

Fiscal Year 2013 Budget Estimates
Office of the Secretary of Defense (OSD)



February 2012

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**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

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

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

	FY 2011 <u>Actuals</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2012 <u>Estimate</u>	Price <u>Change</u>	Program <u>Change</u>	FY 2013 <u>Estimate</u>
OSD	2,247,728	43,560	-75,167	2,216,121	65,885	-186,644	2,095,362

FY 2011 includes \$188,653 thousand OCO funding from DoD Full-Year Continuing Appropriation, 2011 (PL 112-10)

FY 2012 excludes \$143,870 thousand OCO funding from the Consolidated Appropriations Act, 2012 (PL 112-74)

FY 2013 excludes \$87,805 thousand OCO funding requested in the FY 2013 Defense-Wide Overseas Contingency Operations Budget Request

I. Description of Operations Financed:

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

The Office of the Secretary of Defense (OSD) contains the immediate offices of the Secretary, the DEPSECDEF, the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD (AT&L)), the Under Secretary of Defense Policy (OUSD(P)), the Under Secretary of Defense Comptroller/Chief Financial Officer (OUSD(C)), the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)), the Under Secretary of Defense Intelligence (OUSD(I)), the Deputy Chief Management Officer (DCMO), the Director, Operational Test and Evaluation (DOT&E), the DoD Chief Information Officer (DoD CIO), the Director, Cost Assessment and Program Evaluation (D,CAPE), the Office of General Counsel, the Assistant Secretary of Defense (Legislative Affairs), the Assistant Secretary of

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

Defense (Public Affairs), the Assistant to the Secretary of Defense (Intelligence Oversight), the Office of the Director, Net Assessment, and the Director of Administration and Management (DA&M).

Narrative Explanation of Changes from FY 2012 to FY 2013:

In a new era of increasing national deficits & economic austerity, the Secretary of Defense (SECDEF) is directing further reviews of accounts to reduce overhead; flatten and streamline hierarchy; and combine or eliminate repetitive and overlapping functions. The OSD Operation and Maintenance (O&M) FY 2013 budget reflects the SECDEF's priorities for significantly improving the effectiveness and efficiency of the Department's business operations. Correspondingly, funding of OSD programs decreased by \$-186.6 million between FY 2012 and FY 2013. This decrease was offset by \$65.9 million from inflationary increases, resulting in a net decrease of \$-120.8 million.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

I. Description of Operations Financed (cont.)

	<u>\$ in Thousands</u>		
	<u>FY 2011</u> <u>Actuals</u>	<u>FY 2012</u> <u>Estimate</u>	<u>FY 2013</u> <u>Estimate</u>
A. <u>Core Operating Program:</u>	373,638	356,783	380,351

The OSD Core Operating Program provides the necessary resources to support the operations of the Office of the Secretary of Defense (OSD) and the centrally funded support services within OSD. Funding in this subactivity group includes all personnel compensation, benefits, Mass Transit, and minimal Permanent Change of Station (PCS) costs.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

I. Description of Operations Financed (cont.)

\$ in Thousands

	FY 2013 Civilian Pay	Full-Time Equivalents (FTEs)
<u>Estimated FY 2013 Civilian Pay and Benefits for Major OSD Principal Staff Assistants (PSAs):</u>		
D, CAPE	22,479	126
DoD CIO	30,307	158
OUSD(AT&L)	84,098	450
OUSD(Comptroller)	27,573	156
OUSD(Intelligence)	34,501	189
OUSD(Policy)	70,155	416
OUSD(P&R)	25,412	145
O, DCMO	25,388	137
Other DoD Offices	58,161	347
Total Estimated Civilian Pay and Benefits	378,074	2,124

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

I. Description of Operations Financed (cont.)

	\$ in Thousands		
	FY 2011 Actuals	FY 2012 ^{1/} Estimate	FY 2013 Estimate
B. <u>Other DoD Programs and Initiatives:</u>	242,340	260,332	205,540

^{1/}Includes one-time congressional increase of \$44,000 for SECDEF Grants (Sec 8079)

This Subactivity is comprised of:

Assistant Secretary of Defense, Legislative Affairs (ASD(LA))	495	496
Assistant Secretary of Defense, Public Affairs (ASD(PA))	6,983	6,457
Boards, Commissions and Task Forces (BCTF)	16,820	12,609
Capital Security Cost Sharing (CSCS) (State Department Bill)	155,057	153,971
Test Resource Management Center (TRMC)	5,342	4,797
^{2/} Director of Administration and Management (DA&M)	5,439	4,691
Office of the Director Net Assessment (ODNA)	13,390	9,970
Office of General Counsel (OGC)	712	750
Assistant to the Secretary of Defense (Intelligence Oversight)	890	987
Other DoD Offices, Programs, and Initiatives (includes Grants)	55,204	<u>10,812</u>
Total Other DoD Programs and Initiatives	260,332	205,540

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

2/Supports Civil Liberties Office, Defense Privacy Office, Historian, & Directorate for Organizational and Management Planning.

a. ASD (Legislative Affairs) serves as DoD liaison to the United States (U.S.) Congress. The OASD (LA) promotes the administration's defense budget and the policies and legislative priorities of the Secretary of Defense to the U.S. Congress.

b. ASD (Public Affairs) is the principal staff advisor and assistant to the SECDEF and Deputy Secretary of Defense (DEPSECDEF) for public information, internal information, community relations, information, training, and audiovisual matters. ASD (PA) follows the Secretary's guidance in providing Defense Department information to the public, the Congress and the media. ASD (PA) sponsors the DoD "Defense.gov" web site, which is the official website of DoD and the starting point for finding U.S. military information online. ASD (PA) supports all Secretary of Defense Press briefings and responds to all public inquiries to the DoD public website.

c. Boards, Commissions, and Task Forces (BCTF) is a subset of the Department of Defense Federal Advisory Committee Management Program. The Department's program is mandated by law - the Federal Advisory Committee Act (FACA) of 1972. Other federal statutes and regulations impact on DoD FACA Program (i.e., the Freedom of Information Act (FOIA), the Privacy Act (PA), and the American's with Disability Act (ADA). Once established, the Department is required by Federal statutes to provide each advisory committee it establishes or supports with adequate resources so the advisory committee can conduct its independent work without undue influence from the Department, Federal employees, military officers, or interest groups.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

d. Capital Security Cost Sharing (CSCS) finances the Department's share for the CSCS as authorized by section 604 of the Secure Embassy Construction and Counterterrorism Act of 1999. The Department of State (DoS) determines the cost share responsibility for each tenant agency.

e. Test Resource Management Center (TRMC) develops and maintains a strategic plan of the SECDEF needs for Test and Evaluation (T&E) facilities and resources.

f. Director of Administration and Management (DA&M) has three broad responsibilities: to advise the Secretary and DoD senior leaders team on organizational and management matters of institutional importance; to oversee the Pentagon Reservation which is the Headquarters of the U.S. Defense establishment and a highly visible symbol of U.S. military power, as well as Defense leased facilities in the National Capital Region (NCR), providing administrative, logistical, facilities, and technological support at those facilities; and to secure and protect the people, facilities, and infrastructure of the Pentagon Reservation and DoD leased facilities. DA&M oversees DoD Committee Management, DoD Headquarters Management, and Office of the Secretary of Defense (OSD) Historical Program, DoD Freedom of Information Act Program (FOIA), DoD Privacy Program, DoD Civil Liberties Program, OSD Internal Management Control Program, and OSD Networks/CIO. ODA&M performs management and oversight of the Pentagon Force Protection Agency (PFPA) and the Washington Headquarters Services (WHS), a DoD Field Activity which provides financial, personnel, and other administrative support to the NCR organizations.

g. Office of the Director Net Assessment (ODNA) supports projects of broad importance to the Secretary and the Deputy Secretary of Defense for research in support of the Net Assessment mission. These projects address near- and long-term problems and opportunities for U.S. military forces and policies, as seen from the perspective of the

