

Fiscal Year 2011 Budget Estimates

Defense Security Cooperation Agency (DSCA)



February 2010

**DEFENSE SECURITY COOPERATION AGENCY
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2011 Budget Estimates**

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

Budget Activity (BA) 04: Administrative & Service-wide Activities

	FY 2009 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2010 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2011 <u>Estimate</u>
DSCA	1,443,490	18,262	-841,201	620,551	9,416	53,886	683,853

* The FY 2009 Actual column includes \$671,548 thousand of Supplemental Appropriations for Coalition Support Funds.

* The FY 2010 Estimate column excludes \$1,920,000.0 thousand requested in the FY 2010 Defense-Wide Overseas Contingency Operations Budget Request (P.L. 118-111).

* The FY 2011 Estimate column excludes \$2,000,000 thousand requested in the FY 2011 Defense-Wide Overseas Contingency Operations Budget Request

* The FY 2010 Estimate column excludes \$1,058 thousand X year carryover for Coalition Support Funds

I. Description of Operations Financed: The Defense Security Cooperation Agency (DSCA) administers funding for the Regional Centers for Security Studies, Warsaw Initiative Fund/Partnership for Peace Program, Combating Terrorism Fellowship Program, Regional International Outreach, Security Cooperation Training and Support (formerly called International Programs Security Requirements Course), Global Train and Equip Program, Defense Institution Reform Initiative, Increasing Partner Capacity Building in Rule of Law Context, Coalition Support Funds, and Global Lift and Sustain Support. The DSCA also provides program management and program implementation support to the Humanitarian Assistance, Foreign Disaster Relief, and Humanitarian Mine Action programs, which are funded in a separate appropriation. DSCA is continuing the plan to improve the oversight of contractor services, acquire those services more effectively, and in-source contractor services where it is more appropriate and efficient. In FY 2011 DSCA intends to replace approximately seven contractors with approximately seven civilian FTEs at an estimated cost savings of \$316 thousand.

Changes from FY 2010 to FY 2011: Price changes, including Foreign Currency Fluctuations, are \$+9,416 thousand. After considering the effects of inflation, the net program change is an increase of \$+53,886 thousand.

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Net funding decrease totaled \$-100,291 thousand and is attributed to the reduction in contracting and operational support costs. The size and scope of the following security cooperation programs managed by DSCA decreased: Security and Stabilization Assistance, \$-98,242 thousand; Combating Terrorism Fellowship Program, \$-1,077 thousand; Regional Centers, \$-441 thousand; Warsaw Initiative Fund (WIF)/Partnership for Peace (PfP), \$-293 thousand; Defense Institution Reform Initiative, \$-185 thousand; and Increasing Partner Capacity Building in Rule of Law Context, \$-53 thousand.

Program net increases totaled \$+154,177 thousand. The program contributing to the largest portion of the increase is Global Training and Equipment (1206) with an increase of \$+140,509 thousand. This increase in funding will provide support to the partner nations in Afghanistan and Iraq. Two new programs have been added to the DSCA portfolio for FY 2011, Stability Operations Fellowship Program, an increase of \$+4,977 thousand established to create a two-year pilot, increasing the capacity of governments of foreign countries to cooperate with the United States or to conduct stability operations in lieu of U.S. forces. The second new program added in FY 2011 is the Security Cooperation Assessment Office, increase of \$+2,988 thousand, established to measure the impact of security cooperation programs. Security Cooperation Training and Support increased \$+3,762 thousand allowing for the enhancements for the Defense Institute of Security Assistance Management (DISAM). Other program increases include: DSCA Administrative Operations, \$+1,324 thousand which resulted from an increase in civilian pay of \$+855 thousand, covering 80 FTEs to include the seven FTEs from FY 2010 to FY 2011 from the insourcing initiative, \$+547 thousand in contract support and a reduction of \$-78 thousand in DFAS support costs. Regional International Outreach increased \$+617 thousand providing for required software upgrades, security accreditation, and production and test servers maintenance.

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The Regional Centers for Security Studies: The Near East South Asia Center for Strategic Studies (NESAS), Washington, D.C.; Africa Center for Strategic Studies (ACSS), Washington, D.C.; Asia-Pacific Center for Security Studies (APCSS), Honolulu, Hawaii; Center for Hemispheric Defense Studies (CHDS), Washington, D.C.; and the George C. Marshall European Center for Security Studies (GCMC), Garmisch, Germany are known collectively as the Regional Centers. The Regional Centers support the Department's Security Cooperation objectives and are assigned three core tasks: 1) counter ideological support for terrorism; 2) harmonize views on common security threats; and 3) build the capacity of partners' national security institutions consistent with the norms of civil-military relations. The centers utilize unique academic forums to build strong, sustainable international networks of security leaders. These networks promote enhanced policy understanding and mutually supporting approaches to security challenges (especially the de-legitimization of terrorism), effective security communities which support collective and collaborative action, and improved sustainable partner institutional capacity and capabilities, thus reducing the burden on U.S. forces worldwide. They provide key strategic listening and strategic communication tools, assisting U.S. policymakers in formulating effective policy, articulating foreign perspectives to U.S. policymakers, and building support for U.S. policies abroad.

DSCA has been the Executive Agent for the Regional Centers since October 2005. Unified management improves the Regional Centers support to overseas contingency operations objectives by linking security communities across regions and developing friendly global networks that can defeat global terrorism networks. The funding for the Regional Centers addresses the following specific objectives:

- Strengthen the ability of the five Regional Centers to counter ideological support for terrorism and harmonize views of common security challenges by expanding their program of seminars and courses to affect a wider and more appropriate audience in their respective regions.

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- Significantly increase functionally-focused short courses that build partner capacity in the areas of stability operations, combating terrorism, and homeland defense.
- Increase sustainable security communities that provide access to DoD leaders and provide critical regional policy feedback through a mix of conferences, seminars, and web-based discussion groups.
- Improve outreach and strategic listening through a physical presence in selected regions.
- Facilitate efforts to combat transnational security threats, such as terrorism, that cross Combatant Command (COCOM) boundaries through a series of collaborative working groups that partner centers and their networks.
- Synchronizing Secretary of Defense (SECDEF) priorities in curricula development to ensure that the same message is being transmitted to all representatives.
- Expand activities that leverage the network of past Regional Centers' graduates to advance U.S. interests, counter the influence of extremism, and share lessons learned and best practices.
- Build a federated network of functional communities of influential individuals, including U.S. and foreign partner personnel, who actively exchange insights on security issues, evaluate security trends, and provide feedback on national and security policies.
- Implement information technology solutions that will provide network member tracking and single-point visibility of regional center networks.
- Facilitate harmonization of regional center activities with other DoD international partner strategic education activities.

