.

In February 2009, President Obama outlined the planned drawdown of U.S. forces in Iraq to 50,000 troops and the change in mission by August 31, 2010. By this time, U.S. forces will have completed the transition from combat and counterinsurgency to a more limited mission set focused on training and assisting the Iraqi Security Forces (ISF); providing force protection for U.S. military and civilian personnel and facilities; and conducting targeted counterterrorism operations and supporting U.S. civilian agencies and international organizations in their capacity-building efforts.

Further drawdowns will occur in accordance with the U.S.-Iraq Security Agreement, and all U.S. forces are to be withdrawn by December 31, 2011. The pace of the drawdown takes into consideration Iraq's improved, yet fragile, security gains and provides U.S. commanders sufficient flexibility to assist the Iraqis with emerging challenges. As combat brigades are responsibly redeployed, the U.S. will also continue to pursue other aspects of its strategy, including a sustained diplomatic effort with a more peaceful and prosperous Iraq.

Military Achievements and Challenges

As a result of ISF operational successes over the last year and other factors, security incidents are now at the lowest levels since early 2004. The ISF and the Coalition forces have achieved these security gains while

continuing to draw down Coalition forces below pre-surge levels. Although security gains remain fragile, the ISF continue to demonstrate a growing capability and confidence while leading operations throughout the country.

The FY 2010 Supplemental and FY 2011 OCO requests include a total of $3 billion for the Iraqi Security Forces. This funding is critical to keep these forces on track to effectively defend the Iraqi people and protect Iraqi institutions by the end of 2011.

Political and Economic Achievements and Challenges

Iraq has continued to make political and legislative progress. The willingness of the Government of Iraq (GoI) to confront extremists and reconcile with former enemies has encouraged greater participation in the political process. The most significant recent accomplishments include:

- GoI's ratification of the Strategic Framework Agreement and the Security Agreement with the United States on December 4, 2008,
- Successful transfer of security authority from Coalition forces to the GoI on January 1, 2009,
- Successful conduct of provincial elections in 14 of Iraq's 18 provinces on January 31, 2009, and
- Passage of the 2009 Iraqi budget in March 2009.

The GoI has improved national and provincial budget execution and the distribution of essential services, although investment on capital projects continues to fall short of needed spending. Investments in electrical generation have led to a stable national grid, improved reliability, and recent all-time highs in generation.

Despite the positive developments, national reconciliation and accommodation continue to be hindered by the pursuit of ethno-sectarian agendas and disagreements over the distribution of power and resources. This is underscored by significant distrust between partisan national leaders. Upcoming national elections will be a key turning point in the process of consolidating Iraq's democracy.

The GoI's ability to spend its resources, improve the delivery of essential services, and promote economic development has progressed measurably. However, Iraq's economy continues to be constrained by a lack of transparency, corruption, weak technical skills, and a poor legal framework. The agricultural and agribusiness sectors could advance economic growth, but are distorted by subsidies. A decline in oil revenues will put an added strain on a government that has had difficulty delivering basic services. Iraq will need to implement economic reforms and pass key legislation to take full advantage of foreign and domestic investment.

Afghanistan

The President's speech in December 2009 at West Point reaffirmed America's goal: to disrupt, dismantle, and eventually defeat al Qaeda and to prevent their return to either Afghanistan or Pakistan. To do so, he detailed a more focused strategy calling for an adding of forces and securing key population centers, training Afghan forces, transferring responsibility to a capable Afghan partner, and increasing partnership with the Pakistani people who are facing the same threats.

The FY 2010 Supplemental and FY 2011 OCO request include the funding needed to support the President's new strategy and meet our goals in Afghanistan.

Afghanistan and Pakistan continue to be the heart of the global violent extremism pursued by al Qaeda, and the region from which the United States was attacked on 9/11. The President outlined that the United States must prevent the Taliban from turning Afghanistan back into a safe haven from which international terrorists can strike at us or our allies.

Against a backdrop of safe havens in Pakistan, and increasing violence in Afghanistan, the United States continues to work with the Afghan Government and our international partners to ensure an Afghanistan that is never again a safe haven for terrorists. Achieving this strategic goal requires coordinating the security, governance, and development efforts of the United States and the international community.

The United States will continue to support the Afghan government, all the while building the capacity of the Afghan security forces to transition, beginning in July 2011, to a lead security role. The United States presence will continue as we transition from a lead combat role to a supporting role. While the United States is assisting Afghanistan, it must also help the government of Pakistan defeat extremists harbored in the border regions between the two countries. The United States and its international partners will continue to assist Pakistan in defeating their extremists, who plan attacks against the United States and our Allies.

Military Achievements and Challenges

In 2009, the security situation in Afghanistan deteriorated in several areas of the country. Violence is concentrated in the south (the historic heartland of the Taliban) and the east, the area most vulnerable to cross-border activity from neighboring Pakistan. The Taliban regrouped after its fall from power and has coalesced into a resilient and evolving insurgency. The insurgents are challenging the control of the Afghan government in areas of the south and the east, and increasingly in the west and north.

The Department's approach to these and other security challenges, is to reverse the Taliban's momentum and degrade their capabilities to a level manageable by the Afghan National Security Forces (ANSF), while building the ANSF capacity and capabilities and ensuring security of the Afghan population.

The increase in U.S. forces will enable Afghan and international forces to regain the momentum and enable increased partnership and accelerated growth of the ANSF. The Afghan National Army (ANA) has become the most respected institution in the country, leading to increased demand for ANA. The Afghan National Police (ANP) has encountered serious challenges in its development and, despite high casualty levels, is now making slow progress.

In some areas, the ISAF and ANSF military campaign has caused setbacks to the Afghan insurgency, including leadership losses and the loss of some key safe havens in Afghanistan. Despite these setbacks the insurgency has maintained, and in some areas increased the scope and pace of its attacks. The increase in insurgent-initiated violence in Afghanistan relates directly to the perceived ineffectiveness of the government, the lack of sufficient ANSF, and the availability of safe havens in western Pakistan.

Although security remains fragile in many parts of Afghanistan, the COIN approach – clear, hold, build, transfer – has successfully demonstrated how combining military and civilian resources can diminish insurgent capacity, maintain security, and link the Afghan people to their government.

FY 2010 Supplemental and FY 2011 OCO funding is essential to build on this success. It is needed to funded additional U.S. forces and strengthen the ANSF.

Political and Economic Achievements and Challenges

A pivotal element of our focused strategy is to help build a responsible Afghan government at the national and sub-national levels. An effective government serves as the most valuable partner for the United States and international community to maintain security gains, achieve the loyalty of the population, enable continued economic growth and development, and deliver services. Although notable progress has been made, most

Afghan ministries lack sufficient administrative capacity necessary for effective program implementation. The United States will continue to pursue a governance assistance strategy that strengthens the Afghan government by building the human capital of the executive, legislative, and judicial branches, focusing on key ministries, while improving a focus on sub-national governance. The United States provides training and mentoring to Afghan ministries and sub-national governments; provides assistance to improve legal education and build the judicial infrastructure and civil society crucial to the rule of law in Afghanistan; and promotes human rights.

Sustained security achievements and accountable governance provide the groundwork for reconstruction and development efforts to take hold. The Provincial Reconstruction Teams (PRTs) are instrumental to these efforts, ensuring coordination among different contributing entities and responsiveness to the needs of the population. In addition, the Commander's Emergency Response Program (CERP) continues to be a critical part of urgent reconstruction and counterinsurgency efforts in Afghanistan.

The successful execution of the population-centric counter-insurgency campaign requires a reintegration mechanism to dissuade fighters and provide a realistic alternative to engaging in the insurgency. Such efforts require a unique ability to support national and local-level efforts that are Afghan-led and coordinated with interagency and international partners. It is vital that the Department be able to provide its ground commanders with the ability to peacefully reintegrate insurgents willing to cease violence against the Afghan government. Recent experiences in Iraq and in conflicts around the globe have made clear that the reintegration of former combatants into society is a critical element of sustainable stability.

The battle against drug traffickers is ongoing and will continue for some time. The Afghan government's own Afghan National Drug Control Strategy (NDCS) establishes the basic framework for counter-narcotics success in Afghanistan. The aim of the strategy is to stop current poppy cultivation and trafficking in order to dissuade Afghans from participation in the narco-economy. The United States and international community efforts support the Afghan NDCS.

Pakistan

Success in Afghanistan is heavily dependent on Pakistan's ability to deny safe haven for terrorists. Funding a robust counter-insurgency capability for Pakistan will serve as a combat multiplier and increase success in Afghanistan. Moreover, extremists in Pakistan threaten the stability of Afghanistan and provide sanctuary for those who plot against the United States homeland. Extremists in Pakistan also threaten the stability of its democratically elected government. Pakistan must have the capability to defeat these extremists and build the foundation for a secure, prosperous state able to offer its citizens a future as a responsible player in the region. The strategic partnership over the long term that the President has offered to Pakistan provides the mechanism for the United States to assist Pakistan on this road.

The Pakistan military has been engaged in combat operations against extremists along its western border with Afghanistan for several years. These operations have expanded dramatically in the past year as the threat from domestic extremists, allied with al Qaeda and others, has grown. We recognize the great sacrifices on the part of Pakistan and admire the significant accomplishments the Pakistani military has achieved in 2009. Nonetheless, Pakistan requires additional resources if it is to ultimately defeat the extremist groups entrenched in the rugged border terrain. The Pakistan Army and other

security forces must continue their path towards the ability to carry out a sustained counterinsurgency campaign against extremists.

U.S funding remains key:

- Continued success working with Pakistan depends on Congressional approval of the FY 2011 OCO request for $2 billion in Coalition Support funding -- most of it to reimburse Pakistan for the support it provides to OEF.
- DoD's execution of appropriated Pakistan counterinsurgency funding, in coordination with the Department of State, exemplifies the U.S. desire to strengthen its strategic partnership with the Government of Pakistan through expanded security assistance.

SUPPORT OVERSEAS CONTINGENCY OPERATIONS (OCO)

This section discusses our OCO functional categories, force level assumptions, and priorities in the FY 2010 Supplemental and FY 2011 OCO budget requests.

OCO Functional Breakout

Financial support for the challenges described in the previous several pages is provided in the President's OCO budgets. Funding by function in the FY 2010 Supplemental and FY 2011 OCO budget requests is shown in Figure 6-1.

Most OCO funding is for these functions:

- *Operations.* Incremental pay for deployed troops, subsistence, cost of mobilizing Reserve Component personnel, temporary wartime end strength allowances. transportation, supplies, communications, and fuel; pre-deployment training and support; transportation to and from theater; sustainment of equipment and full range of logistics; for Reserve Components the cost of pre-mobilization, mobilization and post-mobilization requirements; and more.

Figure 6-1. War Funding Dollars by Function
(Dollars in Billions)

Functional Breakout	FY 2010			FY 2011 Request
	Enacted	Supplemental	Total	
Operations	74.5	19.0	93.5	89.4
Force Protection	15.2	3.3	18.5	12.0
IED Defeat	1.8	0.4	2.2	3.3
Military Intelligence Program *(Incl ISR)*	4.6	1.3	5.9	7.0
Iraq Security Forces	--	1.0	1.0	2.0
Afghanistan Security Forces	6.6	2.6	9.2	11.6
Coalition Support	1.9	--	1.9	2.0
CERP	1.2	--	1.2	1.3
Military Construction	1.4	0.5	1.9	1.2
Reconstitution/Reset	17.0	1.7	18.7	21.3
Army End Strength	1.0	--	1.0	2.1
Navy End Strength	0.4	--	0.4	0.5
Baseline Fuel	--	2.0	2.0	--
Non-DoD Classified	4.1	1.2	5.3	5.6
Total Operations	**129.6**	**33.0**	**162.6**	**159.3**

** Includes non-DoD classified funding*

Numbers may not add due to rounding

- *Force protection:* Body armor, protection equipment, and armored vehicles to protect forces – including the rapid deployment and sustainment of MRAP vehicles.
- *IED Defeat:* Costs to develop, procure, and field measures to defeat improvised explosive devices (IED) threatening U.S. and coalition forces.
- *Military Intelligence:* Enhancements of U.S. intelligence capabilities and operations.
- *Iraqi Security Forces*: Funding to keep these forces on track to effectively defend the Iraqi people and protect Iraqi institutions by the end of 2011.
- *Afghan Security Forces:* Funding to build and support military and police forces capable of conducting independent operations and providing for the nation's long-term security.
- *Coalition Support:* Reimbursement of key cooperating nations and the provision of lift and sustainment for partner nations in support of U.S. operations. Such support reduces the burden on our forces and is critical to our success.
- *CERP:* The Commander's Emergency Response Program provides flexible funds for commanders in the field to finance small-scale, urgent civil and humanitarian needs.
- *Military Construction:* Facilities and infrastructure funding that directly supports our OCO forces.
- *Reconstitution:* Consists of maintenance and procurement actions to restore and enhance robust combat capability to units and to pre-positioned equipment destroyed, damaged, stressed, or worn beyond economic repair due to combat operations. Long-term reconstitution is the repair or replacement of equipment and stocks that are normally available in a theater of operations, but whose repair and replacement does not get accomplished with normal annual rotation of combat units. This deferred repair and replacement becomes an eventual reconstitution liability. DoD's long-term reconstitution is expected to take place over several years.
- *End strength:* Funding for temporary wartime increases to support OCO.
- *Fuel funding (FY 2010 Supplemental):* Funding to help offset DoD costs from fuel prices that are higher than assumed in the enacted FY 2010 budget.

Force Level Assumptions

The two OCO requests – for FY 2010 and FY 2011 -- are based on the average U.S. troop strength assumptions shown in Figure 6-2. The requests reflect the President's direction on force levels.

Figure 6-2. Force Level Assumptions in DoD Budgets
(Average Strength)

Force	FY 2009	FY 2010	FY 2011
Iraq	140,700	100,000	43,000
Afghanistan	44,300	68,000	68,000
Afghanistan Increase	–	16,000	30,000
Additional Enablers*	–	–	4,000
Iraq and Afghanistan	**185,000**	**184,000**	**145,000**
In-Theater Support	48,200	48,200	48,200
Subtotal OIF/OEF	**233,200**	**232,200**	**193,200**
In CONUS Mobilization	63,800	62,500	55.000
Total Force Levels	**297,000**	**294,700**	**248,200**

**For purposes of estimating costs, this assumes enablers above the 30K buildup. Actual number will be determined by operational requirements.*

U.S. forces in Iraq: The DoD budget supports the President's decision to decrease troop levels in Iraq to 50,000 troops by August 31, 2010 – with continuing reductions thereafter in accordance with the Status of Forces Agreement.

- FY 2010 – Reflects the President's decision to decrease force levels to six Advisory and Assistance Brigades (AABs) by August 31, 2010.
- FY 2011 – Reflects sustainment of six AABs for the first part of FY 2011, decreasing to a level of approximately four AABs (~35,000 personnel).

U.S. forces in Afghanistan: The DoD budget supports the President's decision to increase troop levels in Afghanistan by 30,000 troops in FY 2010 and FY 2011, and to begin decreasing forces in Afghanistan by the end of FY 2011.

- FY 2010 – Supports President's decision to increase force levels by about 30,000 -- to total about 98,000 personnel by 30 September 2010.
- FY 2011 – Sustains FY 2010 force levels through most of FY 2011. In accordance with the President's announcement, DoD would begin a gradual withdrawal of forces in the last quarter of FY 2011.

FY 2010 Supplemental

The FY 2010 Supplemental requests $33.0 billion to support the President's buildup of U.S. troops in Afghanistan for the rest of this fiscal year and fund other related requirements.

The Department of Defense urges Congress to approve this Supplemental by the spring to prevent disruption of funding support for our troops in the field.

(More details on some of the functional categories – especially MRAP and ANSF – are in this chapter's section on the FY 2011 OCO request.)

FY 2010 Supplemental highlights include:

Operations

The request supports an average troop level in Afghanistan of 84,000 U.S. troops – 16,000 higher than the 68,000 assumed in the enacted FY 2010 budget. Troop levels are expected to reach 98,000 by September 30, 2010.

The additional troops will consist of two Army counterinsurgency Brigade Combat Teams (BCTs), a Training BCT, a USMC Regimental Combat Team (RCT), and enablers, e.g. support units.

MRAP

The requested $1.1 billion – on top of the funding already enacted -- will enable us to support the MRAP requirements in Afghanistan, for both troops already there and the added forces being deployed this fiscal year.

ANSF

The Supplemental requests $2.6 billion for increased strengthening of the ASNF, consistent with President Obama's new strategy.

The Supplemental (and the FY 2011 request) includes resources essential to maintain the accelerated growth of the Afghan National Army (ANA) force structure and to continue training and supporting Afghan National Police (ANP) force. These resources are needed to increase the capability of ANSF combat and police units and associated infrastructure and equipment to reduce and eventually eliminate dependence on Coalition forces. Our requests fund pay for Afghan troops, equipment, training, facilities, maintenance, and other requirements for strengthening the ANSF.

Goals for the growth of ANSF are shown in Figure 6-3. Funding details are in Figure 6-4.

Figure 6-3. ANSF Strength

ANSF Strength	Nov 2009 Actual	Oct 2010 Goal	Oct 2011 Goal
ANP	93,809	109,000	134,000
ANA	97,011	*134,000	*171,600
Total ANSF	**190,820**	**243,000**	**305,600**

**Includes about 15,000 Trainees, Transients, Holdees, and Students (TTHS)*

Figure 6-4 Afghan National Security Forces Fund

Afghan National Security Forces Fund *$ in Billions*	FY 2010			FY 2011 Request
	Enacted	Supp	Total	
Afghan National Army (ANA)	4.2	1.5	5.7	7.5
Afghan National Police (ANP)	2.4	1.1	3.5	4.1
Related Activities	<0.1	<0.1	<0.1	<0.1
Total Afghan National Security Forces	**6.6**	**2.6**	**9.2**	**11.6**

Numbers may not add due to rounding

Iraqi Security Forces

The requested $1.0 billion is essential to strengthen these forces to fulfill their vital role as U.S. forces drawdown. The Iraqi government funds the preponderance of ISF costs, but this U.S. addition is critical to ensure no degradation in progress this year.