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

SECDEF. They draw on sources of expertise not available within DoD and that cannot be developed within DoD. This research differs in character and focus from other DoD research programs which are concerned with issues of current or near future policy.

h. Office of General Counsel (OGC) provides advice to the Secretary and Deputy Secretary of Defense regarding all legal matters and services performed within or involving the Department of Defense.

i. Assistant to the Secretary of Defense (Intelligence Oversight) serves as the Secretary of Defense's personal, independent oversight mechanism for the Defense Intelligence Components. Through assessment inspections, training programs, and investigations as required, it ensures that defense intelligence activities are conducted in accordance with statute, Presidential order, and Departmental policy and regulation.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

I. Description of Operations Financed (cont.)

	<u>\$ in Thousands</u>		
	<u>FY 2011</u> <u>Actuals</u>	<u>FY 2012</u> <u>Estimate</u>	<u>FY 2013</u> <u>Estimate</u>
C. <u>Under Secretary of Defense (Acquisition, Technology, and Logistics):</u>	299,569	302,536	288,596

The OUSD(AT&L) is the principal staff assistant and advisor to the Secretary and Deputy Secretary of Defense for all matters relating to DoD Acquisition System; OUSD(AT&L) supervises DoD procurement of research and development; advanced technology; developmental test and evaluation; production; logistics; installation management; military construction; procurement; environmental security; and nuclear, chemical, and biological matters. Requested resources will provide for establishment of the offices of Performance Assessment and Root Cause Analysis (PARCA); the Director of Developmental Test & Evaluation (DT&E), and the Director of Systems Engineering (DSE). This will also establish a Director of Operation Energy Plans & Programs (DOEP&P) office, which will provide research and engineering planning, financial management, congressional outreach, S&T technical intelligence, Rapid Technology, and the Energy Security Task Force.

a. Congressional Mandate:

1) Contingency Business Tools: DoD established a business system taskforce committed to leveraging existing resources and knowledge to quickly provide contingency forces with information technology and simple, user-friendly, e-business tools in a contingency environment. This program addresses deficiencies documented in the 2007 Gansler Commission Report, and seeks to create the necessary tools for contracting officers

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

deployed in support of contingency operations. This is a "toolkit" approach that evolves as the phase of a mission in the area of operation matures. Efforts include solving bandwidth and connectivity challenges, in the context of four mission phases; 1) deployment, 2) build up, 3) sustainment and 4) turnover/redeployment. This program pursues a holistic approach, based on research, identification of existing technologies, system functions, and e-business tools. Contingency Business Tools integrate financial, contracting, and logistics products, to provide timely solutions to enduring contingency challenges.

2) Chief Financial Officers (CFO) Act Compliance: DoD owns more than 80 percent of the government's property, plant and equipment, operating materials and supplies, and inventory, which encompasses \$1.4 trillion in acquisitions and a net book value of \$827 billion. The CFO Act Compliance Program develops and implements new policies, processes, and procedures to comply with public law directing accounting for and valuing these resources, and addresses property accountability for DoD.

3) Committee on Foreign Investment in the United States (CFIUS): Program funds an inter-agency committee that reviews the national security implications of foreign investments in U.S. companies or operations in agreement with the Exon-Florio Amendment of the Defense Production Act. As a CFIUS member, and often the co-lead agency, DoD is required by law to determine the risks of a transaction and whether to recommend approval only with risk mitigation measures or a block of the transaction. OSD-AT&L must consider potential effects of these transactions on U.S. technological leadership and supply chain reliability and integrity in areas affecting U.S. national security and critical infrastructure, and whether the acquirer is controlled by, or acting on behalf of a foreign government.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

4) Electronic Business Center of Excellence (e-Business COE): The program defines requirements for transforming the Department's business processes related to acquisition, procurement, and implementation of e-Government.

5) Legacy Resource Management: This is DoD's primary means of funding innovative and cost-effective national and regional projects that sustain long-term military training and testing while providing stewardship for its natural and cultural resources. 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.

6) Native American Land Remediation: This program funds and documents DoD environmental impacts to Indian Lands, environmental mitigation projects on Indian Lands, training and technical assistance to tribes, and implementation of DoD Policy and consultation responsibilities to Native Americans, Alaskan Natives, and Native Hawaiians.

b. Improve Acquisition & Logistics Processes:

1) Acquisition Programs Support Systems: This program improves the flow of mission-essential information, expedites acquisition decision making, and assures continuity of business/leadership operations through disaster recovery scenarios.

2) Contingency Contracting: This program is a key enabler of combat power. Contractors now provide essential services to all of our military services and, in contingency operations, constitute over half of the personnel on the battlefield. This level of reliance brings key challenges to our military force in planning, integrating,

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

and managing contracted support in forward areas. This program facilitates improvements to contracting in support of deployed forces, humanitarian or peacekeeping operations, and disaster relief through policy, guidance, and oversight. It enables the Department to address key initiatives, develop critical tools and establish policy, processes, regulations and doctrine to maximize speed and efficiency of responses to improve contingency contracting across the Department of Defense (DoD).

3) Corrosion Prevention Program: This material degradation program, focuses on prevention and mitigation of corrosion, fatigue and wear of material equipment and infrastructure as defined in 10 U.S.C. 2228.

4) Defense Management Initiative: This program improves Defense installations' services and facilities management (including housing). The initiative evaluates concepts, approaches, policies and systems for studying selected Departmental functions, and produces tools needed to improve installation management.

5) Defense Industrial Base (DIB) Cyber Security: The Department of Defense (DoD) must address cyber security and supply chain risks to DoD networks, weapons systems, and information stored and processed on both DoD and Defense Industrial Base (DIB) unclassified networks that support DoD programs. The proposed Acquisition Cyber Security Initiative links high level policies and innovative concepts to specific acquisition practices, systems engineering activities, and risk reduction activities. Through this initiative, the Department will pilot activities with the DIB to reduce risks in sharing and storing Critical Program Information (CIP); better understand and mitigate supply chain risk; improve program protection planning; as well as improve and streamline program protection engineering.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

6) Defense Installation Spatial Data Infrastructure (DISDI): This program organizes people, policies, standards and protocols to optimize Component acquisition, management, and sustainment of geospatial imagery and mapping investments. The DISDI protocols will enable fusing previously disparate data, allowing decision makers to visualize the installations' complex array of natural and physical assets in an integrated manner.

7) Defense Procurement & Acquisition Policy (DPAP): This program implements changes throughout the DoD acquisition, technology, and logistics community; supports acquisition policy initiatives; supports the development, review, and coordination of DoD acquisition and contingency contracting policy and regulations; develops and maintains the Defense Acquisition Guidebook; facilitates the review and management of major acquisitions services; and furthers the development and staffing of acquisition policy initiatives. DPAP supports the Contingency Business Tools Program, providing support to expand the use of contingency contracting and financial management business tools for timely and correct execution of contracts, transparency, and the reduction of fraud, waste, and abuse. Starting in FY 2013, a major function and corresponding funding are being identified as a separate mission to raise visibility of the "Contingency Business Tools Program," described in paragraph a.1), above.

8) Developmental Test and Engineering (DT&E): Public Law 111-23, "Weapons System Acquisition Reform Act of 2009" (WSARA) requested the appointment of a Director, Developmental Test and Evaluation (DT&E), as well as the establishment of an DT&E office subordinate to the OUSD(AT&L). The Director, DT&E shall review and approve the developmental test and evaluation plan in the Test and Evaluation Strategy (TES) and the Test and Evaluation Master Plan (TEMP) for MDAPs and programs on OSD DT&E Oversight List, and shall monitor and review the developmental test and evaluation activities of MDAPs.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

9) Operational Energy Plans and Programs (OEP&P): Provides for operations and support to the Assistant Secretary of Defense for Operational Energy Plans and Programs (ASD,OEP&P). The ASD,OEP&P is the principal adviser to the SECDEF and the principal policy official within the senior management of DoD regarding operational energy plans and programs. The ASD,OEP&P is responsible for: (1) Providing leadership and facilitation of communications and management oversight for operational energy plans and programs within DoD as well as the Army, Navy, Air Force, and Marine Corps; (2) establishing the DoD Operational Energy Strategy; (3) coordinating and overseeing Planning, Programming, Budgeting, and Execution (PPBE) activities for DoD, Army, Navy, Air Force, and the Marine Corps related to implementation of the operational energy strategy, the consideration of operational energy demands in Defense planning, requirements, acquisition processes, and research, and development investments related to operational energy demand and supply technologies; and (4) monitoring and reviewing all operational energy initiatives within DoD.