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Warsaw Initiative Fund (WIF)/Partnership for Peace (PfP) Program: The Warsaw Initiative Fund (WIF) is a bilateral U.S. security cooperation program. It is one of the primary tools the Department of Defense uses to provide financial and technical support to developing countries that are members of the North Atlantic Treaty Organization's (NATO) Partnership for Peace (PfP) program. The WIF program advances defense reform and institution building in Partner countries; enhances Partner contributions to coalition operations; and promotes Partner integration and accession to NATO. In accordance with U.S. policy and recent NATO Summit agreements, program activities are conducted in the following areas: defense policy and strategy; human resource management; logistics and infrastructure; professional defense and military education; stability and peacekeeping operations; emergency planning and consequence management; border security and control; and English language familiarization. Program activities include, but are not limited to, workshops, seminars, and conferences; civilian and military personnel exchanges; and functional area assistance visits. The program also supports military liaison teams as well as Partner country participation in U.S. and NATO military exercises. These activities, and others, help Partner countries implement defense reforms, build capacity, and prepare for NATO membership.

Combating Terrorism Fellowship Program (CTFP): CTFP is a security cooperation program permanently authorized in the National Defense Authorization Act of 2004 (10 USC 2249c). This legislation allows DoD to provide foreign military officers and government security officials with strategic and operational education to enhance partners' capacity to combat terrorism. The goals of CTFP are:

- Build and strengthen a global network of combating terrorism experts and practitioners at the operational and strategic levels;
- Build and reinforce the combating terrorism capabilities of partner nations through operational and strategic-level education;
- Contribute to efforts to counter ideological support to terrorism; and,

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- Provide DoD with a flexible and proactive program that can respond to emerging combating terrorism requirements.

CTFP is a key tool for Geographic Combatant Commands to foster regional and global cooperation in the war against terrorism. CTFP not only complements existing security assistance programs, it fills a void in the U.S. Government's efforts to provide non-lethal combating terrorism assistance. The program has developed mobile and resident institutional courses tailored to the specific need of key regions and countries in order to advance broader U.S. Government combating terrorism objectives. All personnel are thoroughly vetted consistent with legal requirements regarding human rights issues.

The FY 2009 National Defense Authorization Act (NDAA) increased the CTFP authorization from \$25,000 thousand to \$35,000 thousand. The increase funds efforts to defeat terrorism through counter-terrorism and anti-terrorism activities, as well as homeland defense and border control.

DSCA Administrative Operations: The DSCA administrative operations includes salaries and operating expenses of the personnel who manage the DoD-funded security cooperation programs noted above, along with the Humanitarian Assistance, Foreign Disaster Relief, and Mine Action program management costs. This funding supports costs for the DFAS accounting and IT support.

Regional International Outreach (RIO): The RIO program supports the QDR guidance and is an OSD(Policy) initiative that will provide an open source information technology solution assisting the Regional Centers for Security Studies in improving international outreach efforts and fostering collaboration among their faculty, current and former participants, OSD, and other designated DoD educational institutions. The RIO outreach, education, and collaboration efforts are directly tied to building partnership capacity and countering ideological support for terrorism. RIO is a tool that will enable

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faculty, current and former participants, and other users to share information, collaborate on projects, build international communities of interest, and improve administrative activities resulting in time and manpower savings. The RIO program has extended beyond the five regional centers (each with their own site), and now includes an additional five institutions. RIO will field a federated capability in FY 2010, which will tie the centers together along with the additional institutions and others using the same technology.

Security Cooperation Training and Support: This program encompasses a multi-faceted approach to security cooperation support and partner capacity building. Expanding beyond the program formerly called International Programs Security Requirements (IPSR) course, which provides courses of instruction in security requirements for international programs for DoD and defense contractor personnel that have direct responsibility for these programs, the Department has added training in security cooperation program integration.

For the IPSR course, the U.S. has many cooperative programs with allies, and foreign military sales help to ensure their strength. Every DoD employee involved in international programs must understand security arrangements, laws, policies, and procedures that govern foreign involvement in our international programs to protect sensitive and classified technology and military capabilities. This 5-day course is required for DoD or other government employees and defense contractors who have "hands-on" involvement in international programs, such as negotiating, managing, executing, or otherwise directly participating in international government or commercial programs including foreign military sales, cooperative research and development, commercial sales, license application review, systems acquisition, foreign contracting, foreign disclosure, international visits and personnel exchanges, program protection, or industrial security.

The Defense Institute of Security Assistance Management (DISAM) is the DoD's only dedicated institution for the education and training of thousands of U.S. and partner

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country personnel involved in the planning, management, and assessment of security cooperation and partner capacity-building programs-Title 10 and Title 22. DISAM is primarily funded via Title 22 authorities, and is not resourced to support training and education on the integrated planning, management, assessment, and interagency coordination of DoD security cooperation efforts, including many new Title 10 programs. These Title 10 programs are of particular importance to the DoD in meeting the emergent needs of military commanders in support of overseas contingencies, such as DoD efforts in Afghanistan, Iraq, and parts of Pakistan. This DISAM initiative provides for a stable infrastructure and dedicated Operations and Maintenance funding to provide DISAM the additional capability to build and support a comprehensive education platform that will help to alleviate capacity issues for training U.S. and partner country personnel assigned to embassies, headquarters, combatant commands and other security sector establishments on the proper integrated planning, management, assessment, and interagency coordination of security cooperation efforts and Title 10 program execution.

Defense Institution Reform Initiative (DIRI): DIRI is designed to help partners develop accountable, professional, and transparent defense establishments that can manage, sustain, and employ their forces and the capabilities developed through U.S. security cooperation programs.

DIRI focus areas are:

- Defense Policy & Strategy
- Human Resource Management
- Defense Planning, Budgeting and Resource Management
- Logistics & Infrastructure
- Civil-Military Relations and Interagency Coordination
- Professional Defense & Military Education

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The DIRI process is structured to streamline U.S. defense reform efforts, focus priorities and funding, and minimize programmatic gaps. Utilizing national strategic guidance, DoD employment guidance, and State Mission Support Plans (MSPs), this process will incorporate and coordinate OSD, Geographic Combatant Commanders, and country team guidance and goals to develop integrated execution plans and achieve shared objectives. The program supports security cooperation priorities identified in the Guidance for Employment of the Force (GEF). The GEF establishes defense and security sector reform as one of eight primary focus areas for security cooperation.

The DIRI process consists of five distinct phases:

- Phase Zero - Country Coordination: Scope the objectives with the country teams, the combatant commanders, the OSD regional offices, and other USG agencies.
- Phase One - Requirements Determination: Subject matter experts along with OSD, Geographic Combatant Command, and country team support will conduct a survey to determine defense institution status. Surveys are tailored to the culture and region.
- Phase Two - Program Development: A roadmap is developed based on survey findings. The DIRI roadmap is vetted by OSD, Combatant Command and country team until agreed product is reached, then recommendations are shared with partner.
- Phase Three - Program Implementation and Execution: Sequential, country-specific activities for each roadmap block are executed. Activity providers, best suited to meet objectives work in step-by-step process to implement roadmap.