More than 50% of this $1 billion will go toward sustainment of the Iraqi Ministry of Defense (MoD) -- one of the most essential capabilities that must be improved in order for the ISF to sustain themselves. A large portion of these funds will support the U.S. Equipment Transfer to Iraq project, modernization of the Iraqi mechanized division, improvement of asset management and sustainment of rotary and fixed wing aircraft.

The FY 2010 funds will also fill out remaining equipment requirements and support key training and advisory activities for the Police.

This $1 billion is absolutely critical to ensuring our military commanders, with fewer troops as the drawdown progresses, can execute vital assistance programs on time.

Military Construction

The Supplemental request of $0.5 billion will expand airfield capacity for increased airlift and combat operations, increase logistics capacity at key locations, and provide the minimum infrastructure necessary to safely support the increase in forces in Afghanistan.

FY 2011 OCO Request

President Obama's FY 2011 OCO budget requests $159.3 billion to support Operation Enduring Freedom (OEF) and Operation Iraqi Freedom.

Operations

The request supports average U.S. troop levels of Afghanistan: 102,000; Iraq: 43,000; for a total of:145,000

MRAP

The requested $3.4 billion is needed to ensure full support of our military's MRAP requirements. The current CENTCOM requirement for MRAPs is 26,882 vehicles. This increases the previous requirement by 10,644, of which at least 6,644 are MRAP All Terrain Vehicles (MATVs).

As of January 14, 2010, 15,327 MRAP vehicles were in the CENTCOM theater.

The $3.4 billion for MRAPs includes:

- $2.3 billion for sustainment of vehicles in the CENTCOM theater.
- $1.0 billion for vehicle retrofit upgrades and overhauls.
- $0.1 billion for testing.

ANSF

The requested $11.6 billion is needed to add 74,800 ANSF personnel beyond the previously approved level of 230,800 for an October 2011 force level of 305,600. This would be a sharp increase from ANSF strength of about 188,000 in November 2009.

Our OCO funding is essential to the President's new Afghanistan strategy and to ANSF's assumption of greater security responsibilities.

Two key factors for accelerating transfer of responsibility to the Afghan forces are reduced attrition and increased partnering.

Iraqi Security Forces

As with the FY 2010 Supplemental request, this FY 2011 request of $2.0 billion is critical. The FY 2011 funds focus heavily on remaining Ministry of Defense equipment requirements, including divisional level ISR and signal capabilities and full organizational communications and armored transport. Funds would also support continued training of defense forces and equipping and sustaining the police.

Although significant progress in ISF development has been realized over the past several years, many challenges remain. Time constraints, long-lead time procurement, and a lack of funding for force generation will likely lead to a gap in desired ISF capacity in 2011. Additionally, with the Government of Iraq's inability to achieve its oil revenue goals and the related decline in its cash reserves, ISF are not likely to get the resources they need over the next few years.

Requested U.S. funding for FY 2010 and FY 2011 is key to the Iraq Security Forces achieving the minimum essential capability required to provide security prior to the end of a responsible U.S. drawdown.

CERP

The requested $1.3 billion for CERP is key to continued progress in Iraq ($0.2 billion) and Afghanistan ($1.1 billion).

CERP funds enable U.S. military commanders to address urgent humanitarian relief and reconstruction requirements in their operational areas. CERP continues to serve as a powerful tool for military commanders in carrying out counterinsurgency operations. General Petraeus considers CERP his most important authority.

DoD leaders continue to enforce strong internal controls to ensure the proper use and accounting for CERP funds.

Reconstitution

The request for reconstitution funds the replenishment, replacement, and repair of equipment and munitions that have been consumed, destroyed, or damaged due to combat operations.

Major items undergoing reconstitution include helicopters, fixed wing aircraft, trucks, Bradley, Stryker, other tactical vehicles, munitions, radios, and various combat support equipment.

About $2.8 billion of the request is for long-term reconstitution, defined earlier in this chapter.

Reconstitution is essential to ensuring that our fighting forces have everything they need when going into combat.

Military Construction

The FY 2011 request of $1.2 billion expands on the logistical backbone and operational foundation to enable counterinsurgency forces to fight more effectively by increasing operational capability, providing troop housing, replacing expeditionary facilities at the end of their lifecycle, consolidating functions and facilities, and supporting SOF forces operating in Afghanistan.

Detainee Operations

The FY 2011 OCO budget includes $350 million in a transfer fund that can be used to finance all aspects of detainee operations, either at the Guantanamo Bay facility or at another site.

PROVIDE RESOURCES AND OVERSIGHT

Since the September 11th attacks, the most important task for the Department of Defense has been working to ensure that our deployed troops receive sufficient resources to carry out their dangerous missions and advance America's strategic aims. DoD leaders must carefully formulate budget requests to direct funding to our troops' most pressing requirements and then work with the President's staff and Congress to gain approval.

After funding is appropriated, we must expedite getting resources to our troops and oversee the execution of the funding, by DoD personnel and by our contractors. We must also keep Congress fully informed with reports and other means.

Transfers from OCO to base budget

In recent years, OMB and DoD leaders have focused on ensuring that the President's war funding requests included only war-related incremental costs and that the requests were not used to make up for base budget shortfalls. Since taking office, Obama Administration leaders have continued this focus.

In order to restrict OCO requests to genuine war costs, the Administration has moved certain types of funding from its Overseas Contingency Operations (OCO) requests to base budget requests. This OCO-to-base shift has been mostly program funding that DoD would need to continue even if combat operations stopped immediately – that is, funding for what could be called enduring programs. We have continued this approach in the FY 2011 budget request and will explore additional OCO-to-base shifts in future budgets.

7. PERFORMANCE IMPROVEMENT

The U.S. Department of Defense is one of the largest organization in the world. It executes a budget more than twice that of the world's largest corporation, has more personnel than the populations of a third of the world's countries, and provides medical care for as many patients as the largest health management organization. The size and complexity of the Department's operations and the rapid pace of change, set against a backdrop of two major military campaigns and worldwide economic uncertainty, make it imperative that we create more agile, responsive, and efficient operations.

The Defense Department has always endeavored to improve its performance and it has succeeded in many areas. However, even greater gains can be obtained by actively managing and continuously evaluating how reliably our warfighting and business operations deliver quality and timely performance results. Through these improvements, the Department will provide the best support and services for our troops in the field and their families at home, and be responsible stewards of the Nation's resources.

This 2009 Performance Report and 2011 Performance Budget Plan identify key outcomes that the Department accomplished over the past fiscal year and those priorities that it will be focused on over the next two years and beyond. The plan identifies broad strategic objectives, establishes specific performance targets for each objective area, and identifies performance budget challenges. The Department will actively manage it's performance against the goals and priorities identified in this plan. The Department looks forward to working with the Administration and Congress in meeting the challenge of creating more effective and efficient operations, while delivering high value in return for the American taxpayer's investment in the Defense Department.

Key Priorities

- DoD Mission and Organization Structure
- DoD Performance Budget Framework
- FY 2009 DoD Performance Report
- FY 2010 DoD Performance Budget Plan Revisions
- FY 2011 DoD Performance Budget Plan
- DoD Performance Budget Challenges and Initiatives

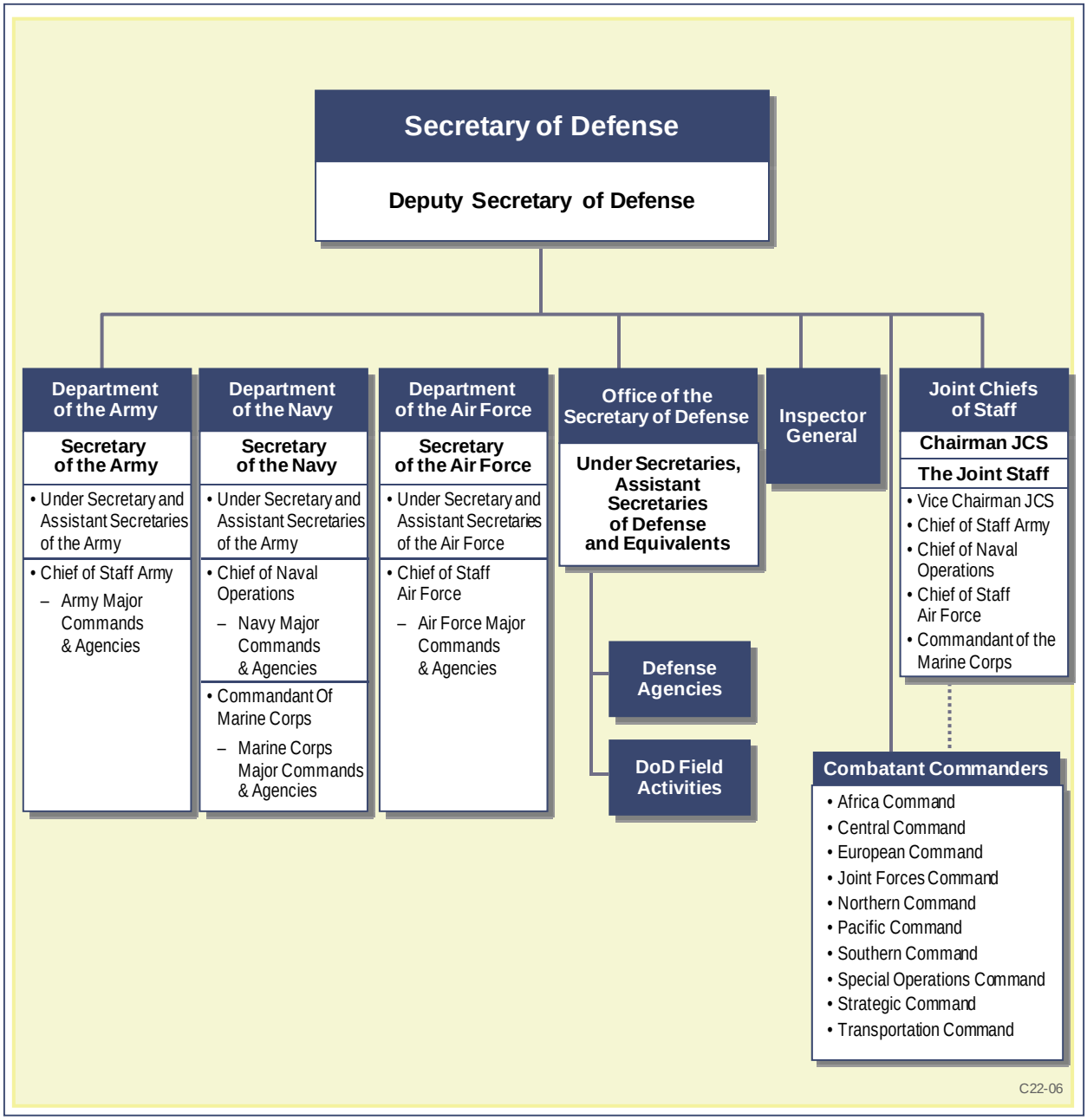
DOD MISSION AND ORGANIZATION STRUCTURE

The mission of the Department of Defense (DoD) is to provide the military forces needed to deter war, to win wars if needed, and to protect the security of the United States. Since the creation of America's first army in 1775, the Department and its predecessor organizations have evolved into a global presence of 3 million individuals, stationed in more than 140 countries and dedicated to defending the United States by deterring and defeating aggression and coercion in critical regions. The Department embraces the core values of leadership, professionalism, and technical knowledge. Its employees are dedicated to duty, integrity, ethics, honor, courage, and loyalty. Figure 7-1 illustrates how the Department of Defense is organized. Details on major operating components are discussed below.

The Office of the Secretary of Defense (OSD)

The Secretary of Defense and his principal staff are responsible for the formulation and oversight of defense strategy and policy. The Office of the Secretary of Defense (OSD) supports the Secretary in policy development, planning, resource management, acquisition, and fiscal and program evaluation. Figure 7-2 depicts the immediate Office of the Secretary of Defense, comprised of several Under Secretaries of Defense (USDs) and Assistant Secretaries of Defense (ASDs) for various functional areas.

Figure 7-1. Department of Defense Organizational Structure



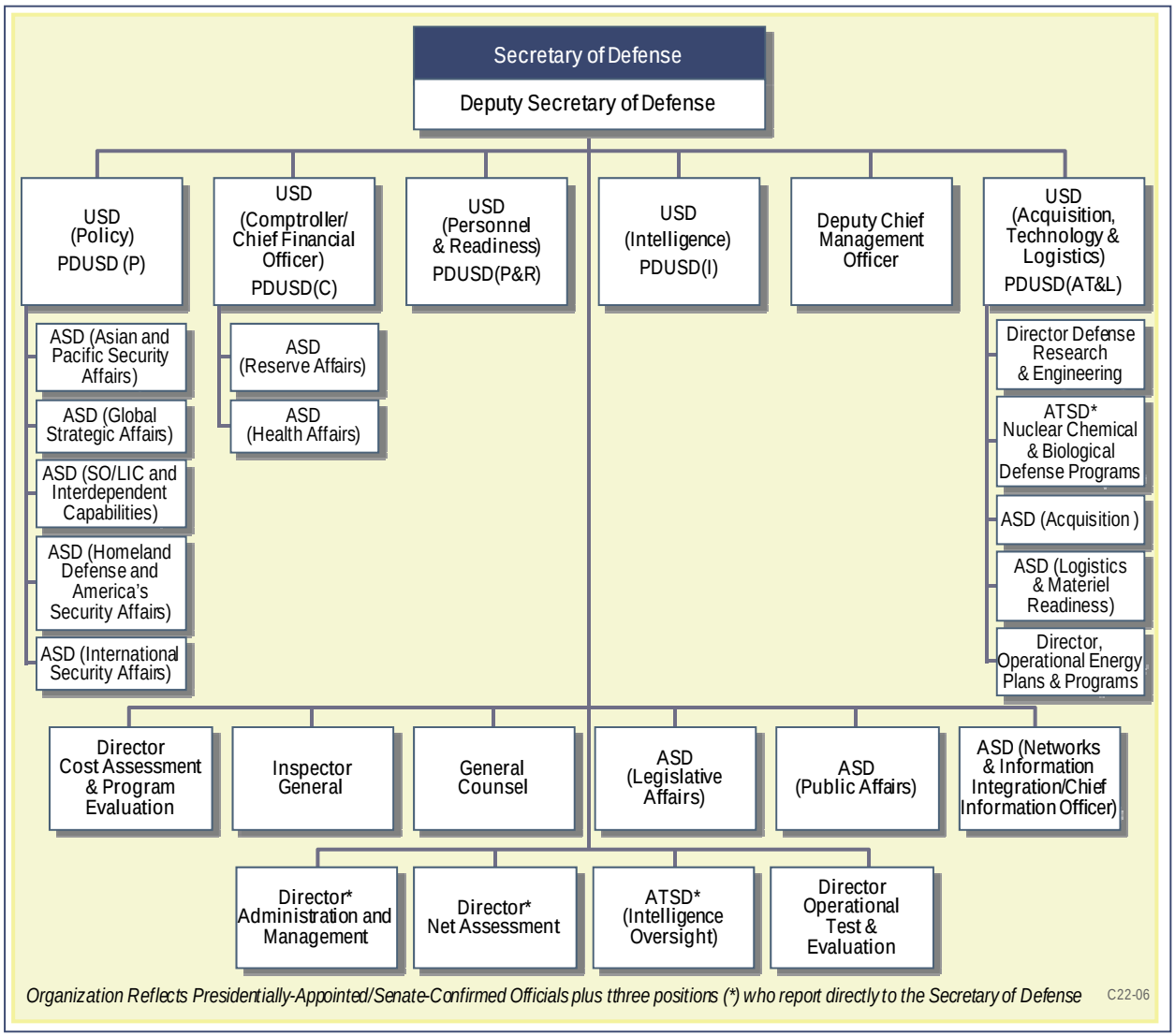
Select OSD Principals also oversee the activities of various defense agencies and DoD field activities.

Military Departments

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

The Military Departments include Active Duty, Reserve, and National Guard forces. Active

Figure 7-2. Office of the Secretary of Defense



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

Defense Agencies

Eighteen defense agencies have evolved over time as a result of DoD-wide functional consolidation initiatives. Defense agencies provide a variety of support services commonly used throughout the Department. For instance, the Defense Finance and Accounting Service provides accounting and payroll services, and makes payments to contractors and vendors; and payroll services; and the Defense Logistics Agency provides logistics support and supplies to all Department activities.

Department of Defense (DoD) Field Activities

Ten DoD field activities have also evolved over time as a result of DoD-wide functional consolidation initiatives. DoD field activities perform missions more limited in scope than defense agencies, such as the Defense Media Activity that serves as the DoD focal point for all Armed Forces information programs.

The Joint Staff (JS)

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

Combatant Commands

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

Six commands (Figure 7-3) have specific military operational mission objectives for geographic areas of responsibility.

Figure 7-3. Combatant Commands Geographic and Functional Areas

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

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

- U.S. Strategic Command (USSTRATCOM) provides global deterrence capabilities, direction of Global Information Grid operations, and synchronizes Department efforts to combat weapons of mass destruction worldwide.
- U.S. Special Operations Command (USSOCOM) leads, plans, synchronizes, and as directed, executes global operations against terrorist networks.
- U.S. Transportation Command (USTRANSCOM) moves military equipment, supplies, and personnel around the world in support of operations.
- U.S. Joint Forces Command (USJFCOM) leads joint innovation and experimentation, integrates joint force capabilities, trains joint forces, leads development of joint force readiness standards, and provides trained and ready joint forces to other combatant commanders.

The Military Departments supply the necessary capabilities to these Commands. As such, the operating costs of these commands (except the USSOCOM) are subsumed within each Military Department's budget. The USSOCOM is the only Combatant Command that has budget authority that resides outside of the control of the Military Departments and is reflected in the Department's Defense-wide accounts. Figure 7-4 shows a complete listing of DoD Major Organizational Components.

