

Fiscal Year 2009 Budget Estimates

Office of the Secretary of Defense



February 2008

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

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

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

	FY 2007 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2008 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2009 <u>Estimate</u>
OSD	876,247	19,758	856,853	1,752,858	37,644	-81,328	1,709,174

* The FY 2007 Actual column includes \$45,180.0 thousand FY 2007 Global War on Terror Emergency Supplemental funds (PL 110-28), \$3,577.0 thousand of FY 2007 Title IX obligations (PL 109-289), and \$13,273.0 thousand of FY 2007 Title IX obligations (PL 109-289).

* The FY 2008 Estimate column excludes FY 2008 GWOT funding of \$42,500 thousand.

I. Description of Operations Financed:

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

The OSD contains the immediate offices of the SECDEF and DSD; the Under Secretaries of Defense (USD) for Acquisition, Technology, and Logistics (AT&L); Personnel and Readiness (P&R); Comptroller/Chief Financial Officer; Intelligence; and Policy. It includes the Director, Program Analysis and Evaluation (PA&E) and the Assistant Secretaries of Defense (ASD) for Network and Information Integration (NII); Legislative Affairs; Public Affairs; and Intelligence Oversight. The OSD contains the Directors of Operational Test and Evaluation (OT&E) , Net Assessment and Director of Administration and Management (DA&M); and such other staff offices as the Secretary establishes to assist in carrying out his duties and responsibilities.

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The overall OSD budget reflects transfers-in from the Washington Headquarters Services and from various other Defense Department Components plus the conversion of Military to Civilian personnel authorizations.

A. Acquisition, Technology and Logistics

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

B. Personnel and Readiness

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

C. Comptroller/Chief Financial Officer

The USD(Comptroller)/Chief Financial Officer (CFO) oversees and sets policy for budget and fiscal matters including financial management, accounting policy and systems,

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budget formulation and execution, contract audit administration and organization. The office is responsible for the analysis of force planning and programming as a part of the process upon which force structure, system acquisition, and other resource allocation actions are based.

D. Intelligence

The (USD(I)) serves as the principal advisor to the SECDEF and DSD regarding intelligence, counterintelligence, security, sensitive activities, and other intelligence-related matters. The USD(I) exercises the SECDEF's authority, direction, and control over the Defense Agencies and DoD Field Activities that are Defense intelligence, counterintelligence, or security Components, and exercises planning, policy, and strategic oversight over all DoD intelligence, counterintelligence, and security policy, plans and programs. With the exception of Security, the USD(I)'s O&M,DW funding is within the Military Intelligence Program (MIP).

E. Policy

The USD(P) oversees matters relating to international security policy and political-military affairs. Functional areas are: NATO, foreign military sales, arms limitation agreements, international trade and technology, peacekeeping, partnerships, regional security affairs, special operations and low-intensity conflicts, integration of plans and policies with overall national security objectives, drug control policy requirements, priorities, systems, sources, and programs, and issuance of policy guidance affecting departmental programs. In 2003, the SECDEF consolidated the Department's civil support, incident management, and oversight responsibility for U.S. Northern Command (NORTHCOM) under the ASD (Homeland Defense). The Office of Force Transformation is now under the OUSD(P).

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F. Networks and Information Integration/DoD Chief Information Officer

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

G. Program Analysis and Evaluation

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

H. General Counsel

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

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I. Legislative Affairs

The ASD (Legislative Affairs) is the primary advisor to the SECDEF and the Department on all legislative matters.

J. Public Affairs

The ASD (Public Affairs) is the principal staff advisor and assistant to the SECDEF and DSD for public information, internal information, community relations, information training, and audiovisual matters.

K. Intelligence Oversight

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

L. Director, Operational Test and Evaluation

The Director, OT&E, oversees operational test and evaluation, in a field environment, of equipment in transition from development to production.

M. Director, Administration and Management

Under the direction of the DSD, the DA&M is the principal staff assistant and advisor to the SECDEF and DSD on DoD-wide organizational and administrative management matters.

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1. Core Operating Program

\$ in Thousands		
FY 2007	FY 2008	FY 2009
<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
264,860	263,214	271,931

This program funds the operations of OSD. Included are: 1) personnel compensation and benefits (salaries, overtime, allowances, contributions to insurance and retirement programs, consultants and special schedule personnel); 2) mission related travel; 3) transportation of things, which includes freight and storage when moving household goods; 4) Official Representation Funds (ORF), which provides funding for extending official courtesies to guests of the DoD; 5) Personnel Training, the funding for which was transferred from the Washington Headquarters Services; 6) Intergovernmental Personnel Act (IPA) assignments and reimbursable civilian details, which allow the OSD to obtain scarce and critical expertise from industry, academia and other federal government agencies; and 7) permanent change of station (PCS), which covers the cost of moving personnel.

2. Other DoD Programs and Initiatives

\$ in Thousands		
FY 2007	FY 2008	FY 2009
<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
126,700	131,700	158,000
-	-	11,200
8,868	23,608	26,039
16,302	18,235	20,054
5,166	5,287	5,814
-	486	543
2,191	-	-
Total	179,316	221,650

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

b. Secretary's Analytical Agenda for the Quadrennial Defense Review (QDR): This funding is to support the Analytic Agenda, Capabilities-Based Planning, and Capabilities-Based Assessments in preparation for QDR 2010.

c. Contracts and Other Support Services (COSS): The Contracts and Other Support Services (COSS) program provides for contracts, consulting services, and other support requirements of various OSD components. Various support requirements of the following offices and activities are funded from this program: Legislative Affairs; ASD(NII); Public Affairs; Transformation Office; Intelligence Oversight; DA&M; Historian; General Counsel; Organization and Management Planning; Secretary's Analytic Agenda; Health Affairs; and Reserve Affairs. In addition, the Boards, Commissions and Task Forces (BCTF) have been realigned from the Washington Headquarters Services (WHS) to OSD, and are included in this account to allow consolidated management of these programs. Included are the Defense Business Board, New Strategic Posture of the United States, Defense Reconstruction Support Office, Future Boards and Commissions, Sexual Assault in the Military, Commission on the National Guard and Reserve, Quadrennial Review of Military Compensation and Assessment of the EMP Threat.

d. Net Assessment: The Net Assessment support program is managed by the Advisor for Net Assessment and pays for assessments and projects initiated by the SECDEF for selected projects of broad importance, proposed to the Advisor for Net Assessment, and for research in support of Net Assessment work. These projects explore near-

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and long-term problems and opportunities for U.S. military forces and policy especially the Revolution in Military Affairs, wargaming, and simulation.

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

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

g. Other: These are the components for which no additional appropriation is requested under OSD O&M, in this instance for the Counternarcotics (CN) funds which were reprogrammed to OSD from a CN transfer account.

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3. Acquisition, Technology and Logistics Programs	\$ in Thousands		
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
a. Congressional Mandate	20,906	23,346	12,838
b. Improve Acquisition & Logistics Process	41,637	45,260	59,220
c. Regulatory Requirement	37,971	48,326	43,110
d. Promulgate Policy	6,462	8,804	13,836
e. OSD Analysis and Support	14,098	14,559	16,579
f. Other	10,803	-	1,000
Total	131,877	140,295	146,583

a. Congressional Mandate: Programs in this category respond directly to specific Congressional Direction and comprise 17 percent and 9 percent, respectively, of the AT&L's FY 2008 and FY 2009 budget request (\$23,346/\$12,838 thousand).

a. <u>Congressional Mandate:</u>	\$ in Thousands		
	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
1. Legacy Resource Management Program	7,008	7,866	8,122
2. CFO Act Compliance	1,639	1,705	1,962
3. Native American Land Remediation S. 8044	10,073	10,142	264
4. Electronic Business Center of Excellence	1,685	3,633	2,490
5. Defense Property Accountability Military & Military Equipment Valuation	501	-	-
Total	20,906	23,346	12,838

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1)Legacy Environmental Resource Management: In 1990, Congress passed legislation establishing the Legacy Resource Management Program to provide financial assistance to DoD efforts to preserve the Nation's natural and cultural heritage. The program assists DoD in protecting and enhancing resources while supporting military readiness. A Legacy project may involve regional ecosystem management initiatives, habitat preservation efforts, archaeological investigations, invasive species control, Native American consultations, and/or monitoring and predicting migratory patterns of birds and animals. Legacy projects support both statutory and mission-related environmental conservation requirements that support DoD training and testing. Projects funded are selected on the basis of the most positive effects on military readiness, increased conservation efficiencies, and the need to meet congressional intent. An example of a project examples is the effort to evaluate and identify bird-strike risks posed by migrating and breeding Osprey in the mid-Atlantic Chesapeake Bay Region through the application of satellite tracking technology and military airspace use assessment. Having such a workable tool will assist in creating a safer military aircraft training environment. Another priority project includes efforts to identify the most effective method to reduce invasive grass fuel loads, (mechanical, herbicide, and grazing) on military lands to prevent frequent and costly interruption of training exercises by wildfires.

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

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compliance with public law. Outcomes from this Program include more reliable management information and improvements to the management of the Department's funds and assets, as well as more accurate information reported to the Congress.

3)Native American Land Remediation: This program funds efforts to document information on DOD environmental impacts to Indian Lands, environmental mitigation projects on Indian Lands, training and technical assistance to the tribes, and implementation of a DOD Policy for Working with American Indians and Alaska Natives. In FY 2007, funding was added to support the administration of the Native American Lands Environmental Mitigation Program. . The DoD budget requests a small amount of funds each year to monitor and closeout projects funded in prior years. Since 1991, Congress has earmarked an additional \$10 million each year for this program in the General Provisions to the Appropriations Bill.

4)Electronic Business Center of Excellence (E-Business COE): The E-Business COE defines requirements for DoD's transformation of business processes related to acquisition and procurement and implementing the E-Government part of the President's Management Agenda, mandated by Public Law 107-347, and The E-Government Act of 2002. These funds target improvements to procurement systems for faster deployment to and improved usability for the warfighter. Specific efforts include providing enterprise objectives, guidance, and subject matter expertise to develop enterprise requirements, the sourcing portion of the business enterprise architecture, and implementation of the supporting Defense Business Sourcing Environment (DBSE) and its related portfolio of systems. Funds will also (1) identify and implement specific requirements within the DBSE systems to support DoD initiatives, (2) lead the functional portion of the DBSE

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governance structure addressing portfolio capabilities and requirements, (3) develop requirements that will ensure integration of federal processes and systems with DoD's and its Components', and (4) support deployment efforts with the Components of federal and DoD new initiatives, processes, and systems.

5) **Defense Property Accountability Military Equipment Valuation:** This program ended in FY 2007.

b. Improve Acquisition & Logistics Processes:

Programs in this category will improve DoD acquisition procedures, have a direct and significant benefit to the worldwide acquisition corps and contribute to troop readiness and the national defense. Programs constitute 32 percent and 40 percent, respectively, of the FY 2008 and FY 2009 budget request (\$45,260/\$59,220 thousand).

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b. Improve Acquisition & Logistics Processes:

	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
1. Consolidated Acquisition Reporting System	364	-	-
2. Defense Management Initiatives	3,117	2,493	2,806
3. Acquisition Programs Support Systems	6,880	7,704	8,763
4. Logistics Systems Modernization	8,460	8,631	14,193
5. Defense Procurement & Acquisition Policy	5,516	5,413	9,082
6. Mission Capabilities/Systems Engineering	7,002	8,254	9,235
7. Defense Installation Spatial Data Infrastructure	-	971	990
8. Unique Item Identification (UID)	1,094	2,082	990
9. Facilities Program Requirements	760	832	804
10. Corrosion Prevention Program	7,346	7,869	8,962
11. Human Capital Initiative	1,098	1,011	1,095
12. Strategic Sourcing	-	-	2,300
Total	41,637	45,260	59,220

1) **Consolidated Acquisition Reporting System:** This program ended in FY 2007.

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

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3) Acquisition Programs Support Systems: This program provides contract resource management analysis, IT services and products, and administrative support to improve the flow of mission essential information and expedite acquisition decision making within OUSD(AT&L) and other elements of the entire acquisition community. Funding in this program augments funding for IT applications developed through organizational support funds and maintained by the eBusiness Center. Funding is essential due to the critical nature and unique attributes of the acquisition process, and the demands for timely and accurate decision support systems at the corporate headquarters level. This funding also assures continuity of business/leadership operations through high availability and disaster recovery scenarios.

4) Logistics Systems Modernization Support: The increased funding supports two efforts:

- Development of an oversight and management process for identifying contingency contracting requirements for Joint, Interagency and Multi-national operations and integrate them into COCOM operations plans (OPLAN) and contingency plans (CONPLAN) to include combat, humanitarian and disaster relief as directed by the 2007 National Defense Authorization Action, Section 854. The DUSD, Logistics and Materiel Readiness, will manage joint planners to COCOMs and synchronize the requirements identification, and integration into operation plans with the military services, DOD agencies and coalition partners to avoid contracting duplication, standardize practices and ensure synchronization and unity of effort.
- Implementation and management of the Defense Operational Contracting Synchronization Office (DOCSO) capability and mission. This requirement builds on lessons learned from the establishment of a provisional contracting

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command, the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A). The mission of the DOCSO will be to maintain the capability to forward deploy up to two Joint Operational Contracting Commands (JOCC) in order to manage ongoing contracting activities to ensure that DoD and Combatant Commander policies and standards are being used and cost-effectively executed during a military force deployment.