10) Environmental, Safety, & Occupational Health (ESOH) in Acquisition: The Deputy Under Secretary for Installations and Environment is the primary ESOH advisor to the Under Secretary of Defense (Acquisitions, Technology, and Logistics) for Major Defense Acquisition Programs (MDAP) and Major Automated Information Systems (MAIS). As an official Defense Acquisition Board Advisor, I&E is required to conduct oversight related to ESOH requirements in major DoD acquisitions as defined in the December 2008 DoD Instruction (DoDI) 5000.02, including developing ESOH acquisition policy and guidance; conducting reviews of over 175 MDAP and MAIS; and providing policy implementation assistance for program managers. Evolving regulatory issues such as the international chemical management regulation called "REACH" now require monitoring due to their potential impact to development and O&M life cycle costs of weapons systems. Additional ESOH expertise is needed to address these issues and ensure that ESOH considerations are integrated properly before major milestone reviews. Funding in this account will allow

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

the Department to carry out newly assigned acquisition ESOH oversight functions in accordance with DoDI 5000.02. This is critical to ensuring system capabilities while ensuring ESOH risks and costs are minimized throughout system life cycles.

11) Facilities Program Requirements: This program integrates multiple models and requirements generators into a single DoD structure to allow DoD to generate uniform and verifiable sustainment requirements for the Components.

12) Human Capital Initiative (HCI): Is responsible for executing the DoD-wide acquisition workforce statutory requirement to strengthen the workforce and significantly improve its quality, capability and capacity. This program assesses the current AT&L workforce and identifies competency gaps to improve the future AT&L workforce. Funds support HCI efforts to manage departments-wide acquisition workforce planning, analysis, policy, and programs to include the Defense Acquisition Workforce Education, Training, and career Development Program (DODD 5000.52 and DODI 5000.66); update and implementation of the Defense Acquisition Strategic workforce Plan; the Acquisition Demonstration Program (AcqDemo Program Office), Defense Agency Career Management (4th Estate DACM - 18 Defense Agencies); and the Defense Acquisition Workforce Development Fund (DAWDF), and all supporting workforce initiatives.

13) Industrial Policy Program Support: Manufacturing and Industrial Base Policy Program Support (MIBP) - Is the Department's primary liaison with industry to ensure industry understands the Department's policy intent and helps align procurement efforts at all phases of the acquisition process. Acts as the Department's focal point for industrial and manufacturing base policy initiatives, studies, and reviews to determine effects of changes to, as well as the overall health to the industrial base to meet future needs. Funds efforts to sustain an environment that ensures the Industrial base

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

on which the Department depends is reliable, cost-effective, and sufficient to meet DoD requirements and ensure in a time of budget drawdown that future capabilities will be available to ensure the above needs are met. Federal Government's "executive secretariat" of the Defense Production Act Committee (DPAC), tasked with conducting industrial base assessments and coordinating recommendations to the President on effective use of statutory authorities for preserving/creating domestic manufacturing capabilities deemed essential for the national defense. MIBP is organizing multiple inter-agency assessment teams and preparing strategic guidance on behalf of DPAC members for consideration by the President. Finally, MIBP is the new Department focal point and POC for the statutory Committee on Foreign Investment in the U.S. responsibility, with findings signed out by Deputy Secretary of Defense and the President of the United States of America.

14) Installation Climate Change Vulnerability Assessment: This funding conducts comprehensive assessments of the vulnerability of DoD installations to the projected impacts of climate change to support strategic risk assessment and development of adaptation plans and options tailored to facility managers, natural resource managers, test and training range managers, and installation military mission planners.

15) Information Superiority Integration Support (ISIS): Funds integration efforts for C2, communications, and space programs into the Global Information Grid (GIG) consistent with net-centric standards and guidelines. This includes net centric and information-integration initiatives and demonstrations as they relate to GIG implementation and deployment. Provides military satellite communication systems, space protection/access to include launch ranges, satellite operations, C2 capability architecture technical development analyses, evaluations, architecture development, system engineering and

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

information integration activities required to determine the validity of service acquisition strategies, analyses of alternatives, systems design and economic analysis.

16) Integrated Acquisition Environment (IAE) (GSA Bill): This funding pays the Department's share of mandatory GSA e-Government initiative costs.

17) The Joint Purchase Card Program Office: This office integrates policy and oversight of the purchase card program with other e-Business initiatives. This effort integrates the card into reengineered business processes. This responsibility was transferred from the Department of the Army to OUSD (AT&L).

18) Logistics Systems Modernization Support (LSMS): The DUSD Logistics and Materiel Readiness (L&MR) serves as the principal staff assistant and advisor to the OUSD (AT&L), Deputy Secretary of Defense (DEPSECDEF), and Secretary of Defense (SECDEF) on logistics and materiel readiness (in DoD) and is the principal logistics official within the senior management of DoD. The LSMS funding request directly supports essential L&MR activities necessary to effectively carry out these responsibilities. The increase in resources is designed to restore and support these activities to an acceptable level that will move the Department towards critical improvements in logistics systems and processes. The program will facilitate efforts to make effective supply chain management and logistics processes a reality in the Department - from sources of supply to operational customers and from early acquisition planning through sustainment and disposal.

19) Mission Capabilities (MC)/Systems Engineering (SE): Public Law 111-23, "Weapons System Acquisition Reform Act of 2009" (WSARA) directed the appointment of a Director, System Engineering (SE) and establishment of an SE office subordinate to the OUSD(AT&L). This program sets policy for SE practices and ensures implementation, including leading

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

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. The SE develops technical risk assessments of Major Defense Acquisition Programs (MDAPs) to ensure future weapon systems are capable of operating in the joint and/or coalition environment.

20) Performance Assessment & Root Cause Analysis (PARCA): Public Law 111-23, "Weapons System Acquisition Reform Act of 2009" (WSARA) directed the SECDEF to designate a senior official to serve as the principal official for conducting and overseeing Performance Assessments and Root Cause Analysis (PARCA) for Major Defense Acquisition Programs (MDAPs).

21) DoD Siting Clearinghouse: Funds support development of a basic capability to perform assessments of proposed wind and solar projects in the private industry for their impact on DoD mission, development and evaluation of possible mitigation measures, development of tools to assist developers, and the development of more timely, transparent and consistent processes.

22) Research, Development, Test and Evaluation (RDT&E) Oversight: Funds centralize management and administrative expenses of RDT&E programs across the ASD (R&E) enterprise.

23) Small Business Program Support: The Office of Small Business Programs (OSBP) of the Department of Defense is the office that is established within the Office of the SECDEF under section 15(k) of the Small Business Act (15 U.S.C. 644 (k)). The Director of DoD OSBP is established within 10 U.S.C. 144. The OSBP is responsible for implementing and managing the following statutory and regulatory requirements within the Department of

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

Defense: small business, veteran-owned small business, service-disabled veteran-owned small business, Historically Underutilized Business Zone small business, small disadvantaged business, women-owned small business, Historically Black Colleges and Universities and Minority Institutions, DoD Pilot Mentor-Protégé Program, Indian Incentive Program, Small Business Innovation Research (SBIR), and Small Business Technology Transfer (STTR). These requirements are set forth in 15 U.S.C 631-657 and 25 U.S.C. 1544; Federal Acquisition Regulation (FAR) Part 19 and Part 26; Defense FAR Supplement (DFARS) Part 219, Part 226, Subpart 202.1; and DoD Instruction 5134.04.