DOD PERFORMANCE BUDGET FRAMEWORK

The Department's Performance Budget framework is focused on implementing all the statutory provisions of the Government Performance and Results Act of 1993 and the President's performance vision.

Sections 200-230 of OMB Circular A-11 characterize a performance budget as a hierarchy of goals, structured like an agency's strategic plan. At the top of the pyramid is the agency's mission statement followed by overarching strategic goals, or statements of aim or purpose, as outlined in the agency's strategic plan. For each strategic goal, there are a limited number of high priority strategic objectives that add greater specificity to the overarching strategic goal in terms of the outcomes to be achieved. For each strategic objective, there are a limited number of performance targets (measures and milestones) that are used to indicate progress toward accomplishing the strategic objective.

The Department's performance budget hierarchy is depicted in Figure 7-5. This hierarchy indicates that every level of the DoD is accountable for measuring performance

Figure 7-4. DoD Major Organizational Components

MILITARY DEPARTMENTS (3):

• Department of the Army (Army) • Department of the Air Force (AF) • Department of the Navy (Navy)/Marine Corps (MC)

DEFENSE AGENCIES (18):

- Business Transformation Agency (BTA)
- Defense Advanced Research Projects Agency (DARPA)
- Defense Commissary Agency (DeCA)
- Defense Contract Audit Agency (DCAA)
- Defense Contract Management Agency (DCMA)
- Defense Finance and Accounting Service (DFAS)
- Defense Information Systems Agency (DISA)
- Defense Intelligence Agency (DIA)
- Defense Legal Services Agency (DLSA)
- Defense Logistics Agency (DLA)
- Defense Security Cooperation Agency (DSCA)
- Defense Security Service (DSS)
- Defense Threat Reduction Agency (DTRA)
- Missile Defense Agency (MDA)
- National Geospatial-Intelligence Agency (NGA)
- National Reconnaissance Office (NRO)
- National Security Agency (NSA)
- Pentagon Force Protection Agency (PFPA)

DOD FIELD ACTIVITIES (10):

- Defense Media Activity (DMA)
- Defense Prisoner of War/Missing Personnel Office (POW/MPO)
- Defense Technical Information Center (DTIC)
- Defense Technology Security Administration (DTSA)
- DoD Education Activity (DoDEA)
- DoD Human Resources Activity (DHRA)
- DoD Test Resource Management Center (TRMC)
- Office of Economic Adjustment (OEA)
- TRICARE Management Activity (TMA)
- Washington Headquarters Services (WHS)

OTHER ORGANIZATIONS (8):

- Court of Military Appeals (CMA)
- Defense Acquisition University (DAU)
- Defense Health Program (USD(P&R)/DHP))
- DoD Inspector General (DoDIG)
- National Defense University (NDU)
- Office of the Secretary of Defense (OSD)
- Office of Test and Evaluation (OTE)
- The Joint Staff (TJS)

THE COMBATANT COMMANDS (10):

- U. S. European Command (USEUCOM)
- U. S. Central Command (USCENTCOM)
- U. S. Pacific Command (USPACOM)
- U. S. Southern Command (USSOUTHCOM)
- U. S. Northern Command (USNORTHCOM)
- U. S. Strategic Command (USSTRATCOM)
- U. S. Special Operations Command (USSOCOM)
- U. S. Transportation Command (USTRANSCOM)
- U. S. Joint Forces Command (USJFCOM)
- U.S. African Command (USAFRICOM)

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and delivering results at multiple tiers of the organization that support the Department's strategic goals and objectives. Performance accountability cascades to the appropriate management level (DoD Enterprise to DoD Component to program level) with personnel accountability at all management echelons. DoD investments in systems and other initiatives are aggregated to support strategic objectives at the enterprise or highest DoD echelon level.

DoD strategic objectives and performance targets are recommended by Principal Staff Assistants (PSAs) within the Office of the Secretary of Defense, in coordination with the Joint Staff, as most relevant for DoD-wide or enterprise-level strategic focus. This list does not represent a comprehensive and exhaustive list of all DoD performance targets. The list does not include classified performance targets or address performance improvements associated with the National

Intelligence Program (NIP), since responsibility for the NIP falls under the purview of the Director for National Intelligence (DNI).

DoD strategic objectives and performance targets (measures and milestones) are subject to annual refinement based on changes in missions and priorities. Such changes reflect the evolutionary nature of DoD's performance budget and the Department's continuing efforts to link budgetary resources and investments to identifiable and measurable strategic outcomes.

The DoD Strategic Plan

Performance-based management and budgeting begins with an overarching strategic plan. The Quadrennial Defense Review (QDR) constitutes the DoD's strategic plan.

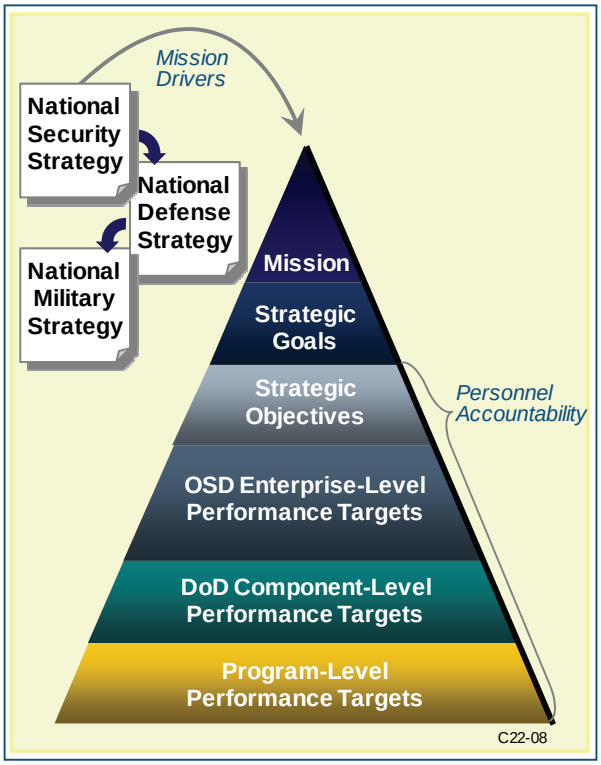
Subsection 118 of Chapter 2, United States Code requires that the Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, conduct a comprehensive examination of the United States defense strategy and establish a defense program for the next 20 years. This review examines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

The DoD is in the process of creating the 2010 QDR. This update is expected to be unveiled in February 2010, along with the Department's FY 2011 President's Budget.

DoD Strategic Goals

The Department examines America's defense needs by conducting the QDR, which provides a blue print for a strategy-based, balanced, and affordable defense program. With the change in Administration, the DoD FY 2009

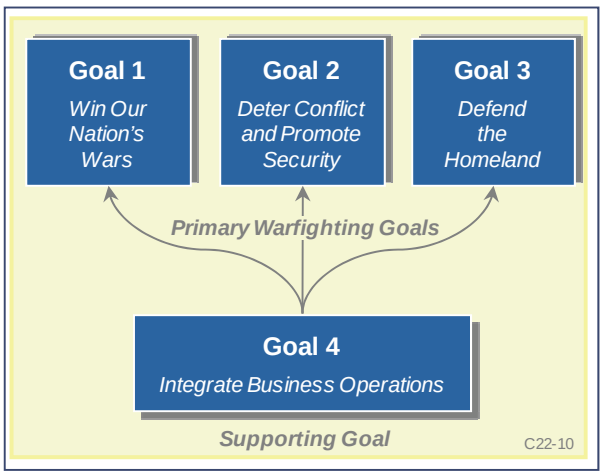
Figure 7-5. Department of Defense Performance Budget Hierarchy



Performance Plan strategic goals were updated to adopt the 2008 National Defense Strategy objectives, plus an additional objective focused on business operations, for DoD's overarching strategic goals, as depicted in Figure 7-6. These transition goals, used for FY 2009-2011, may be subject to change with release of the 2010 QDR.

DoD strategic goal 1 acknowledges the

Figure 7-6. FY 2009-2011 Strategic Goals



ensuing major conflict and extended stabilization campaigns in Iraq and Afghanistan. For FY 2011, strategic goal 1 is focused on conducting overseas contingency operations to support the President's objectives. Strategic goal 2 recognizes that the Department needs to recast its view of future warfare through the lens of a long duration and globally distributed conflict. Therefore, strategic goal 2 focuses on reorienting the Armed Forces to deter and defend against transnational terrorists around the world and to promote security cooperation. Strategic goal 3 is focused on the Defense Department's contributions to our homeland defense mission. Success, under this goal, requires that all elements of national power work together to protect our national interests. Together, these three strategic goals encompass the Department's primary warfighting missions.

Strategic goals 4 focuses on improving and integrating DoD business operations in ways that better support the warfighter. Therefore, this goal as seen as a supporting one that enables accomplishment of the Department's primary warfighting goals.

DoD Strategic Objectives

Based on the above over-arching strategic goals, a task force and Senior Review Group (SRG) was convened to develop a limited number of high priority strategic objectives and performance targets for DoD-wide or enterprise-level focus. The Performance Budget Task Force and SRG includes representatives from each OSD Principal Staff, the Joint Staff, and the Military Departments. Each year, these forums meet to consider changes to strategic objectives and refinements to performance targets based on changes in management priorities and Administration direction. Since the 2006 QDR, the Department has modified, deleted, and added to some of its original strategic objectives based on the National Defense Strategy, published June 2008, and the President's objectives and national security approach. Figure 7-7 identifies the Department's latest refinements to its strategic goals and objectives.

Performance Validation and Reporting

The Department uses a broad range of outcomes and measures to make performance reporting useful and reliable. It is imperative to demonstrate that performance measures are backed by accurate and reliable data and reporting methodologies. Consequently, each performance measure is supported by an internal Validation and Verification document that describes the process by which the data are collected, calculated, and reported. This document also establishes accountability, at the senior ranks, for data verification. Currently, the Department utilizes a process that collects and reviews performance information on a quarterly basis and presents results to the Deputy Secretary of Defense for management decision making.

Performance budget development and assessment serves a variety of purposes by supporting the Department's overall budget justification, its Strategic Management Plan (SMP) for business operations, and responding to high-risk management challenges, identified by the Government Accountability Office. SMP and GAO high risk measures are subsets of the Department's overall performance budget targets.

FY 2009 DOD PERFORMANCE REPORT

In FY 2009, the Department of Defense (DoD) executed its mission and responded to 21st Century national security requirements in many ways. The Department continued to engage in Operation Iraqi Freedom military operations while executing a substantial portion of its responsible troop withdrawal from Iraq. While performing mission requirements in Iraq, DoD also increased its efforts in Operation Enduring Freedom in Afghanistan.

Figure 7-7. DoD Strategic Goals and Objectives

STRATEGIC GOAL 1: WIN OUR NATION'S WARS

1.OCO: Successfully conduct overseas contingency operations and support contingency business operations.

STRATEGIC GOAL 2: DETER CONFLICT AND PROMOTE SECURITY

2.1F1: Institutionalize irregular warfare and strengthen alliances and partnerships in order to deter conflicts and promote international security.

2.1F3: Provide space-based wideband, narrowband, and protected communications capabilities and advanced Position, Navigation, and Timing capabilities with sufficient capacity, connectivity, precision, and availability to support all DoD requirements and ensure timely access to space for all net-centric and other space-based capabilities.

2.1X1: Provide robust and agile Command and Control capabilities to DoD commanders and national leadership, enabling them to command, control, and coordinate an interdependent force in rapidly changing scenarios across the full range of DoD operations.

2.1X2: Improve intelligence, surveillance, and reconnaissance (ISR) to enhance Battle Space awareness.

STRATEGIC GOAL 3: DEFEND THE HOMELAND

3.1F2: Improve capabilities to prevent and mitigate attacks on U.S. personnel, facilities, and key assets.

STRATEGIC GOAL 4: INTEGRATE BUSINESS OPERATIONS

4.2A: Maintain capable, efficient, and cost-effective installations to support the DoD workforce.

4.2C: Enable an operational advantage for the DoD, non-DoD partners, and national leadership through the effective and efficient management of an assured and secured DoD Information Enterprise.

4.2D: Speed technology transitions focused on warfighting needs.

4.2E: Improve acquisition performance by integrating lifecycle management principles into DoD and Service acquisition, maintenance, and sustainment processes.

4.2L: Integrate joint supply chains from source of supply to operational customers.

4.2M: Ensure the trust of the Total Force, their families, and the national through superior care and support.

4.2P: Maintain and shape a mission ready All Volunteer force and enhance the civilian workforce.

4.2R: Improve the quality of life for our armed forces and their families.

4.2T: Prepare the force to meet current and emerging challenges faced by operational commanders and reinvigorate the acquisition and security cooperation workforces.

4.2U: Strengthen joint headquarters, personnel security, and financial management activities.

* May be modified and/or augmented based on 2010 Quadrennial Defense *Review*.

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DoD began executing the President's decision to increase force levels with an additional 30,000 troops. This addition is critical to training Afghan Security Forces, bolstering International Security Assistance Force security in Regional Command East, retaking Helmand Province, and increasing security in Kandahar.

The Army and Marine Corps successfully achieved their "grow the force" active military goals of 547,400 and 202,100 enlisted, respectively, more than two years ahead of schedule. The success of this effort will allow the Army and Marine Corps to reduce the stress on their forces and will ultimately result in military members spending less time deployed. In addition, DoD established the Africa Command (AFRICOM) on October 1, 2008, which greatly enhances the nation's focus on outreach and counterterrorism efforts in Africa.

To carry out its key missions, DoD remained committed to the care of its people: the all-volunteer military force, including the wounded Service members, military families, and civilians. Military personnel received a

3.9 percent pay raise. In recognition of the needs of our wounded warriors, the Department improved military health care facilities through funding initiatives such as warrior transition units. In addition, 9.5 million eligible beneficiaries received healthcare from the 59 inpatient medical facilities, 800 medical and dental clinics, and private sector care through the TRICARE program.

The Department also invested in new weapon system platforms and capabilities such as unmanned aerial vehicles, mine resistant ambush protected vehicles, and precision guided munitions to improve the nation's ability to combat unconventional threats. Additionally, DoD focused on aligning acquisitions to operational demands and requirements.

In FY 2009, the Department was also successful in achieving most of its DoD-wide or enterprise-level performance targets. The Department Performance Budget Report for FY 2009 included 49 performance targets, distributed among four overarching DoD strategic goals and 15 strategic objectives. Results for three (or 6 percent) of the 49 enterprise-level performance targets are not available in time for inclusion in the FY 2011 President's Budget. Three performance results, related to acquisition cycle time and cost growth, are still pending analysis for FY 2009.

Based on 46 available performance results, the Department met or showed improvement in 76 percent of its FY 2009 performance targets when compared to prior year (FY 2008) performance results. Figure 7-8 indicates that 54 percent (25 performance targets) were met or exceeded, 22 percent (10 performance targets) were not met but showed improvement over the prior year, and 24 percent (11 performance targets) were not met. The details of these performance results for FY 2009, by strategic goal and strategic objective, are identified at Exhibit A.

Of particular note, the Department identified 16 key performance outcomes for FY 2009. Figure 7-9 depicts these key outcomes by DoD strategic goal and strategic objective.

Since FY 2001, the Department has been engaged in developing the forces and capabilities of Iraq and Afghanistan to provide for their own defense. Under strategic goal 1 (Win our Nation's Wars), the Department met or showed improvement in two key performance outcomes associated with training and Iraqi Security Forces and in the number of Afghan National Security Forces assigned. As a result, this will allow both nations to take responsibility for their own security and enable DoD to reallocate its resources and military forces to other regions.

Over the past few years, DoD has been increasing and restructuring DoD capabilities and forces to address unconventional warfare in order to provide a force structure that meets ongoing military operational missions. Under strategic goal 2 (Deter Conflict and

Figure 7-8 FY 2009 Performance Results by DoD Strategic Goal

DoD Strategic Goal	Met or Exceeded		Improved Over Prior Year, But Did Not Meet		Did Not Meet		Total	
Goal 1 - Win Our Nations Wars	1	50%	0	0%	1	50%	2	100%
Goal 2 - Deter Conflict and Promote Security	6	60%	2	20%	2	20%	10	100%
Goal 3 - Defend the Homeland	1	50%	0	0%	1	50%	2	100%
Goal 4 - Integrate Business Operations	17	53%	8	25%	7	22%	32	100%
DoD Total	**25**	**54%**	**10**	**22%**	**11**	**24%**	**46**	**100%**

Promote Security), the Department met or showed improvement in five key outcome areas associated with increasing Special Operations and Navy SEAL personnel, converting the Army to modular brigades, and training international partners and increasing technology transfers in order to shape the international environment toward U.S. interests.

Figure 7-9. FY 2009 Key Performance Outcomes

STRATEGIC GOAL 1: WIN OUR NATION'S WARS

Strategic Objective: **Successfully conduct overseas contingency Operations and support contingency Business operations**

Performance Target:
- 🟢 By FY 2009, the DoD will train 588,000 Iraqi Security Forces
- 🟡 By FY 2009, 187,196 Afghan National Security Forces will be assigned

STRATEGIC GOAL 2: DETER CONFLICT AND PROMOTE SECURITY

Strategic Objective: **Institutionalize irregular warfare and strengthen alliances and partnerships in order to deter conflicts and promote international security.**

Performance Target:
- 🟢 By FY 2009, the DoD will increase its Special Forces and Navy SEAL personnel by 17 percent from FY 2006 actual of 13,206 end strength.
- 🟡 By FY 2009, the DoD will convert 47 Army Brigade Combat Teams (BCTs) to a modular design.
- 🟡 By FY 2009, the DoD will convert 201 Army Multi-functional and Functional Support (MFF) brigades to a modular design.
- 🟢 By FY 2009, the DoD will increase the number of international students participating in Department-sponsored education to 56,400.
- 🟢 By FY 2009, the DoD will increase the number of approved technology transfers to international partners to 120,704.