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- Phase Four - Program Assessment: Every 12-18 months, DIRI surveys/roadmaps are re-assessed and updated. New surveys may need to be conducted, dependent on Partner country progress.

Increasing Partner Capacity Build in Rule of Law Context: Effective security cooperation or related defense institution building within Security Sector Reform and Rule of Law programming requires sustained engagement with strategically important international partners. The Defense Institute of International Legal Studies (DIILS) serves as the department's lead agency for providing professional legal seminars and programs, as well as education and training, to international military members and civilian government officials in furtherance of U.S. national security and foreign policy objectives.

In order to develop an effective long term strategy for rule of law programs across a broad spectrum of strategic countries, direct funding that supports strategic and operational priorities in accordance with the Guidance on Employment of the Force (GEF) and other national strategy directives was required. DIILS' ability to develop long range plans tailored to particular security challenges and focused on a specific region or country is critical to the success of global stability.

Funding in FY 2010 provides for the development and implementation of Rule of Law-based programs within each combatant command fulfilling the need for sustained engagement with regional and international partners that is necessary for the comprehensive implementation of long term defense institution building within security sector reform. It also addresses the challenges of doctrinally incorporating stability operations within persistent conflicts, with a focus on establishing effective partnerships in support of U.S. national interest and goals.

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DIILS is currently a reimbursable organization funded under a number of broader programs. Funding also provides support for Department programs without the assessment of surcharges for infrastructure cost.

Global Train and Equip (Section 1206): Represents an innovative approach required to address current threats to our national security. Because current threats often emanate from countries with which we are not at war, we must work through these partner countries to address them. This need becomes more acute in an environment of weak states, rapidly developing threats, and ungoverned areas that can be exploited for terrorist safe haven. Training and equipping foreign forces to address their own security problems is a military requirement to avoid future military interventions and mitigate long term risk.

Global Train and Equip programs are designed to meet time-sensitive and emerging threats and opportunities to build the capacity of partner-nation forces. The initiative enables the Secretary of Defense (with the concurrence of the Secretary of State) to expedite the training and equipping of partners, conducting programs that build the capacity of their national military forces to conduct counterterrorist operations, or to support military and stability operations in which U.S. armed forces are a participant. The initiative is timely, strategy-driven, integrated across diplomacy and defense, and measurable. Global Train and Equip programs are:

- Co-formulated, reviewed, and vetted by Defense and State, both by Combatant Commanders and Ambassadors in the field, and in Washington D.C.
- Approved by the Secretary of Defense and the Secretary of State
- Notified to Congressional oversight committees
- Compliant with Foreign Assistance Act (FAA) and Arms Export Control Act (AECA) security, end-use, and retransfer agreements

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- Directed toward partner nations that uphold human rights, attendant fundamental freedoms, and the rule of law

Illustrative training and equipment includes:

Training: (not exhaustive) counter-terrorism; air assault training and doctrine; civil-military operations; infrastructure security; intelligence analysis and sharing; maritime operations, security, and interdiction; equipment maintenance; border security; and operator training.

Equipment: (not exhaustive) coastal surveillance stations; patrol boats; various spare and replacement parts; avionics and communications upgrades; small arms weapons; small/large caliber ammunition; radios; computers; night vision devices; riverine assault and combat support craft; and HMMWVs.

These programs allow combatant commanders and ambassadors, working together, to train and equip foreign military forces in response to urgent and emergent threats and opportunities to solve problems before they become crises requiring major military interventions. By building the capacity of partners to handle their security problems, these effects reduce stress on U.S. forces. The Geographic Combatant Commanders consider global train and equip authority DoD's single most important tool to shape the environment and counter terrorism outside Iraq and Afghanistan.

Although the Global Train and Equip authority has been in effect just three years, it has rapidly become the gold standard for interagency cooperation to meet emerging threats and opportunities because of the revolutionary way it is managed. Unique program aspects include:

- Speed and Prevention. Traditional security assistance takes three to four years from concept to execution. Global Train and Equip authority can respond to urgent

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and emergent threats or opportunities in six months or less. For example, early successes included:

- o Enabled a rapid response to a resurgent Taliban threat by augmenting Pakistani air assault capability, resulting in an increased operations tempo and increased capture and kill rates.

 - o Rapidly moved basic supplies like ammunition and truck spare parts that the Lebanese Army desperately needed to combat al-Qaeda affiliated terrorist groups in refugee camps, providing mobility that allowed it to maintain the offensive at the Nahr al Barid camp and ultimately stabilize the area.

 - o Enabled rapid assistance for Nigeria to help enhance security in the Gulf of Guinea after Charles Taylor was captured and restrictions on assistance removed.
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- Rigor. Thorough vetting of submissions results in strategically sound choices with a high national security return on investment. Proposals are competitively scored by Special Operations Command (SOCOM), the Joint Staff, DSCA, the Office of the Under Secretary of Defense for Policy, and numerous State Department components, with review by both regional and functional experts. Both DoD and State must agree before programs go forward. Planning requirements for Global Train and Equip program submissions far exceed those for other programs. Combatant Commands and embassies must lay out detailed proposals that address the full range of issues that impact program success, including operations and maintenance plans, absorptive capacity and executability, and adherence to broad foreign policy objectives, military feasibility, integration with other USG

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efforts, and mitigation of human rights concerns. Leveraging the range of core competencies resident in U.S. Departments and Agencies results in the selection of proposals the need for which is strategically clear. Planning requirements for Global Train and Equip program submissions far exceed those for other programs. Combatant Commands and embassies must lay out detailed proposals that address the full range of issues that impact program success, including operations and maintenance plans, absorptive capacity and executability, adherence to broad foreign policy objectives, military feasibility, integration with other U.S. Government efforts, mitigation of human rights concerns, etc.

- Dual-Key Authority. DoD and the Department of State coordinate on all security cooperation activities, but the Global Train and Equip authority takes cooperation to a new level. It encourages joint formulation of programs between embassies and Combatant Commands, and both must approve each program. This brings the best competencies of both departments to bear, including the diplomacy that is required to achieve buy-in from foreign partners.

Global Train and Equip represents an enduring military requirement to avoid large-scale military conflicts and reduce stress on US forces. DoD will continue to build on the success of this program in several ways. Metrics are under development to measure operational and strategic effects. DoD has asked the Inspector General to do a three-year systemic review of Global Train and Equip programs and to make its own recommendations to improve program performance. When operations tempos allow, DoD will use U.S. forces in lieu of or with contractors to conduct or supervise training -- to improve the quality of training and to build military-to-military relationships. Finally, DoD will also integrate partners into combined exercise programs to periodically test their capabilities and assess how well they are maintained or improved over time.