24) Space & Intelligence Major Defense Acquisition Program (MDAP) Oversight: The office works closely with the DNI(Acquisition), OUSD (I); DoD CIO; D,CAPE, and the Services to provide management, technical and programmatic evaluation, and functional oversight for all DoD and Intelligence Community Space and Intelligence programs, to ensure investment and risk are balanced over specific capability focus areas, leverage capabilities across Services and organizations, and ensure avoidance of duplicative efforts.

25) Strategic Sourcing: This program fundamentally changes the way the Department does business by providing a higher degree of transparency and accountability, and assisting the Components in developing practical, efficient, requirements refinement processes. This program has three main 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 spending and processes); and deployment of a roadmap for the strategic sourcing of services.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

26) Synchronization Pre-deployment and Operational Tracker - Enterprise Suite (SPOT-ES): The Synchronization Pre-deployment and Operational Tracker (SPOT) system is the DoD system of record for visibility of contractors operating in contingency operations. The Enterprise Suite (SPOT-ES) will support contingency contracting and financial management by ensuring timely, properly executed and transparent contracts to help reduce fraud, waste and abuse. In FY 2013, this mission falls under the responsibility of USD(P&R) and program implementation will be managed by Defense Human Resources Activity (DHRA).

27) OSD Analysis and Support: 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. The OSD Studies Program falls under the OSD Analysis and Support umbrella developing requirements for analytic support within the OUSD (AT&L) and conducting joint studies with other components of OSD and the Joint Staff. The program improves 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. Foremost among the areas supported are installation management, international cooperation and security policymaking, environmental protection policy, systems acquisition and architecture, communications and software assurance, and acquisition management.

c. Regulatory Requirement:

1) Acquisition Workforce Demonstration: The Acquisition Demonstration Project Office is a subordinate office and aligned under the Human Capital Initiatives office, OUSD AT&L. AcqDemo provides a personnel management system designed specifically

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

for the Defense acquisition business environment workforce. The purpose of the project is to demonstrate that the effectiveness of DoD acquisition can be enhanced by allowing greater managerial control over personnel processes and functions and, at the same time, expand the opportunities available to employees through a more responsive and flexible personnel system. AcqDemo was designed to provide managers the authority, control, and flexibility needed to better manage the AT&L Workforce, with the immediate goal of enhancing the quality and professionalism of that workforce, and the ultimate goal of providing the best acquisition systems for DoD.

2) Defense Environmental International Cooperation: This program funds bilateral and multilateral initiatives with foreign defense departments and militaries in support of global basing/operations and the Secretary's Security Cooperation Guidance goals. Starting in FY 2013, major functions and corresponding funding are being identified as separate missions to raise visibility of those specific components. These components are identified under "Installation Climate Change Vulnerability Assessment" and "DoD Siting Clearinghouse," paragraphs b.15) and b.21), above.

3) International Cooperation Program: A Congressional mandate provided resources to support the IC organization with administrative and analytical tasks implemented by the President and the Secretary of Defense; cooperation across the life cycles of acquisition programs.

4) Low Observable/Counter Low Observable Export Control (LO/CLO): This program supports the Director of Special Programs' review of arms export control and license applications to include the review and approval of those technologies associated with Low Observables (LO) and Counter-Low Observables (CLO).

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

5) Readiness and Environmental Protection Initiative (REPI): The Military Departments identify expanding development and urban growth as an increasing challenge to range and installation viability and a growing impediment to mission readiness. The REPI is an effort to sustain military readiness while assisting in the protection of valuable habitat and open space. 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.

d. Promulgate Policy:

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. These sources provide the Defense Acquisition Workforce Improvement Act (DAWIA) workforce with instant access to DoD experts, as well as online collaborative knowledge communities. Requested resources will assist the office in operating and supporting the AKSS, the DAG, the web-enabled Integrated Framework Chart (IFC), ACC system and the Acquire search and discovery system. Resources will also be used to convert the AKSS into a personalized portal system and develop "portlets" for use by Service and Agency portals; develop the Best Practices Clearinghouse (BPCh) system; develop and acquire upgrades for searching video; and develop various job performance support tools based on major business processes (such as the Standard Procurement System and major milestone plans).

2) Transform Procurement Regulations: This is a continuing initiative to increase the efficiency and improve the quality and effectiveness of DoD procurement regulatory process and rule making capability. This initiative will move the development,

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

implementation, publication, and communication of hundreds of policies, laws, and changes in the FAR and DFARS to a web-based capability.

3) Acquisition Visibility (formerly Defense Acquisition Management Info Retrieval):

This program provides acquisition management oversight, governance, and secure data services for the entire DoD acquisition community. It consolidates acquisition management lifecycle governance responsibilities, authorities, acquisition data services capabilities, and decision making for DoD acquisition programs. Requested resources support the Acquisition Visibility (AV) SOA project to improve transparency of Defense acquisition decision-making information.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

I. Description of Operations Financed (cont.)

	<u>\$ in Thousands</u>		
	<u>FY 2011 Actuals</u>	<u>FY 2012 Estimate</u>	<u>FY 2013 Estimate</u>
D. <u>Under Secretary of Defense (Policy):</u>	149,305	48,477	65,282

The Office of the Under Secretary of Defense for Policy (OUSD(P)) oversees matters relating to international security policy and political-military affairs. The Under Secretary is the principal staff assistant and advisor to the Secretary and the Deputy Secretary of Defense for all matters on the formulation of national security and defense policy; the integration and oversight of DoD policy and plans to achieve national security objectives; and represents the Secretary and Department of Defense in the interagency process, with Congress, and in public/media outreach. The OUSD(P) carries out numerous responsibilities by managing programs in Policy Planning and Integration, Global Threat Management, Regional Security Affairs, Warfighting Support, and Homeland Defense Support.

a) Policy Planning and Integration: OUSD(P) coordinates activities to aid in formulating strategies for DoD programs at national and international levels. This involves establishing and monitoring strategic direction, planning and force development as laid out in reporting documents such as the Quadrennial Defense Review (QDR) and Defense Planning and Programming Guidance (DPPG). OUSD(P) ensures decisions are not made in a vacuum by integrating policies and resources related to humanitarian efforts and their compliance with international laws. It also 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.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

Requested resources allow interagency integration and coordination to determine requirements for potential dual-use application of Defense assets.

b) Global Threat Management: Provides policy, guidance and oversight on existential threats, supranational threats and non-state actor threats. OUSD(P) fulfills this global mission by crafting and implementing initiatives to expand cultural understanding throughout the world in governed and ungoverned areas in an effort to pre-empt the expansion of terrorist cells. Tabletop exercises are utilized to enable Members of Congress, Administration Officials, and DoD personnel to form strategies in addressing catastrophic security events. Additionally, active research and involvement in the ever-changing cyber environment is required to protect security assets and prevent sophisticated threats in cyberspace from adversaries foreign and domestic.

c) Regional Security Affairs: Provides analysis of management of cultural situations in nation states and oversight to military joint ventures and cooperative DoD-Foreign government programs including educational, training, and developmental opportunities. Using a variety of resources, regional expertise is developed and maintained to support DoD leadership in forming and implementing strategies, and contributing to a coordinated, holistic government engagement in programs and policies. Regional expertise provides the ability to: monitor and solve security cooperation issues; effectively execute coalition management; monitor international security operations; and further develop cooperative relations with foreign countries.

d) Warfighting Support Activities: OUSD(P) provides resources to orchestrate the development of special technologies and capabilities. It sustains these efforts by conducting in-depth analyses of the assignment of additional military and civilian personnel to long-term, non-intelligence positions in high-priority countries. It