STRATEGIC GOAL 3: DEFEND THE HOMELAND

Strategic Objective: **Improve capabilities to prevent and mitigate attacks on U.S. personnel, facilities, and key assets.**

Performance Target:
- 🟢 By FY 2009, 55 National Guard WMD-CSTs will be certified.
- 🔴 By FY 2009, 17 National Guard CBRNE Enhanced Response Force Packages (CERFPs) will be trained for WDM or other catastrophic responses.

STRATEGIC GOAL 4: INTEGRATE BUSINESS OPERATIONS

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

Performance Target:
- 🟡 By FY 2009, the DoD will eliminate all inadequate family housing in the continental United States.
- 🟡 By FY 2009, the DoD will eliminate all inadequate family housing outside the continental United States.

Strategic Objective: **Integrate joint supply chains from source of supply to operational customers.**

Performance Target:
- 🟡 By FY 2009, the DoD will reduce average customer wait time to 15 days.

Strategic Objective: **Ensure the trust of the Total Force, their families, and the nation through superior care and support..**

Performance Target:
- 🟡 By FY 2009, the DoD will sustain the percent of deployable Armed Forces without any deployment-limiting medical condition to equal to or greater than 90 percent.

Strategic Objective: **Maintain and shape a mission ready All Volunteer force and enhance the civilian workforce.**

Performance Target:
- 🟢 By FY 2009, the DoD Active component end strength will not vary by more than three percent from the SECDEF/NDAA prescribed end strength.
- 🟢 By FY 2009, the DoD Reserve component end strength will not vary by more than three percent from the SECDEF/NDAA prescribed end strength.

Strategic Objective: **Prepare the force to meet current and emerging challenges faced by operational commanders and reinvigorate the acquisition and security cooperation workforces.**

Performance Target:
- 🔴 By FY 2009, the DoD will increase the percent of operational and contingency language needs met by 1 percent from the FY 2008 baseline.

🟢 Met or exceeded performance target 🟡 Improved over Prior Year, but did not meet performance target 🔴 Did not meet performance target

Under strategic goal 3 (Defend the Homeland), the Department met one of two key outcomes associated with improving DoD capabilities to respond to and manage Weapons of Mass Destruction (WMD) or other catastrophic event. As a result, the Department is now better postured to mitigate attacks on the U.S., its territories, and key assets and contribute to our Nation's security.

Under strategic goal 4 (Integrate Business Operations), the Department met or showed improvement in six of seven key outcome areas focused on improving joint warfighting support and improving the quality of life for Service members and their families. Although the Department did not met four performance targets under this goal, it was able to show improvement in reducing the number of inadequate military housing units, in reducing average customer wait time for maintenance and repair of major equipment, and in the percentage of Armed Forces without any deployment-limiting medical conditions to ensure readiness for mission capability. The Department was successful in meeting DoD Active and Reserve component end-strength against levels prescribed by the Secretary of Defense for mission accomplishment. However, the Department fell short in closing the current gap in language capabilities required to meet mission requirements.

Overall, the Department met or showed improvement in 88 percent of its FY 2009 key performance outcomes when compared to prior year (FY 2008) performance levels (Figure 7-10).

Figure 7-10. FY 2009 DoD Key Performance Outcome Assessment

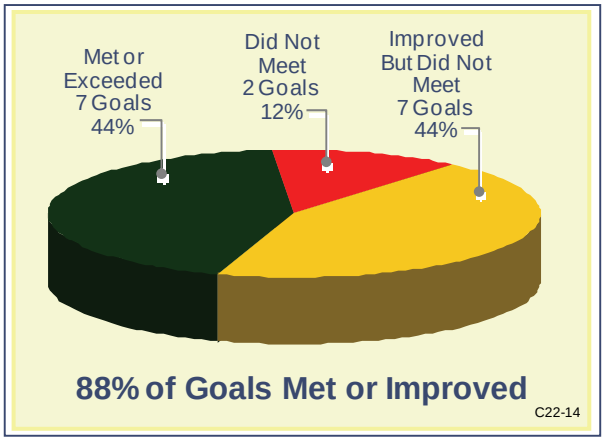


Figure 7-11. FY 2010 DoD Performance Target Revisions

DoD Strategic Goal	FY 10	FY 10 Revised	FY 10 Changes	
			#	%
Goal 1 -Win Our Nation's Wars	1	6	5	500%
Goal 2 - Deter Conflict and Promote Security	10	12	2	20%
Goal 3 - Defend the Homeland	3	3	0	0%
Goal 4 - Integrate Business Operations	39	45	6	15%
TOTAL	**53**	**66**	**13**	**25%**

FY 2010 DOD PERFORMANCE BUDGET PLAN REVISIONS

Since the publication of the FY 2010 President's Budget, the Deputy Secretary of Defense/Chief Management Officer approved a number of changes to FY 2010 performance targets. These changes were based on subsequent Administration direction calling for, among other things, the development of a limited number of High Priority Performance Goals (HPPGs) to be accomplished over the next 12-24 months. Revisions were also generated based on submission of a DoD Strategic Management Plan, called for by the National Defense Authorization Act for FY 2008, in July 2009. This 2009 Strategic Management Plan describes the steps and identifies performance measures DoD will use to better integrate business operations. As a result, the Department revised its performance targets, for FY 2010, from 53 in the FY 2010 President's Budget to 66 in its FY 2011 President's Budget. Figure 7-11 depicts the net changes to the FY 2010 performance plan by DoD strategic goal.

Figure 7-12. FY 2010 DoD Performance Target Assessment

DoD Strategic Goal	Above Prior Year Performance	No Change from Prior Year Performance	Below Prior Year Performance	New Measure 1/	Total
Goal 1 – Win Our Nation's Wars	0	1	0	5	6
Goal 2 – Deter Conflict and Promote Security	5	5	2	0	12
Goal 3 – Defend the Homeland	3	0	0	0	3
Goal 4 – Integrate Business Operations	28	0	7	10	45
TOTAL	**36**	**6**	**9**	**15**	**66**
%	**54%**	**9%**	**14%**	**23%**	**100%**

1/ No prior year results for comparison.

Figure 7-12 indicates that 54 percent (or 36 DoD enterprise-level targets) project incremental performance improvement between FY 2009 and FY 2010. Detailed performance targets for FY 2010, by strategic goal and strategic objective, are identified at Exhibit A.

FY 2011 DOD PERFORMANCE BUDGET PLAN

The Deputy Secretary of Defense/Chief Management Officer approved a total of 71 DoD-wide or enterprise-level performance targets for FY 2011. Figure 7-13 reflects the net changes in FY 2011 performance targets by DoD strategic goal.

Figure 7-14 indicates that 47 percent (or 33 DoD enterprise-level targets) project incremental performance improvement between FY 2010 and FY 2011. While 39 percent (or 28 performance targets) do not reflect incremental improvement, the FY 2011 targets are considered ambitious in light of significant external factors that challenge the Department's ability to sustain prior year performance levels in a variety of DoD mission areas. These include, but are not limited to, performance targets associated with managing Active and Reserve end strengths and controlling cost growth for Major Defense Acquisition Programs and military healthcare.

Detailed performance targets for FY 2011, by strategic goal and objective, are identified at Exhibit A.

DoD High Priority Performance Goals

In FY 2009, the Department established plans for continued management reform, organized around ten high-priority performance areas, as follows:

- Provide effective business operations and ensure logistics support to Overseas Contingency Operations.

Figure 7-13. FY 2011 DoD Performance Target Changes

DoD Strategic Goal	FY 09	FY 10	FY 11	FY 10-11 Change	
				#	%
Goal 1 - Win Our Nation's Wars	2	6	6	0	0%
Goal 2 - Deter Conflict and Promote Security	10	12	13	1	8%
Goal 3 - Defend the Homeland	2	3	2	-1	-33%
Goal 4 - Integrate Business Operations	35	45	45	5	11%
TOTAL	**49**	**66**	**71**	**5**	**8%**

Figure 7-14. FY 2011 DoD Performance Target Assessment

DoD Strategic Goal	Above Prior Year Performance	No Change from Prior Year Performance	Below Prior Year Performance	New Measure 1/	Total
Goal 1 – Win Our Nation's Wars	2	4	0	0	6
Goal 2 – Deter Conflict and Promote Security	7	5	0	1	13
Goal 3 – Defend the Homeland	2	0	0	0	2
Goal 4 – Integrate Business Operations	22	19	2	7	50
TOTAL	**33**	**28**	**2**	**8**	**71**
%	**47%**	**39%**	**3%**	**11%**	**100%**

1/ No prior year results for comparison.

  - Acquisition processes in the expeditionary environment challenge the Department of Defense's (DoD's) ability to fulfill contingency requirements in a timely manner. Logistics operations in austere environments, and the oversight and management of contingency contractors, are a persistent challenge. Planning for contractor support for future contingencies has been found inadequate in recent studies. Isolated cases of individuals misappropriating government funds or contract irregularities suggest internal controls need to be reviewed and strengthened. Resolution of these issues contributes to DoD's ability to better accomplish its national security mission, as well as its humanitarian aid mission, by getting the right materials in the right quantity for effective utilization. It will also improve DoD's stewardship of taxpayer dollars

- Increase energy efficiencies.
  - The Department of Defense (DoD) must reduce building energy consumption. Legislation mandates a 3% annual reduction in facility energy intensity as measured in British Thermal Units per square foot (BTU / SF). Reducing DoD facility energy intensity will slow rising energy costs as well as assist in achieving Federal government energy dependency goals.

- Reform the DoD acquisition process.
  - Too many DoD acquisition programs cost too much and fail to satisfy the needs of the 21st century war fighter. Acquisition of weapons systems has been on the Government Accountability Office (GAO) list of high-risk management challenges for 29 years. The economic crisis and changing threat environment make the problem even more acute. The Secretary of Defense has identified acquisition reform as one of DoD's most significant priorities. The objective is to institutionalize a streamlined, focused and effective acquisition process that results in more rapid delivery of capability while also generating savings for re-investment into the Defense enterprise.
  - DoD has embarked on a series of initiatives designed to improve execution of the acquisition process, to include speeding delivery of capability; enhancing quality of milestone decision making; employing competitive prototyping, preliminary design reviews and independent technical readiness assessments; and improving quality of contracted services.

- Create the next generation of electronic record system - Virtual Lifetime Electronic Record (VLER).

  - The Veteran's Administration (VA) and Department of Defense (DoD) maintain separate electronic records for veterans and Service members, although both Agencies share data by a variety of legacy applications and decade-old infrastructure that make maintenance, feature extension, and user scalability difficult and expensive. There is no standard, consistent mechanism to transfer data, nor is there a single, complete record available to veterans/Service members and health care and benefits providers. On April 9, 2009, President Obama directed that "both Departments will work together to define and build a system that will ultimately contain administrative and medical information from the day an individual enters military service throughout their military career, and after they leave the military." VLER directly supports delivery of health care and benefits to Service members and Veterans by providing electronic access to relevant information supporting decision making at the point of service in hospitals, clinics, and when applying for benefits.

- Implement DoD-wide in-sourcing initiative.
  - The Department of Defense (DoD) in-sourcing initiative addresses growing concern about Departmental over reliance on contract services. This initiative supports compliance with section 129a of Title 10, U.S.C., which requires that DoD consider the advantages (e.g., least cost) of converting from one source of support to another.

- Streamline the hiring process.
  - Timeliness of the human capital delivery chain; need to decrease the time from posting the job announcement to on boarding the new hire. FY 2010 Federal agency external civilian hiring end-to-end timeline goal is 80 days. Streamlining the hiring process has been identified by Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) as a government-wide priority. A streamlined process is critical to the success of DoD's in-sourcing efforts.

- Enhance the security cooperation workforce.
  - There is a need for trained personnel in US Security Cooperation Organizations (SCO) located in each country. There are 107 SCOs worldwide, totaling approximately 670 personnel. Not all SCO personnel have received formal training in their Security Cooperation responsibilities, resulting in less than optimal assistance to partner countries. An Under Secretary of Defense (Policy) and a Defense Security Cooperation Agency (DSCA) strategic plan objective is for DoD to staff, train, and sustain an experienced security cooperation workforce (military and civilian).

- Reform the DoD personnel security clearance process.
  - Congress mandated specific security clearance process timeliness goals as part of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). To achieve IRTPA's clearance determination goal of 60 days or better, a transformed process was designed, as first described in the Initial Report on Security and Suitability Process Reform, dated April 30, 2008. The Defense Information System for Security will improve information sharing capabilities, accelerate clearance-processing time-lines and reduce security vulnerabilities.

- Spend American Recovery and Reinvestment Act (ARRA) funds quickly and effectively.
  - On February 17, 2009, Congress passed the American Recovery and Reinvestment Act (ARRA, or "the Act"). As part of the Act, the Department of Defense (DoD) received a $7.4B appropriation for use in over 4,000 projects in five programs: military construction; facility sustainment,

restoration and modernization; energy conservation and investment; near-term energy-efficient technologies; and homeowners' assistance. The task from the White House and Congress was to get ARRA money out into the economy quickly and ensure a fair share goes to small business, all while maintaining transparency over the process and visibility of its information.

  - Facility infrastructure investments provide $4.26B to upgrade thousands of DoD buildings, including energy-related improvements and upgrades to military medical facilities. Military Construction projects include $2.18B directed at hospitals, child development centers, warrior transition complexes, and energy conservation projects. The home-owners' assistance program provided $550M for expansion of assistance to qualified military and civilian personnel who suffer financial loss on the sale of their primary residence.

- Increase the audit readiness of individual DoD components.
  - DoD is one of a very few cabinet level agencies without a "clean" financial audit opinion. Solving this problem will help improve the quality of financial information used for senior management decision-making and reinforce confidence in our stewardship of public monies.
  - Resolution of this issue supports the broader business transformation goal of better integrated, modern and compliant business systems. The leading initiative is the Financial Improvement and Audit Readiness (FIAR) program, led by the Under Secretary of Defense (Comptroller) (USD(C)), in collaboration with the Military Services. The Under Secretary of Defense (Acquisition, Technology and Logistics (AT&L)) and the Deputy Secretary of Defense, dual-hatted as the Department's Chief Management Officer, also share prominent roles.

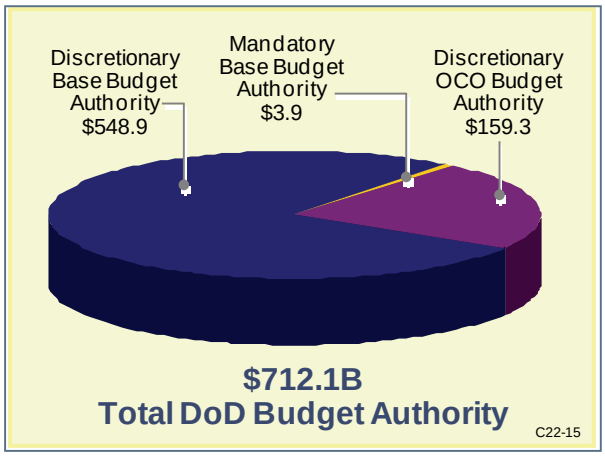
As part of developing the FY 2011 Performance Budget Plan, the Department was asked to identify a limited number of goals to support the above ten high priority performance areas that will be of particular focus over the next two years—i.e, over FY 2010 and FY 2011. Some 28 high priority performance goals are identified at Exhibit B by DoD strategic goal. There goals are considered a subset of the overall performance goals (at Exhibit A) used to regularly monitor and report performance in FY 2010 and FY 2011.

DOD PERFORMANCE BUDGET CHALLENGES AND INITIATIVES

OMB Circular A-11, Part 6 addresses preparation and submission of agency annual performance plans/budgets that link strategic objectives with costs for achieving targeted levels of performance. The alignment of the DoD budget among strategic goals and objectives presents a challenge given:

- The size ($712.1 billion for FY 2011) and complexity of the Defense budget—i.e., $548.9 billion of discretionary base budget authority (BA), $3.9 billion in mandatory base BA, and $159.3 billion of discretionary BA for overseas contingency operations (OCO) (Figure 7-15);
- The absence of DoD budget and accounting systems that support a "total cost" concept; and

Figure 7-15. FY 2011 DoD Budget Authority



- The tendency to focus performance targets on outputs vice the outcomes or results achieved from the outputs.

The DoD Future Year's Defense Program (FYDP) consists of approximately 6,500 active program elements (PEs) that describe DoD missions and functions and constitute the basic building blocks for aggregating resources among strategic goals and objectives.

The Defense budget aggregates the approximately 6,500 program elements into over 470 budget activities that are presented to the Congress for funding from approximately 116 different DoD appropriation accounts. Once funds are appropriated, these are distributed to over 40 major organizational components (Exhibit A).

The Department remains hindered by budget and accounting systems that were not designed to accumulate "total costs" in any manner other than along appropriation lines. It is a labor-intensive effort to update the Department's budget among its 6,500 program elements in order to present a budget display by strategic goal and objective. This program update is completed weeks after the budget justification is submitted. This precludes the Department from being able to provide a budget display of resources by DoD strategic goal and objective in the President's Budget.

The Department's transition to outcome-oriented performance measures is still evolving. Many DoD-wide or enterprise-level performance targets continue to focus on output measures contained in traditional, appropriation-specific budget justification. In addition, approximately 70 percent of the Department's FY 2011 performance targets are focused on outputs associated with DoD infrastructure (business operations) vice its primary warfighting missions. The Department looks forward to working with others in the Administration to develop performance targets that reflect the strategic outcomes Americans care most about.

The Department's Performance Improvement Officer has partnered with the USD Comptroller to pursue a number of initiatives, that once implemented, will improve the Department's overall performance management process. Major initiatives include:

- Implementation of quarterly performance reviews to monitor and report the Department's compliance against performance budget targets;
- Automation of current performance data collection and reporting processes in order to provide performance results in a more timely and dynamic manner that includes visualization technology and executive dashboards; and
- Design of a 21st century budget system that includes a performance module that relates information on the Department's strategic goals, objectives, and performance targets to associated resources.

The Department welcomes the opportunity to brief the Congress on its FY 2011 performance plan and supporting management initiatives.