II. Force Structure Summary: N/A

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III. Financial Summary (\$ in thousands)

	FY 2010						
	FY 2009 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		<u>Appropriated</u>	<u>Current Estimate</u>	FY 2011 <u>Estimate</u>
			<u>Amount</u>	<u>Percent</u>			
A. <u>BA Subactivities</u>							
1. Regional Centers	98,930	93,271	-108	-.1	93,163	93,163	94,752
2. Warsaw Initiative Fund/Partnership for Peace	29,112	29,789	-63	-.2	29,726	29,726	29,849
3. Combating-Terrorism Fellowship Program	33,710	33,997	-72	-.1	33,925	33,925	33,323
4. DSCA Administrative Expense	11,665	12,949	-10	-.1	12,939	12,939	14,446
5. Regional International Outreach	1,445	1,291	-3	-.2	1,288	1,288	1,923
6. Security Cooperation Training and Support	986	982	-2	-.2	980	980	4,756
7. Defense Institution Reform Initiative	0	5,828	-12	-.2	5,816	5,816	5,712
8. Increasing Partner Capacity Building in Rule of Law Context	0	1,651	-2	-.1	1,649	1,649	1,620
9. Global Train and Equipment (1206)	339,721	344,908	-728	-.2	344,180	344,180	489,507
10. Security & Stabilization Asst (1207)	0	197,090	-100,205	-50.8	96,885	96,885	0
11. Security Cooperation Assessment Office (SCAO)	0	0	0	0	0	0	2,988
12. Stability Ops Fellowship	0	0	0	0	0	0	4,977
13. Coalition Support Funds (X-Year)	671,548	0	0	0	0	0	0
13. FY09 OCO Lift and Sustain	256,373	0	0	0	0	0	0
Total	1,443,490	721,756	-101,205	14.0	620,551	620,551	683,853

** The FY 2009 Actual column includes \$671,548 thousand of Supplemental for Coalition Support Funds.

* The FY 2010 Estimate column excludes \$1,920,000.0 thousand requested in the FY 2010 Defense-Wide Overseas Contingency Operations Budget Request (P.L. 111-118). The FY 2011 Estimate column also excludes \$2,000,000 thousand requested in the FY 2011 Defense-Wide Overseas Contingency Operations Budget Request

* The FY 2010 Estimate column excludes \$1,058 thousand X year carryover for Coalition Support Funds

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<u>B. Reconciliation Summary</u>	<u>Change</u> <u>FY 2010/FY 2010</u>	<u>Change</u> <u>FY 2010/FY 2011</u>
Baseline Funding	721,756	620,551
Congressional Adjustments (Distributed)	-100,000	
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	-1,205	
Subtotal Appropriated Amount	620,551	
Fact-of-Life Changes (CY to CY Only)		
Subtotal Baseline Funding	620,551	
Anticipated Supplemental	1,920,000	
Reprogrammings		
Price Changes		9,416
Functional Transfers		
Program Changes		53,886
Current Estimate	2,540,551	683,853
Less: Wartime Supplemental	-1,920,000	
Normalized Current Estimate	620,551	

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	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2010 President's Budget Request (Amended, if applicable)		721,756
1. Congressional Adjustments		-101,205
a. Distributed Adjustments	-100,000	
b. Undistributed Adjustments		
c. Adjustments to meet Congressional Intent		
d. General Provisions		
1) Sec 8097 - Economic Assumption (-35,360)	-900	
e. Congressional Earmarks - Sec 8037 Mitigation to Environment Impacts		-305
FY 2010 Appropriated Amount		620,551
2. War-Related and Disaster Supplemental Appropriations		1,920,000
a. Overseas Contingency Operations (OCO)	1,920,000	
3. Fact of Life Changes		
FY 2010 Baseline Funding		2,540,551
4. Reprogrammings (requiring 1415 Actions)		
Revised FY 2010 Estimate		2,540,551
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings, Iraq Freedom Fund Transfers		-1,920,000
FY 2010 Normalized Current Estimate		620,551
6. Price Change		9,416
7. Functional Transfers		
8. Program Increases		155,717
a. Annualization of New FY 2010 Program		
b. One-Time FY 2011 Increases		
c. Program Growth in FY 2011		

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C. Reconciliation of Increases and Decreases	Amount	Totals
1) <u>Global Training and Equip (1206)</u> : Funding in intra-government purchases was increased to support demands for countries participating in Afghanistan, Iraq, and also for the European Command area of responsibility. Increase in funding levels will support nations whose counterterrorism capability bears heavily on U.S. security. (FY 2010 baseline: \$344,180 thousand)	140,509	
2) <u>Stability Operations Fellowship</u> : New program start in FY 2011. Funding will cover cost associated with the education and training of foreign military officers and officials at military or civilian educational institutions, DoD Regional Center, conferences, seminars or other training programs. (FY 2010 baseline: \$0)	4,977	
3) <u>Security Cooperation Training and Support</u> : Increase to support enhancement for the Defense Institute of Security Assistance Management (DISAM). Increase in funding will allow for training of U.S. and partner country personnel assigned to embassies, headquarters, COCOM and other security sector establishments. (FY 2010 baseline: \$980 thousand)	3,762	
4) <u>Security Cooperation Assessments Office</u> : New program start in FY 2011. Funding supports the establishment of the Office of Security Cooperation Assessments (OSCA) as an independent office to measure the impact of Security Cooperation programs. An additional 6 FTEs will support approximately 17 assessments. (FY 2010 baseline: \$0 thousand)	2,988	

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C. Reconciliation of Increases and Decreases	Amount	Totals
5) <u>DSCA Administrative Operations</u> : Program increase is attributed to operational support cost and the additional 7 civilians (13 in total) for the in-sourcing initiative, reducing contract costs for the 13 FTEs by approximately \$2,575 thousand. (FY 2010 baseline: \$12,939 thousand)	1,402	
6) <u>Regional Centers</u> : Civilian pay increased will fill 9 vacancies as part of a DSCA four year transition effort to bring the Regional Centers closer to the authorized FTE strength of 391. (FY 2010 baseline: \$93,162 thousand)	946	
7) <u>Regional International Outreach</u> : An increase to provide for required software upgrades, security accreditation, production and test servers maintenance, and sustainment of the newly fielded education sites. (FY 2010 baseline: \$1,288 thousand)	617	
8) <u>Warsaw Initiative Fund (WIF)</u> : This program is executed primarily through the Combatant Commands and the increase is reflected in contracts, the Agency will continue to focus on integrating the countries of South-Eastern Europe and Eurasia with the Euro-Atlantic community. (FY 2010 baseline: \$29,726 thousand)	506	
9) <u>Increasing Partner Capacity Building in Rule of Law Context</u> : Increase in civilian pay will fund a partial FTE. (FY 2010 baseline: \$1,649 thousand)	10	
9. Program Decreases		-101,831
a. Annualization of FY 2010 Program Decreases		
b. One-Time FY 2010 Increases		
c. Program Decreases in FY 2011		