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

prepares the military for confronting threats in culturally diverse countries, supports policies and strategies that develop skills unique to counterinsurgency and stabilization efforts; reinforces and builds international support over shared security concerns, homeland security, counterterrorism and other critical nation alliances, and promotes humanitarian activities through military resources in a non-combat manner.

e) Homeland Defense Support Activities: Formulates policy and conducts DoD strategic planning for homeland defense and defense support of civil authorities, including installation preparedness; CBRNE preparedness and consequence management; border security and National Security Special Events. Supports the U.S. Northern Command in homeland defense strategy, and enhances the U.S. Southern Command mission through engagement with the ministries of defense in the countries of the Western Hemisphere. It supervises intra-departmental and inter-agency coordination of the above issues. It conducts oversight of DoD processes to exercise force readiness through the National Exercise Program, manages defense continuity and conducts crisis management.

f) Defense Critical Infrastructure Program (DCIP): Oversees policy formulation and strategic planning for the Defense Critical Infrastructure Program, to include the Defense Industrial Base (DIB), which provides defense-related products and services that are essential to equip, mobilize, deploy and sustain military operations, enabling the Warfighter to minimize risk. It ensures 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.

g) Rewards Program: Provides funds to publicize the program and pay rewards for

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

information to disrupt international terrorist activities.

h) Travel Program: Funding supports travel in support of the OUSD(P) mission.

i) US Mission to NATO: 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 involves NATO involvement (e.g. Libya), weapons of mass destruction bilateral measures, and support of overseas facilities.

	<u>\$ in Thousands</u>		
	<u>FY 2011 Actuals</u>	<u>FY 2012 Estimate</u>	<u>FY 2013 Estimate</u>
E. <u>Under Secretary of Defense (Comptroller) and Chief Financial Officer:</u>	21,109	27,582	24,966

Comptroller and Chief Financial Officer: The Office of the Under Secretary of Defense (Comptroller) (OUSD(C))/Chief Financial Officer oversees and sets policy for budget and fiscal matters including financial management, accounting policy and systems, management control systems, budget formulation and execution, and contract audit administration. 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. The five main areas of operations financed include Comptroller Initiatives, Future Years Defense Program Improvement, Administrative Support, Next Generation Resource Management System, and Enterprise Funds Distribution Support System.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

a. Comptroller Initiatives:

1. Support for producing and providing the SECDEF and senior leadership with authoritative, accurate, and timely financial statements and achieving an unqualified audit opinion for the DoD financial statements.
2. Support Department-wide business transformation efforts by improving financial management processes, systems, and financial reporting.
3. Maintenance for tools designed to display and track budgetary data and performance metrics such as the Exhibits Automation System, the Comptroller's internal dashboard, and the Overseas Contingency Operations support tool.
4. Improve the financial management workforce capabilities including identification of best practices, development of professional and analytical skills and abilities, and using technology to promote innovative professional development opportunities to support the changing business needs of the Department.

b. Future Years Defense Program (FYDP) Improvement: This program will be executed by the Director, CAPE, effective 2013.

1. Maintain the FYDP information system used to collect, transform, disseminate, build reports, and provide analytical displays for PPBE deliverables.
2. Improve the efficiency and effectiveness of PPBE processes and systems.
3. Support PPBE decision making by the Secretary of Defense and senior leadership.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

I. Description of Operations Financed (cont.)

c. Administrative Support: Funds services for the OUSD(C), including general office support, data administration, records management, workflow and correspondence tracking, and other administrative tasks.

d. Next Generation Resource Management System (NGRMS): Maintain information technology system used to formulate, justify, present, and defend the DoD budget.

e. Enterprise Funds Distribution System Support: Maintain the automated system for controlling and distributing funds including apportionment, reprogramming, rescissions, continuing resolution, etc.

More detailed information on the mission and functions of the USD(C) can be found at the following website: <http://www.defenselink.mil/comptroller/>.

	<u>\$ in Thousands</u>		
	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
F. <u>Under Secretary of Defense (Personnel and Readiness):</u>	837,939	904,766	821,782

The Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)) is the principal staff assistant and advisor to the SECDEF for Total Force Management. OUSD (P&R) develops policies, plans, and programs for Total Force personnel. This includes the allocation among DoD Components and between the Active and Reserve components and Reserve Component Affairs to promote the effective integration of the Reserve component capabilities into a

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

Cohesive Total Force; health and medical affairs; recruitment, education, training, equal opportunity, compensation, recognition, discipline, and separation of all DoD personnel; interagency and intergovernmental activities, special projects, or external requests that create a demand for DoD personnel resources; readiness to ensure forces can execute the National Military Strategy (NMS) along with oversight of military training and its enablers; and quality of life for our military and their families.

The following programs are supported:

a. Contracts and other Support Services: This program funds the Contracts and Other Support Services for mission requirements, including Intergovernmental Personnel Act (IPA) requirements.

b. Advancing Diversity and Equal Opportunity Program: Includes the Workforce Recruitment Program for College Students with Disabilities to increase the number of people with targeted disabilities in the federal civilian workforce to support a DoD goal of two percent DoD-wide, emphasizing the benefit for wounded service members. The Defense Equal Opportunity Management Institute develops curricula and trains military and civilian personnel in cultural competencies/awareness for engaging in warfare and to provide a website and clearinghouse materials for deployed military equal opportunity advisors. Growing Diversity in the Senior Ranks will improve diversity in key occupational pipelines that feed into the military flag/general officer and civilian senior executive service positions by increasing diversity in DoD internship programs.

c. Assistant Secretary of Defense (Health Affairs): The ASD(HA) is the principal medical staff advisor to the Secretary of Defense and principal program manager for all DoD health matters to include medical readiness, health care delivery, preventive

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

medicine, medical military construction, and the procurement, development, training and retention of medical military and civilian personnel.

d. Assistant Secretary of Defense (Reserve Affairs): Funds managed by ASD (RA) are utilized to conduct valuable research and analysis for specific topics and issues that are related to the National Guard (NG) and Reserve components (RC). These efforts provide mandated reports, data and recommendations as potential solutions or courses of action to DoD and Congress. The research results provide an opportunity for focused analysis to aid ASD (RA) in making informed decisions on policies and future direction for the NG and RC in the areas of resourcing, manpower, personnel, material, facilities, readiness, training, and mobilization. Funds are also used for travel of ASD (RA), Principal Deputy, Deputy ASDs, and actions officers to conduct Active and Reserve component and Combatant Command site visits in addition to attending training and conferences as necessary to remain current on Reserve and National Guard issues and requirements in the operational/field environment.

e. Combatant Commander's Exercise Engagement and Training Transformation (CE2T2): The program supports the joint training requirements of the Department to include the Chairman of the Joint Chiefs of Staff Exercise Program. CE2T2 ensures the Combatant Commander's ability to conduct joint training and theater engagement events to meet the Unified Command Plan and Guidance for Employment of the Force-directed missions and goals. Enhances Joint Readiness in support of the Joint Force Commander's requirements such as execution of Theater Campaign Plans and building partner capacity. Combatant Commander's Exercise Engagement and Training Transformation (CE2T2): The program was established as a result of direction from the Quadrennial Defense Review that re-aligned and consolidated joint training programs and applies resulting efficiencies against new mission areas and existing joint training shortfalls. Efforts support the Department's

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

second priority to strengthen joint war-fighting capabilities. This account funds the following critical training programs:

1) Joint National Training Capability (JNTC) uses a mix of live, virtual and constructive (L-V-C) models and simulations in an integrated network of over 33 persistent training sites. JNTC provides the most realistic joint mission experience possible. Provides training that offers DoD a spectrum of live, virtual and constructive training (LVC) environments. The L-V-C environment combines existing exercises with live forces, creating a more realistic training experience.

2) Joint Knowledge On-line (JKO) provides joint operational courseware to the individual Warfighter with educational and training content, leveraging state-of-the-art-distribution processes and advanced technologies to provide training content to Defense personnel and tracks user's progress.