Exhibit A – DOD Enterprise-level Performance Goals/ Targets by Strategic Goal and Strategic Objective

DoD STRATEGIC GOAL #1: WIN OUR NATION'S WARS		
DoD Strategic Objective 1.OCO: *Successfully conduct overseas contingency operations and support contingency business operations.*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
1.OCO: Cumulative number of Iraqi Security Forces (ISFs) trained (USD(P))	1.OCO: By FY 2009, the DoD will train 588,000 Iraqi Security Forces .	FY 06 Actual: 223,700 FY 07 Actual: 328,000 FY 08 Actual: 439,700 FY 09: 588,000 ●FY 09 Actual: Classified 2/ FY 10: Deleted at USD(P) request, pending new measures from 2010 QDR
Affected DoD Components: *OSD (P)*		
1.OCO: Cumulative number of Afghan National Security Forces (ANSFs) trained/assigned (USD(P))	1.OCO: By FY 2009, 187,196 Afghan National Security Forces will be assigned.	FY 06 Actual: 223,700 FY 07 Actual: 328,000 FY 08 Actual: 439,700 FY 09: 187,196 ●FY 09 Actual: 184,059 3/ FY 10: Deleted at USD(P) request, pending new measures from 2010 QDR
Affected DoD Components: *OSD (P)*		
1.OCO: Percent that DoD Combatant Commanders (CoCOMs) are ready to execute Current Operations (USD(P&R))	1.OCO: For each fiscal year, DoD Combatant Commanders (CoCOMs) will be ready to execute 100 percent of Current Operations.	FY 06-08 Actual: Not available FY 09 Actual: 100% ■FY 10: 100% ■FY 11: 100%
Affected DoD Components: *USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, USTRANSCOM, and USJFCOM*		
*1.OCO: Annual fill rate for Joint Contracting Command (JCC) supporting contingency operations	1.OCO: Beginning in FY 2010, the DoD will maintain a 98 percent fill rate for the Joint Contracting Command (JCC) supporting contingency operations.	FY 06-09 Actual: Not available ■FY 10: 98% ■FY 11: 98%
Affected DoD Components: *DCMA and OSD (AT&L)*		
*1.OCO: Percent assigned of required Contracting Officer Representatives (CORs) supporting Iraqi contingency operations (USD(AT&L))	1.OCO: Beginning in FY 2012, the DoD will maintain an assignment rate of 90 percent of required Contracting Officer Representatives (CORs) supporting Iraqi contingency operations.	FY 06-09 Actual: Not available ■FY 10: 85% ■FY 11: 85%
Affected DoD Components: *DCMA, OUSD(AT&L)*		

*1.OCO: Percent assigned of required Contracting Officer Representatives (CORs) supporting Afghan contingency operations (USD(AT&L))	1.OCO: Beginning in FY 2012, the DoD will maintain an assignment rate of 90 percent of required Contracting Officer Representatives (CORs) supporting Afghan contingency operations.	FY 06-09 Actual: Not available ■FY 10: 85% ■FY 11: 85%
Affected DoD Components: *DCMA, OUSD(AT&L)*		
*1.OCO: Percent of in-theater Army central disbursements, using cash (USD(C/CFO)	1.OCO: By FY 2011, the DoD will reduce the percent of in-theater Army central disbursements, using cash, to 2 percent	FY 06-09 Actual: Not available ■FY 10: 10% ■FY 11: 2%
Affected DoD Components: *Army, DFAS, USCENTCOM, and OSD(AT&L)(JCC)*		
*1.OCO: Percent of contract actions tied to entitlements and disbursements in the systems of record (USD(C/CFO))	1.OCO: By FY 2011, the DoD will increase the percent of contract actions, tied to entitlements and disbursements in the systems of record, to 95%.	FY 06-09 Actual: Not available ■FY 10: 20% ■FY 11: 95%
Affected DoD Components: *Army, DFAS, USCENTCOM, and OSD(AT&L)(JCC)*		
DoD STRATEGIC GOAL #2: DETER CONFLICT AND PROMOTE SECURITY		
DoD Forces and Infrastructure Category 1F1: Expeditionary Forces		
DoD Strategic Objective 2.1F1: *Institutionalize irregular warfare and strengthen alliances and partnerships in order to deter conflicts and promote international security.*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
2.1F1: Number of international students participating in Department-sponsored educational activities USD(P))	2.1F1: Beginning in FY 2007, the DoD will increase the number of international students participating in Department-sponsored education by at least two percent per year.	FY 06 Actual: Non-applicable FY 07 Actual: 52,607 FY 08 Actual: 55,895 FY 09: 56,400 ●FY 09 Actual: 69,409 FY 10: Deleted at USD(P) request
Affected DoD Components: *Army, Navy, and AF*		
2.1F1: Cumulative number of DoD Maritime Pre-position Force (MPF) ships procured (USD(P&R))	2.1F1: By FY 2009, the DoD will have procured seven Maritime Pre-position Force (MPF) ships	FY 06 Actual: 3 FY 07 Actual: 4 FY 08 Actual: 4 FY 09: 7 ●FY 09 Actual: 7 FY 10: Deleted; end state achieved
Affected DoD Components: *Navy*		
2.1F1: Cumulative percent increase in DoD Special Forces and Navy SEAL personnel achieved (USD(P&R))	2.1F1: By FY 2012, the DoD will increase its Special Forces and Navy SEAL personnel by 32 percent from FY 2006 actual of 13,206 end strength.	FY 06 Actual: Non-applicable FY 07 Actual: 4% FY 08 Actual: 18% FY 09: 17% ●FY 09 Actual: 23% ■FY 10: 26% ■FY 11: 28%
Affected DoD Components: *Army, Navy, and AF*		

2.1F1: Cumulative number of Army brigades converted to a modular design and available to meet military operational demands (USD(P&R))	2.1F1: By FY 2014, the DoD will convert 73 Army Brigade Combat Teams (BCTs) to a modular design.	FY 06 Actual: 31 FY 07 Actual: 35 FY 08 Actual: 38 FY 09: 47 ●09 Actual: 46 ■FY 10: 56 ■FY 11: 66
Affected DoD Components: *Army*		
2.1F1: Cumulative number of Army Multi-functional and Functional Support (MFF) brigades converted to a modular design and available to meet military operational demands (USD(P&R))	2.1F1: By FY 2014, the DoD will convert 230 Army Multi-functional and Functional Support (MFF) brigades to a modular design.	FY 06 Actual: 116 FY 07 Actual: 144 FY 08 Actual: 188 FY 09: 201 ●FY 09 Actual: 196 ■FY 10: 206 ■FY 11: 228
Affected DoD Components: *Army*		
2.1F1: Cumulative percent of unit initiatives completed to balance three Marine Corps Expeditionary Forces (MEFs) (USD(P&R))	2.1F1: By FY 2012, the DoD will have completed 100 percent of unit initiatives required to have balanced three MEFs.	FY 05-06 Actual: Non-applicable FY 07 Actual: 11% FY 08 Actual: 47% FY 09 Actual: 72% ■FY 10: 84% ■FY 11: 92%
Affected DoD Components: *Navy*		
2.1F1: Percent of DoD Combatant Commanders (CoCOMs) that are ready to execute Core or Theater Security operations (USD(P&R))	2.1F1: For each fiscal year, DoD Combatant Commanders (CoCOMs) will be ready to execute 100 percent of Core or Theater Security Operations.	FY 06-08 Actual: Not available FY 09 Actual: 100% ■FY 10: 100% ■FY 11: 100%
Affected DoD Components: *USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, USTRANSCOM, and USJFCOM*		
2.1F1: Percent that DoD Combatant Commanders (CoCOMs) ready to execute their Contingency Plans (USD(P&R))	2.1F1: Beginning in FY 2009, DoD Combatant Commanders (CoCOMs) will be ready to execute 80 percent of their Contingency Plans.	FY 06-08 Actual: Not available FY 09 Actual: 89% ■FY 10: 80% ■FY 11: 80%
Affected DoD Components: *USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, USTRANSCOM, and USJFCOM*		
2F1: Number of Technology Security Actions (TSAs) approved USD(P))	2.1F1: Beginning in FY 2007, the DoD will increase the number of approved technology transfers to international partners by two percent per year.	FY 06 Actual: Non-applicable FY 07 Actual: 116,017 FY 08 Actual: 118,367 FY 09: 120,704 ●FY 09 Actual: 143,600 ■FY 10: 146,472 ■FY 11: 149,401
Affected DoD Components: *DTSA*		

2.1F1: Percent of combat units receiving training in Joint accredited programs prior to arriving in theater (USD(P&R))	2.1F1: By FY 2012, the DoD will increase the percent of combat units receiving training in Joint accredited programs prior to arriving in theater to not less than 80 percent.	FY 06 Actual: Not available FY 07 Actual: 71.5% FY 08 Actual: 82.1% FY 09: =/>74% ●FY 09 Actual: 85.8% ■FY 10: 76% ■FY 11: 78%
Affected DoD Components: *Army, Navy, and AF*		
2.1F1: Percent of Service-tailored goals achieved for units trained in Irregular Warfare and Stability Operations (USD(P&R))	2.1F1: For each fiscal year, the percent of Service-tailored goals achieved for units trained in Irregular Warfare and Stability Operations, at major Service training centers, will meet or exceed the following goals for Army and MC (90%), AF (75%), and Navy (60%).	FY 06-07 Actual: Non-applicable FY 08 Actual: 100% FY 09 Actual: 100% ■FY 10: 100% ■FY 11: 100%
Affected DoD Components: *Army, Navy, and AF*		
DoD Forces and Infrastructure Category 1F3: Military Space Forces		
DoD Strategic Objective 2.1F3: *Provide space-based wideband, narrowband, and protected communications capabilities and advanced Position, Navigation, and Timing capabilities with sufficient capacity, connectivity, Precision, and availability to support all DoD requirements and ensure timely access to space for all net-centric and other space-based capabilities .*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
2.1F3: Number of operational availability gaps in protected MILSATCOM mission area (space segment) (ASD(NII/CIO))	2.1F3: For each fiscal year, the DoD will ensure there are no operational availability gaps in protected MILSATCOM mission area (space segment)	FY 06-08 Actual: 0 FY 09 Actual: 0 ■FY10: 0 ■FY 11: 0
Affected DoD Components: *AF*		
2.1F3: Number of operational availability gaps in narrowband MILSATCOM mission area (space segment) (ASD(NII/CIO))	2.1F3: For each fiscal year, the DoD will ensure there are no operational availability gaps in narrowband MILSATCOM mission area (space segment)	FY 06-08 Actual: 0 FY 09 Actual: 0 ■FY 10: 0 ■FY 11: 0
Affected DoD Components: *Navy*		
Forces and Infrastructure Category 1X1: Operational Command & Control Systems		
DoD Strategic Objective 2.1X1: *Provide robust and agile Command and Control capabilities to DoD commanders and national leadership, enabling them to command, control, and coordinate an interdependent force in rapidly changing scenarios across the full range of DoD operations.*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
Measures under development.		

DoD Forces and Infrastructure Category 1X2: Intelligence Operations

DoD Strategic Objective 2.1X2:
Improve intelligence, surveillance, and reconnaissance (ISR) to enhance Battle Space awareness.

Performance Measures 1/	Long-term Performance Goals/Targets 1/	Annual Performance Goals/Targets 1/
2.1X2: Percent of CoCOMs rating the Defense Intelligence Operations Coordination Center (DIOCC) satisfactory or better (USD(I))	2.1X2: By FY 2020, 100 percent of CoCOMs will rate the DIOCC performance at satisfactory or better.	FY 06-08 Actual: Non-applicable FY 09: 88.6% ●FY 09 Actual: 0% FY 10: Deleted at USD(I) request
Affected DoD Components: *USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, USTRANSCOM, and USJFCOM*		
2.1X2: Rate of customer satisfaction with Defense Enterprise HUMINT support (USD(I))	2.1X2: By FY 2011, the DoD will achieve and maintain a customer satisfaction rate with Defense Enterprise HUMINT support of 90 percent or greater.	FY 06-08 Actual: Non-applicable FY 09: 86% ●FY 09 Actual: 98.8% ■FY 10: 88% ■FY 11: =/>90%
Affected DoD Components: *USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, USTRANSCOM, and USJFCOM*		
2.1X2: Number of Joint Intelligence Operations Centers (JIOCs), excluding tactical JIOCs, at intended end state (USD(I))	2.1X2: By FY 2014, the DoD will have 12 Joint Intelligence Operations Centers (JIOCs), excluding tactical JIOCs, at intended end state.	FY 06-08 Actual: Non-applicable FY 09: 66% ●FY 09 Actual: 0 FY 10: Deleted at USD(I) request ■FY 11: 11
Affected DoD Components: *DIA, USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, SSTRATCOM, USSOCOM, USTRANSCOM, and USJFCOM*		

DoD STRATEGIC GOAL #3: DEFEND THE HOMELAND

DoD Forces and Infrastructure Category 1F2: Homeland Defense

DoD Strategic Objective 3.1F2:
Improve capabilities to prevent and mitigate attacks on U.S. personnel, facilities, and key assets.

Performance Measures 1/	Long-term Performance Goals/Targets 1/	Annual Performance Goals/Targets 1/
3.1F1: Number of National Guard Weapons of Mass Destruction – Civil Support Teams (WMD-CSTs) certified (USD(AT&L))	3.1F1: By FY 2010, 57 National Guard Weapons of Mass Destruction-Civil Support Teams (WMD-CSTs) will be certified.	FY 05 Actual: 32 FY 06 Actual: 42 FY 07 Actual: 52 FY 08 Actual: 53 FY 09: 55 ●FY 09 Actual: 55 ■FY 10: 57 FY 11: Deleted; end state achieved
Affected DoD Components: *Army*		

3.1F1: Number of National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Enhanced Response Force Packages (CERFPs) trained (USD(AT&L))	3.1F1: By FY 2010, 17 National Guard Chemical, Biological, Radiological, Nuclear, and High-Yield Explosive (CBRNE) Enhanced Response Force Packages (CERFPs) will be trained for WMD or other catastrophic responses.	FY 05 Actual: 12 FY 06 Actual 12 FY 07 Actual: 12 FY 08 Actual: 17 FY 09: 17 ●FY 09 Actual: 15 FY 10: Deleted; end state achieved
Affected DoD Components: *Army*		
3.1F2: Cumulative percent of treaty-declared category 1 chemical weapons destroyed (USD(AT&L))	3.1F2: By FY 2021, the DoD will have destroyed 100 percent of treaty-declared category 1 chemical weapons.	FY 06 Actual: 37.9% FY 07 Actual: 48.2% FY 08 Actual: 49.6% FY 09 Actual: 65.5% ■FY 10: 74.2% ■FY 11: 79.6%
Affected DoD Components: *Army*		
3.1F2: Cumulative number of zonal diagnostic labs built and equipped for biological agent detection and response (USD(AT&L))	3.1F2: By FY 2013, the DoD will have built and equipped 43 zonal diagnostic labs for biological agent detection and response.	FY 06-07: Actual: Not Available FY 08 Actual: 16 FY 09 Actual: 19 ■FY 10: 32 ■FY 11: 37
Affected DoD Components: *DTRA*		
DoD STRATEGIC GOAL# 4: INTEGRATE BUSINESS OPERATIONS		
DoD Forces and Infrastructure Category 2A: Force Installations		
DoD Strategic Objective 4-2A: *Maintain capable, efficient, and cost-effective installations to support the DoD workforce.*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
4.2A: Average facilities recapitalization rate (USD(AT&L))	4.2A: By FY 2009, the DoD will fund an average facilities recapitalization rate of 56 years.	FY 06 Actual: 60 FY 07 Actual: 54 FY 08 Actual: 38 FY 09 : 56 ●FY 09 Actual: 51 FY 10: Deleted at USD (AT&L) request
Affected DoD Components: *Army, Navy, AF, TMA, and DoDEA*		
4.2A: Average facilities sustainment rate (USD(AT&L))	4.2A: By FY 2012, the DoD will fund facilities sustainment at a minimum rate of 90 percent of the modeled requirement for each Component.	FY 06 Actual: 90% FY 07 Actual: 90% FY 08 Actual: 94% FY 09: 90% ●FY 09 Actual: 81% ■FY 10: 92% ■FY 11: 90% 4/
Affected DoD Components: *Army, Navy, AF, TMA, and DoDEA*		

*4.2A: Cumulative average percent reduction in building energy consumption (USD(AT&L))	4.2A: By FY 2015, DoD will reduce average building energy consumption by 30 percent from the FY 2003 baseline of 116,134 BTUs per gross square foot.	FY 06 Actual: 5.5% FY 07 Actual: 10.1% FY 08 Actual: 10.7% FY 09: 12% ●FY 09 Actual: 9.7% ■FY 10: 15% ■FY 11: 18%
Affected DoD Components: *Army, Navy, AF, DCMA, DeCA, DFAS, DIA, DLA, MDA, NGA, NSA, TMA and WHS*		
*4.2A: Percentage of renewable energy produced or procured based on DoD's annual electric energy usage (USD(AT&L))	4.2A: By FY 2025, the DoD will produce or procure renewable energy equal to 25 percent of its annual electric energy usage.	FY 06 Actual: 9.5% FY 07 Actual: 11.9% FY 08 Actual: 9.8% FY 09 Actual: 9.7% ■FY 10: 13.4% ■FY 11: 14.3%
Affected DoD Components: *Army, Navy, AF, DCMA, DeCA, DFAS, DIA, DLA, MDA, NGA, NSA, TMA and WHS*		
DoD Forces and Infrastructure Category 2C: Communications & Information Infrastructure		
DoD Strategic Objective 4-2C: *Enable an operational advantage for the DoD, non-DoD partners, and national leadership through the effective and efficient management of an assured and secure DoD Information Enterprise.*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
4.2C: Percent of information technology (IT) business cases (exhibit 300s) acceptable to the OMB (ASD(NII/CIO))	4.2C: Beginning in FY 2007, the DoD will maintain the percent of IT business cases (exhibit 300s) acceptable to the OMB at 90 percent or higher.	FY 06 Actual: 90.2% FY 07 Actual: 98% FY 08 Actual: 98% FY 09: =/>90% ●FY 09 Actual: 98% FY 10: Deleted at ASD (NII/CIO) request
Affected DoD Components: *All*		
4.2C: Percent of applicable IT and National Security Systems (NSS) that are Certification and Accreditation (C&A)-compliant (ASD(NII/CIO))	4.2C: By FY 2013, 95 percent of applicable IT and National Security Systems (NSS) that are Certification and Accreditation (C&A)-compliant.	FY 06 Actual: 90% FY 07 Actual: 90% FY 08 Actual: 95% FY 09: =/>90% ●FY 09 Actual: 97% ■FY 10: =/>90% ■FY 11: =/>90%
Affected DoD Components: *All*		
DoD Forces and Infrastructure Category 2D: Science and Technology		
DoD Strategic Objective 4-2D: *Speed technology transitions focused on warfighting needs.*		