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C. Reconciliation of Increases and Decreases	Amount	Totals
1) <u>Security and Stabilization Assistance (1207)</u> : Delete funding previously approved for the Section 1207, Security Stabilization Assistance program since Department of State is responsible for budgeting for this activity beginning in FY 2011. (FY 2010 baseline: \$96,885 thousand)	-98,242	
2) <u>Regional Centers</u> : Decrease in funding results from the contract services in-sourcing initiative in FY 2011. The DSCA intends to replace approximately 7 contractors with approximately 7 civilian FTEs. Additional reductions in this program are attributed to adjustments in FSN Payroll, \$-266 thousand; travel, \$-85 thousand, facility maintenance, \$-422 thousand and other support costs \$-28 thousand due to changes in program location, number of participants and course iterations. (FY 2010 baseline: \$93,162 thousand)	-1,387	
3) <u>Combating Terrorism Fellowship Program (CTFP)</u> : Program is executed primarily through the Combatant Commands. Reduction in other intra-governmental purchases represents a decrease in the number of participants attending conferences, training and seminars (FY 2010 baseline: \$33,925 thousand)	-1,077	
4) <u>Warsaw Initiative Fund (WIF)</u> : Reduction is attributed to fewer events, seminars or exercises. (FY 2010 baseline: \$29,726 thousand)	-799	
5) <u>Defense Institution Reform Initiative</u> : Reduction accommodate the deferral of one country survey, analysis, and findings development. (FY 2010 baseline: \$5,816 thousand)	-185	
6) <u>DSCA Administrative Operations</u> : Reduction accommodate changes in the DFAS support agreement. (FY 2010 baseline: \$12,939 thousand)	-78	

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C. Reconciliation of Increases and Decreases

7) Increasing Partner Capacity Building in Rule of Law
Context: Reduction is the result of deferral of IT
upgrades. (FY 2010 baseline: \$1,649 thousand)

Amount Totals

-63

683,853

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The Defense Security Cooperation Agency (DSCA) provides program management and program implementation support for the Regional Centers for Security Studies, Warsaw Initiative Fund/Partnership for Peace (WIF/PfP) program, Combating-Terrorism Fellowship Program (CTFP) and the Regional International Outreach program.

DSCA's performance measures support implementation of DoD's Guidance for the Employment for the Force and COCOMs Theater Security Cooperation Strategies. By focusing on coalition and alliance requirements, training and education of personnel from allied and friendly nations, and various DoD programs that support access and interoperability, DSCA helps to effectively link DoD's strategic direction with those of allies and friendly nations.

Regional Centers for Security Studies

The Regional Centers serve as one of the Department's primary assets for regional outreach and network building efforts among U.S. and foreign military, civilian and non-governmental leaders. They are key to the DoD strategic communication (including strategic listening) and partner institutional capacity-building efforts by enhancing the skills, knowledge and attitudes of current and future leaders to address security challenges.

The Regional Centers (RC) tailor their programs and activities to their COCOM and Regional DASD guidance, including a core of resident programs, in-region engagement programs and outreach programs for former participants, as well as an increasing permanent in-region presence. For FY 2009 the Regional centers had almost 8,500 participants attend their programs, accounting for 88,137 participant days. The Centers continue to maintain contact with a network of over 61,000 current and future security-

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sector influencers through monthly e-mail messages and targeted e-mailings, including alumni association news and surveys.

REGIONAL CENTER ESTIMATED PARTICIPANT DAYS			
	FY09	FY10	FY11
Africa Center (ACSS)	7,065	7,000	7,000
Asia Pacific Center (APCSS)	12,592	12,600	12,600
Center for Hemispheric Defense Studies (CHDS)	7,825	8,100	8,100
Marshall Center (GCMC)	50,766	50,000	50,000
Near East South Asia (NESAs)	9,889	10,300	10,300
TOTALS	88,137	88,000	88,000
Note: Participant days are estimated to stabilize for FY 2010-FY 2011 based on capacities for revised programs at varying and different locations and the relative stability of budgets.			

Resident Programs

RC resident programs will continue to emphasize OSD and COCOM strategic priorities, focusing on transnational threats, such as terrorism and capacity-building for security, stability, transition and reconstruction. In addition to conducting these programs, each center will meet unique regional challenges with tailored initiatives designed to build and sustain enduring partner capabilities and relationships among leaders, attract opinion shapers, facilitate interagency and regional communication and collaboration, and articulate U.S. policies and actions in their proper context. Each resident program will

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expose participants an American cultural experience and build ties with U.S. and regional counterparts.

In-Region Programs and Outreach

In-region presence supports the COCOMs use of the Centers' strategic communications and alumni-based network building efforts to influence current and future leaders (academics, key civil representatives of international and non-governmental organizations, and private sector entities) in support of U.S. Government and DoD security objectives. The most aggressive initiative to engage in strategic listening and network building is the effort by the Regional Centers to establish forward offices. The Africa Center completed the establishment and manning of two different forward annexes within continental Africa (Ethiopia and Senegal) and developed plans to establish additional annexes. NESAs will increase program support and outreach activities when they establish their forward office in Bahrain in FY 2010.

FY 2011 PLANS AND OBJECTIVES

Given the critical nature of outreach to their overall mission, the RCs' main challenge is to sustain the DOD engagement with influential alumni built during their participation in a RC program. With the recent emphasis on security, stability, transition and reconstruction operations, the RCs worked with the COCOMs to seek out a more comprehensive audience, representing all components of the security sector and recognizing frequent partnerships between the armed forces and non-governmental organizations and international organizations (NGO/IO).

DSCA submitted a legislative proposal to extend the temporary, limited authority for the RCs to waive participation costs for NGO/IO personnel through FY 2012. DSCA also requested statutory authority for the RCs to provide paid fellowships to their alumni for

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research or other activities that could help build partner capacity and a common understanding of security challenges.

The ACSS will focus on supporting AFRICOM strategic goals. Given the strategic importance of the production and distribution of oil in the Gulf of Guinea, ACSS will assist the African Union in the development of a continental Maritime Safety and Security (MSS) strategy. ACSS plans to expand its research program to 15 publications, to continue to incorporate USG and NGO participation into its programs, as well as increase the number of ACSS community chapters to twenty-five.

As a result of a USPACOM-sponsored \$12,775,000 MILCON project, the APCSS will increase facilities and educational capacity by 10,322 sq ft. The resulting state-of-the-art facility will include advanced technology and reconfigurable design materials for ease of maintenance, sustainability and efficiency.

The CHDS plans to hire at least three more adjunct professors to improve its ability to respond to increased demand, particularly for the Caribbean Defense and Security Course and the Transnational Security, Stability & Democracy course. CHDS intends to increase the practice of preparing and publishing for wide dissemination appropriate materials such as reports, brochures and books. CHDS will increase its presence at regional and international academic conferences, such as those sponsored by the Latin American Studies Association, the International Political Science Association, and the International Studies Association, to reinforce CHDS academic credentials in the region.