3) The Joint Staff, J7 Joint Coalition Warfighter supplies the Unified Command Plan-directed support to CCMDs by providing joint and multinational training exercises and certification exercise venues along with training exercise feedback. The JCW develops and produces the National Defense University Flag Officer and Senior Non-Commissioned officer PINNACLE, CAPSTONE and KEYSTONE courses.

4) The Joint Deployment Training Center (JDTC) 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 Combatant Commands, and other Government Agencies to conduct daily operations in support of the Overseas Contingency Operations and other missions.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

5) Combatant Command Headquarters support provides the CCMDs resources for their participation in training and exercise events to prepare for operational missions.

6) The Joint Exercise Transportation Program (JETP) is the Chairman of the Joint Chiefs of Staff principal vehicle for achieving joint and multinational training by funding transportation of personnel and equipment to worldwide exercises. It provides CCMDs the primary means to train battle staffs and forces in joint and combined operations, evaluate war plans and execute engagement strategies. It also provides an opportunity to stress strategic transportation systems as well as Command, Control, Communications, Computer and Intelligence systems to evaluate their readiness across the full spectrum of operations.

7) The Joint Training Information Management System (JTIMS) provides the Joint war fighter a web-based, collaborative tool set supporting execution of the Joint Training System. The system facilitates the analysis of the CCMDs Joint Mission Essential task list.

8) Joint Training System Specialist Program integrates Joint training into a cohesive program supporting Joint Training requirements across the DoD.

9) Joint Training Facilitator Program provides on-site joint training individual and staff training support to the CCMDs. The program supports policy, procedure, action and milestone development required to conduct COCOM individual and staff joint training programs.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

10) Joint Assessment and Enabling Capability (JAEC) measures the degree to which joint training improves joint readiness and where improvements should be made. It tracks the progress and impact of the CE2T2 program.

11) The Immersive Training program is a small unit, infantry focused, scalable, interactive, and rapidly reconfigurable training system replicating elements of the visual, audio, tactile, weather (temperature and humidity), olfactory effects, and conditions of a distributed battlefield across the gamut of operations to improve higher order cognitive decision making skills.

f. Defense Safety Oversight Council (DSOC): Supports safety initiatives to reduce and prevent injuries to meet the Secretary's 5 percent accident reduction goal. It includes funding for the Voluntary Protection Program.

g. Defense Readiness Reporting System (DRRS): Supports comprehensive readiness reporting. Increased support funds system enhancements to include: Mission Assurance Category I compliance, collaboration of DRRS with the Adaptive Planning & Execution System and placement of DRRS on the Joint Worldwide Intelligence Communications System network. Allows for quick analysis of force capability issues, effective program oversight, operator training, and data maintenance. 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.

h. Lost Work Days System: Lost Work Days aims to increase operational readiness by providing data and analysis to eliminate preventable mishaps.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

i. Military Personnel Policy (MPP) (Accession Policy) Naturalization Support: Funding was added to OUSD(P&R) for Military Naturalization Support Services in response to Congressional Language in the FY 2010 Department of Homeland Security (DHS) conference report (House Report 111-298). Section 1701 of the FY 2004 National Defense Authorization Act (P.L. 108-136) directed the U.S. Citizenship and Immigration Services (USCIS) in DHS not to charge fees to military members applying for naturalization to become US citizens. Funding of the Military Naturalization program was directed by OMB and included in DoD appropriations beginning in FY 2011. Estimated cost per applicant is \$675 and approximately 9,400 applications are processed per year.

j. Military Spouse Internship Program: Assists eligible spouses of active duty military in obtaining positions in federal agencies by paying the spouses' salary and benefits for the first year of employment.

k. Studies Program: The Department contracts for assistance in facilitating studies that improve the overall operation and efficiency of the OUSD(P&R) and the programs over which it exercises oversight. Major themes of these studies include the three main focus areas of recruiting, retention, and readiness along with the full continuum of subjects that impact these major themes. Population of interest is the Total Force.

l. Training Transformation: Provides oversight of the Department's Joint training effort, including DoD training ranges.

m. Wounded Warrior Care and Transition Policy (WWCTP): Wounded Warrior Care and Transition Policy: Funds OSD policy development, standardization, implementation and improvement of the quality and delivery of care and case management, disability

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

evaluation, and transition assistance services to wounded, ill, and injured Service members. Wounded Warrior Care and Transition Policy consists of the following programs:

- 1) DoD standardized training is provided to Recovery Care Coordinators ensuring development and implementation of personalized comprehensive recovery plans for approximately 14,000 Service member's care and family needs annually. The comprehensive recovery plans document non-medical, rehabilitative, education, and employment needs of wounded, ill, and injured Service members.
- 2) The Transition Assistance Program provides pre-separation counseling, individual assessment and coaching, and other life-skills training to about 300,000 persons annually. The TAP eases service members and their family's transition from a military to civilian life.
- 3) The Integrated Disability Evaluation System (IDES), combines the DoD Disability Evaluation System and the Veterans Administration (VA) Compensation and Benefit process into a single integrated and fair DES process for Service members. There are approximately 33,000 affected Service members currently enrolled in the DES. The goal of the IDES is to reduce the time that Service members dwell in the DES process to 295 days.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

I. Description of Operations Financed (cont.)

	<u>\$ in Thousands</u>		
	<u>FY 2011</u> <u>Actuals</u>	<u>FY 2012</u> <u>Estimate</u>	<u>FY 2013</u> <u>Estimate</u>
G. <u>Under Secretary of Defense</u> <u>(Intelligence):</u>	192,334	162,877	150,498

The USD(I) advises the Secretary and Deputy Secretary of Defense regarding intelligence, counterintelligence, security, sensitive activities, and other intelligence-related matters. The OUSD(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. The USD(I) is dual-hatted as the Director of Defense Intelligence within the Office of the Director of National Intelligence (ODNI). In this capacity, he reports to the DNI on Defense Intelligence matters.

a. Intelligence Mission. Three Deputy Under Secretaries (DUSD) and three direct report offices support the intelligence mission:

The ***DUSD Joint and Coalition Warfighter Support (J&CWS)*** ensures that intelligence support across the Department meets critical and timely Warfighter needs and requirements through policy development, planning, and operational oversight. DUSD (J&CWS) aligns policies and programs with current operational requirements and intelligence-related strategies and assessments, aligns selected cutting-edge and emerging intelligence-related technologies with Warfighter needs, and oversees cyber, cyber intelligence, and

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

intelligence operations integration (IOI) activities. Develops DoD policy/doctrine, coordinates Joint doctrine, and oversees DoD Intelligence transformational efforts.

Cyber Capabilities and Operations Support Directorate: Focal point for DoD cyber capabilities, with an emphasis on operations support to the Services and COCOMs. Ensures the Department has the capabilities needed for Warfighting in the cyber domain. Integrates cyber into Departmental processes, and partners with industry for innovative solutions to capability gaps. Ensures the Department has the intelligence capabilities needed for the cyberspace domain. Develops policies that support cyberspace operations. Strengthens foreign intelligence partnerships through senior-level engagement and participation in bodies such as the Defense Cyberspace Coordination Group. Strengthens the Department's interagency integration and provides strategic leadership and advocacy through close partnership with the intelligence community (IC), other interagency partners and external senior leadership engagements to include venues such as the Cyber Integration Group and the Enduring Security Framework.