The DUSD Logistics and Material Readiness (L&MR) serves as the principal staff assistant and advisor to the USD(AT&L), DSD, and SECDEF on logistics and materiel readiness in DoD and is the principal logistics official within the senior management of the DoD. In this capacity, the DUSD(L&MR):

- Prescribes policies and procedures for the conduct of logistics, maintenance, materiel readiness, strategic mobility, and sustainment support in the DoD, to include, supply, maintenance, and transportation.
- Advises and assists the USD(AT&L), SECDEF, and DEPSECDEF in providing guidance to the Secretaries of the Military Departments with respect to logistics, maintenance, materiel readiness, strategic mobility, and sustainment support in the DoD.
- Monitors and reviews all logistics, maintenance, materiel readiness, strategic mobility, and sustainment support programs within the DoD.
- Participates in the DoD Planning, Programming, and Budgeting System with respect to assigned areas of responsibilities. Performs such other duties as the USD(AT&L), DEPSECDEF or SECDEF may prescribe.

The DUSD(L&MR)has determined the following initiatives are the foundation upon which both logistics excellence and savings rest. The funds identified will provide the

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resources to support this essential DUSD(L&MR) mission requirement. Specifically, the funds will:

- 1) Prepare a rigorous To-Be Roadmap, in coordination with the Joint Staff, Military Departments, Combatant Commands, and Defense Agencies to include ongoing assessments within the Quadrennial Defense Review.
- 2) Monitor and enhance the Departments logistics performance and resource application to achieve a cost-effective logistics and material readiness program. Measuring performance is a key oversight component. DoD must harmonize the QDR specified logistics metrics with other desired metrics.
- 3) Formulate Materiel readiness and maintenance transformation in support of defense transformation; infrastructure rationalization and savings associated with BRAC processes; implementation of Continuous Process Improvement throughout the end-to-end sustainment value chain.
- 4) Issue policy for implementing RFID within the DoD Supply Chain both the current active ITV/TAV RFID capability in support of ongoing Combatant Command operations and future emerging passive RFID capabilities in support of improvements to the integrated end-to-end DoD Enterprise. An integral component of this new policy is to develop a detailed data architecture to enable the use of passive RFID technology at the item/case/pallet/consolidated air pallet/container levels to provide an automated data capture/transfer mechanism to business systems. Another integral component of this new policy is the development of a Supplier Engagement Strategy which will assist and facilitate early adoption of this RFID technology into the DoD suppliers business processes.
- 5) Establish and maintain DoD transportation, traffic management, strategic mobility, and travel program policies. Provides policy guidance and oversight

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for the administrative use of motor vehicles and of the DoD Postal System. Reviews and recommends actions on Military Airlift policy waivers.

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

5) Defense Procurement & Acquisition Policy (DPAP): The OUSD(AT&L), in concert with the Army, must aggressively push forward on the Gansler Commission recommendations. In FY 2009, the DPAP will ramp up efforts such as addressing legislative initiatives; developing and implementing doctrine, training, policy to address the recommendations, and establishing the way-ahead to sustain a long term enterprise-wide solution. The Department is looking at all areas to improve Contingency Contracting which includes rescrubbing GAO, IG and the Special Inspector General for Iraq Reconstruction (SIGIR) recommendations. The USD(AT&L) established a Task Force on Contracting and Contract Management in Expeditionary Operations. The Task Force consists of a senior leadership Steering Group, with representation by all of the Military Departments and functional areas affected by the recommendations, and eight Teams focusing on related recommendations. The Task Force will provide oversight for the development and submission of the report to Congress as well as the subsequent implementation of those recommendations deemed appropriate for DoD enterprise-wide application.

The DPAP Program implements changes throughout the DoD acquisition, technology and logistics community, supports acquisition policy initiatives and associated studies, supports updates to the DoD 5000 and management of the Defense Acquisition Guidebook, and conducts related communication and outreach. Initiatives address such critical areas as workforce management, contract management, contingency

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contracting, acquisition of services, and strategic sourcing. Funding for Continuous Learning transfers to the Acquisition Knowledge Sharing System program, and Acquisition Workforce/Career Management transfers to the Human Capital Initiative in FY 2008.

6) Mission Capabilities (MC)/Systems Engineering (SE): Systems Engineering (SE): Creates a capability to foster system-of-system acquisition processes; network readiness and interoperability including execution review and oversight processes. SE promotes the application of sound and effective systems engineering and software engineering principles and practices in acquisition programs. SE promulgates best practices within national and international standards development organizations to reduce total ownership cost and cycle time of weapon systems. This program sets policy for SE practices and sees to their implementation including leading assessments of technical approaches and plans for systems and system-of-systems; independent expert program review support to program managers as requested; and systemic analysis of acquisition issues to identify causal factors contributing to program execution shortfalls. SE develops technical risk assessments of Major Defense Acquisition Programs (MDAPs) ensuring future weapon systems are capable of operating in the joint and coalition environment. Assessments span a broad range of technical risk factors, requirements traceability to capability needs, consistency across SE, Test and Evaluation, risk management, Acquisition Strategy, and acquisition phase exit criteria, and inclusion of modular designs and open interfaces. Resulting assessments support Integrated Product Teams (IPTs), Overarching IPTs, and Defense Acquisition Board reviews. SE leads a DoD-wide activity to improve capabilities of modeling and simulation to support development of defense acquisition systems. SE supports management of the education and training requirements for approximately 40 percent of the acquisition workforce. SE

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leads the Defense Acquisition University (DAU) course reviews, initiates course revisions; and ensures the content is in line with the Department's Acquisition Excellence (formerly Acquisition Reform) initiatives.

7) Defense Installation Spatial Data Infrastructure (DISDI): The successful deployment of the Installation Visualization Tool affirmed the value for investing in a more comprehensive strategy known as DISDI that will organize geospatial information resources for installations worldwide. DISDI will organize people, policies, standards and protocols to optimize Component acquisition, management, and sustainment of geospatial imagery and mapping investments. DISDI will remarkably enhance the quality of real property asset accountability by employing a national spatial data standard to link assets to their physical location in a uniform manner. Finally, DISDI protocols will enable the fusing of previously disparate data, allowing decision makers to visualize the installations complex array of natural and physical assets in an integrated manner. These funds will be used to continue to mature the DISDI enterprise architecture, coordinate the DISDI standards and expand portfolio management efforts.

8) Unique Item Identification (UID): This program area is responsible for the overarching UID policy coordination to consistently enable globally unique identification of independent units and distinguishable persons, places, things and events which are of interest or concern to DoD. UID will provide on-demand information in a net-centric environment. The process of identification is critical to implementation of a capabilities-based model, which is at the core of the Quadrennial Defense Review. This program is enabling synchronization of the data structures, systems and processes by working directly within the standards community to establish and execute unique identification standards. DoD leadership is

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resulting in UID standards that will enable transparency of resource data across planning, programming, budgeting, execution and assessment in support of meeting the requirements of the CFO Act of 1990. Item Unique Identification (IUID) is one element of the overall DoD strategic imperative for unique identification. IUID leverages the efforts expended in international standards and utilizes existing industry practices. IUID policy is the responsibility of the Deputy Director for Program Development and Implementation. IUID is implemented by the acquisition process through a mandatory DFARS clause that applies to all contracts for the delivery of items to DoD throughout the supply chain. Unique Item Identifiers (UII) and associated data allows users, maintainers, suppliers and acquirers to associate item data from multiple information systems through globally unique identifiers that distinguish each item from any other like or unlike item. This program office accomplishes much of its outreach success through Industry Associations and by sponsorships of private events (e.g. UID Forums, IUID Boot camps) as well as making available online support tools. Close coordination with the Defense Acquisition University results in online training and a web-based special interest area dedicated to UID where Industry and Government share additional support tools. This program supports small pilot projects in each of the Services to demonstrate feasibility and return of investment for IUID implementation ranging from item marking, to automatic data capture, and improved data exchange.

9) Facilities Program Requirements: The Facility Program Requirements System (FPRS) will integrate multiple models and requirements generators into a single DoD structure. Initially, it will integrate the existing Facilities Assessment Database and Facilities Sustainment Model, two separate tools used by the Department and all Defense Components for facilities analysis and to support development of requirements and budget data. Using the tools in FPRS, DoD can generate verifiable

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sustainment requirements for the Defense Components, rather than each Component developing requirements independently using different metrics and business rules.

10) Corrosion Prevention Program: This program implements the congressional legislative imperative as defined in 10 U.S.C. 2228, which directs DoD to focus on prevention and mitigation of corrosion of military equipment and infrastructure within the Department. Corrosion effects readiness and is a safety concern. As Congress directed, the Department established a specific, separate program element or budget line to ensure that sustained and adequate funding is available for the corrosion control projects that have the best potential to provide maximum benefit across the Department.

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

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goals and programs; OSD(P&R) effort for partnering, leveraging, and understanding the impact of overarching DOD human capital strategic plans on the AT&L workforce; and DOD components' effectiveness in meeting the needs of AT&L Senior Leaders, Strategic Steering Board, and Workforce Management Group. These efforts will include:

- AT&L Human Capital Strategic Plan (HCSP) - Support implementation of programs and initiatives to include planning and managing progress against the stated goals, objectives and 38 associated tasks. Support the process of annually updating the HCSP to further refine the AT&L HCI strategies and in preparing annual State of the Workforce Reports.
- Competency Management - Development of AT&L core and functional competency models for human capital planning, workforce management, training and workforce development use (Reference QDR, P&R HCSP, and AT&L HCSP competency management objectives).
- DAWIA Policy and Implementation - Support in implementing statutory (DAWIA) and AT&L workforce policy and programs (Ref: DoDD 5000.52 and DoDI 5000.66).
-AT&L Workforce/HCI Management Information System - Support capability improvements to workforce planning and management decisions through improved integration, standardization, and transparency of workforce data and data analysis. Significant outcome is quality of data-supported content in HCSP revisions and annual State of the AT&L Workforce report.
- Performance Management - Further and sustain the implementation of OUSD(AT&L) SES, AT&L Key Leadership Parameters and other AT&L workforce-related Performance Management initiatives.

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- Recruitment, Outreach, & Communication Programs that enhance Department-wide AT&L results in attracting, recruiting, and retaining workforce members.

12) Strategic Sourcing: The Strategic Sourcing initiative is the collaborative and structured process of analyzing an organization's spending and using the information to make business decisions about acquisition commodities and services more effectively and efficiently. Strategic sourcing focuses on maximizing benefits and minimizing costs in the context of the total Defense Enterprise - over both the near-term and long-term, and involving both planned and unplanned requirements. It changes the focus of buying in DoD from tactical to strategic. In March, 2007, the Strategic Sourcing Office was created in DPAP under guidance from the USD(AT&L). The USD(AT&L) will use FY 2009 funds to support three initiatives to improve the efficiency/effectiveness of DoD's acquisition of services:

- a comprehensive spend analysis of the acquisition of services;
- a comprehensive analysis of interagency contracting (including spend and processes); and
- drafting and deployment of a plan for the strategic sourcing of services that MILDEPs can use as a road map.

As each commodity type inherently has differing levels of acquisition complexity, different suppliers, and different markets, the sourcing strategies that govern their acquisition processes vary. Evaluating commodity-specific spend across an organization, whether related to goods or services, can reveal who is buying what, how they are buying it, and from whom. Equipped with sufficiently detailed spend information, procurement leaders across the Defense enterprise, working with suppliers, can identify commodity-specific improvement opportunities that cover a

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multitude of areas. Once the spend is analyzed in-depth and improvement opportunities are identified impacting the areas listed above, senior procurement officials are able to make informed strategic decisions to drive commodity-specific sourcing strategies that enhance the effectiveness and efficiency of future acquisitions. The resultant strategic sourcing initiatives increase an organization's ability to leverage market capabilities and buying power which, in turn, can significantly reduce both direct and indirect procurement costs. By providing a higher degree of transparency and accountability, and assisting the Military Departments and Defense Agencies in developing practical, efficient, requirements refinement processes and strategic contracting tools, Strategic Sourcing will fundamentally change the way the Department does business.

c. Regulatory Requirement:

Programs in this category respond directly to specific Congressional Direction and comprise 34 percent and 29 percent, respectively, of the AT&L's FY 2008 and FY 2009 budget requests (\$48,326/\$43,110 thousand).

c. Regulatory Requirement:

	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
1. Acquisition Workforce Demonstration	742	526	-
2. Environmental Security Cooperation	1,195	1,495	1,701
3. Readiness and Environmental Protection Initiative	35,870	44,821	39,837
4. Emerging Contaminants	-	1,263	1,320
5. Low Observable/Counter Low Observable	164	221	252
Total	37,971	48,326	43,110

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1) Acquisition Workforce Demonstration: AT&L implemented the Acquisition Demonstration in February 1999 to enhance the quality, professionalism, and management of the acquisition workforce and chartered the Acquisition Demonstration Project Office to manage the effort. AT&L oversight of the Acquisition Demonstration programs ensures program visibility across the AT&L workforce, facilitates Senior Executive Committee direction to AT&L to recruit/develop/retain talented people, enables AT&L to leverage the Acquisition Demonstration in pursuing other AT&L initiatives, and provides a team experienced in the design, development, and training of a results/outcome based personnel system. Acquisition Demonstration Project participants will begin a staged process to transition into the National Security Personnel System (NSPS) with scheduled completion at the end of FY 2008.