The Marshall Center (GCMC) plans to increase the percentage of their funds allocated to outreach activities, further enhancing their presence in the region. The GCMC plans to focus on building communities of interest of practicing professionals in high-priority areas, such as stability operations, crisis management and disaster preparedness, counter-terrorism, and to reinforce dialogue between GCMC alumni in leadership positions and senior EUCOM leadership. Other GCMC objectives support specific EUCOM campaign plan

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objectives, such as: ensuring that influential security practitioners in Ukraine understand the benefits of NATO partnership and actively communicate this understanding to colleagues in multiple ministries; Croatia, Albania, Montenegro, and Serbia have a core interagency group of planners and resource managers who recognize the key threats to civil-security, understand how to conduct risk management, take actions to address gaps in border security and are willing to work with U.S. counterparts to mitigate threats to their territory and U.S. territory; Georgia has a core group of security professionals who share information across the inter-ministry and work to improve processes and structures used to conduct inter-ministerial level defense planning, management, and oversight; a core group of security specialists in recent NATO inductee and aspirant nations actively share the lessons learned and challenges faced by earlier inductees across their inter-ministries; and Central Asian States have a core interagency group of planners and resource managers who recognize the importance of Afghanistan to regional stability and are willing to work with U.S. counterparts to address shared challenges, including addressing key threats to regional border security.

NESA plans to offer student quotas to the Caucasus states while maintaining student quotas for the Central Asia states and Palestine. NESA plans to assess forward operations in the Gulf region to validate potential requirements for an expansion to nine personnel, providing NESA with a more robust capacity to execute in-region programs.

The Global Center plans to grow their consortium to as many as 30 members, sustain existing Communities of Interest (COI), form at least four new COIs, and convert a part-time COI Manager position into a full-time position. As the consortium grows, the GCSC will be better-positioned to identify potential member efficiencies, overlaps, program gaps, redundant courses, and duplication of effort. A COI Manager with operational and knowledge management responsibility will develop and maintain active COIs on DoD priority topics.

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Warsaw Initiative Fund (WIF)/Partnership for Peace (PfP) Program: The Warsaw Initiative Fund (WIF) is a bilateral U.S. security cooperation program that supports the North Atlantic Treaty Organization's (NATO) Partnership for Peace program. Partner country participation in activities and exercises is designed to enhance capabilities, advance defense reforms, and achieve greater interoperability with the U.S. and NATO. Program activities aim to enhance Partner country contributions to coalition operations; advance defense reform and institution building in Partner countries; and support Partner integration and accession to NATO.

In FY 2010, the WIF program will conduct a broad range of activities to enhance NATO interoperability, build capacity, and support defense reform initiatives in 13 Partner countries. WIF funds will be used to support Partner participation in over 20 bilateral and multilateral exercises, as well as over 200 separate workshops, seminars, conferences, and other activities. The program will continue to implement a comprehensive defense institution building program with the support of the Center for Civil-Military Relations (CCMR) at the Naval Postgraduate School, and fund professional military education enhancement projects conducted by the Partnership for Peace Consortium of Defense Academies.

In FY 2011 and FY 2012, the WIF program will continue to focus on integrating the countries of South-Eastern Europe and Eurasia with the Euro-Atlantic community, as well as promoting interoperability with Central Asian countries. The program will provide bilateral support to promote defense reform and institution building, improve U.S. and NATO interoperability, and build capacity in Partner countries. Program activities and exercises will be designed to assist Partner countries in meeting NATO partnership goals, including those contained in Membership Action Plans.

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Combating-Terrorism Fellowship Program

The Combating Terrorism Fellowship Program (CTFP) continues to engage, through education and training, foreign combating terrorism (CbT) military officers and security officials. This unique DoD program focuses on capacity building of partners and allies at the operational and strategic levels, and provides specialized programs to address individual country and regional needs. In FY 2009, CTFP was authorized \$35M, an increase of \$10,000,000. This increase helped expand the scope and depth of the program. More specifically, it allowed the program to contribute to the Department's efforts to help partner nations control and secure ungoverned spaces, and border areas by developing education, and training venues tailored to address such threats. The program was also able to increase existing training programs focused on the entire spectrum of combating terrorism activities.

FY 2010 PLANS AND OBJECTIVES

In FY 2010, CTFP will continue to be a valuable DoD partnership strategy tool that will continue to fill a crucial void in U.S. efforts to provide targeted international combating terrorism education to our partners. Combating terrorism education and training programs have proven to be an effective strategic tool in the struggle against violent extremism that supplements the efforts of Geographic Combatant Commanders in accomplishing their missions. The program will continue to address education and training gaps that the Department has identified in areas related to reducing partners' vulnerabilities to extremism, and expand efforts to re-engage past participants. The \$34 million in FY 2010 will support approximately 2,800 to 3,000 foreign military and security officials who will attend CTFP-funded programs. The funding will also provide approximately 500 educational programs to include ~50 events in ~35 foreign countries in all five Regional Combatant Commands. This should include CbT education and training

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support to emerging regional and sub-regional organizations and alliances. Additionally, the program plans on making initial entry into the world of virtual education and outreach effectively putting DoD on par with civilian educational institutions.

FY 2011 PLANS AND OBJECTIVES

In FY 2011, CTFP will be an even more valuable tool for DoD and will continue to support U.S. efforts to provide targeted international combating terrorism education to our partners. Combating terrorism education and training programs will continue to prove to be an effective strategic tool in the struggle against extremism. The programs plans for FY 2011 will be to maintain the current initiatives and support the expansion and operations of the global network of CbT professionals. In FY 2011, the \$35,000,000 should support approximately 2,800 to 3,000 foreign military and security officials to attend CTFP-funded programs and provide approximately 500 educational programs to include ~50 events in ~35 foreign countries in all five Regional Combatant Commands and the continued war on terror engagement efforts by US Special Operations Command. This should continue to include CbT education and training support to emerging regional and sub-regional organizations and alliances.

DSCA Administrative Operations: The DSCA administrative operations fund salaries and operating expenses of the personnel who manage the DoD-funded security cooperation programs noted above, along with the Humanitarian Assistance, Foreign Disaster Relief, and Mine Action program management costs. In addition, this program funds costs for DFAS accounting support and IT support.

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Regional International Outreach (RIO):

The following systems operations and maintenance items were accomplished on the 10 RIO Collaboration Suite Instances to support the Regional Centers and other DoD Educational institutions:

- Provided software changes in response to change requests regularly generated by end users (e.g., version 3.0 theming, 3.0 library database, 3.1 user interface/functionality)
- Provided site configuration support
- Provided software fixes; delivered patches
- Reviewed application exception logs and user trouble reports
- Performed troubleshooting
- Developed work-arounds and patches for critical problems
- Performed system administration and preventative and corrective maintenance
- Staffed helpdesk for 24/7 support

Six on-site personnel were provided to support the Africa Center for Strategic Studies, Asia-Pacific Center for Security Studies, Center for Hemispheric Defense Studies, George C. Marshall European Center for Security Studies, Defense Institute for International Legal Studies, and the NPS School of International Graduate Studies. They also support the other four organizations (Near East South Asia Center for Strategic Studies, Global Center for Security Cooperation, College of International Security Affairs, and the Defense Language Institute - English Language Center), as well as seminar and outreach events in region. The on-site personnel provide day to day assistance and coordination on RIO usage and training at their respective organization, and assist organizations in the implementation of the system.