Warfighter Operations and Intelligence Support Directorate: Leads transformation efforts and develops/coordinates policy on all Intelligence disciplines/Joint Intelligence Operations Centers. Provides policy, guidance and oversight of the Defense Intelligence Enterprise to ensure support to the Warfighter and to operations. Reviews and advocates for appropriate Warfighter intelligence requirements and capabilities. Provides guidance and oversight to sustain the Intelligence Planning effort to synchronize and integrate National and Defense Intelligence Enterprise support of selected combatant command top priority contingency and campaign plans and lead the integration of intelligence planning into the overall Adaptive Planning initiative. Serves as representative to Joint Improvised Explosive Device (IED) Defeat Organization (JIEDDO) and provides advice for all Counter-IED programs. Provides policy, guidance,

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

resource advocacy, and oversight for Reserve Component Intelligence Elements (RCIE) across the Defense Intelligence Enterprise; supports and manages RCIE capabilities as appropriate and provides oversight of the Joint Reserve Intelligence Program. Responsible for policy/operational aspects of the Sensitive Reconnaissance Operations (SRO) program (all airborne/maritime surveillance and reconnaissance operations requiring Secretary of Defense or Presidential approval in support of national and Warfighter requirements).

Policy, Strategy, and Doctrine Directorate: Serves as the focal point for intelligence, counterintelligence, and security-related policy, strategy, strategic planning, and doctrine. Formulates policy and strategy, and coordinates strategic planning guidance and doctrine positions with the OUSD(I) staff and with the Defense Intelligence Enterprise on behalf of the USD(I). Focal point within OUSD(I) for the formal coordination of all DoD policy issuances. Serves as the primary interface with ODNI for policy, strategy, and strategic planning matters, ensuring Department requirements and equities are reflected in IC strategies, policies, and planning documents. Advises the USD(I) and the OUSD(I) staff on issues involving Defense Intelligence and IC policy, strategy, strategic planning, and doctrine.

Information Sharing and Partner Engagement Directorate: Coordinates all intelligence information sharing and related Warfighter intelligence support issues for OUSD(I). Formulates and coordinates policy on intelligence information sharing and oversees implementation. Establishes enterprise management and governance for Defense Intelligence Information Enterprise and serves as the primary interface with the Intelligence Community, National Security Council, Homeland Security Council, ODNI, and other departments on Defense Intelligence Information Sharing policies, relationships, and architectures for/with the Combatant Commands, coalition partners, allies, other

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

federal government entities, state/local/tribal entities, international organizations, and the private sector. Oversees development of international intelligence information sharing architectures. Oversees the US BICES program. Manages Defense Intelligence sharing efforts with customers within the national security, intelligence and law enforcement communities. Provides input to country strategies developed with the ODNI and serves as the representative to the National Disclosure Policy (NDP) Committee and Foreign Relations Coordination Committee and votes on all requests for exception to NDP. Serves as the OUSD(I) representative to the DoD CIO Executive Board, the DNI's IC CIO council and executive board, the IC Information Sharing Steering Committee, and the IC Information Sharing Executive.

Intelligence, Surveillance and Reconnaissance (ISR) Task Force (TF) Directorate: Responsible for improving the near-term efficiency and effectiveness of Joint and Coalition ISR capabilities by spearheading the expedited delivery of ISR systems, technologies, policies, and processes in support of Warfighter operations. Provides oversight and advocacy of investment and sustainment resources needed to accelerate the deployment of ISR capability with supporting infrastructure for collection, communications and processing, exploitation and dissemination. The TF works closely with the Joint Staff, COCOMs, Services, CSAs, and the OSD staff to identify and operationally integrate initiatives designed to address unmet ISR demands and develop operations to meet gaps and shortfalls. Works to coordinate approved ISR initiatives input into the DoD Planning, Programming, Budgeting and Execution process.

The ***DUSD Portfolio, Programs and Resources (PP&R)*** develops DoD's investment strategy for ISR and Environmental system capabilities, as well as new concepts and innovative technologies to enhance the Defense Intelligence Enterprise. The office executes this investment strategy through management of the Military Intelligence Program (MIP) as well

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

as the Battlespace Awareness Portfolio, balancing investment and risk over specific capability focus areas. It also provides oversight support to USD(I) for ISR acquisition programs. The office synchronizes MIP investment with those investments in the National Intelligence Program (NIP) that support military planning and operations.

Battlespace Awareness and Program Assessment Directorate: Serves as the principal staff advisor and functional manager for the Department's Battlespace Awareness (BA) Portfolio, one of nine capability portfolios in the Department of Defense (DoD). Provides resource oversight, program guidance and investment strategies for all DoD ISR and Environmental System Capabilities. Responsible for the Congressionally-directed ISR Roadmap/Strategic Plan, the OUSD(I) submission to SECDEF's Defense Planning and Programming Guidance, the annual submission of the portfolio's balanced resource recommendation to OSD/Cost Assessment and Program Evaluation (CAPE), and the annual Consolidated Intelligence Guidance (in conjunction with ODNI). Provides DoD seniors, including the SECDEF's Large Group and Deputy's Advisory Working Group (DAWG), with integrated and balanced portfolio resource recommendations. Serves as OUSD(I) focal point for the NIP-MIP Integration Group, SECDEF Large Group, DAWG, 3-Star Programmers Group, and Quadrennial Defense Review. Serves as Executive Secretariat for the DoD ISR Council and ISR Deputy's Council, and provides primary OUSD(I) interface with OSD/CAPE and ODNI/Systems and Resource Analyses (SRA) to ensure ISR and Environmental System capability linkages and dependencies across the Department and with the NIP.

Intelligence, Surveillance and Reconnaissance Programs Directorate: Provides OSD functional oversight for DoD ISR programs, to include processing, exploitation, and dedicated communications networks. Provides oversight and technical expertise, including requirements evaluations, technology assessments, acquisition oversight, and budget accuracy of National and DoD ISR Programs. Oversees execution of investment strategies

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

approved by PP&R principal staff and USD(I) senior leadership through evaluations of National and DoD ISR initiatives. As directed, creates and manages DoD governance processes providing integrated architectures for both ISR tasking, processing, exploitation, dissemination (TPED) and collection systems. Provides special emphasis to ensure TPED architecture addresses all ISR capabilities requirements from the collector/sensor through the delivery to the end-user. Develops USD(I) implementation direction and analytic-based proposals to include supporting studies for budget processes and delivering accurate assessments in support of the development and execution of the MIP. Evaluates impact of NIP in meeting Warfighter needs, and supports NIP oversight on behalf of the USD(I). Identifies, manages, and coordinates ISR program and system requirements through the OSD and DNI process.

Military Intelligence Program Resources Directorate: Develops investment strategies addressing Warfighter near-term and long-term ISR and other intelligence-related needs. Manages and advocates for the MIP on behalf of USD(I) throughout the Planning, Programming, Budget, and Execution (PPBE) process in the Department and works closely with ODNI to ensure appropriate linkages and dependencies between the MIP and the NIP. Outputs include the MIP Congressional Justification Books, Resource Management Decision proposals issue papers, reprogramming actions, quarterly execution reports to Congress, regular performance management reports to USD Comptroller and Office of Management and Budget (OMB), and appeals to Congressional marks on resources. Serves as primary OUSD(I) interface with ODNI, OMB, CAPE, USD(C), the Components, and Joint Staff for resource matters and Congressional appeals.

Emerging Capabilities and Technology Investments Directorate: Provides USD(I) with innovative capability solutions supporting warfighting needs through the application of emerging technologies, methodologies or opportunities while leveraging partnerships and

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

alliances with government, industry and academia. Identifies, assesses, and oversees development and implementation of advanced concepts and cutting-edge capabilities for the Department. Addresses critical intelligence needs, operational shortfalls, and interagency requirements by conducting research, analysis, and coordination of initiatives among Service and Defense Agencies to minimize overlapping programs, maximize cross-functional applications, and capitalize on existing technology investments.

The ***DUSD Intelligence and Security (I&S)*** is responsible for developing policy and planning, and conducting strategic oversight for the DoD in the areas of HUMINT, Counterintelligence (CI), security, sensitive activities and interagency integration, and defense analysis. Oversees the activities of the Defense Security Service and coordinates closely with the Defense CI & HUMINT Center at DIA. Supports management of resources and investments to meet evolving Warfighter needs; expands defense HUMINT global reach; enhances CI and credibility assessment capabilities; transforms defense security; and synchronizes special access programs and other sensitive activities to provide enhanced operational integration and collaboration.