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

3) Readiness and Environmental Protection Initiative (REPI): The Military Departments identify expanding development and urban growth as an increasing challenge to range and installation viability and a growing impediment to mission readiness. The REPI is a component of the Administration's ongoing effort to reduce encroachment impacts on military testing and training, and sustains military

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readiness while assisting in the protection of valuable habitat and open space. Specifically, the initiative supports cooperative agreements with states and local communities, and other interested stakeholders to acquire key conservation easements thus preventing incompatible development around military bases and ranges. DoD promotes such partnerships through its Sustainable Ranges Initiative and uses authority enacted by Congress in 2003 - Section 2811 of the National Defense Authorization Act (10 USC 2684a). The FY 2009 request reflects a \$10 million increase over the FY 2008 request; the FY 2009 request decreases from the FY 2008 appropriation due to a Congressional add.

4) Emerging Contaminants (EC): The EC program provides minimum core funding for (1) early identification of ECs, (2) assessing impacts to human health and DoD functions, and (3) development of risk management options. Funding for this program will help the Department to make fully informed, risk-based investment decisions that protect human health and the environment and preserve DoD operational capabilities. The program applies lessons learned from DoDs experience with perchlorate and other ECs.

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

d. Promulgate Policy:

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

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benefits. Programs constitute 6 percent and 9 percent, respectively, of the FY 2008 and FY 2009 AT&L budget request (\$8,804/\$13,836 thousand).

d. Promulgate Policy:

	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
1. Acquisition Knowledge Sharing System	3,108	4,490	4,585
2. Transform Procurement Regulations	1,310	1,752	1,838
3. Defense Acquisition Management Retrieval System	2,044	2,562	7,413
Total	6,462	8,804	13,836

1) Acquisition Knowledge Sharing System (AKSS): The AKSS, Defense Acquisition Guidebook (DAG) and Acquisition Community Connection (ACC) are the primary sources of up-to-date material on AT&L mandatory policies and discretionary practices; providing the Defense Acquisition Workforce Improvement Act (DAWIA) workforce of military and civilian DoD employees and over a million industry partners with instant access to DoD experts and to on-line collaborative knowledge communities. Funds provided (\$3.5M) will assist the office to: operate and support the AKSS, the DAG, the web enabled Integrated Framework Chart (IFC), ACC system and the Acquire search and discovery system. In addition funds will be used to convert the AKSS to a personalized portal system and develop "portlets" for use by Service and Agency portals; develop the Best Practices Clearinghouse (BPCh) system; develop an Acquire upgrade for searching video; develop various job performance support tools based on major business processes (such as the Standard Procurement System and major milestone plans. All of these activities are focused on providing learning and job support at the point and time of need of the workforce, to help them make more informed and smarter decisions in supplying the combat forces with weapons and

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support systems. The DAU operates a Continuous Learning (CL) Center for ATL that enables DoD ATL workforce members to quickly and conveniently understand ATL initiatives and meet continuous learning requirements. Funding (\$1.1M) supports course module development, maintenance, and contractor support to augment OSD staff and DAU faculty using the Learning Content Management System (LCMS). This capability is focused on providing learning and job support at the point and time of need of the AT&L workforce, to help them make more informed and smarter decisions in supplying the combat forces with weapons and support systems. Key efforts developing CL modules, support instructional designs, and integration/update support of web-based tools for effective operation of Continuous Learning Center support ATL goals 2 and 4. This will fund approximately 35 hours of CL modules and/or contractor support to augment faculty, OSD staff and digit benders, developing modules using the LCMS. As continuous learning modules are developed or updated they must be reloaded in to the Atlas system by the Atlas Operations contractor. Effort also provides support to OSD Staff to develop their content into sound instructional material. CL program also provides demonstration and training to OSD Staff and SMEs for courseware.

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

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provides the tools to move the development, implementation, publication and communication of hundreds of policies, laws and needed changes in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement from a bureaucratic, lengthy and paper-based process to an electronic, web-based, far-reaching capability.

3) Defense Acquisition Management Information Retrieval (DAMIR): The FY 2009 funding increase is for architecture enhancements including design, development, and implementation to add analysis, testing, and incorporation of select state-of-the-art commercial-off-the-shelf (COTS) software tools. The Services and Defense Agencies that are responsible for Major Defense Acquisition Program (MDAP) and Major Automated Information System (MAIS) program development will benefit from the increased awareness of program acquisition oversight capabilities. The COTS tools with better analysis capabilities will allow the early detection of programs with a high potential for Nunn McCurdy breaches enabling the enterprise to focus on these problematic programs vice all programs.

The DAMIR streamlines acquisition management reporting by creating a net-centric environment where data is made available as quickly as possible to those who need it. DAMIR through the presentation tool Purview is providing the end user access to DAMIR and the legacy Consolidated Acquisition Reporting System (CARS) data from their desktop. Through Purview, DAMIR allows users to drill down to relevant data, organize data collection, and facilitate managers' proactive ability owing to timeliness and depth of data analysis. The system enables users to customize the way they search, view information, and display previously unavailable combinations of information electronically. Planned implementation spirals of the DAMIR capability will leverage existing Service systems and technology to exploit volumes

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of data and evolve as the enterprise meets new business challenges. DAMIR version 3.0 is on schedule for release in December 2007 will enable the complete retirement of the CARS by April 2008.

e. OSD Analysis and Support:

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

e. OSD Analysis and Support:

	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
OSD Studies Program	14,098	14,559	16,579

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

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communications and software assurance, and acquisition management. Many other topics are also addressed from year to year depending on the evolving requirements of OSD sponsors. The program also supports requirements of sponsors to produce Congressional reports and to respond to Congressional direction/questions which require quick turnaround as well as related follow-on analysis. The need remains strong for objective expert analyses to advise decision makers within the Office of the SECDEF in managing a wide array of issues and in making relatively large-scale investment decisions.

f Other: Defense Industrial Base, AT&L:

	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Defense Industrial Base, AT&L	-	-	1,000

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2. Personnel and Readiness (P&R)

	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
a. Training Transformation	8,916	6,431	7,081
b. Combatant Commander's Exercise Engagement & Training Transformation	-	572,869	694,665
c. Studies Program, CAAS	2,407	3,041	3,346
d. Base Allowance for Housing (BAH)	531	429	473
e. Defense Safety Oversight Council (DSOC)	7,703	7,940	8,733
f. Administrative Support	583	1,086	1,195
g. Lost Work Day System	3,230	3,299	3,629
h. Defense Readiness Reporting System	2,132	4,815	4,917
i. Advancing Diversity and Equal Opportunity	-	5,782	7,222
Total	25,502	605,692	731,261

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

Departmental efforts supported with these funds include the Joint National Training Center's (JNTC) (full operating capability by October 2009); the Joint Knowledge

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

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

b. Combatant Commander's Exercise, Engagement and Training Transformation (CE2T2):

The CE2T2 account has been established as a result of direction from the Quadrennial Defense Review to realign and consolidate joint training programs and apply resulting efficiencies against new mission areas and existing joint training shortfalls. The FY 2008 funding increase will support movement of USMC joint training funds to support CE2T2, funding of USMC "Grow the Force" initiative, movement of Joint Deployment Training Capability funds from Navy, and an increase in Joint Exercise participation. All efforts support the Department's second priority to strengthen joint war-fighting capabilities. This account funds the following efforts:

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

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

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

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

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

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The Joint Deployment Training Center delivers individual functional user training on a variety of Command and Control applications on the Global Command and Control System-Joint that constitute the major planning and situational awareness tools used by the Military Departments, the CoCOMs, and other Government Agencies to conduct daily operations in support of the Global War on Terror and other missions including Homeland Security and response to natural disasters. Training ensures that personnel are qualified and ready to support the full spectrum of joint operations worldwide.

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

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

Joint Training System Specialist Program provides Joint Training System specialists, Joint Interagency Specialists, Joint Lesson Learned Specialists to the Military Departments, the CoCOMs, Command Support Agencies (CSAs), the National Guard Bureau (NGB) and other US Government agencies to integrate Joint training into a cohesive

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program supporting Joint Training requirements across the DoD. The program integrates emerging Joint Training issues, requirements and lessons learned, ensuring that CoCOMs, CSAs and the NGB training objective being developed are in concert with the overall Joint Training plan requirements. Interagency specialists assess, plan and support the execution of non-DoD agency training and education programs and draft policy for inter-governmental and interagency integration. Lessons-learned specialists develop command or service-specific lessons learned guidance documents as well as formulate and coordinate corrective actions.

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

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

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

e. Defense Safety Oversight Council (DSOC): In a continuing effort to reduce accidents to meet the Secretary's 50 percent accident reduction goal, the DSOC reviewed and approved a number of safety related proposals to enable further accident reductions across the DoD workforce. This effort funds a variety of safety initiatives to aid DoD commanders in their injury prevention efforts and improve the processes used in safety management. The initial DSOC projects were approved based on their potential to reduce accidents and commensurate cost avoidance across a broad range of DoD activities. New initiatives will continue to be presented to the DSOC for consideration based on best practices and successful safety outcomes. The execution of the initiative program and the oversight of the projects will be managed under the auspices of the DSOC. As such, they have highest visibility and support within the Department.

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

g. Lost Work Days System: Lost Work Days is currently known as the Secretary's Mishap Reduction Initiative. The SECDEF sought to change how DoD views the safety of its military personnel and civilian employees. The Department's goal is zero preventable mishaps, and it has taken a major step in that direction. The SECDEF's 50 percent reduction goal is achievable and will directly increase operational

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readiness. As a world-class military, DoD will not tolerate preventable accidents. The Department owes no less to the men and women who defend this Nation.

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

Workforce Recruitment Program (WRP) for College Students with Disabilities. The number and percent of people with targeted disabilities (PTD) in the federal civilian workforce will be increased. The SECDEF has set a goal of 2.0 percent DoD-wide, emphasizing the benefit for wounded service members returning from the GWOT. The SECDEF and the Secretary of Labor issued a joint memorandum highlighting the WRP as a tool for the President's New Freedom Initiative. The 10-year downward trend in employment of people with targeted disabilities is a matter of concern in the media and on Capitol Hill. EEOC proposes action government-wide. The resources requested will put DoD in a leadership role in collaboration with EEOC and step-by-step will create a centrally managed government wide program for employment of individuals with severe disabilities, including disabled veterans.

Defense Equal Opportunity Management Institute (DEOMI). This proposal will assist in ensuring warfighters remain current in cultural, equal opportunity and diversity management matters through an improved Department training, education and research capacity at DEOMI, as follows. Enhance the ability of the DEOMI to develop: curricula and train military personnel in issues related to cultural sensitivity/awareness in warfare; appropriate research to support such training; classroom training and field reference materials for military personnel regarding discrimination issues involving EO issues of deployed government contractor personnel and government civilian employees; and improved website and clearinghouse materials to better support deployed military equal opportunity advisors. This

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proposal also seeks to increase DEOMI's baseline to allow the Institute to meet mission/training requirements prescribed by DoD directives. This proposal aligns DEOMI's operating costs with its charter, providing funds required for staff proficiency training, course equipment/supplies and required travel to engage Service EO professionals in the field. Additionally, it fulfills DEOMI's research requirements to sustain COE accreditation.

Improve diversity in the senior ranks in DoD. This SECDEF-directed initiative will improve representational diversity in DoD, with programs to enhance the diversity of participants in key occupational pipelines (such as aviation, engineering, mathematics, and physical sciences) that feed into military flag/general officer and civilian senior executive service positions by expanding current avenues through niche marketing and enhancing diversity in DoD internship programs.

i. Defense Readiness Reporting System (DRRS): In the past, the Congress, the General Accounting Office, and others have cited numerous deficiencies in the current readiness reporting system. As a result, U.S.C. Title 10, section 117, directed the SECDEF to establish a comprehensive readiness reporting system for DoD.

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

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5. Comptroller and Chief Financial Officer

	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
a. Future Years Defense Program Improvement	3,298	3,521	3,873
b. Comptroller Initiatives	13,051	16,356	22,592
c. Administrative Support	-	458	505
d. Capability Portfolio Management	-	-	20,000
Total	16,349	20,335	46,970

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

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

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intended to improve the Department's financial management and related operations. The FY 2009 funding increase will be used to enhance, maintain and integrate comptroller information systems to produce timely, accurate and relevant budget materials and other products to improve preparation and submission of the defense budget to the Office of Management and Budget and the Congress.

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

d. Capability Portfolio Management (CPM): The FY 2009 program establishes portfolio management capabilities in Battlespace Awareness, Joint Logistics, Joint Command and Control, and Joint Net-Centric Operations to facilitate strategic choices and improve the ability to make capability tradeoffs. The CPMs will ensure their respective portfolios are aligned with strategic objectives and the capability mix within each portfolio is optimized to meet warfighters' needs. The funding will support contract and systems solutions to integrate and synchronize the provision of capabilities, and to identify and advocate efficiencies that will allow more effective use of resources across the total life cycle.