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FY 2011 PLANS AND OBJECTIVES

Continue to provide the systems operations and maintenance support as detailed below on the current 10 and two new RIO Collaboration Suite sites as well as at a minimum the two new ones that will be stood up next fiscal year.

- Provide software changes in response to change requests regularly generated by end users (e.g., theming, user interface/functionality)
- Provide configuration support
- Provide software fixes; delivered patches
- Review application exception logs and user trouble reports
- Perform troubleshooting
- Develop work-arounds and patches for critical problems
- Perform system administration and preventative and corrective maintenance
- Staff the helpdesk for 24/7 support
- Provide a minimum of two support personnel to work with Regional Centers and other institutions during courses, seminars, and outreach events

Security Cooperation Training and Support: This program, formally called International Programs Security Requirements Course, provides courses of instruction in security requirements for international programs for DoD and defense contractor personnel that have direct responsibility for these programs. The U.S. has many cooperative programs with allies, and foreign military sales help to ensure their strength. Every DoD employee involved in international programs must understand security arrangements, laws, policies, and procedures that govern foreign involvement in our international programs to protect sensitive and classified technology and military capabilities. This 5-day course

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is required for DoD or other government employees and defense contractors who have "hands-on" involvement in international programs, such as negotiating, managing, executing, or otherwise directly participating in international government or commercial programs including foreign military sales, cooperative research and development, commercial sales, license application review, systems acquisition, foreign contracting, foreign disclosure, international visits and personnel exchanges, program protection, or industrial security.

Defense Institution Reform Initiative (DIRI): DIRI is designed to help partners develop accountable, professional, and transparent defense establishments that can manage, sustain, and employ their forces and the capabilities developed through U.S. security cooperation programs.

DIRI focus areas are:

- Defense Policy & Strategy
- Human Resource Management
- Defense Planning, Budgeting and Resource Management
- Logistics & Infrastructure
- Civil-Military Relations and Interagency Coordination
- Professional Defense & Military Education

The DIRI process is structured to streamline U.S. defense reform efforts, focus priorities and funding, and minimize programmatic gaps. Utilizing national strategic guidance, DoD employment guidance, and State Mission Support Plans (MSPs), this process will incorporate and coordinate OSD, Geographic Combatant Commanders, and country team

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guidance and goals to develop integrated execution plans and achieve shared objectives. The program supports security cooperation priorities identified in the Guidance for Employment of the Force (GEF). The GEF establishes defense and security sector reform as one of eight primary focus areas for security cooperation.

The DIRI process consists of five distinct phases:

- Phase Zero - Country Coordination: Scope the objectives with the country teams, the combatant commanders, the OSD regional offices, and other USG agencies.
- Phase One - Requirements Determination: Subject matter experts along with OSD, Geographic Combatant Command, and country team support will conduct a survey to determine defense institution status. Surveys are tailored to the culture and region.
- Phase Two - Program Development: A roadmap is developed based on survey findings. The DIRI roadmap is vetted by OSD, Combatant Command and country team until agreed product is reached, then recommendations are shared with partner.
- Phase Three - Program Implementation and Execution: Sequential, country-specific activities for each roadmap block are executed. Activity providers, best suited to meet objectives work in step-by-step process to implement roadmap.
- Phase Four - Program Assessment: Every 12-18 months, DIRI surveys/roadmaps are re-assessed and updated. New surveys may need to be conducted, dependent on Partner country progress.

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Increasing Partner Capacity Build in Rule of Law Context: The Defense Institute of International Legal Studies (DIILS) serves as the Department of Defense's lead agency for providing professional legal seminars and programs, as well as education and training, to international military members and civilian government officials in furtherance of U.S. national security and foreign policy objectives. Security Sector Reform and Rule of Law programming requires sustained engagement with strategically important international partners.

\$1.7M O&M, DW in FY 2011 was appropriated to fund overhead and program costs to facilitate development and execution of Rule of Law-based programs within each combatant command. This funding is expected to fulfill the need for sustained engagement with regional and international partners necessary for the comprehensive implementation of long term defense institution building within Security Sector Reform programs.

In FY 2011 and FY 2012, the DIILS will continue to fund five manpower billets; providing DIILS the manpower to continue programs begun in FY 2010, expanding the Rule of Law mission and supporting the Guidance for Employment of the Force (GEF), which identifies defense and Security Sector Reform and operational capacity and capability building as primary security cooperation focus areas.

Global Train and Equip (Section 1206): Represents an innovative approach required to address current threats to our national security. Because current threats often emanate from countries with which we are not at war, we must work through these partner countries to address them. This need becomes more acute in an environment of weak states, rapidly developing threats, and ungoverned areas that can be exploited for terrorist safe haven. Training and equipping foreign forces to address their own security problems is a military requirement to avoid future military interventions and mitigate long term risk.

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As Secretary Gates has said, "Arguably the most important military component in the War on Terror is not the fighting we do ourselves, but how well we enable and empower our partners to defend and govern their own countries. The standing up and mentoring of indigenous armies and police - once the province of Special Forces - is now a key mission for the military as a whole."

Global Train and Equip programs are designed to meet time-sensitive and emerging threats and opportunities to build the capacity of partner-nation forces. The initiative enables the Secretary of Defense (with the concurrence of the Secretary of State) to expedite the training and equipping of partners, conducting programs that build the capacity of their national military forces to conduct counterterrorist operations, or to support military and stability operations in which U.S. armed forces are a participant. The initiative is timely, strategy-driven, integrated across diplomacy and defense, and measurable. Global Train and Equip programs are:

- Co-formulated, reviewed, and vetted by Defense and State, both by Combatant Commanders and Ambassadors in the field, and in Washington D.C.
- Approved by the Secretary of Defense and the Secretary of State
- Notified to Congressional oversight committees
- Compliant with Foreign Assistance Act (FAA) and Arms Export Control Act (AECA) security, end-use, and retransfer agreements
- Directed toward partner nations that uphold human rights, attendant fundamental freedoms, and the rule of law

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Illustrative training and equipment includes:

Training: (not exhaustive) counter-terrorism; air assault training and doctrine; civil-military operations; infrastructure security; intelligence analysis and sharing; maritime operations, security, and interdiction; equipment maintenance; border security; and operator training.

Equipment: (not exhaustive) coastal surveillance stations; patrol boats; various spare and replacement parts; avionics and communications upgrades; small arms weapons; small/large caliber ammunition; radios; computers; night vision devices; riverine assault and combat support craft; and HMMWVs.