Performance Measures 1/	Long-term Performance Goals/Targets 1/	Annual Performance Goals/Targets 1/
4.2D: Percent of completing demonstration programs transitioning each year (USD(AT&L))	4.2D: Beginning in FY 2008, the DoD will transition 30 percent of completing demonstration programs per year.	FY 06-07 Actual: Non-applicable FY 08 Actual: 43.1% FY 09: 30% ●FY 09 Actual: 52.65% ■FY 10: 30% ■FY 11: 30%
Affected DoD Components: *Army, Navy, AF, DLA, DARPA, CBDP, and OSD*		
DoD Forces and Infrastructure Category 2E: Acquisition Infrastructure		
DoD Strategic Objective 4.2E: *Improve acquisition performance by integrating lifecycle management principles into DoD and Service acquisition, maintenance, and sustainment processes.*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
4.2E: Average acquisition cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 1992 and after (USD(AT&L))	4.2E: For each fiscal year, the DoD will reduce average cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 1992 and later to less than 99 months.	FY 06 Actual: 101 FY 07 Actual: 99.8 FY 08 Actual: Not available FY 09: <99 ●FY 09 Actual: Available March 2010 FY 10: Deleted at USD (AT&L) request
Affected DoD Components: *Army, Navy, AF, and MDA*		
4.2E: Average annual rate of acquisition cost growth for Major Defense Acquisition Program (MDAPs) (USD(AT&L))	4.2E: For each fiscal year, the DoD will reduce the annual rate of acquisition cost growth for Major Defense Acquisition Programs (MDAPs) to zero percent.	FY 05 Actual: 6.9% FY 06 Actual: 3.8% FY 07 Actual: 0.6% FY 08 Actual: Not available FY 09: 0% ●FY 09 Actual: Available March 2010 FY 10: Deleted USD(AT&L) request
Affected DoD Components: *Army, Navy, AF, and MDA*		
*4.2E: Average acquisition cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and after (USD(AT&L))	4.2E: By FY 2015, the DoD will reduce average cycle time for Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and later to less than 66 months.	FY 06 Actual: 80 FY 07 Actual: 83.1 FY 08 Actual: Not available FY 09: <66 ●FY 09 Actual: Available March 2010 ■FY 10: <66 ■FY 11: 72
Affected DoD Components: *Army, Navy, AF, and MDA*		
*4.2E: Number of Major Defense Acquisition Program (MDAP) breaches equal to or greater than 15 percent of current Acquisition Program Baseline (APB) unit cost or equal or greater than 30 percent of original APB unit cost) unit cost (USD(AT&L))	4.2E: Beginning in FY 2010, the DoD will ensure the number of breaches (significant cost overruns) for Major Defense Acquisition Programs (MDAPs) is equal to or less then the previous fiscal year.	FY 06 Actual: 17 FY 07 Actual: 10 FY 08 Actual: 5 FY 09 Actual: 2 ■FY 10: </= 2 ■FY 11: </= FY 2010
Affected DoD Components: *Army, Navy, AF, and MDA*		

*4.2E: Percentage of contract obligations that are competitively awarded (USD(AT&L))	4.2E: Beginning in FY 2010, the DoD will increase, by one percent annually, the amount of contract obligations that are competitively awarded.	FY 06 Actual: 62% FY 07 Actual: 63% FY 08 Actual: 64% FY 09 Actual: Available March 2010 ■FY 10: 1% ■FY 11: 1%
Affected DoD Components: *All*		
*4.2E: Cumulative number of DoD civilian and/or military authorizations added as a result of in-sourcing acquisition functions (USD(AT&L))	4.2E: By FY 2015, the DoD will decrease reliance on contract services in acquisition functions by increasing the in-house civilian and/or military workforce by 10,000 authorizations for personnel.	FY 06-09 Actual: Non-applicable ■FY 10: 2,500 ■FY 11: 4,765
Affected DoD Components: *All*		
*4.2E: Cumulative increase in the number of DoD civilian and military end strengths performing acquisition functions (USD(AT&L))	4.2E: By FY 2015, the DoD will increase the total number of DoD civilian and military personnel performing acquisition functions by 19,887 end-strength (total personnel).	FY 06-08 Actual: Non-applicable FY 09 Actual: 1,985 ■FY 10: 6,065 ■FY 11: 10,025
Affected DoD Components: *All*		
DoD Forces and Infrastructure Category 2L: Logistics		
DoD Strategic Objective 4.2L: *Integrate joint supply chains from source of supply to operational customers.*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
4.2L: Average customer wait time (USD(AT&L))	4.2L: Beginning in FY 2007, the DoD will reduce average customer wait time to 15 days.	FY 06 Actual: 18 FY 07 Actual: 17 FY 08 Actual: 16.7 FY 09: 15 ●FY 09 Actual: 16.2 ■FY 10: 15 ■FY 11: 15
Affected DoD Components: *Army, Navy, AF, DLA, USAFCOM, USEUCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USSOCOM, USJFCOM, and USTRANSCOM*		
DoD Forces and Infrastructure Category 2M: Defense Health Program		
DoD Strategic Objective 4.2M: *Ensure the trust of the Total Force, their families, and the nation through superior care and support.*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
4.2M: Percent of deployable Armed Forces without any deployment-limiting medical condition (USD(P&R))	4.2M: By FY 2010, the DoD will sustain the percent of deployable Armed Forces without any deployment -limiting medical condition to equal to or greater than 90 percent.	FY 06 Actual: 83% FY 07 Actual: 85% FY 08 Actual: 84% FY 09: =/>92% ●FY 09 Actual: 85% ■FY 10: =/>90% ■FY 11: =/>90%
Affected DoD Components: *Army, Navy, and AF*		

4.2M: Percent of Armed Forces whose medical status is unknown (USD(P&R))	4.2M: By FY 2010, the DoD will reduce the percent of Armed Forces whose medical readiness status is unknown to ten percent or less.	FY 06 Actual: 32% FY 07 Actual: 24% FY 08 Actual: 20% FY 09: <10% ●FY 09 Actual: 18% ■FY 10: =/<10% ■FY 11: =/<10%
Affected DoD Components: *Army, Navy, and AF*		
4.2M: Average percent Defense Health Program annual cost per equivalent life increase compared to average civilian sector increase (USD(P&R))	4.2M: Beginning in FY 2007, the DoD will maintain an average Defense Health Program (DHP) medical cost per equivalent life increase at or below the average healthcare premium increase in the civilian sector.	FY 06 Actual : -1% FY 07 Actual: -0.8% FY 08 Actual: 1.1% FY 09: =/> civilian increase ●FY 09 Actual: 6.7% ■FY 10 : =/< civilian increase ■FY 11: =/< civilian increase
Affected DoD Components: *DHP, TMA, Army, Navy, and AF*		
4.2M: Overall Hospital Quality Index score (USD(P&R))	4.2M: Beginning in FY 2010, the DoD will increase the Overall Hospital Quality Index score related to ORYX quality measures to 80 percent or higher.	FY 05-06 Actual: Not available FY 07 Actual: 77.6% FY 08 Actual: 78.4% FY 09 Actual: Available March 2010 ■FY 10: =/> 80% ■FY 11: =/> 80%
Affected DoD Components: *DHP, TMA, Army, Navy, and AF*		
4.2M: DoD TRICARE Prime Enrollee Preventive Health Quality Index score (USD(P&R))	4.2M: Beginning in FY 2010, the DoD will increase the TRICARE Prime Enrollee Preventive Health Quality Index score, related to evidence based quality measures, to 20 points or higher	FY 05-06 Actual : Not available FY 07 Actual : 19 FY 08 Actual : 18.3 FY 09 Actual: Available March 2010 ■FY 10: =/> 20 ■FY 11: =/> 20
Affected DoD Components: *DHP, TMA, Army, Navy, and AF*		
4.2M: Percent of beneficiaries satisfied with military healthcare plan compared to the average civilian healthcare satisfaction rate (USD(P&R))	4.2M: Beginning in FY 2011, the Department will maintain an average military healthcare plan satisfaction rate that is equal to or higher than the average civilian healthcare satisfaction rate.	FY 06 Actual: Not available FY 07 Actual: 0% FY 08 Actual: -1% FY 09 Actual: 4% ■FY 10: =/> civilian rate ■FY 11: =/> civilian rate
Affected DoD Components: *DHP, TMA, Army, Navy, and AF*		
4.2M: Percent of military members participating in a single, disability evaluation/transition medical exam to determine fitness for duty and disability rating (USD(P&R))	4.2M: By FY 2011, 100 percent of military members, referred in the disability system, will participate in a single, disability evaluation/transition medical exam to determine fitness for duty and disability rating.	FY 06-07 Actual: Non-applicable FY 08 Actual: 4% FY 09 Actual: 27% ■FY 10: 40% ■FY 11: 100%
Affected DoD Components: *Army, Navy, and AF*		
*4.2M: Number of DoD sites with Virtual Lifetime Electronic Record (VLER) production capability (USD(P&R))	4.2M: By FY 2012, the DoD will create the Next Generation of Electronic Record - Virtual Lifetime Electronic Record (VLER).	FY 06-09 Actual: Non-applicable FY 10: 0 ■FY 11: 3
Affected DoD Components: *Army, Navy, and AF*		

DoD Forces and Infrastructure Category 2P: Central Personnel Administration		
DoD Strategic Objective 4.2P: *Maintain and shape a mission ready All Volunteer force and enhance the civilian workforce.*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
4.2P: Attrition rate for first-termers (USD(P&R))	4.2P: Beginning in FY 2007, the DoD attrition rate for first-termers will not vary by more than two percent of the FY 2006 baseline of 27 percent.	FY 06 Actual: 27% FY 07 Actual: 28% FY 08 Actual: 26% FY 09: 25%-29% ●FY 09 Actual: 26% FY 10: Deleted at USD (P&R) request
Affected DoD Components: *Army, Navy, and AF*		
4.2P: Percent of Active Service members intending to stay in the military (USD(P&R))	4.2P: Beginning in FY 2007, the percent of Active Service members intending to stay in the military force, if given the choice, must not decline by more than 10 percent of pre-GWOT levels (of 50 percent).	FY 06 Actual: 57% FY 07 Actual: 56% FY 08 Actual: 58% FY 09: =/>50% ●FY 09 Actual: 64% FY 10: Deleted at USD (P&R) request
Affected DoD Components: *Army, Navy, and AF*		
4.2P: Percent of Reserve Service members intending to stay in the military (USD(P&R))	4.2P: Beginning in FY 2007, the percent of Reserve Service members intending to stay in the military force, if given the choice, must not decline by more than 10 percent of pre-GWOT levels (of 74 percent).	FY 06 Actual: 67% FY 07 Actual: 69% FY 08 Actual: 69% FY 09: =/>64% ●FY 09 Actual: 71% FY 10: Deleted at USD (P&R) request
Affected DoD Components: *Army, Navy, and AF*		
4.2P: Percent of Active Service members, who, in their opinion, believe their spouse/significant other thinks the members should stay in the military (USD(P&R))	4.2P: Beginning in FY 2007, the percent of Active Service members, who, in their opinion, believe their spouse or significant other thinks the member should stay in the military must not decline by more than 10 percent of pre-GWOT levels (of 44 percent)	FY 06 Actual: 47% FY 07 Actual: 45% FY 08 Actual: 47% FY 09: =/>39% ●FY 09 Actual: 53% FY 10: Deleted at USD (P&R) request
Affected DoD Components: *Army, Navy, and AF*		
4.2P: Percent of Reserve Service members, who, in their opinion, believe their spouse/significant other thinks the members should stay in the military (USD(P&R))	4.2P: Beginning in FY 2007, the percent of Reserve Service members, who, in their opinion, believe their spouse or significant other thinks the member should stay in the military must not decline by more than 10 percent of pre-GWOT levels (of 70 percent)	FY 06 Actual: 63% FY 07 Actual: 64% FY 08 Actual: 64% FY 09: =/>60% ●FY 09 Actual: 67% FY 10: Deleted at USD (P&R) request
Affected DoD Components: *Army, Navy, and AF*		

4.2P: Cumulative percent of eligible DoD civilian employees covered under the National Security Personnel System (NSPS) as activated (USD(P&R))	4.2P: By FY 2010, the DoD will have 100 percent of eligible DoD civilian employees under coverage by the National Security Personnel System (NSPS) as activated.	FY 06 Actual: 1.5% FY 07 Actual: 17% FY 08 Actual: 28% FY 09: 30% ●FY 09 Actual: 31% FY 10: Deleted at USD(P&R) request
Affected DoD Components: *All*		
4.2P: Average civilian employee satisfaction rate (USD(P&R))	4.2P: Beginning in FY 2008, the DoD will maintain an average civilian employee satisfaction rate that is equal to or above the average civilian satisfaction rate of other Federal agencies on each Federal Human Capital (FHCS) survey.	FY 06 Actual : 1% FY 07 Actual: Non-applicable 4/ FY 08 Actual: 0.8 FY 09: +/>1% ●FY 09 Actual: 2% FY 10: Deleted at USD (P&R) request
Affected DoD Components: *All*		
4.2P: Cumulative number of Defense intelligence components converted to the Defense Civilian Intelligence Personnel System (DCIPS) (USD(I))	4.2P: By FY 2010, the DoD will have converted nine Defense intelligence components to the Defense Civilian Intelligence Personnel System (DCIPS).	FY 05-07 Actual: Non-applicable FY 08 Actual: 1 FY 09: 7 ●FY 09 Actual: 7 ■FY 10: 9 FY 11: Deleted; reached end state
Affected DoD Components: *Army, Navy, AF, DIA, DSS, OSD (USD((), NGA, and NSA*		
4.2P: Percent variance in Active component end strength (USD(P&R))	4.2P: For each fiscal year, the DoD Active component end strength must be maintained at or not to exceed (NTE) three percent above the SECDEF/NDAA- prescribed end strength for that fiscal year:	FY 06 Actual: -1.2% FY 07 Actual: 0.9% FY 08 Actual: 2.1% FY 09: 0-3% ●FY 09 Actual: 0.9% ■FY 10: 0-3% ■FY 11: 0-3%
Affected DoD Components: *Army, Navy, and AF*		
4.2P: Percent variance in Reserve component end strength (USD(P&R))	4.2P: For each fiscal year, the DoD Reserve component end strength will not vary by more than three percent from the SECDEF/NDAA-prescribed end strength for that fiscal year.	FY 06 Actual -2.7% FY 07 Actual: -1.7% FY 08 Actual: 0% FY 09: +/-3% ●FY 09 Actual: 1% ■FY 10: +/-3% ■FY 11: +/-3%
Affected DoD Components: *Army, Navy, and AF*		
*4.2P: Cumulative number of DoD civilian and/or or military authorizations added as a result of in-sourcing (USD(P&R))	4.2P: By FY 2015, the DoD will decrease reliance on contract services by increasing the in-house civilian or military workforce by 33,375 authorizations for personnel.	FY 06-09 Actual: Not available ■FY 10: 13,571 ■FY 11: 19,844
Affected DoD Components: *All*		

4.2P: Percent of Emergency-Essential (E-E) and Non-Combat Essential (NCE) Civilian Expeditionary Workforce (CEW) employees qualified as "ready" per the CEW Readiness Index (USD(P&R))	4.2P: Beginning in FY 2013, the DoD will achieve 60 percent Emergency-Essential (E-E) and Non-Combat Essential (NCE) Civilian Expeditionary Workforce (CEW) employees qualified as "ready" per the CEW Readiness Index.	FY 06-10 Actual: Not available ■FY 11: 35%
Affected DoD Components: *All*		
4.2P: Number of military personnel subject to stop loss (USD(P&R))	4.2P: By FY 2011, the Department will eliminate the use of stop loss for military personnel. .	FY 06 Actual: 15,081 FY 07 Actual: 11,875 FY 08 Actual: 13,217 FY 09 Actual: 9,753 ■FY 10: 6,609 ■FY 11: 0
Affected DoD Components: *Army, Navy, and AF*		
*4.2P: Number of days for external civilian hiring (end-to-end timeline) USD(P&R))	4.2P: By FY 2012, the Department will improve its external civilian hiring end-to-end timeline to 80 days.	FY 06-08 Actual: Not available FY 09 Actual: 155 ■FY 10: 140 ■FY 11: 112
Affected DoD Components: *All*		
DoD Forces and Infrastructure Category 2R: Central Personnel Benefits		
DoD Strategic Objective 4.2R: *Improve the quality of life for our armed forces and their families.*		
Performance Measures 1/	**Long-term Performance Goals/Targets 1/**	**Annual Performance Goals/Targets 1/**
4.2R: Number of inadequate family housing units in the continental United States (CONUS) (USD(AT&L))	4.2R: By FY 2009, the DoD will eliminate all inadequate family housing in the continental United States (CONUS).	FY 06 Actual: 43,019 FY 07 Actual: 13,242 FY 08 Actual: 5,085 FY 09: 0 ●FY 09 Actual: 4,600 FY 10: Deleted at USD(AT&L) request
Affected DoD Components: *Army, Navy, and AF*		
4.2R: Number of inadequate family housing units outside the continental United States (OCONUS) (USD(AT&L))	4.2R: By FY 2009, the DoD will eliminate all inadequate family housing outside the continental United States (OCONUS).	FY 06 Actual: 19,722 FY 07 Actual: 14,298 FY 08 Actual: 7,273 FY 09: 0 ●FY 09 Actual: 2,367 FY 10: Deleted at USD (AT&L) request
Affected DoD Components: *Army, Navy, and AF*		
4.2R: Percent of government-owed Family Housing inventory in the United States at good and fair (Q1-Q2) condition) (USD(AT&L))	4.2R: By FY 2012, the DoD will maintain at least 90 percent of government-owned Family Housing inventory in the United States at good and fair (Q1-Q2) condition.	FY 06-09 Actual: Not available ■FY 10: 75% ■FY 11: 75%
Affected DoD Components: *Army, Navy, and AF*		