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6. Under Secretary of Defense (Intelligence)

	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
a. Direct Report Offices	4,265	8,917	11,023
b. Counterintelligence	172	2,554	2,705
c. Security	6,844	8,645	9,157
d. Warfighter Support (WS)	5,739	10,977	11,624
e. Acquisition, Resources and Technology	2,426	9,034	9,568
f. Collection and Analysis Mission Management	1,144	3,788	4,012
g. Defense Civilian Intelligence Personnel System	-	7,132	5,947
h. Center for International Issues Research (CIIR)	7,200	-	7,700
i. Global War on Terror	19,542	-	-
Total	47,332	51,047	61,736

a. **Direct Report Offices (DRO):** Additional funding in FY 2009 supports the USD(I)'s growing responsibilities in the following areas:

Congressional Activities Office: Facilitates OUSD(I) interaction with Congress to promote congressional understanding and generate congressional support for Defense Intelligence resources and legislative priorities, consistent with the Department's legislative priorities. Develop and implement standardized processes with regard to Defense Intelligence community and congressional interaction. Coordinate the Defense intelligence legislative message to ensure the legislative offices of Defense intelligence-related organizations understand and consistently articulate to Congress the White House and DoD policy positions on important intelligence issues. Ensure close coordination with the Office of the Director for National Intelligence (DNI) on Defense Intelligence matters and issues

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of shared interest. Maintain and manage records that document the OUSD(I) interaction with Congress.

Organizational Management and Support Office: Serves as the focal point for coordination of organization-wide management and administrative matters. Enabling services provided are security management (all disciplines) and clearances, mail management, electronic correspondence tasking and control, travel management, travel operations and travel budget; civilian and military personnel and manpower; payroll, information technology management, training, supplies and supply support requirements and budget, facilities, property management, overall OUSD-I budget allocations/control and contracts management, documents/records management, business practice development and implementation, and other special projects and management analyses.

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

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policies. Primary DoD interface with Associate DNI/Training and Education (Chancellor of the National Intelligence University).

Operations Integration Office: Principal office for operational support concerning DoD intelligence and related activities directly supporting the warfighter. Conducts cross-USD(I) integration of all DoD operational intelligence matters. Conducts operational assessments and technical analyses for GWOT and COCOM intelligence requirements. Develops new intelligence policies, strategies and/or programs to facilitate agility, precision, speed, and persistence required of intelligence platforms and operational forces. Provides support to operational requirements. Provides oversight to sensitive activities, to include Congressionally-directed reporting. Develops and implements new intelligence policies, strategies, technologies and/or programs to facilitate agility, precision, speed, effectiveness and persistence required of intelligence platforms and operational forces. Provides specific support to SOCOM/COCOMs to include planning support and review of EXORDS/DEPORDS. Formulates, coordinates, manages and oversees Defense HUMINT policy, guidance and implementation. Evaluates and oversees Special Reconnaissance Operations. Manages National Programs and critical sensitive operations and support within DoD and to other government agencies. Provides functional oversight and support for administration of OUSD(I) compartmented and special access programs. Ensures coordination and deconfliction of activities among stakeholders while providing senior-level decision support. Fosters increased coordination within the broader Intelligence Community.

b. Counterintelligence and c. Security

Counterintelligence Directorate: Develop counterintelligence (CI) policies and provide CI and credibility assessment oversight for the Department of Defense. Provide support on CI budget matters for CI resources within the NIP, DoD

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Foreign CI Program and within the MIP. Provide support on CI and credibility assessment matters to the Office of the SECDEF and other customers. Represent the USD(I) at DoD, national and international forums dealing with CI and credibility assessment. Conduct an outreach program to the DoD CI Community to facilitate the exchange of information.

Security Directorate: Serve as the principal DoD office for providing comprehensive and adaptable information, personnel, physical, industrial and operations security policy to all DoD Components for collateral, sensitive compartmented and special access programs and provide program oversight. Develop policy for and ensure management of the DoD Research and Technology Protection (RTP) program, in order to appropriately protect the Department's critical technology. Ensure the effective balance to protect national security information, classified and unclassified, with the imperative to share information to support the DoD and interagency missions, goals and objectives. Provide DoD coordination and analysis on security policy issues to interagency fora that include the DNI's information sharing environment efforts, National Security Council Policy Coordinating Committees, the intelligence community working groups, Congressional inquires, National Disclosure Policy Committee, Committee for Foreign Investment in the U.S., the Weapons of Mass Destruction Commission, and others requiring frequent and rapid response. Perform as the Executive Agency for the National Industrial Security Program.

d. Warfighter Support (WS): The principal office ensuring that intelligence support across the Department meets critical and timely warfighter needs and requirements. This includes staff proponentcy, policy development and support, planning support, review of EXORDs, DEPORDs, RFFs, interagency coordination and deconfliction, special initiatives, technology development and Policy and Operational oversight. Aligns policies and

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programs with current operational requirements, various intelligence-related strategies and assessments, and aligns selected cutting-edge and emerging intelligence-related technologies with warfighter needs, and Information Operations (IO) policies and programs. Conducts interagency coordination with ODNI, NCTC, NCS, and DHS for policy development and support to operational requirements. Enhanced international engagement through NATO, ISAF, MNF-I and addresses releasability issues associated with coalition warfare/combined operations. In conjunction with the Joint Staff and other components, is charged with developing DoD policy and doctrine, coordinating Joint doctrine, and overseeing DoD transformational efforts to posture the Department to operate in cyberspace.

Information Operations and Strategic Studies Directorate: Serves as principal staff advisor to USD(I) for DoD Information Operations (IO) and related strategic activities, such as operational requirements, field operating activities, Interagency SAP coordination, coordination with COCOMs and Services, intel-related strategies and assessments, Strategic Communication integration and other warfighter needs and requirements. The Directorate supports development of an integrated, multi-service and agency DoD IO Technology Architecture; provides analysis and recommendations for increasing coordination, deconfliction and coherence of technology among Government organizations, industry, and academia; provides technical expertise in complex disciplines to support development of assessments, analyses and decision-making for DoD IO Technology Architecture and associated implementation and integration strategies across the Department; supports development, coordination, and review of sensitive capability employment packages in support of the GWOT. Responsible for the development, oversight and integration of DoD IO policy, programs, plans, and activities, including: DoD investment strategy for IO programs and capabilities in support of the DoD Technology Architecture;

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OUSD(I) security administrative support for offensive IO and related activities; budgetary assessments of IO programs and activities; oversight of DoD IO capability and technology integration and evaluations; support to military Information Operations (e.g. GWOT) and related activities; oversee and coordinate DoD Intelligence Support to IO activities.

Warfighter Requirements and Evaluation Directorate: Lead for implementing the USD(I) Remodeling Defense Intelligence vision through coordination with the ODNI; the Intelligence Community, DoD's Intelligence Combat Support Agencies, Combatant Commanders, the Services and the Joint Staff. The Remodeling of Defense Intelligence effort will develop policy and directives pertaining to all intel disciplines (CI, Defense HUMINT, MASINT, SIGINT, GEOINT, OSINT), and new organization concepts (Joint Intelligence Operation Centers). Sustain USD(I) Intel Campaign Planning (ICP) efforts to synchronize and integrate the national and defense intelligence community efforts in support of designated COCOM OPLANS and CONPLANS. Maintain capability to represent USD(I) as part of the USG, Intelligence Community and Department of Defense Continuity Programs. The USD(I)'s primary representative to the Department's effort to counter the IED problem. Provide the Joint Improvised Explosive Device Defeat Organization (JIEDDO) advice and guidance relative to intelligence for all IED programs. DoD lead for coordination of DoD policy on interrogations with all the COCOMs, the Services, the DNI, Inter-Agency, and the Combat Support Agencies.

Information Access and Foreign Intelligence Relations Directorate: This directorate is responsible within OUSD(I) for providing policy, guidance and oversight to promote timely and efficient intelligence information sharing and access for/with coalition partners, federal agencies, state and local governments,

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tribal organizations, international organizations and private sector. Serve as the OUSD(I) representative to the National Disclosure Policy Committee and Foreign Relations Coordination Committee. Provide oversight of information assurance and information sharing affecting the DoD Intelligence components. Responsible for the OUSD(I) governance linkage for the Defense Intelligence Mission Area (DIMA) portfolio to ensure effective delivery of Information Technology (IT) capabilities; minimize duplication of DoD intelligence IT initiatives; enable Ops/Intel integration; maximize information sharing; oversee DIMA Portfolio Management reviews with DIA and the DoD intelligence components in coordination with the DoD CIO.

Policy, Strategy and Doctrine Directorate: Responsible for the oversight, development, coordination, and management of Defense Intelligence policy, strategy, and doctrine and for establishing priorities to ensure conformance with SECDEF and DNI guidance, as appropriate. Develops and oversee Defense Intelligence planning guidance. Serves as the OSD focal point within OUSDI for Department-level coordination of DOD policy issuances. Lead to establish doctrinal framework (Guiding Principles) for Defense Intelligence. Responsible for advising USDI on policy, strategy, and doctrine issues impacting Defense Intelligence. Develops performance metrics to monitor and track Defense Intelligence progress toward meeting SECDEF priorities. Serves as OUSDI focal point and coordinator for the development and assessment of the continuity of operations critical and essential functions. Represents USDI as part of USG, Intelligence Community, and DOD Continuity Programs. Responsible for OUSDI Continuity of Operations (COOP) planning and evacuation plans. Conducts readiness surveys of the Combat Support Agencies' COOP plans and participates in interagency exercises to insure the preparedness of USDI for COOP emergencies.

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e. Acquisition, Resources and Technology (ART): The DUSD ART is responsible for creating and overseeing execution of the MIP, a balanced program of military intelligence capabilities supporting components, Combatant Commanders and the National Intelligence Community. Additionally, DUSD ART analyzes National Intelligence Community (ODNI) investment in the National Intelligence Program (NIP) that support military capabilities. DUSD ART has embarked on a DSD tasked experiment to manage the DoD's investment in a "portfolio" construct that balances capability and risk over a number of capability focus areas. Supporting strategic objectives include: the "operationalization" of intelligence; the convergence and recapitalization of DoD ISR capabilities; global persistent surveillance; horizontal integration of intelligence information; collaborative net-centric distributed operations; and, the transformation of ISR management.

Military Intelligence Program Directorate: Develops investment strategies that address warfighter intelligence, surveillance and reconnaissance (ISR) needs near-term and long-term. Represents OUSD(I) and advocates for MIP capabilities throughout the POM and budget process in the Department, and works closely with ODNI to ensure appropriate linkages and dependencies between the MIP and the NIP. Outputs include the annual Defense Intelligence Guidance, the military intelligence portion of the annual Budget Estimate Submission, and the MIP Congressional Justification Books. The directorate serves as the primary OUSD(I) interface with ODNI, OMB, PA&E, USD(C), and the Joint Staff for programming and budget matters and congressional appeals and processes. Responsible for overseeing current-year execution of the MIP. The Directorate serves as the primary OUSD(I) interface with OUSD(AT&L), OASD(NII), and OUSD(C) for current-year execution and reprogramming actions.

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Acquisition Management Directorate: The Directorate is the OSD oversight organization for ISR acquisition programs, to include supporting processing, exploitation, and dedicated communications networks. Also responsible for monitoring the DoD acquisition process for intelligence programs and providing key programmatic support to OUSD(I) policy, requirements and resource organizations during option development and analysis. The Directorate is the lead OUSD(I) organization for institutionalizing intelligence concepts and capabilities at military doctrine development organizations, and assessing the degree to which the DoD intelligence vision, framework and investments meet warfighter needs. The Directorate serves as the primary OUSD(I) interface for the JROC process, and the primary DUSD ART interface with DUSD CMM for national intelligence priorities. The Directorate is responsible for managing the ISR Integration Council, addressing wartime ISR program challenges, synchronizing acquisition oversight between OUSD(I) and ODNI, integrating ISR ground capabilities (Distributed Common Ground/Surface System) as part of the larger Defense Intelligence Enterprise, addressing space vulnerabilities and space/air ISR balance, and ensuring new ISR programs are well-structured to execute in uncertain programmatic environments (the "Big A" acquisition). "Big A" refers to the synchronization of requirements, acquisition, and budget decisions. Outputs include a framework for articulating DoD capability needs, the Congressionally-mandated ISR Integration Roadmap, a prioritized set of capability attributes desired by the warfighter.

Intelligence Technology Directorate: Develop, oversee, and manage special activities addressing critical intelligence needs, operational shortfalls, and interagency requirements. Focused on operational requirements, processes, and technology support to the warfighter in the areas of Special Technology, Foreign Materiel and Intelligence Engagement, and other activities that involve the broad

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integration of intelligence capabilities to specific DoD missions. The Directorate identifies, assesses, and oversees development of new concepts and manages for the rapid application of new solutions to identified intelligence and operational shortfalls. The Directorate conducts research, analysis, and coordination of initiatives among Service and Defense Agencies to minimize overlapping programs, maximize cross-functional applications, and leverage existing investments. Specific initiatives include support to the COCOMs, Special Operations Forces, law enforcement agencies, the Counter Threat and Special Communications Communities.

f. Collection and Analysis Mission Management (CAMM): The DUSD (CAMM) provides direction and oversight of all DoD intelligence analytical and collection functions. In performance of that mission, the DUSD (CAMM) establishes standards of performance, quality assurance and integration; drives the development and implementation of advanced concepts, responsive strategies and cutting-edge analytical and collection capabilities for the Department.

Analytic Concepts and Strategies Directorate: Stimulates, develops and implements advanced concepts, responsive strategies, and cutting-edge analytic tradecraft methodologies, techniques and procedures that focus on improving the full spectrum of analysis and on maximizing the integration of and the collaboration between technical analysis and all-source analysis. Establishes and evaluates the effectiveness of defense analysis and production within the agencies, the services, and the combatant commands. Enhances current analytic capabilities by fostering collaboration and driving policy and guidance that shapes an integrated and collaborative analytic enterprise, while shaping future DoD and IC analytic architectures, processes, and transformation.