These programs allow combatant commanders and ambassadors, working together, to train and equip foreign military forces in response to urgent and emergent threats and opportunities to solve problems before they become crises requiring major military interventions. By building the capacity of partners to handle their security problems, these effects reduce stress on U.S. forces. The Geographic Combatant Commanders consider global train and equip authority DoD's single most important tool to shape the environment and counter terrorism outside Iraq and Afghanistan.

Although the Global Train and Equip authority has been in effect just three years, it has rapidly become the gold standard for interagency cooperation to meet emerging threats and opportunities because of the revolutionary way it is managed. Unique program aspects include:

- Speed and Prevention. Traditional security assistance takes three to four years from concept to execution. Global Train and Equip authority can respond to urgent

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and emergent threats or opportunities in six months or less. For example, early successes included:

- o Enabled a rapid response to a resurgent Taliban threat by augmenting Pakistani air assault capability, resulting in an increased operations tempo and increased capture and kill rates.
- o Rapidly moved basic supplies like ammunition and truck spare parts that the Lebanese Army desperately needed to combat al-Qaeda affiliated terrorist groups in refugee camps, providing mobility that allowed it to maintain the offensive at the Nahr al Barid camp and ultimately stabilize the area.
- o Enabled rapid assistance for Nigeria to help enhance security in the Gulf of Guinea after Charles Taylor was captured and restrictions on assistance removed.
- Rigor. Thorough vetting of submissions results in strategically sound choices with a high national security return on investment. Proposals are competitively scored by Special Operations Command (SOCOM), the Joint Staff, DSCA, the Office of the Under Secretary of Defense for Policy, and numerous State Department components, with review by both regional and functional experts. Both DoD and State must agree before programs go forward. Planning requirements for Global Train and Equip program submissions far exceed those for other programs. Combatant Commands and embassies must lay out detailed proposals that address the full range of issues that impact program success, including operations and maintenance plans, absorptive capacity and executability, and adherence to broad foreign policy objectives, military feasibility, integration with other USG

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efforts, and mitigation of human rights concerns. Leveraging the range of core competencies resident in U.S. Departments and Agencies results in the selection of proposals the need for which is strategically clear. Planning requirements for Global Train and Equip program submissions far exceed those for other programs. Combatant Commands and embassies must lay out detailed proposals that address the full range of issues that impact program success, including operations and maintenance plans, absorptive capacity and executability, adherence to broad foreign policy objectives, military feasibility, integration with other U.S. Government efforts, mitigation of human rights concerns, etc.

- Dual-Key Authority. DoD and the Department of State coordinate on all security cooperation activities, but the Global Train and Equip authority takes cooperation to a new level. It encourages joint formulation of programs between embassies and Combatant Commands, and both must approve each program. This brings the best competencies of both departments to bear, including the diplomacy that is required to achieve buy-in from foreign partners.

Global Train and Equip represents an enduring military requirement to avoid large-scale military conflicts and reduce stress on US forces. DoD will continue to build on the success of this program in several ways. Metrics are under development to measure operational and strategic effects. DoD has asked the Inspector General to do a three-year systemic review of Global Train and Equip programs and to make its own recommendations to improve program performance. When operations tempos allow, DoD will use U.S. forces in lieu of or with contractors to conduct or supervise training -- to improve the quality of training and to build military-to-military relationships. Finally, DoD will also integrate partners into combined exercise programs to periodically test their capabilities and assess how well they are maintained or improved over time.

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V. <u>Personnel Summary</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	Change FY 2009/ FY 2010	Change FY 2010/ FY 2011
<u>Active Military End Strength (E/S)</u> (Total)	126	127	127	1	0
Officer	101	102	102	1	0
Enlisted	25	25	25	0	0
 <u>Civilian End Strength (Total)</u>	 422	 483	 495	 61	 12
U.S. Direct Hire	392	458	470	66	12
Foreign National Direct Hire					
Total Direct Hire	392	458	470	66	12
Foreign National Indirect Hire	30	25	25	-5	0
Memo: Reimbursable Civilians Included	14	14	14	0	0
 Civilian FTEs (Total)	 417	 483	 495	 66	 12
U.S. Direct Hire	387	458	470	71	12
Total Direct Hire	387	458	470	71	12
Foreign National Indirect Hire	30	25	25	-5	0
Memo: Reimbursable Civilians Included	14	14	14	0	0
Average Annual Civilian Salary (\$ in thousands)	115	107	112	-8	5

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

<u>OP 32 Line</u>	<u>FY 2009</u> <u>Actuals</u>	<u>Foreign</u> <u>Currency</u>		<u>Change</u> <u>FY 2009/FY 2010</u>		<u>FY 2010</u>	<u>Foreign</u> <u>Currency</u>		<u>FY 2011</u> <u>Estimate</u>
		<u>Rate</u> <u>Diff</u>	<u>Price</u>	<u>Program</u>	<u>Rate</u> <u>Diff</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	43,307		1,072	2,782	47,161		731	2,363	50,255
308 Travel of Persons	26,075	15	287	3,010	29,387	36	411	-62	29,772
673 Def Fin & Accounting Svc	1,170		-2	-236	932		4	-78	858
771 Commercial Transport	434	7	5	6	452	1	6	1	460
901 FN Indirect Hires	3,235	919	80	-1,056	3,178	287	49	-267	3,247
912 GSA Leases	2,815		70	-303	2,582		36	0	2,618
914 Purch Communications	476		5	51	532		7	1	540
915 Rents, Leases (non GSA)	1,318		15	399	1,732		24	21	1,777
920 Supplies/Matl (non fund)	3,751	14	41	-1,982	1,824	27	26	-1,877	0
921 Print & Reproduction	150	1	2	-53	100		2	0	102
923 Facilities Maint Contr	1,099		12	27	1,138		16	-422	732
925 Eqt Purch (non fund)	2,412		27	-1,049	1,390		20	1	1,411
932 Mgt Prof Support Svcs	21,438		237	-8,373	13,302		185	-794	12,693
987 Other IntraGovt Purch	1,307,269		14,379	-842,352	479,296		6,704	44,475	530,475
989 Other Contracts	28,490	762	313	7,980	37,545	318	526	10,524	48,913
998 Other Costs	51		1	-52	0		0	0	0
999 Total Other Purchases	1,443,490	1,718	16,544	-841,201	620,551	669	8,747	53,886	683,853

* The FY 2009 Actual column includes \$671,548 thousand of Supplemental Appropriations for Coalition Support Funds.

* The FY 2010 Estimate column excludes \$1,920,000.0 thousand requested in the FY 2010 Defense-Wide Overseas Contingency Operations Budget Request (P.L. 118-111).

* The FY 2011 Estimate column excludes \$2,000,000 thousand requested in the FY 2011 Defense-Wide Overseas Contingency Operations Budget Request

* The FY 2010 Estimate column excludes \$1,059 thousand X year carryover for Coalition Support Funds