4.2R: Percent of government-owed Family Housing inventory at foreign locations at good and fair (Q1-Q2) condition (USD(AT&L))	4.2R: By FY 2012, the DoD will maintain at least 90 percent of government-owned Family Housing inventory at foreign locations at good and fair (Q1-Q2) condition.	FY 06-09 Actual: Not available FY 10: 75% FY 11: 75%
Affected DoD Components: *Army, Navy, and AF*		
4.2R Percent of military population, whose Quality of Life (QoL) is improved as a result of living in states or territories that comply with key DoD QoL issue criteria (USD(P&R))	4.2R: By FY 2013, five of the QoL issue criteria are accepted by states and territories so that for each of these issues at least 75 percent of the military population has had their quality of life positively impacted	FY 06-09 Actual: Not available FY 10: 40% FY 11: 40%
Affected DoD Components: *Army, Navy, and AF*		
4.2R: Percent of the inventory for government-owned permanent party enlisted unaccompanied personnel housing in United States at good and fair (Q1-Q2) condition (USD(AT&L))	4.2R: By FY 2017, the DoD will maintain at least 90 percent of the government-owned permanent party enlisted unaccompanied personnel housing in United States at good and fair (Q1-Q2) ratings.	FY 06-10 Actual: Not available FY 11: 30%
Affected DoD Components: *Army, Navy, and AF*		
4.2R: Percent of the inventory for government-owned permanent party enlisted unaccompanied personnel housing at foreign locations at good and fair (Q1-Q2) condition (USD(AT&L))	4.2R: By FY 2017, the DoD will maintain at least 90 percent of the government-owned permanent party enlisted unaccompanied personnel housing at foreign locations at good and fair (Q1-Q2) condition.	FY 06-10 Actual: Not available FY 11: 30%
Affected DoD Components: *Army, Navy, and AF*		

DoD Forces and Infrastructure Category 2T: Central Training

DoD Strategic Objective 4.2T:
Prepare the force to meet current and emerging challenges faced by operational commanders and reinvigorate the acquisition and security cooperation workforces.

Performance Measures 1/	Long-term Performance Goals/Targets 1/	Annual Performance Goals/Targets 1/
4.2T: Number of officers graduated from Joint Intermediate, Expeditionary, and Senior Public Affairs courses (ASD(PA))	4.2T: Beginning in FY 2008, the DoD will graduate 81 officers, each year, from the Joint Intermediate, Expeditionary, and Senior Public Affairs courses.	FY 06 Actual: Non-applicable FY 07 Actual: 16 FY 08 Actual: 56 FY 09: 81 FY 09 Actual: 46 FY 10: Deleted (ASD(PA) request))
Affected DoD Components: *Army, Navy, and AF*		

4.2T: Percent of current operational and contingency language needs met (USD(P&R))	4.2T: By FY 2012, the DoD will meet 65 percent of current operational language needs (classified) with all available assets. .	FY 06 Actual: Non-applicable FY 07 Actual: Non-applicable FY 08 Actual: Baseline classified FY 09: =/>1% ●FY 09 Actual: <1% FY 10: Modified baseline under development ■FY 11: 60%
Affected DoD Components: *Army, Navy, AF, TJS, USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USSTRATCOM, USTRANSCOM, and USJFCOM*		
4.2T: Percent of selected steady-state security posture scenario language needs met (USD(P&R))	4.2T: By FY 2012, the DoD will meet 4 percent of language needs for selected steady-state security posture scenarios (classified) with all available assets (excluding contractors).	FY 06-09 Actual: Non-applicable FY 10: New baseline under development ■FY 11: 3%
Affected DoD Components: *Army, Navy, AF, TJS, USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USSTRATCOM, USTRANSCOM, and USJFCOM*		
*4.2T: Percent of acquisition positions filled with personnel meeting Level II certification requirements (USD(AT&L))	4.2T: Beginning in FY 2007, the DoD will increase the percent of positions filled with personnel meeting Level II certification requirements from the previous fiscal year.	FY 06 Actual: 48.05% FY 07 Actual: 51.46% FY 08 Actual: 55.10% FY 09: >55.10% ●FY 09 Actual: 55.2% ■FY 10: > 55.2% ■FY 11: > FY 2010%
Affected DoD Components: *All*		
*4.2T: Percent of acquisition positions filled with personnel meeting Level III certification requirements (USD(AT&L))	4.2T: Beginning in FY 2007, the DoD will increase the percent of positions filled with personnel meeting Level III certification requirements from the previous fiscal year.	FY 06 Actual: 60.31% FY 07 Actual: 61.71% FY 08 Actual: 69.89% FY 09: >69.89% ●FY 09 Actual: 70.5% ■FY 10: > 70.5% ■FY 11: > FY 2010%
Affected DoD Components: *All*		
*4.2T: Cumulative percent of incumbents that have been trained in security assistance in positions that require security assistance training (USD(P))	4.2T: By FY 2011, the DoD increase the percent of incumbents that have been trained in security assistance in positions that require security assistance training to 95 percent or greater.	FY 06-08 Actual: Not available FY 09 Actual: 67% ■FY 10: 80% ■FY 11: =/>95%
Affected DoD Components: *Army, Navy, AF, DLA, DSCA, OSD, JS, USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USSOUTHCOM, USNORTHCOM, USSTRATCOM, USTRANSCOM, AND USJFCOM*		
DoD Forces and Infrastructure Category 2U: Department Headquarters		
DoD Strategic Objective 4-2U: *Strengthen joint headquarters, personnel security clearance, and financial management activities.*		

Performance Measures 1/	Long-term Performance Goals/Targets 1/	Annual Performance Goals/Targets 1/
4.2U: Number of Strategic Communication plans approved (ASD(PA))	4.2U: Beginning in FY 2008, the DoD will approve five Strategic Communication plans each year	FY 06 Actual: Non-applicable FY 07 Actual: 5% FY 08 Actual: 3 FY 09: 5 ●FY 09 Actual: 5 FY 10: Deleted at ASD(PA) request
Affected DoD Components: *OSD (PA)*		
4.2U: Percent Defense Travel System (DTS) usage (USD(P&R))	4.2U: By FY 2013, 100 percent of applicable temporary duty vouchers will be processed in the Defense Travel System (DTS).	FY 06 Actual: Non-applicable FY 07 Actual: 52% FY 08 Actual: 65% FY 09: 60% ●FY 09 Actual: 70% FY 10: Deleted at USD(P&R) request
Affected DoD Components: *All*		
4.2U: Percent of applicable Defense Travel authorizations, requiring air or rental car travel, that utilize the DTS Reservation Module (USD(P&R))	4.2U: By FY 2011, 100 percent of applicable DTS authorizations requiring air or rental car travel that utilize the DTS Reservation Module.	FY 06 Actual: Non-applicable FY 07 Actual: 84% FY 08 Actual: 85% FY 09: 90% ●FY 09 Actual: 86% FY 10: Deleted at USD(P&R) request
Affected DoD Components: *All*		
4.2U: Percent of planned Phase III Defense Travel System (DTS) sites fielded (USD(P&R))	4.2U: By FY 2009, 100 percent of planned Phase III DTS sites will be fielded.	FY 06 Actual: Non-applicable FY 07 Actual: 84% FY 08 Actual: 93% FY 09: 100% ●FY 09 Actual: 97% FY 10: Deleted; end state achieved
Affected DoD Components: *All*		
4.2U: Percent of audit-ready assets (USD(C/CFO))	4.2U: By 2017, the DoD will demonstrate that 100 percent of assets have achieved audit readiness.	FY 06 Actual: 15% FY 07 Actual: 15% FY 08 Actual: 18% FY 09: 42% ●FY 09 Actual: 18% FY 10: Deleted at USD (C) request
Affected DoD Components: *All*		
4.2U: Percent of audit-ready liabilities (USD(C/CFO))	4.2U: By 2017, the DoD will demonstrate that 100 percent of liabilities have achieved audit readiness.	FY 06 Actual: 48% FY 07 Actual: 50% FY 08 Actual: 66% FY 09: 88% ●FY 09 Actual: 66% FY 10: Deleted at USD (C) request
Affected DoD Components: *All*		
4.2U: Cumulative percent of 2/3-star Designated Service Headquarters (DSHQ) certified as Joint Task Force (JTF)-capable (USD(P&R))	4.2U: By FY 2013, 100 percent (14 of 14) of 2/3-star Designated Service Headquarters (DSHQ) will be certified as Joint Task Force (JTF)-capable.	FY 06 Actual: Non-applicable FY 07 Actual: 33% FY 08 Actual: 53% FY 09 Actual: 86% ■FY 10: 93% ■FY 11: 93%
Affected DoD Components: *Army, Navy, and AF*		

*4.2U: Average number of days required to adjudicate the fastest 90 percent of initial top secret and secret personnel security clearance cases (USD(I))	4.2U: Beginning in FY 2010, the Department will adjudicate the fastest 90 percent of initial top secret and secret personnel security clearance cases within 20 days.	FY 06 Actual: 41 FY 07 Actual: 39 FY 08 Actual: 30 FY 09 Actual: 25 FY 10: 20 FY 11: 20
Affected DoD Components: *Army, Navy, AF, DSS, DIA, NSA, and NGA*		
*4.2U: Percent of all DoD investigations received via electronic delivery (USD(I))	4.2U: By FY 2011, 90 percent of all DoD investigations will be received via electronic delivery.	FY 06-09 Actual: Not available FY 10: 80% FY 11: 90%
Affected DoD Components: *Army, Navy, AF, and DSS*		
*4.2U: Percent of DoD Facilities, Sustainment, Restoration, and Modernization budget authority, funded by the American Reinvestment and Recovery Act (ARRA), obligated (USD(C/CFO))	4.2U: By FY 2010, the DoD will have obligated at least 95 percent of DoD Facilities, Sustainment, Restoration, and Modernization budget authority, funded by the American Reinvestment and Recovery Act (ARRA).	FY 06-08 Actual: Non-applicable FY 09 Actual: 58.8% FY 10 : =/>95% FY 11: Deleted; end state achieved
Affected DoD Components: *Army, Navy, and AF*		
*4.2U: Percent of DoD Research, Development, Test, and Evaluation budget authority, funded by the American Reinvestment and Recovery Act (ARRA), obligated (USD(C/CFO))	4.2U: By FY 2010, the DoD will have obligated at least 95 percent of DoD Research, Development, Test, and Evaluation budget authority, funded by the American Reinvestment and Recovery Act (ARRA). .	FY 06-08 Actual: Non-applicable FY 09 Actual: 47.7% FY 10 : =/>95% FY 11: Deleted; end state achieved
Affected DoD Components: *Army, Navy, and AF*		
*4.2U: Percent of DoD Military Construction budget authority, funded by the American Reinvestment and Recovery Act (ARRA), obligated (USD(C/CFO))	4.2U: By FY 2011, the DoD will have obligated at least 95 percent of DoD Military Construction budget authority, funded by the American Reinvestment and Recovery Act (ARRA).	FY 06-08 Actual: Non-applicable FY 09 Actual: 26.4% FY 10: 52% FY 11 : =/>95%
Affected DoD Components: *Army, Navy, AF, and TMA*		
*4.2U: Percent of DoD Homeowners Assistance Fund budget authority, funded by the American Reinvestment and Recovery Act (ARRA), obligated (USD(C/CFO))	4.2U: By FY 2012, the DoD will have obligated at least 95 percent of DoD Homeowners Assistance Fund budget authority, funded by the American Reinvestment and Recovery Act (ARRA).	FY 06-08 Actual: Non-applicable FY 09 Actual: 1% FY 10: 48% FY 11 : 69%
Affected DoD Components: *Army, Navy, and AF*		
*4.2U: Percent DoD Statement of Budgetary Resources Appropriations Received (line 3A) validated (USD(C/CFO))	4.2U: By FY 2013, 100 percent of DoD Statement of Budgetary Resources Appropriations Received (line 3A) will be reviewed, verified for accuracy, and "validated" or approved as audit-ready.	FY 06 Actual: 15% FY 07 Actual: 15% FY 08 Actual: 15% FY 09 Actual: 38% FY 10: 53% FY 11: 80%
Affected DoD Components: *All*		

*4.2U: Percent of DoD Statement of Budgetary Resources validated (USD(C/CFO))	4.2U: By FY 2017, 100 percent of DoD Statement of Budgetary Resources will be validated as audit-ready.	FY 06 Actual: 9% FY 07 Actual: 9% FY 08 Actual: 9% FY 09 Actual: 13% FY 10: 14% FY 11: 14%
Affected DoD Components: *All*		
*4.2U: Percent of DoD Funds Balance with Treasury validated (USD(C/CFO))	4.2U: By FY 2016, 100 percent of DoD Funds Balance with Treasury will be validated as audit-ready.	FY 06 Actual: 0% FY 07 Actual: 3% FY 08 Actual: 3% FY 09 Actual: 7% FY 10: 8% FY 11: 30%
Affected DoD Components: *All*		
*4.2U: Percent of DoD mission-critical assets (Real Property, Military Equipment, General Equipment, Operating Materials and Supplies, and Inventory balances) validated for existence and completeness (USD(C/CFO))	4.2U: By FY 2017, 100 percent of DoD mission-critical assets (Real Property, Military Equipment, General Equipment, Operating Materials and Supplies, and Inventory balances) will be validated as audit-ready for existence and completeness.	FY 06 Actual: 0% FY 07 Actual: 4% FY 08 Actual: 4% FY 09 Actual: 4% FY 10: 4% FY 11: 45%
Affected DoD Components: *All*		
4.2U: Percent of improper military pay payments (USD(C/CFO))	4.2U: By FY 2012, the DoD will achieve a percentage of improper military pay payments at less than or equal to 0.39 percent.	FY 06 Actual: 0.09% FY 07 Actual: 0.57% FY 08 Actual: 0.60% FY 09 Actual: 0.48% FY 10: </=0.45% FY 11: </=0.40%
Affected DoD Components: *Army, Navy, and AF*		
4.2U: Percent of improper civilian pay payments (USD(C/CFO))	4.2U: By FY 2012, the DoD will achieve a percentage of improper civilian pay payments at less than or equal to 0.25 percent.	FY 06 Actual: 0.19% FY 07 Actual: 0.25% FY 08 Actual: 0.26% FY 09 Actual: 0.32% FY 10: </=0.27% FY 11: </=0.26%
Affected DoD Components: *All*		
4.2U: Operation and Maintenance obligation rate as a percentage of spend plan (USD(C/CFO))	4.2U: For each fiscal year, the DoD will maintain an obligation rate of 98 percent of its Operation and Maintenance spend plan.	FY 06 Actual: 99.5% FY 07 Actual: 99.8% FY 08 Actual: 99.8% FY 09 Actual: 99.8% FY 10: 98% FY 11: 98%
Affected DoD Components: *All except PFPA, DMA, POW/MIA, OTE, USAFRICOM, USEUCOM, USCENTCOM, USPACOM, USNORTHCOM, USTRANSCOM, and USJFCOM*		

4.2U: Days of Working Capital Fund cash on hand (USD(C/CFO))	4.2U: For each fiscal year, the DoD will maintain seven to ten days of Working Capital Fund cash on hand.	FY 06 Actual: 10 FY 07 Actual: 14 FY 08 Actual: 12 FY 09 Actual: 11 ■FY 10: 7-10 ■FY 11: 7-10
Affected DoD Components: *Army, Navy, AF, DeCA, DFAS, DISA, DLA, and USTRANSCOM*		
4.2U: Cumulative percent reduction of late formal Anti-Deficiency Act investigations from the FY 2009 baseline (USD(C/CFO))	4.2U: By FY 2012, the DoD will achieve a 100 percent reduction of late formal Anti-Deficiency Act (ADA) investigations from the FY 2009 baseline of 25 late formal ADA investigations.	FY 06-09 Actual: Non-applicable ■FY 10: 50% ■FY 11: 90%
Affected DoD Components: *All*		
4.2U: Percent of enterprise level business services deployed within 18 months of the capability business cases approval (DCMO)	4.2U: By FY 2012, 80 percent of enterprise level business services will be deployed within 18 months of the capability business cases approval.	FY 06-09 Actual: Non-applicable FY 10: 10% ■FY 11: 50%
Affected DoD Components: *Army, Navy, AF, BTA, DeCA, DCMA, DFAS, DISA, DLA, TMA, WHS, OSD, TJS, USTRANSCOM, and USJFCOM*		

1/ May be modified and/or augmented based on 2010 Quadrennial Defense Review.

2/ DoD previously reported on the number of Iraqi Security Forces personnel trained. This data is now considered sensitive as it pertains to the specific military personnel strength for a sovereign nation.

3/ Measure was changed from "ANSFs trained" to "ANSFs assigned", effective FY 2009.

4/ Services' sustainment targets for FY 11 are 90%; DLA will achieve the 90% goal by FY 2012.