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Collection Concepts and Strategies Directorate: Stimulates, develops and implements advanced concepts, responsive strategies, and cutting-edge analytic tradecraft methodologies, techniques and procedures. With the Defense Agencies, the Services and the Combatant Commands, provides direction and oversight for HUMINT, Tech-INT and OSINT and evaluates the effectiveness of these functional capabilities. Evaluates the potential of near-term technologies and emerging algorithms and concepts to enhance DoD space, airborne, surface, and subsurface collection strategies, operational solutions and capabilities. Assesses and evaluates commercial, coalition and international capabilities in order to determine implications to DoD space, non-space ISR and technical collection activities.

g. Defense Civilian Intelligence Personnel System (DCIPS): This program is under the purview of the Direct Report Offices under the Human Capital Management Office. The OUSD(I) personnel did not come under the National Security Personnel System (NSPS). The DCIPS will be the system used instead, and will address the same problems as NSPS.

h. Center for International Issues Research (CIIR): The Department transferred this program and associated resources from the Defense Security Cooperation Agency (DSCA) to the USD(I) in FY 2007, and will transfer the resources again in FY 2008 to support the Center for International Issues Research.

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7. Under Secretary of Defense (Policy)

	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
a. Policy Operations	23,917	20,306	21,164
b. Strategic Policy Forum	1,100	594	1,188
c. Irregular Warfare	975	297	842
d. African Strategic Initiative	3,577	594	2,078
e. Support to the Organization for Security Cooperation in Europe (OSCE)	202	619	682
f. Strategic Communication and Integration	-	-	3,067
g. Rewards Program	5,335	2,474	2,722
h. US Mission to NATO	-	2,817	4,500
i. Force Transformation	8,399	-	-
j. Homeland Defense (HD)	18,760	13,077	14,381
k. Strategic Integration	900	594	2,968
l. Disaster Response Program	-	-	9,660
m. Latin America Strategic Initiative	900	594	1,386
n. Homeland Defense Critical Infrastructure Protection	26,516	18,453	18,664
o. Homeland Defense Maritime Domain	3,664	-	-
Total	94,245	60,419	83,302

a. Policy Operations: When members of Congress, White House officials, and/or DoD leadership collaborate with nations on military matters, Policy leadership and staff provide military information and data on key areas. This funding is crucial to successful understanding and acceptance of US military objectives and provides rapid capabilities

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during crises and emergent events. Funding provides researchers in global economics and scientists for cultural development and to best understand unstable countries. Foreign affairs specialists provide analysis of unique situations worldwide. Funding provides trend analysis and recommendations in response to international crises and assists the Secretary's global effort to democratically improve international partners in military efforts.

Centralizes funding from the Office of Force Transformation and Maritime Domain Awareness Initiative for more efficient funding execution. Continues to support exercises and wargaming that promote transformation projects and efforts in support of Maritime Security Presidential Directives. Combining funding from these efforts allow for transformational projects to tie in with unified maritime defense concepts while leveraging Policy programs. This funding allows the United States military to reduce combat actions, manage coalition efforts, and improve international relationships. Policy Operations funding provides the ability to:

- Manage global peace operations
- Develop defense strategies
- Allow provisions for force structure and basing alternatives
- Monitor and solve security cooperation issues
- Maintain coalition management
- Further cooperative relations with foreign countries
- Understand and reacting to irregular warfare
- Monitor international security operations
- Deny proliferation of weapons of mass destruction

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

Integrates programs to build, maintain, and defend alliances and relationships on political-military issues of DoD interest that relate to foreign governments and their defense establishments. Allows the continuation of ideas and innovation to defeat the constantly evolving terrorist environment. This funding is important as DoD continues to defeat terrorism on a global scale beyond Iraq and Afghanistan. Policy Operation funding provides flexibility to the changing war on terrorism.

b. Strategic Policy Forum (SPF): Funding provides table top exercises between Congressional Members and Executive Branch participants. Issues are examined in a "not for attribution" setting. Initiates crisis decision-making in an interagency setting, creates forums to explore emerging national security issues, and examines the capabilities and limitations of national power through various instruments.

SPF brings together twelve to twenty two members of Congress, senior Executive Branch officials and military leaders for a series of strategic-level crisis simulation exercise

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that highlight the nuances and complexities of national security policy formulation. Funding will enhance understanding of the challenges of crisis decision-making in an interagency setting, the forums allow for an exploration of emerging national security issues and examination of the capabilities and limitations of various instruments of national power in dealing with these security challenges. The SPF illuminates policy and organizational options available to U.S. decision-makers.

c. Irregular Warfare: Develops initiatives that include broad linguistic capability and cultural understanding in ungoverned areas, develops international policy in lawless regions through bilateral and trilateral negotiations as they pertain to OIF and OEF, and identifies alternatives to Combatant Commands that prevent the expansion of terrorist cells (GWOT) into ungoverned areas.

This funding will accelerate the development of operationally relevant tasks, conditions and standards for joint training and education in understanding foreign cultures in countries and regions of strategic importance to the GWOT. With this funding, these four individuals will:

- Develop more in-depth analysis of the assignment of additional military and civilian personnel to long-term, non-intelligence positions in priority and high-priority countries for the GWOT.
- Develop more in-depth analysis of the legal issues and potential benefits of the recruitment of children of expatriates to include screening metrics for potential useful service recruits.
- Develop more in-depth analysis of the legal issues and specific requirements and screening mechanisms for the recruitment of foreign nations.
- Develop more in-depth analysis of the current Civilian Leadership Development Programs and Service degree programs to include the disciplines and degree levels

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necessary for increasing opportunities for DoD military and civilian personnel to pursue advanced civil education in language, culture and social sciences.

d. African Strategic Initiative: This funding sustains an in-region presence focusing on understanding and influencing regional national decision makers in support of the Combatant Commander and U.S. national security interests. This funding will provide for the education and understanding of Africa's growing maritime environment, securing petroleum reserves, reducing arms/drugs trafficking, and countering trans-national crime, and an infrastructure base to leverage initiatives. On a tactical and operational level, funding will provide the capability to understand Africa's growing maritime environment, especially in securing petroleum reserves, reducing arms/drugs trafficking, and countering trans-national crime. Will collect, collate and analyze the multifaceted nature of maritime security in this region, focusing on measures to improve domain awareness, enhance regional collaboration for improved security, harmonize legislation, bolster judicial processes, and adopt appropriate technology. Provides an understanding of Africa's growing maritime environment, securing petroleum reserves, reducing arms/drugs trafficking, and countering trans-national crime.

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

f. Strategic Communication (SC): This effort synchronizes the linkage of strategic communication among the various DoD organizations and the information they relay to the media, public, and US allies. The SC efforts focus on institutionalizing DoD processes

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and efforts to understand and engage key audiences to create, strengthen, or preserve conditions favorable to advance national interests and objectives by using coordinated information, themes, plans, programs, and actions synchronized with other elements of national power. These funds support the QDR SC Execution Roadmap program, change management support for developing new SC policies and processes, and training and education strategy and plans for developing SC curricula that integrates the diverse SC functions (policy, planning, resourcing, and acquisition) to drive necessary institutional changes. The funds will be used to investigate emergent, significant issues and deliver coordinated, integrated, and synchronized communication efforts across DoD and link communication issues with broader policies, plans, and actions across the Interagency. Funding will also address long range trends and objectives of broad scope and importance as recently stated by the SECDEF, DEPSECDEF, and Defense Science Board 07 recommendations.

g. Rewards Program: Provides funds to pay rewards for information and publicity for the program outside the United States in order to disrupt international terrorist activities and enhance US personnel security. Funds are managed by the ASD for Special Operations and Low Intensity Conflict. Funds are distributed to the Combatant Commands. The program is a proven critical tool in the GWOT.

h. US Mission to NATO (USNATO): The USNATO supports 75 Defense Personnel (military and civilian) and over 7,000 US military visitors on NATO issues. Funding provides regional stability interface with US allies, NATO resolution of regional conflicts, response to terrorism and unstable conditions in fragile and failed nation states that include NATO involvement, weapon of mass destruction bilateral measures, and support of overseas facilities. OSD has traditionally paid personnel, travel and some contract support.

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i. Force Transformation: Force Transformation is no longer funded as a separate office, but is combined with Policy operations.

j. ASD for Homeland Defense (HD): The ASD(HD) coordinates national security homeland defense requirements, supplies specialty functions for civil engineering and military operations, and supports continuity of operations and continuity of government. The SECDEF established this office with minimal Government staff and instead provided flexibility in managing the changing daily and future affairs of homeland defense with the ability to contract various expertise. This range of knowledge provides a dynamic organization to meet changing terrorist threats and defense civil support requirements by interchanging levels of individuals proficient in managing such military and civilian during a domestic crisis.

Actions to deter terrorist acts are a cornerstone to homeland defense. Funding supports initiatives such as an on-site twenty four-hour, seven days a week watchstander operations center at the Department of Homeland Security (DHS). Watchstanders allow centralization of information and data on potential and actual national crises where military involvement is probable. Resources the Military Services, Defense Agencies, and Combatant Commands with technical data and updated operational information between the Department and DHS to the SECDEF during alerts or catastrophic events that warrant DoD involvement (i.e. aftermath of hurricanes). Provides resourcing for cross-cutting programs such as standardized educational curricula and decision matrix tools and information sharing systems and initiatives that benefit the entire Department in homeland defense needs.

k. ASD Homeland Defense Strategic Integration: Funding allows integration and coordination between the Interagency to determine DoD-wide requirements for potential

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dual-use application of Defense assets. Policy staffing, coordination, working groups, and executive level consensus building for standardization across CoCOMs, Services, and Defense Agencies are key elements of the support provided.

Formalizing the process to prioritize homeland defense and dual-use resource applications ensures that a consortium of officials from across the Government are in agreement with the needs, capabilities, risks and gaps for homeland defense and defense support to civil authorities. Through general consensus and habitual cooperation, the process can avoid duplication of effort, minimize risk, and provide a greater level of experienced support when personnel from across the Department and Government must work collectively to address the nation's homeland defense and defense support to civil authorities needs. Providing a unity of effort across the Department and in consort with the Interagency is the foundation of an effective Information Sharing Environment (ISE).

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

Funding provides ongoing oversight and assistance toward completing, maintaining and evaluation critical programs, to include requisite interagency coordination and staffing, DoD support to special events, and preliminary actions requisite to this mission. Throughout all planning for Interagency requirements, the DoD is ever cognizant of its subordinate role to civil authority, but must always be prepared to exercise its supporting responsibility.

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1. ASD Homeland Defense Disaster Response Program: The genesis of the DoD Disaster Program evolved from the work conducted by the Pacific Disaster Center (PDC) for DoD. Due to its large array of DoD assets in the Pacific, a critical need to predict injury and destruction caused by natural disasters was recognized as a crucial requirement for the Department. Working with the Asia Pacific Center for Security Studies (APCSS), the Department leveraged the expertise and ongoing efforts of the scientists and geologists assigned to the PDC, and tailored the work toward the specific needs of the Department. This effort morphed into a DoD-wide program that included USPACOM, Joint Task Force Homeland Defense (JTF-HD), USSOUTHCOM, and most recently, supporting the Initial Operating Capability (IOC) stand up of USAFRICOM, in the development of a Civil-Military Forum to link traditional defense interests, as well as those in non-government organizations, a crucial role in the success of this unique command.

Through work conducted by data mining experts, program personnel acquire the necessary data for high-level risk assessment and provide initial analyses of multiple hazards across social, economic, and environmental sectors within broad geographic areas. These analyses provide the basis for helping decision makers to visualize and understand potential risks and to begin to prioritize areas of potential concern and concentration which could require higher resolution data to be acquired for detailed analyses. Resulting data collection and analysis then helps determine geographic focus areas. In conjunction with JTF-HD, organized experts in defense support to disaster response/humanitarian assistance, weather analysis, and hazard-mapping products further contribute to the training of Mobile Training Teams for specific DoD civil support needs.

Support conducted within the scope of the DoD disaster response program includes contribution to workshops and exercises, using real studies and data synchronization and analysis, such as a recent study aimed at supporting DoD's strategic goals of "Shock and

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Trend Analysis" and facilitating Civil-Military communications for disaster relief operations. The study resulted in presenting input for the establishment of the Civil-Military Forum in Africa.

Capabilities of the Disaster program include secure information exchange portals for exchanging information among various Homeland Defense constituents, to include daily update of incident and situation reports, as well as plume modeling in a three-dimensional environment. Further data gathering in tracking and mapping avian influenza outbreaks is an additional trend analysis aspect of the program's work.

m. Latin America Strategic Initiative: Beginning in calendar year 2007, the Homeland Defense mission has expanded to include the entire Western Hemisphere. A greater focus on Central and South America has added new requirements to conduct bilateral and trilateral defense summits with Latin American countries, as well as affect defense liaison with personnel in defense ministries in the region. Support to the U.S. Southern Command liaison element is also included.

Western Hemisphere operations improve U.S. National security through defense ministry liaison with Western Hemisphere countries of interest, in particular, those in close proximity to the U.S. and those of heightened national security interest. Funding will institute a foundation for continued defense liaison. Funding will provide engagement with Latin American nations through workshops and defense summits, by foreign area experts trained in dialect-specific languages of these nations. The support provided fosters military-to-military relationships that lead to future cooperation across the military and political spectrum, and serves as an anti-terrorism measure—attempting to deter the threat versus fighting terrorist on homeland ground and responding to terrorist acts.

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I. Description of Operations Financed: (continued)

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

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

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

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

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I. Description of Operations Financed: (continued)

industry, and private citizens can work together to safeguard critical infrastructures and assets supporting DIB.

Funding is allocated to the Defense Sectors/Defense Agencies who identify critical assets supporting DoD missions using standard methodology, and a small program office for oversight. These DoD Components identify critical assets and the performance of risk management activities associated with these assessed assets.

In FY 2004, funding and program responsibilities for Critical Infrastructure Program (CIP) were centralized within OSD thus establishing the DCIP. With publication of DOD Directive 3020.40 and DCIP assessment standards and benchmarks, DCIP has begun to decentralize the funding to the CoCOMs and the Military Services, who were able to take responsibility for their portion of DCIP. The remaining DCIP funding will continue to fund the Defense Sector Lead Agents, DIB, a small program office, and a centralized analytical capability. The CoCOMs have been provided DCIP funding and the Military Services have undertaken to fund themselves. This funding will be used to identify defense critical assets, assess defense critical assets, and apply risk management to identified vulnerabilities through remediation and mitigation planning.

o. Maritime Domain Awareness: This program is no longer funded as a separate program; it is combined with Policy Operations.

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8. Director, Program Analysis & Evaluation

	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
a. Office of the Director Support	-	233	257
b. Long-Range Planning	21,512	20,084	22,014
c. Defense Resource Management Study Program (DRMS)	3,286	4,041	4,192
Total	24,798	24,358	26,463

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

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

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

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- Mobility Analysis: Evaluations of mobility requirements and modernization decisions for airlift aircraft, sealift vessels, and tankers in support of the new defense strategy. These assessments guide force structure and investment decisions in areas such as pre-positioning ashore and afloat, and the impact of alternative forward presence postures.
- Scenario Analysis: Develops a sound analytical basis for medium- and long-term planning scenarios. Evaluates threat databases and forecasts economic, demographic, and technological trends and developments. Includes updated concepts of operations and "road to war" scripts and excursions on possible realignments in blue and red alliance relationships. Evaluates the impact of these scenarios on U.S. force requirements.
- Defense Program Projection (DPP): Leadership tool designed to provide insight into the long-term consequences of current decisions, to include the overall health of the force, emerging fiscal trends, and potential issues requiring near-term action. Plays a key role in developing the President's Budget submission by setting the stage for the Program/Budget Review. Informs program and budget deliberations.
- Air Warfare Technical Analysis: Capability analyses of fighter/bomber/munition force structure alternatives by modeling lethality, survivability, and affordability factors. Conducts sensitivity analyses of component contributions (to include ISR support) and supports evaluations of tactical air force structure and deployment alternatives, individual acquisition programs, and future capabilities (UCAVs).
- Strategic and Space Program Analysis: Includes analyses of ballistic missile Defense, strategic and theater nuclear forces, Command, control and communications, information technology, chemical and biological weapons, and Intelligence Surveillance and Reconnaissance (ISR) programs to support future force structure decisions.

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- Weapon System Costing Methods: Costing models used to prepare Cost Analysis Improvement Group (CAIG) independent cost estimates required by statute.
- Defense Cost and Resource Center (DCARC): Collects actual costs of weapon systems from contractors and government to support preparation of cost estimates for milestone reviews of major defense acquisition programs. Used by CAIG and military departments.
- Economic Analysis and Infrastructure Costs: Provides forecasts of the economic impact of defense spending by state and industry. Estimates costs of forces and installations.
- Information Management and Analysis Group: Implements and maintains software applications supporting DoD analysis and business processes. Examples include a system to manage the coordination process for program issues, and an automated system to assist in the management of internal PA&E resources.
- Computer Systems & Services: Provides core computing infrastructure support to PA&E. The O&M funds go towards software licenses, hardware maintenance, computer system life-cycle management, system engineering and administration.

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

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9. Assistant Secretary of Defense (Networks and Information Integration)	\$ in Thousands		
	FY 2007	FY 2008	FY 2009
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
a. NII Mission and Analysis Fund	18,417	22,482	27,669
b. Command Information Superiority Architecture (CISA)	3,937	4,466	4,913
c. Information Superiority Integration Support (ISIS)	7,390	9,247	10,170
d. Chief Information Officer (CIO)	14,469	15,250	16,770
e. Information Systems Security Program (ISSP)	17,718	16,212	17,830
f. eGov Initiatives and Government-Wide Councils	27,419	23,847	26,226
g. Comprehensive National Cybersecurity Initiative-NII	-	-	13,700
h. Defense Industrial Base-NII			2,000
Total	89,350	91,504	119,278

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

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I. Description of Operations Financed: (continued)

facilitate U.S. objectives in NATO C3 policy development and implementation, foster interoperability improvements in NATO, allied and coalition partner communications and information systems, and enhance U.S.- international crisis and consequence management operations. Resources are used to support the Joint C4 Intelligence, Surveillance, and Reconnaissance (C4ISR) Decision Support Center (DSC) established to analyze joint C4ISR systems in support of requirements and acquisition decision makers. In addition, these monies are used to prepare the OMB and Congressional justification materials for the Information Technology/National Security System (IT/NSS) budget.

b. Command Information Superiority Architecture (CISA): The CISA program provides the Unified Commands with a structured planning process based on Information Technology (IT) best business practices to define current and objective Command capabilities to provide IT support to assigned missions in a net-centric environment. The CISA program is the developer and maintainer of the Global Information Grid Enterprise Architecture, the Department's enterprise architecture as directed by the Clinger-Cohen Act (CCA). This effort will integrate net-centric transition planning for each command, and implement IT portfolio management concepts, achieve horizontal fusion of missions and business processes across the Unified Commands, their components, and multi-national partners that will establish trans-AOR network centric operations. CISA will also perform cross-Unified Command analysis of capabilities to impact IT investment strategies to improve transition plans for the Unified Commands to reach objective architectures according to the goals of JV 2020.

c. Information Superiority Integration Support (ISIS): The Information Superiority Integration Support (ISIS) program provides the technical expertise and analytic framework to enable key Transformation initiatives to proceed beyond their initial planning stages through their long-term acquisition phases, and they will provide the

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I. Description of Operations Financed: (continued)

data and documentation which support decision makers. Funds provide the studies, analyses, evaluations, architecture development, systems engineering and integration support that the ASD (NII) requires to determine the validity of service acquisition strategies, analyses of alternatives, systems design and economic analyses to fully integrate the Department's command and control (C2), communications, space and information technology (IT) programs into the Global Information Grid (GIG) consistent with net-centric standards and guidelines. This critical management oversight will be strengthened by network engineering, technical evaluations, analyses and assessments and design studies. Funding is used to define and implement GIG end-to-end solutions for quality of service and network management, to develop cross-cutting solutions in areas such as frequency management, internet protocols for the bandwidth-limited user, mobile ad hoc networking and to provide message format translation. DoD business area Information Technology systems are critical to success in the DoD and across the federal government in accomplishing the President's Management Agenda Government-wide Initiatives for Improved Financial Performance and Expanded Electronic Government. Funding will ensure these systems migrate to net-centric standards and guidelines; provide acquisition oversight through analyses and studies that will identify and measure cost, schedule and performance goals; produce timely recommendations for improvement, eliminate duplication of efforts; and ensure compliance with net-centric standards and guidelines and the Business Enterprise Architecture.

d. Chief Information Officer: The DoD CIO program provides analytic assessments and technical expertise support for a net-centric warfare and business environment - relying to the maximum extent possible on existing initiatives; implementation and the extension of the Net-Centric Data Strategy; overseeing and enforcing compliance with the Global Information Grid (GIG) architecture to ensure interoperability and supportability of IT and NSS across the Department; development of a common set of capabilities that enable

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I. Description of Operations Financed: (continued)

users to rapidly and precisely discover information, efficiently task information providers, post information holdings, and dynamically form collaborative groups for decision-making; pursue DoD enterprise software licensing opportunities to include Federal SmartBUY agreements; expand the Enterprise Software Initiative Program to optimize benefits already achieved and develop strategies to foster greater use of commercial-off-the-shelf technologies by participating in the Federal Software Asset Management Governance; develop policies, procedures and governance structures for managing IT investments as portfolios; and continue to develop and implement initiatives to educate and train IT personnel.

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

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

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provide for a coherent Department of Defense transition to enable business transformation, enabling data to be accessed and shared across application domains.

g. **Cyber Security NII:** Details of this classified program are available at a higher security level.

II. Force Structure Summary: Not Applicable.

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III. Financial Summary (Dollars in Thousands):

	FY 2008						
	FY 2007	Budget	Congressional Action		Appropriated	Current	FY 2009
			Actuals	Request			
A. <u>BA Subactivities</u>							
1. Core Operating Programs	264,860	254,467	-143	-1.6	254,324	263,214	271,931
Compensation and Benefits	237,896	231,115	-	-	231,115	240,030	247,068
Travel of Persons	19,587	15,719	-	-	15,719	15,719	16,718
Transportation	10	123	-2	-1.6	121	121	126
Official Representation	2,207	1,701	-25	-1.5	1,676	1,675	1,737
Training of Personnel	-	1,700	-34	-2.0	1,666	1,666	1,813
IPA/Reimbursable Details	5,067	4,005	-80	-2.0	3,925	3,901	4,356
Permanent Change of Station	93	104	-2	-1.9	102	102	113
2. Other DoD Programs & Initiatives	159,227	184,276	-5,061	-2.7	179,612	179,316	221,650
Capital Security Cost Sharing	126,700	131,700	-	-	131,700	131,700	158,000
Secretary's Analytical Agenda QDR	-	-	-	-	-	-	11,200
Contracts & Other Support Svcs.	8,868	28,258	-4,567	-16.2	23,691	23,608	26,039
Net Assessment	16,302	18,772	-375	-2.0	18,397	18,235	20,054
ROK Scholarship Fund	-	500	-10	-2.0	490	486	543
Test Resource Management Center	5,166	5,443	-109	-2.0	5,334	5,287	5,814
Counternarcotics	2,191	-	-	-	-	-	-
3. OUSD(AT&L) Programs	131,877	124,707	1,015	+0.8	125,722	140,295	146,583
<u>Congressional Mandate</u>							
Legacy	7,008	8,098	-162	-2.0	7,936	7,866	8,122
CFO Act Compliance	1,639	1,755	-35	-2.0	1,720	1,705	1,962
Native Am. Lands Env. Mitigation	10,073	237	9,995	4,217.3	10,232	10,142	264
E-Business COE	1,685	3,740	-75	-2.0	3,666	3,633	2,490
Def. Prop Account & Mil. Eqpt Val	501	-	-	-	-	-	-
Subtotal Congressional Mandate	20,906	13,830	9,723	70.3	23,553	23,346	12,838
<u>Improve Acq'n & Logistics Processes</u>							
Consolidated Acq. Reporting System	364	-	-	-	-	-	-
Defense Management Initiatives	3,117	2,566	-51	-2.0	2,515	2,493	2,806

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	FY 2008						
	FY 2007	Budget	Congressional Action		Appropriated	Current	FY 2009
			Actuals	Request			
A. <u>BA Subactivities</u>							
Acquisition Program Support System	6,880	7,931	-159	-2.0	7,772	7,704	8,763
Logistics Systems Modernization	8,460	12,859	-4,151	-32.3	8,708	8,631	14,193
Def. Procurement & Acq. Policy	5,516	8,222	-2,760	-33.6	5,462	5,413	9,082
Mission Cap/Systems Engineering	7,002	8,497	-170	-2.0	8,327	8,254	9,235
Def Install'n Spatial Data Infra	-	1,000	-20	-2.0	980	971	990
Unique Item Identification	1,094	2,143	-43	-2.0	2,100	2,082	990
Facilities Program Requirements	760	857	-17	-2.0	840	832	804
Corrosion Prevention	7,346	8,101	-162	-2.0	7,939	7,869	8,962
Human Capital Initiatives	1,098	1,041	-21	-2.0	1,020	1,011	1,095
Strategic Sourcing	-	-	-	-	-	-	2,300
Subtotal Improve A&L Processes	41,637	53,217	-7,554	-14.2	45,663	45,260	59,220
<u>Regulatory Requirement</u>							
Acquisition Workforce Demo	742	542	-11	-2.0	531	526	-
Environmental Security Cooperation	1,195	1,539	-31	-2.0	1,508	1,495	1,701
REPI	35,870	30,000	-600	-2.0	29,400	44,821	39,837
Emerging Contaminants	-	1,300	-26	-2.0	1,274	1,263	1,320
Low Observable (LO)/Counter LO	164	228	-5	-2.0	223	221	252
Subtotal Regulatory Requirement	37,971	33,609	-673	-2.0	32,936	48,326	43,110
<u>Promulgate Policy</u>							
Acquisition Knowledge Sharing	3,108	4,622	-92	-2.0	4,530	4,490	4,585
Transform Procurement Regulations	1,310	1,804	-36	-2.0	1,768	1,752	1,838
DAMIRS	2,044	2,637	-53	-2.0	2,584	2,562	7,413
Subtotal Promulgate Policy	6,462	9,063	-181	-2.0	8,882	8,804	13,836
<u>OSD Analysis and Support</u>							
OSD Study Program	14,098	14,988	-300	-2.0	14,688	14,559	16,579
<u>Other</u>							
Environmental Restoration	3,051	-	-	-	-	-	-
Defense Industrial Base, AT&L	-	-	-	-	-	-	1,000