** Reflects DoD high priority performance goal.*

Legend for FY 2009 and FY 2010/FY2011 Goals

FY 2009 Legend:

- ● Met or exceeded performance target
- ● Improved over prior year, but did not meet performance target
- ● Did not meet performance target
- ● New measure; no prior year data for comparison

FY 2010/2011 Legend:

- ■ Above prior year performance level
- ■ No change from prior year performance level
- ■ Below prior year performance level
- ■ New measure; no prior year data for comparison

Exhibit B – DoD High Priority Performance Goals

Strategic Goal 1: Win Our Nation's Wars

- **Provide effective business operations and ensure logistics support to Overseas Contingency Operations.**
  - Beginning in 2010, DOD will maintain a 98 percent fill rate for the Joint Contracting Command (JCC) supporting contingency operations.
  - By 2011, DOD will maintain an assignment rate of 85 percent of required Contracting Officer Representatives (CORs) supporting Iraqi contingency operations.
  - By 2011, DOD will maintain an assignment rate of 85 percent of required Contracting Officer Representatives (CORs) supporting Afghan contingency operations.
  - By 2011, DOD will reduce the percent of in-theater Army central disbursements, using cash, to 2 percent.
  - By 2011, DOD will increase the percent of contract actions, tied to entitlements and disbursements in the systems of record, to 95 percent.

Strategic Goal 4: Integrate Business Operations

- **Increase Energy Efficiencies.**
  - By 2011, DOD will reduce average building energy consumption by 18 percent from the 2003 baseline of 116,134 BTUs per gross square foot.
  - By 2011, DOD will produce or procure renewable energy equal to 14.3 percent of its annual electric energy usage.
- **Reform the DOD Acquisition Process.**
  - By 2011, DOD will reduce average cycle time for Major Defense Acquisition Programs (MDAPs) starting in 2002 and later to 72 months.
  - Beginning in 2010, the DOD will ensure the number of breaches – significant cost overruns - for Major Defense Acquisition Programs (MDAPs) is equal to or less than the previous fiscal year.
  - Beginning in 2010, the DOD will increase, by one percent annually, the amount of contract obligations that are competitively awarded.
  - By 2011, DOD will decrease reliance on contract services in acquisition functions by increasing the in-house civilian and/or military workforce by 4,765 authorizations for personnel.
  - By 2011, DOD will increase the total number of DOD civilian and military personnel performing acquisition functions by 10,025 total personnel (end-strength).
  - For 2010 and 2011, DOD will increase the percent of positions filled with personnel meeting Level II certification requirements from the previous fiscal year.
  - For 2010 and 2011, DOD will increase the percent of positions filled with personnel meeting Level III certification requirements from the previous fiscal year.

- **Create the Next Generation of Electronic Record System – Virtual Lifetime Electronic Record (VLER) by 2012. This interagency initiative will create a more effective means for electronically sharing health and benefits of Service members and Veterans.**
  - By 2011, DOD will implement Virtual Lifetime Electronic Record (VLER) production capability in at least three sites.
- **Implement DOD-wide in-sourcing initiative.**
  - By 2011, DOD will decrease reliance on contract services by increasing the in-house civilian or military workforce by 19,844 authorizations for personnel
- **Streamline the hiring process.**
  - By 2011, DOD will improve its external civilian hiring end-to-end timeline to 112 days.
- **Enhance the security cooperation workforce.**
  - By 2011, DOD will increase the percent of incumbents that have been trained in security assistance in positions that require security assistance training to 95 percent or greater.
- **Reform the DOD Personnel Security Clearance Process.**
  - Beginning in 2010, the DOD will adjudicate the fastest 90 percent of initial top secret and secret personnel security clearance cases within 20 days.
  - By 2011, 90 percent of all DOD national security investigations will be received via electronic delivery.
- **Spend American Reinvestment and Recovery Act (ARRA) funds quickly and effectively.**
  - By 2010, DOD will have obligated at least 95 percent of DOD Facilities, Sustainment, Restoration, and Modernization budget authority, funded by the American Recovery and Reinvestment Act.
  - By 2010, DOD will have obligated at least 95 percent of DOD Research, Development, Test, and Evaluation budget authority, funded by the American Recovery and Reinvestment Act.
  - By 2011, DOD will have obligated at least 95 percent of DOD Military Construction budget authority, funded by the American Recovery and Reinvestment Act.
  - By 2011, DOD will have obligated at least 69 percent of DOD Homeowners Assistance Fund budget authority, funded by the American Recovery and Reinvestment Act.
- **Increase the audit readiness of individual DoD components.**
  - By 2011, 80 percent of DOD Statement of Budgetary Resources Appropriations Received (line 3A) will be reviewed, verified for accuracy, and “validated” or approved as audit-ready.
  - By 2011, 14 percent of DOD Statement of Budgetary Resources will be validated as audit-ready.
  - By 2011, 30 percent of DOD Funds Balance with Treasury will be validated as audit-ready.
  - By 2011, 45 percent of DOD mission-critical assets (Real Property, Military Equipment, General Equipment, Operating Materials and Supplies, and Inventory balances) will be validated as audit-ready for existence and completeness.

Table 8-1 Base Discretionary Budget Authority by Appropriation Title

$ in Billions ***Base Budget***	FY 2010 Enacted	FY 2011 Request	Delta '10-'11	Percent Change '10-'11
Military Personnel	134.9	138.5	+3.6	2.7%
Operation and Maintenance	184.5	200.3	+15.8	8.6%
Procurement	104.8	112.9	+8.1	7.7%
RDT&E	80.1	76.1	-4.0	-5.0%
Military Construction	21.0	16.9	-4.1	-19.5%
Family Housing	2.3	1.8	-0.5	-21.7%
Revolving Funds	3.1	2.4	-0.7	-22.6%
Total	**530.7**	**548.9**	**+18.2**	**3.4%**

Numbers may not add due to rounding

Table 8-2 Base Discretionary Budget Authority by Military Department

$ in Billions ***Base Budget***	FY 2010 Enacted	FY 2011 Request	Delta '10-'11	Percent Change '10-'11
Army	139.7	143.4	+3.7	2.6%
Navy	155.8	160.6	+4.8	3.1%
Air Force	143.4	150.0	+6.6	4.6%
Defense-Wide	91.8	94.9	+3.1	3.4%
Total	**530.7**	**548.9**	**+18.2**	**3.4%**

Numbers may not add due to rounding

Table 8-3 Base Discretionary Budget Authority by Appropriation Title

Department of the Army

$ in Billions	FY 2010 Request	FY 2011 Request	Delta '10-'11	Percent Change '10-'11
Military Personnel	57.9	59.1	1.2	2.1%
Operation and Maintenance	40.0	43.9	3.9	9.8%
Procurement	20.8	23.0	2.2	10.6%
RDT&E	11.4	10.3	-1.1	-9.6%
Military Construction	8.8	6.5	-2.3	-26.1%
Family Housing	0.8	0.6	-0.2	-25.0%
Revolving Funds	0.0	0.1	0.1	0.0%
Total Department of the Army	**139.6**	**143.4**	**3.8**	**2.7%**

Numbers may not add due to rounding

Department of the Navy

$ in Billions	FY 2010 Request	FY 2011 Request	Delta '10-'11	Percent Change '10-'11
Military Personnel	43.9	45.1	1.2	2.7%
Operation and Maintenance	42.0	45.7	3.7	8.8%
Procurement	43.4	46.2	2.8	6.5%
RDT&E	19.9	17.7	-2.2	-11.1%
Military Construction	4.4	4.4	0.0	0.0%
Family Housing	0.5	0.6	0.1	20.0%
Revolving Funds	1.7	0.9	-0.8	-47.1%
Total Department of the Navy	**155.8**	**160.6**	**4.8**	**3.1%**

Numbers may not add due to rounding

Department of the Air Force

$ in Billions	FY 2010 Request	FY 2011 Request	Delta '10-'11	Percent Change '10-'11
Military Personnel	33.1	34.4	1.3	3.9%
Operation and Maintenance	42.7	46.6	3.9	9.1%
Procurement	36.4	39.3	2.9	8.0%
RDT&E	28.1	27.2	-0.9	-3.2%
Military Construction	2.4	1.7	-0.7	-29.2%
Family Housing	0.6	0.6	0.0	0.0%
Revolving Funds	0.1	0.1	0.0	0.0%
Total Department of the Air Force	**143.4**	**150.0**	**6.6**	**4.6%**

Numbers may not add due to rounding

Defense-Wide

$ in Billions	FY 2010 Request	FY 2011 Request	Delta '10-'11	Percent Change '10-'11
Military Personnel	0.0	0.0	0.0	—
Operation and Maintenance	59.9	64.1	4.2	7.0%
Procurement	4.2	4.3	0.1	2.4%
RDT&E	20.7	20.9	0.2	1.0%
Military Construction	5.4	4.2	-1.2	-22.2%
Family Housing	0.4	0.1	-0.3	-75.0%
Revolving Funds	1.3	1.3	0.0	0.0%
Total Defense-Wide	**91.9**	**94.9**	**3.0**	**3.3%**

Numbers may not add due to rounding

Grand Total Base Budget	**530.7**	**548.9**	**18.2**	**3.4%**

Table 8-4. Overseas Contingency Operations Funding by Military Operation

$ in Millions

OCO Budget	FY 2010 Enacted	FY 2010 Supplemental	FY 2010 Total	FY 2011 Request	Delta '10-'11	Percent Change '10-'11
Operation Iraqi Freedom (OIF)	58.1	1.0	59.1	43.4	-15.7	-26.6%
Operation Enduring Freedom (OEF)	67.4	28.8	96.2	110.3	+14.1	+14.7%
Baseline Fuel	—	2.0	2.0	—	-2.0	-100.0%
Total	**125.5**	**31.8**	**157.3**	**153.7**	**-3.6**	**-2.3%**
Non-DoD Classified and Other	4.1	1.2	5.3	5.6	+0.3	+5.7%
Total	**129.6**	**33.0**	**162.6**	**159.3**	**-3.3**	**-2.0%**

Numbers may not add due to rounding

Note: Data shown is notional and will change during execution.

Table 8-5 Overseas Contingency Operations by Functional Categories

$ in billions

OCO Budget	FY 2010 Enacted	FY 2010 Supplemental	FY 2010 Total	FY 2011 Total	Delta '10-'11	Percent Change '10-'11
Operations	74.5	19.0	93.5	89.4	-4.1	-4.4%
Force Protection	15.2	3.3	18.5	12.0	-6.5	-35.1%
IED Defeat	1.8	0.4	2.2	3.3	+1.1	+50.0%
Military Intelligence Program	4.6	1.3	5.9	7.0	+1.1	+18.6%
Iraq Security Forces	—	1.0	1.0	2.0	+1.0	+100.0%
Afghan National Security Forces	6.6	2.6	9.2	11.6	+2.4	+26.1%
Coalition Support	1.9	—	1.9	2.0	+0.1	+5.3%
CERP	1.2	—	1.2	1.3	+0.1	+8.3%
Military Construction	1.4	0.5	1.9	1.2	-0.7	-36.8%
Reconstitution/Reset	17.0	1.7	18.7	21.3	+2.6	+13.9%
Army End Strength	1.0	—	1.0	2.1	+1.1	+110.0%
Navy End Strength	0.4	—	0.4	0.5	+0.1	+25.0%
Baseline Fuel	—	2.0	2.0	—	-2.0	-100.0%
Total	**125.6**	**31.8**	**157.4**	**153.7**	**-3.7**	**-2.4%**
Non-DoD Classified	**4.1**	**1.2**	5.3	**5.6**	**+0.3**	**+5.7%**
Total	**129.6**	**33.0**	**162.6**	**159.3**	**-3.3**	**-2.0%**

Table 8-6. U.S. Casualty Status for OIF and OEF

Source: http://www.defense.gov/news/casualty.pdf
(As of January 22, 2010)

OPERATION IRAQI FREEDOM (OIF) U.S. CASUALTY STATUS *
FATALITIES AS OF: January 22, 2010, 10 a.m. EST

OIF U.S. Military Casualties by Phase	Total Deaths	KIA	Non-Hostile	WIA RTD **	WIA Not RTD **
Combat Operations - 19 Mar 03 thru 30 Apr 03	139	109	30	116	429
Post Combat Ops - 1 May thru Present	4,225	3,360	865	17,607	13,481
OIF U.S. DoD Civilian Casualties	13	9	4		
Totals	**4,377**	**3,478**	**899**	**17,723**	**13,910**

OPERATION ENDURING FREEDOM (OEF) U.S. CASUALTY STATUS
FATALITIES AS OF: January 22, 2010, 10 a.m. EST

OEF U.S. Military Casualties	Total Deaths	KIA	Non-Hostile	WIA RTD **	WIA Not RTD **
In and Around Afghanistan***	884	683	201	2,018	2,810
Other Locations****	73	5	68		1
OEF U.S. DoD Civilian Casualties	2	1	1		
Worldwide Total	**959**	**689**	**270**	**2,018**	**2,811**

* OPERATION IRAQI FREEDOM includes casualties that occurred on or after March 19, 2003 in the Arabian Sea, Bahrain, Gulf of Aden, Gulf of Oman, Iraq, Kuwait, Oman, Persian Gulf, Qatar, Red Sea, Saudi Arabia, and United Arab Emirates. Prior to March 19, 2003, casualties in these countries were considered OEF.

** These columns indicate the number of servicemembers who were Wounded In Action (WIA) and Returned to Duty within 72 hours AND WIA and Not Returned to Duty within 72 hours. To determine the total WIA figure, add the columns "WIA RTD" and " WIA Not RTD" together. These figures are updated on Tuesday unless there is a preceding holiday.

*** OPERATION ENDURING FREEDOM (In and Around Afghanistan), includes casualties that occurred in Afghanistan, Pakistan, and Uzbekistan.

**** OPERATION ENDURING FREEDOM (Other Locations), includes casualties that occurred in Guantanamo Bay (Cuba), Djibouti, Eritrea, Ethiopia, Jordan, Kenya, Kyrgyzstan, Philippines, Seychelles, Sudan, Tajikistan, Turkey, and Yemen.

Acronym List

Acronym	Definition
AT&L	Acquisition, Technology and Logistics
AEHF	Advanced Extremely High Frequency
AABs	Advisory and Assistance Brigades
ANA	Afghan National Army
ANP	Afghan National Police
ANSF	Afghan National Security Forces
ABL	Airborne Laser
ARRA	American Recovery and Reinvestment Act
LHA-R	Amphibious Assault Ship Replacement
ASDs	Assistant Secretaries of Defense
BMD	Ballistic Missile Defense
BMDS	Ballistic Missile Defense System
BRAC	Base Realignment and Closure
BCT	Brigade Combat Team
BA	Budget Authority
CERFP	CBRNE Enhanced Response Force Package
CJCS	Chairman of the Joint Chiefs of Staff
CBRNE	Chemical, Biological, Radiological, Nuclear, and High Explosive
CAPs	Combat Air Patrols
CABs	Combat Aviation Brigades
CERP	Commander's Emergency Response Program
COR	Contracting Officer Representative
CAPE	Cost Assessment and Program Evaluation Directorate
DAU	Defense Acquisition University
DeCA	Defense Commissary Agency
DEAMS	Defense Enterprise Accounting and Management System
DHP	Defense Health Program
DIMHRS	Defense Integrated Military Human Resources System
DSCA	Defense Security Cooperation Agency
DoC	Department of Commerce
DoD	Department of Defense
DoDEA	Department of Defense Education Activity
DNI	Director for National Intelligence
EA	Electronic Attack
EW	Electronic Warfare
ERP	Enterprise Resource Planning
FIAR	Financial Improvement And Audit Readiness
FY	Fiscal Year
FCS	Future Combat Systems
FYDP	Future Year's Defense Program
GFEBS	General Fund Enterprise Business System
GS	General Schedule
GoI	Government of Iraq
HPPGs	High Priority Performance Goals
HRF	Homeland Response Force
IED	Improvised Explosive Devices
ING	Inactive National Guard
Ias	Individual Augmentees
IRR	Individual Ready Reserve
IRTPA	Intelligence Reform and Terrorism Prevention Act
ISR	Intelligence, Surveillance, and Reconnaissance
ISF	Iraqi Security Forces
JHSV	Joint High Speed Vessel

Acronym	Definition
JS	Joint Staff
JSF	Joint Strike Fighter
LCS	Littoral Combat Ship
MilCon	Military Construction
MHS	Military Health System
MRAP	Mine Resistant Ambush Protected
MLP	Mobile Landing Platform
MATV	MRAP All Terrain Vehicle
NCR	National Capital Region
NDCS	National Drug Control Strategy
NIP	National Intelligence Program
NNSA	National Nuclear Security Administration
NPOESS	National Polar-orbiting Operational Environmental Satellite System
NSPS	National Security Personnel System
NECC	Net Enabled Command and Control
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OSD	Office of the Secretary of Defense
OEF	Operation Enduring Freedom
OIF	Operation Iraqi Freedom
OCO	Overseas Contingency Operations
PAA	Phased Adaptive Approach
PSAs	Principal Staff Assistants
PEs	Program Elements
PRTs	Provincial Reconstruction Teams
QDR	Quadrennial Defense Review
RCT	Regimental Combat Team
RC	Reserve Component
SCO	Security Cooperation Organizations
SRG	Senior Review Group
SOF	Special Operations Forces
SMP	Strategic Management Plan
3GIRS	Third Generation Infrared Surveillance
TTHS	Trainees, Transients, Holdees, and Students
USAFRICOM	U.S. Africa Command
USCENTCOM	U.S. Central Command
USCYBERCOM	U.S. Cyber Command
USEUCOM	U.S. European Command
USJFCOM	U.S. Joint Forces Command
USNORTHCOM	U.S. Northern Command
USPACOM	U.S. Pacific Command
USSOUTHCOM	U.S. Southern Command
USSOCOM	U.S. Special Operations Command
USSTRATCOM	U.S. Strategic Command
USTRANSCOM	U.S. Transportation Command
USDs	Under Secretaries of Defense
USD(C)	Under Secretary of Defense (Comptroller)
VA	Department of Veterans Affairs
VLER	Virtual Lifetime Electronic Record
WTUs	Warrior Transition Units
WMD	Weapons of Mass Destruction
WMD-CST	Weapons of Mass Destruction-Civil Support Teams
WII	Wounded, Ill, and Injured