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	FY 2008						
	FY 2007	Budget	Congressional Action		Appropriated	Current	FY 2009
			Request	Amount			
A. <u>BA Subactivities</u>	<u>Actuals</u>	<u>Request</u>	<u>Amount</u>	<u>Percent</u>	<u>Appropriated</u>	<u>Current</u>	<u>FY 2009</u>
Management Support	7,752	-	-	-	-	-	-
Subtotal AT&L Other	10,803	-	-	-	-	-	1,000
4. OUSD(Personnel & Readiness)	25,502	267,336	343,641	+128.5	610,977	605,692	731,261
Training Transformation	8,916	6,621	-132	-2.0	6,489	6,431	7,081
COCOM Exercise Engagement & Training Transformation Studies Program	-	233,641	344,314	+147.4	577,955	572,869	694,665
Base Allowance for Housing	2,407	3,131	-63	-2.0	3,068	3,041	3,346
Defense Safety O/S Council	531	442	-9	-2.0	433	429	473
Administrative Support	7,703	8,174	-163	-2.0	8,011	7,940	8,733
Lost Work Day System	583	1,118	-22	-2.0	1,096	1,086	1,195
Advancing Diversity & EO	3,230	3,396	-68	-2.0	3,328	3,299	3,629
Defense Readiness Reporting System	-	5,900	-118	-2.0	5,782	5,782	7,222
5. OUSD(Comptroller) Programs	2,132	4,913	-98	-2.0	4,815	4,815	4,917
FYDP Improvement	16,349	20,934	-418	-2.0	20,516	20,335	46,970
Comptroller Initiatives/CFO	3,298	3,625	-72	-2.0	3,553	3,521	3,873
Administration & CAAS Support	13,051	16,838	-337	-2.0	16,501	16,356	22,592
Capability Portfolio Management	-	471	-9	-1.9	462	458	505
6. OUSD(Intelligence) Programs	16,349	20,934	-418	-2.0	20,516	20,335	46,970
Direct Report Offices	-	-	-	-	-	-	20,000
Counterintelligence	4,265	10,200	-1,204	-2.0	8,996	8,917	11,023
Security	172	2,629	-53	-2.0	2,576	2,554	2,705
Warfighter Support	6,844	8,900	-178	-2.0	8,722	8,645	9,157
Acquisition Resources & Technology	5,739	11,300	-226	-2.0	11,074	10,977	11,624
Collection & Analysis Mission Mgmt	2,426	9,300	-186	-2.0	9,114	9,034	9,568
OUSD (Intelligence)GWOT	1,144	3,900	-78	-2.0	3,822	3,788	4,012
Def Civ Intell Personnel System	19,542	-	-	-	-	-	-
Center for Int'l Issues Research	-	7,342	-147	-2.0	7,195	7,132	5,947
	7,200	-	-	-	-	-	7,700

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		FY 2008					
		Congressional Action					
A. <u>BA Subactivities</u>	FY 2007	Budget			Appropriated	Current	FY 2009
	<u>Actuals</u>	<u>Request</u>	<u>Amount</u>	<u>Percent</u>	<u>ted</u>	<u>Estimate</u>	<u>Estimate</u>
7. OUSD(Policy) Programs	94,245	68,777	-7,819	-11.4	60,958	60,419	83,302
Policy Operations	23,917	24,480	-3,994	-16.3	20,486	20,306	21,164
Strategic Policy Forum	1,100	612	-12	-2.0	600	594	1,188
Irregular Warfare	975	306	-6	-2.0	300	297	842
African Strategic Initiative	3,577	612	-12	-2.0	600	594	2,078
Support to OSCE	202	637	-13	-2.0	624	619	682
Strategic Comms & Integration	-	3,000	-3,000	-100	-	-	3,067
Rewards Program	5,335	2,547	-51	-2.0	2,496	2,474	2,722
US Mission to NATO	-	2,900	-58	-2.0	2,842	2,817	4,500
Force Transformation	8,399	-	-	-	-	-	-
Homeland Defense	18,760	13,462	-269	-2.0	13,193	13,077	14,381
Strategic Integration	900	612	-12	-2.0	600	594	2,968
Disaster Response Program	-	-	-	-	-	-	9,660
Latin America Strategic Initiative	900	612	-12	-2.0	600	594	1,386
Critical Infrastructure Protection	26,516	18,997	-380	-2.0	18,617	18,453	18,664
Maritime Domain	3,664	-	-	-	-	-	-
8. Program Analysis & Evaluation	24,798	25,076	-502	-2.0	24,574	24,358	26,463
Director Studies/CAAS	-	240	-5	-2.1	235	233	257
Long-Range Planning	21,512	20,676	-414	-2.0	20,262	20,084	22,014
Defense Resource Management Study	3,286	4,160	-83	-2.0	4,077	4,041	4,192
9. Networks & Information Integration	89,350	94,201	-1,884	-2.0	92,317	91,504	119,278
NII Mission and Analysis Fund	18,417	23,145	-463	-2.0	22,682	22,482	27,669
Command Info Superiority Architec	3,937	4,598	-92	-2.0	4,506	4,466	4,913
Info Superiority Integration Spt	7,390	9,519	-190	-2.0	9,329	9,247	10,170
Chief Information Officer	14,469	15,699	-314	-2.0	15,385	15,250	16,770
Information Systems Security	17,718	16,690	-334	-2.0	16,356	16,212	17,830
eGov and Councils	27,419	24,550	-491	-2.0	24,059	23,847	26,226

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III. Financial Summary (Dollars in Thousands):

	FY 2008							FY 2009 <u>Estimate</u>
	<u>FY 2007 Actuals</u>	<u>Budget Request</u>	<u>Congressional Action</u>		<u>Appropria ted</u>	<u>Current Estimate</u>		
			<u>Amount</u>	<u>Percent</u>				
A. <u>BA Subactivities</u>								
Comprehensive National Cybersecurity Initiative-NII	-	-	-	-	-	-	-	13,700
Defense Industrial Base- NII								2,000
10. Congressional Adds/Fact of Life	22,707	0	334,100	-	334,100	316,678		-
Military Voter Registration System	594	-	-	-	-	-		-
Foreign Disclosure Train Ed & Cert	1,180	-	-	-	-	-		-
Women's Campaign International	1,500	-	-	-	-	-		-
Middle East Regional Security	1,400	-	2,400	-	2,400	2,352		-
Minority Contract Enhancement Pgm	-	-	-	-	-	-		-
Virtual Reality Spray Paint System	1,000	-	-	-	-	-		-
Wind Demonstration Project	5,000	-	-	-	-	-		-
Critical Language Training	1,000	-	1,000	-	1,000	980		-
Intrepid Sea-Air-Space	4,433	-	-	-	-	-		-
Am Red Cross Consol Blood Svc Fac	1,000	-	1,200	-	1,200	1,176		-
Ctr for Applied Sci & Eng (Jordan Valley)	2,600	-	-	-	-	-		-
Presidio Trust (Parade Ground Renovation)	2,000	-	-	-	-	-		-
Women in Military Service for America Memorial Foundation	1,000	-	-	-	-	-		-
Model & Sim of Jt. Log C2 Process	-	-	1,000	-	1,000	980		-
Study on Nat'l Security Interagency System	-	-	2,400	-	2,400	2,352		-
Aircraft Logging and Recording for Training	-	-	1,600	-	1,600	1,568		-
REPI: to AT&L	-	-	16,000	-	16,000	15,680		-
United Services Organization	-	-	20,000	-	20,000	19,600		-
Red Cross	-	-	20,000	-	20,000	19,600		-

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	FY 2008						
	FY 2007	Budget	Congressional Action		Appropria	Current	FY 2009
			<u>Actuals</u>	<u>Request</u>			
A. BA Subactivities							
SOAR Virtual School District	-	-	5,000	-	5,000	3,430	-
Harnett County/Fort Bragg NC	-	-	3,500	-	3,500	1,960	-
Presidio Trust	-	-	2,000	-	2,000	1,176	-
National Bureau of Asian Research	-	-	1,200	-	1,200	4,704	-
Jamaica Bay Unit of Gateway Nat'l Recreation Area	-	-	4,800	-	4,800	4,900	-
Paralympics Military Program	-	-	1,200	-	1,200	1,176	-
Operation Jump Start	-	-	247,000	-	247,000	247,000	-
Total	876,247	1,093,742	659,116	+60.3	1,752,858	1,752,858	1,709,174

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<u>B. Reconciliation Summary</u>	<u>Change FY 2008/FY 2008</u>	<u>Change FY 2008/FY 2009</u>
Baseline Funding	1,093,742	1,752,858
Congressional Adjustments (Distributed)	354,918	
Congressional Adjustments (Undistributed)	-9,562	
Adjustments to Meet Congressional Intent	256,516	
Congressional Adjustments (General Provisions)	57,244	
Subtotal Appropriated Amount	1,752,858	
Fact-of-Life Changes (CY to CY Only)	-	
Subtotal Baseline Funding	1,752,858	
Anticipated Supplemental	-	
Reprogrammings	-	
Price Changes	-	37,644
Functional Transfers	-	506,315
Program Changes	-	-587,643
Current Estimate	1,752,858	1,709,174
Less: Wartime Supplemental	-	-
Normalized Current Estimate	1,752,858	1,709,174

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2008 President's Budget Request (Amended, if applicable)		1,093,742
1. Congressional Adjustments		
a. Specified Adjustments (Increases)		345,356
i) Critical Language Training SDSU	1,000	
ii) Joint Exercise Program from JTS to CE2T2	245,075	
iii) Joint Exercise Program from the Services to CE2T2	81,827	
Joint National Training Capability from Services to CE2T2	42,100	
v) Middle East Regional Security Issues Program	2,400	
vi) Modeling & Simulation of Joint Logistics Command & Control	1,000	
Undistributed Specified Increase, Assigned to OSD		
vii) Aircraft Logging and Recording for Training	1,600	
viii) Readiness and Environmental Training Initiative (to AT&L)	16,000	
ix) Study on National Security Interagency System	2,400	
b. Specified Adjustments (Decreases)		
i) Affordability	-6,490	
ii) Intel Undistributed for Unjustified Growth and Affordability	-1,000	
iii) Policy Operations, Unjustified Growth	-3,994	
iv) Reduction to CE2T2 due to anticipated efficiencies CE2T2	-20,000	
v) Boards, Commissions and Task Forces	-4,000	
vi) Strategic Communication and Integration, Affordability	-3,000	
Undistributed Specified Decrease, Assigned to OSD		
vii) Emergency and Extraordinary Expense	-550	
viii) Unobligated Balances	-9,012	
c. General Provisions (Section 8087 SECDEF Grants)		62,700
i) USO	20,000	
ii) Red Cross	20,000	
iii) SOAR Virtual School District	5,000	
iv) Harnett County/Fort Bragg NC Infrastructure Improvement	3,500	
v) Presidio Trust	2,000	
vi) National Bureau of Asian Research	1,200	
vii) Jamaica Bay Unit of Gateway National Recreation Area	4,800	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
viii) Paralympics Military Program	5,000	
ix) Red Cross Consolidated Blood Services Facility	1,200	
d. General Provisions		-5,456
i) Sec 8104 - Economic Assumptions (-76,152)	-3,690	
ii) Sec 8097 - Contractor Efficiencies (36,457)	-1,766	
e. Congressional Earmarks - Native American Lands Environmental Impact		9,516
i) Sec 8038 - OSD Share of Financing	-484	
ii) Sec 8038 - OSD Increase	10,000	
Appropriated as Adjusted to OSD		1,505,858
f. Operation Jump Start		247,000
FY 2008 Appropriated Amount		1,752,858
2. Program Changes FY 2008 to FY 2009		-
Revised FY 2008 Current Estimate		1,752,858
3. Fact of Life Changes		-
FY 2008 Baseline Funding		1,752,858
4. Price Changes		37,644
5. Functional Transfers		502,745
a) Transfers-In		
i) From Army: AFRICOM HQs to CE2T2	4,500	
ii) From Army: Theater Training & Exercises to CE2T2	3,500	
iii) From Navy for Baseline Review MP Study to CE2T2	5,000	
iv) From Navy: Multi-National Communications Interops to CE2T2	2,200	
v) From OSD RDT&E, Dw to CE2T2	15,497	
vi) From DSCA to OUSD (I) for Center for International Issues Research	7,700	
vii) From WHS for US Mission to NATO	1,433	
viii) From RDT&E for Personnel Conversion of Military	53	
ix) From Services to Readiness Environmental Protection Initiative REPI	25,000	
x) From DARPA for DAMIR	4,500	
xi) From Other DoD to CE2T2	436,932	
b) Transfers Out		
i) To DLA for Policy, Defense Critical Infrastructure Support	-1,170	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
ii) To IG, the ATSD for Intelligence Oversight transfers.	-2,400	
6. Program Increases		142,416
a. Annualization of New FY 2008 Program		
b. One-Time FY 2009 Increases		
1) Secretary's Analytical Agenda for Quadrennial Defense Review (QDR)	11,200	
c. Program Growth in FY 2009		
1) Compensation and Benefits (569), Travel of Persons (685), Transportation (3), Official Representation Fund (29) Personnel Training (114), Intergovernmental Personnel Act (379) and Permanent Change of Station (9)- Military to civilian conversions, increased SECDEF travel, and other associated costs in support of the Department's mission account for this increase. (FY 2008 Baseline: 261,548)	1,788	
2) Capital Security Cost Sharing - Increased costs for the Defense Department share of the cost of the Department of State's Capital Security Cost Sharing (CSCS) program to improve physical security. (FY 2008 baseline: 131,700)	23,666	
3) Contracts and Other Support Services - For more contract support and r previously reduced for affordability. (FY 2008 baseline: 23,702)	1,863	
4) Net Assessment Office - There are many more approved and needed studies and analyses than funding to pay for them. These increases will allow for additional assessments to be funded. (FY 2008 baseline: 18,235)	1,455	
5) Republic of Korea Scholarship Fund (48) and Test Resource Management Center (422) - Provides for increased scholarships and improved contract support. (FY 2008 baseline: 5,773)	470	
6) Legacy Resource Management Program (99), CFO Act Compliance (223) - For management of Legacy Resources on military reservations and a congressional requirement to provide support and improve the management of the Department's funds. (FY 2008 baseline: 9,571)	322	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
7) Defense Management Initiatives (264) and Acquisition Programs Support Systems (905) - For improved analytical products and tools needed to improve management of installations and facilities. (FY 2008 baseline: 10,197)	1,169	
8) Logistics Systems Modernization - To provide essential contract support for Development of an oversight and management process for identifying contingency contracting requirements for Joint, Interagency and Multi-national operations and integrate them into COCOM operations plans and to implement and manage the Defense Operational Contracting Synchronization Office (DOCSO) capability and mission. . (FY 2008 baseline: 8,631)	5,390	
9) Defense Procurement & Acquisition Policy - to develop and implement doctrine, training, policy to address the recommendations, and establishing the way-ahead to sustain a long term enterprise-wide solution to improve Contingency Contracting (3,561), Mission Capabilities/Systems Engineering (816), Corrosion Prevention Program (936), - Provides needed contract support and increased sustainment efforts. (FY 2008 baseline: 21,536)	5,313	
10) Human Capital Initiatives (64), Environmental Security Cooperation (177), Emerging Contaminants (32) and Low Observable/Counter Low Observable (27) - To implement the DoD AT&L Education, Training and Career Development Program, support Security Cooperation and Low Observable vehicle programs. (FY 2008 baseline: 3,990)	300	
11) Acquisition Knowledge Sharing (6), Transform Procurement Regulations (51), Defense Acquisition Management Retrieval System (DAMIR) (300) - (AT&L: Promulgate Policy). To sustain contract support. DAMIR replaces CARS during FY08 with the first full year of funding in FY09. (FY 2008 baseline: 8,804)	357	
12) Strategic Sourcing - Funds the analysis and initial implementation of a system to improve and lower the cost of the acquisition of commodities and services. (FY 2008 baseline: 0)	2,300	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
13) OSD Study Program (1,729) - To sustain contractor support and forestall loss of expertise available to perform studies and analyses for OSD components. Cyber Security (1,000) is needed for data protection. (FY 2008 baseline: 14,559)	2,729	
14) P&R Training Transformation (522), Studies Program (245), Base Allowance for Housing (36), Defense Safety Oversight Council (635) - To continue adequate contract administrative support to the OUSD(Personnel and Readiness), including training and safety. (FY 2008 baseline: 17,391)	1,438	
15) P&R Administrative Support (88) and Lost Work Day System (265) - To provide adequate contractor support to the OUSD (P&R) and sustain the Lost Work Day System needed in DoD. (FY 2008 baseline: 4,385)	353	
16) P&R Advancing Diversity and Equal Opportunity) - To provide adequate contractor support and to reverse the decreases in targeted disability personnel. (FY 2008 baseline: 4,772)	2,355	
17) Comptroller Initiatives - The program increases to provide adequate contractor support and to reverse the decreases in targeted disability personnel. (FY 2008 baseline: 16,356)	5,909	
18) Capability Portfolio Management - To provide contract and system requirements to manage Battlespace Awareness, Joint Logistics, Joint Net Centric Operations, and Joint Command and Control portfolios. (FY 2008 baseline: 0)	20,000	
19) FYDP Improvement (282) and OUSD(C) Administrative Contract Support (38) - To provide improved Future Years Defense Program (FYDP) production, perform tasks needed to obtain clean audit opinions and provide adequate contract administrative support to the OUSD(Comptroller). (FY 2008 baseline: 3,979)	320	

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III. Financial Summary (Dollars in Thousands):

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
20) OUSD(I) Direct Report Office (1,928), Counterintelligence (100), Security (340), Warfighter Support (428), Acquisition Resources & Technology (354) and Collection, Analysis, and Mission Management (149) - To maintain support and fund analyses necessary to sustain essential programs while the entire OUSD(I) organization grows. (FY 2008 baseline: 43,915)	3,299	
21) OUSD(Policy) Operations (452), Support to Organization for Security Cooperation in Europe (51), Rewards Program (199), US Mission to NATO (1,627), ASD Homeland Defense (1,043), Critical Infrastructure Protection (1,013) - To meet the needs of the CoCOMs, continue ongoing overseas efforts, and support for critical programs such as stability operations and the Defense Industrial Base (DIB). (FY 2008 Baseline 57,756)	4,385	
22) Strategic Policy Forum (583), Irregular Warfare (540), African Strategic Initiative (1,473), Strategic Communication and Integration (3,067), Strategic Integration (2,363), Latin America Strategic Initiatives (781) - To support additional exercises with Congressional members, addressing terrorism growth in ungoverned areas, supporting the stand up of the US Africa Command, and preventing the growth of terrorist cells in Central and South America. Strategic Communication Integration supports Public Affairs. (FY 2008 Baseline 3,292)	8,807	
23) OUSD(Policy) Disaster Response Program (9,660) The Disaster Response Program evolved from the work conducted by the Pacific Disaster Center (PDC) for DoD and is needed for force protection of the large number of vulnerable DoD assets in the Pacific. (FY 2008 Baseline 0)	9,660	
24) Director, PA&E Studies (20), Long Range Planning (1,529), Defense Resource Management Study (71) - To sustain contract and electronic information technology support to essential critical analytical programs. (FY 2008 baseline: 25,916)	1,620	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
25) ASD(NII) Mission and Analysis (M&A) Fund (4,738), Command Information Superiority Architecture (CISA) (358), Information Superiority Integration Support (ISIS) (739), Chief Information Officer (1,216), Information Systems Security Program (1,294), eGov and Councils (1,903). - To sustain the programs which maintain electronic technological superiority for the DoD, including the Global Information Grid. The M&A program increase supports the Distributive Nuclear/National Command and Control (DNC2) program as well as increased support to the critical portfolio management activities. ISSP program increases expand efforts to implement the Net-centric Data Strategy Office by exploiting Community of Interest (COI) best practices. The E-Gov program increase in FY 2009 will support new initiatives coming on line in FY 2009 and will support increasing costs of maturing initiatives. (FY 2008 baseline: 91,504)	10,248	
26) ASD(NII) Cyber Security Initiative (13,700) and Defense Industrial Base (2,000) - Classified Programs which will safeguard Cyber Security. (FY 2008 Baseline: 0)	15,700	
9. Program Decreases		-726,489
a. Annualization of FY 2008 Program Decreases		-
b. One-Time FY 2008 Increases (Congressional Adds/Grants)	-704,428	
1) Native American Land Environmental Protection Initiative - Congressional Add not carried forward. (FY 2008 baseline: 237)	-10,080	
2) AT&L Defense Readiness and Environmental Protection Initiative - Congressional Add partially carried forward (FY 2008 baseline: 44,821)	-5,879	
c. Program Decreases in FY 2009		
1) Compensation and Benefits, a reduction for one fewer paid days in the fiscal year. (FY 2008 baseline: 240,030)	-921	
2) AT&L E-Business Center of Excellence - Decrease is a reflection of the Department's efforts to maintain costs, improve efficiencies and funding constraints. (FY 2008 baseline: 3,633)	-1,215	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
3) Unique Item Identification - This program continues with reduced funding required. (FY 2008 baseline: 2,082)	-1,131	
4) Acquisition Workforce Demonstration (-536), Facilities Program Requirements (-44), Decreases reflect the ending of the Department's Acquisition Workforce Demonstration and efforts to maintain costs, improve efficiencies and funding constraints. (FY 2008 baseline: 1,358)	-580	
5) Defense Readiness Reporting System, OUSD(P&R) This decrease is due to efforts to reduce costs in FY 2009. (FY 2008 baseline: 5,731)	-928	
6) Defense Civilian Intelligence Personnel System - Decrease is a reflection of the Department's efforts to maintain costs, improve efficiencies and funding constraints. (FY 2008 baseline: 7,132)	-1,327	
FY 2009 Budget Request		1,709,174

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IV. Performance Criteria and Evaluation Summary

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

Other programs under the staff offices' purview are assigned to OSD for execution as are congressional increases where appropriate. There is not sufficient similarity among the various programs to use the same standard for all of them, but standards are often set and enforced which are, of necessity, different for each program. The overall performance of all OSD is evaluated using accounting records. Obligations are expected to closely approach 100 percent.

The execution of authorized civilian personnel is also a performance measurement. OSD is expected to exceed 90 percent of authorized positions and FTEs are funded at the expected execution level rather than the authorization level.

Otherwise, the Department of Defense (DoD) OSD goals are set at the Departmental level. Each year the SECDEF submits an unclassified **Annual Report to the President and Congress**, commonly referred to as the **Annual Defense Report** containing the DoD goals. These reports are available on the Internet in the Department of Defense Executive Secretary's web site at: http://www.defenselink.mil/execsec/adr_intro.html

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V. <u>Personnel Summary</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Change</u> FY 2007/ FY 2008	<u>Change</u> FY 2008/ FY 2009
<u>Active Military End Strength (E/S) (Total)</u>					
Officer	366	397	389	+31	-8
Enlisted	83	57	32	-26	-25
<u>Reserve Drill Strength (E/S) (Total)</u>					
Officer	-	22	22	+22	-
Enlisted	-	5	5	+5	-
<u>Reservists on Full Time Active Duty (E/S)</u>					
Officer	-	22	22	+22	-
Enlisted	-	5	5	+5	-
<u>Civilian End Strength (Total)</u>					
U.S. Direct Hire	1,538	1,559	1,590	+21	+31
<u>Active Military Average Strength (A/S) (Total)</u>					
Officer	366	397	389	+31	-8
Enlisted	83	57	32	-26	-25
<u>Reserve Drill Strength (A/S) (Total)</u>					
Officer	12	22	22	+10	-
Enlisted	1	5	5	+4	-
<u>Reservists on Full Time Active Duty (A/S) (Total)</u>					
Officer	12	22	22	+10	-
Enlisted	1	5	5	+4	-
<u>Civilian FTEs (Total)</u>					
U.S. Direct Hire	1,538	1,559	1,590	+21	+31
Memo: Reimbursable Civilians Included	-	-	-	-	-
Average Annual Civilian Salary (\$ in thousands)	117	121	125	+4	+4

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

<u>OP 32 Line</u>	<u>FY 2007</u> <u>Actuals</u>	<u>Change from</u> <u>FY 2007 to</u> <u>FY 2008</u>		<u>FY 2008</u> <u>Estimate</u>	<u>Change from</u> <u>FY 2008 to FY 2009</u>		<u>FY 2009</u> <u>Estimate</u>
		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>		<u>Price</u> <u>Growth</u>	<u>Program</u> <u>Growth</u>	
101 Executive, Gen'l & Special Schedules	248,282	7,835	-16,087	240,030	7,390	-352	247,068
308 Travel of Persons	19,617	373	-4,271	15,719	314	454	16,487
771 Transportation	10	-	113	123	2	0	125
912 Rental Payments to GSA (SLUC)	-	-	1,900	1,900	38	-1,938	-
920 Comm, Utililties & Misc/Supp & Mat	128,950	2,450	7,538	138,938	2,779	45,783	187,500
921 Printing & Reproduction	50	1	74	125	3	2,468	2,596
922 Equipment Maintenance by Contract	130	2	-82	50	1	-1	50
925 Equipment Purchases (non-Fund)	330	6	1,164	1,500	30	-30	1,500
931 Contract Consultants	15,952	303	23,745	40,000	800	80	40,880
932 Management, Professional Support Services	30,752	584	48,664	80,000	1,600	160	81,760
933 Studies, Analysis and Evaluation	132,378	2,515	286,192	421,085	8,419	-30,986	398,518
934 Engineering and Technical Services	55,882	1,062	245,039	301,983	6,040	-94,241	213,782
987 Other Intra-Government Purchases	39,937	759	-4,696	36,000	720	3,188	39,908
988 Grants	11,033	210	-2,843	8,400	168	432	9,000
989 Other Contracts	192,824	3,656	270,405	466,885	9,338	-6,223	470,000
999 Other Costs	120	2	-2	120	2	-122	-
Total	876,247	19,758	856,853	1,752,858	37,644	-81,328	1,709,174

* The FY 2007 Actual column includes \$45,180.0 thousand FY 2007 Global War on Terror Emergency Supplemental funds (PL 110-28); no Iraq Freedom Fund transfers, includes \$3,577.0 thousand of FY 2007 Title IX obligations (PL 109-289) and includes \$13,273.0 thousand of FY 2007 Title IX obligations (PL 109-289).

* The FY 2008 Estimate column excludes FY 2008 GWOT funding of \$42,500 thousand.