Human Intelligence (HUMINT) and Counterintelligence Directorate: Staff advisor for DoD HUMINT. Oversees the full spectrum of DoD HUMINT plans, programs, and operations. Develops and coordinates DoD policy governing HUMINT tradecraft standards, coordination requirements, collection methodology, training, technology architecture, coalition engagement, enabling capabilities, and Enterprise management. Assesses the performance of the DoD HUMINT Enterprise, and recommends resource allocation/reallocation where appropriate. Represents OUSD(I) within the IC on matters pertaining to DoD HUMINT and intelligence-related activities. Supports the Defense guidance and strategies allowing HUMINT to be flexible and responsive to address emerging global threats while providing timely, objective, and cogent military intelligence in support of Warfighters, planners,

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

and DoD and National security decision-makers. Staff advisor for DoD CI and Credibility Assessment (CA) matters. Develops and staffs DoD CI and CA policies; provides CI and CA policy oversight; represents the USD(I) and OSD at IC, national, international and DoD CI and CA fora; and conducts an outreach program to DoD Components with organic CI elements. Provides support on CI budget matters for CI and CA resources, and CI and CA staff support to OSD, the Joint Staff and other customers.

Security Directorate: Staff advisor for DoD security enterprise policy, planning, and oversight, and Executive Agent for the U.S. National Industrial Security Program Operating Manual. Develops policy for all DoD Components in the following areas: information, personnel, physical, chemical/biological, industrial, operations, special access program, and sensitive compartmented information security; controlled unclassified information; and Critical Program Information. Ensures existing policy balances the need to protect security information with the need to share across DoD and interagency missions. Conducts oversight and assessment of DoD Components' security programs. Leads and conducts strategic planning for the Defense Security Enterprise. DoD Functional Community Manager for Security responsible for human capital management for the security career field. Represents OUSD(I) on matters pertaining to DoD security at interagency fora, to include: Department of Homeland Security Interagency Security Committee, DNI's information sharing environment efforts, National Security Council (NSC) Interagency Policy Committees, National Disclosure Policy Committee, Committee on Foreign Investment in the United States, Weapons of Mass Destruction Commission, National Industrial Security Program Policy Advisory Committee, and the State, Local, Tribal, and Private Sector Policy Advisory Committee.

Sensitive Activities Directorate: Staff advisor for the oversight, coordination, assessment, and reporting of DoD intelligence and intelligence-related sensitive

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

activities (SA). Oversees the DoD Foreign Materiel Program, the Defense Cover Program, and designated special access programs. Maintains global visibility of SA to facilitate senior-level decision making. Conducts analysis of DoD SA and ensures coordination and deconfliction. Coordinates staff actions related to SA. Develops policies, strategies, technologies and programs to facilitate agility, speed, effectiveness and persistence supporting the conduct of SA. Provides support to combatant commands to include planning and review of sensitive Execution Orders (EXORD) and Deployment Orders (DEPORD). Oversees and manages SA and Congressionally-directed reporting. Establishes and maintains agreements related to DoD and interagency SA. Provides functional oversight of compartmented and special-access programs and ensures coordination and deconfliction of activities among stakeholders. Foreign materiel exploitation activities include analysis, testing, evaluations, and documentation of the scientific and technical characteristics of an item of foreign materiel. It includes the assessment of capabilities and vulnerabilities, and the operational performance against U.S. systems and countermeasures.

Interagency Integration Directorate: Responsible for policy development, oversight, planning, and coordination of activities involving DoD interactions with sensitive interagency programs and operations. The National Programs office serves as the lead OSD staff element and principal advisor to the USD(I) for management of policy, administrative, and security requirements related to National Security Council programs and other activities coordinated with the National Security Staff. The Defense Sensitive Support Activity (DSSA) manages policy, oversight, enabling, and operational coordination requirements for a SECDEF program that coordinates the provision of Defense Sensitive Support among and between DoD and other federal departments and agencies.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

Defense Analysis Capabilities Directorate: Provides direction and oversight of all DoD intelligence analytic functions, to include all-source analysis, warning, Identity Intelligence biometrics and Socio-Cultural Analysis. Establishes policy, standards of performance, quality assurance and integration; drives the development and implementation of advanced concepts, responsive strategies, and cutting-edge analytic capabilities for the DoD. Addresses critical intelligence needs, operational shortfalls, and interagency requirements. Serves as the OUSD(I) lead for Unified Intelligence Strategy development.

Direct Report Offices (DRO) consist of the Chief of Staff, Congressional Activities and Human Capital Management. The Chief of Staff Office serves as the focal point for coordination of organization-wide management and administrative matters. It is also responsible for supporting security, management, administration, and oversight of USD(I) compartmented activities and Special Access Programs (SAP). The Congressional Activities Office supports the USD(I), the ASD (Legislative Affairs) and the OSD (Comptroller) by facilitating OUSD(I) interaction with Defense and Intelligence oversight committees, and Members of Congress and their staffs in order to provide information on the MIP and OUSD(I) legislative priorities consistent with DoD objectives. The Human Capital Management Office (HCMO) exercises policy oversight of personnel in Defense intelligence positions to ensure that Defense intelligence, counterintelligence, and security Components are manned, trained, equipped and structured to support the missions of the Department. HCMO develops and oversees the policies associated with the Defense Civilian Intelligence Personnel System. HCMO develops policy and provides oversight on training, education, and career development of personnel within the Defense Intelligence, counterintelligence, and security Components and ensures integration of Defense intelligence into other DoD training within the DoD and IC, as appropriate. HCMO oversees the implementation of DoD detailee policy within the Defense intelligence, counterintelligence, and security Components, and exercises approval authority over the assignment of personnel. In addition, HCMO develops and advocates policy, strategies,

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

and programs for meeting Defense Intelligence Enterprise needs for foreign language skills and country knowledge capabilities.

b. International Intelligence Technology and Architectures. This effort develops, coordinates, oversees, and manages USD(I)'s technology and architectural analysis and support to allied and coalition intelligence sharing and exchange requirements. Conducts research, analysis, and coordination to advance and integrate DoD, NATO, and coalition intelligence sharing, exploitation, and dissemination. Identifies and minimizes overlapping programs, maximizes cross-functional applications, and leverages existing investments in intelligence fusion and discovery capabilities such the U.S. Army Distributed Common Ground/Surface System - Army (DCGS-A) and the Defense Intelligence Information Enterprise (DI2E). Provides program management of Battlefield Information Collection and Exploitation System (BICES) in support of U.S. and Coalition forces. Provides architectural support to Combatant Commands to determine international intelligence solutions for bi-lateral and multi-lateral information sharing. Integrates international solutions for US BICES capabilities within the global Special Operations Forces fusion centers and tactical commands. Develops the enduring international intelligence sharing architecture across the Unified Command Structure. Ensures integration of international intelligence capabilities with the DI2E.

c. Defense Civilian Intelligence Personnel System (DCIPS). Consistent with the recent Secretary of Defense program redirection, the DCIPS is critical to the ability of the Defense Intelligence Enterprise to effectively recruit, develop and retain a world-class intelligence workforce. DCIPS enables each Component to manage their unique mission while providing a common and consistent personnel framework that enhances performance linked to mission and focuses on collaboration and communication. DCIPS

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

designs, implements and oversees the Enterprise-wide policies and provides consistent and timely communications, program evaluation and evolution, and real-time training.

	<u>\$ in Thousands</u>		
	<u>FY 2011 Actuals</u>	<u>FY 2012 Estimate</u>	<u>FY 2013 Estimate</u>
H. <u>Director, Cost Assessment and Program Evaluation (CAPE):</u>	30,152	33,297	34,498

The Director, CAPE (D,CAPE) provides critical analyses of DoD programs and independent advice to the SECDEF and DEPSECDEF regarding the defense program. CAPE develops and analyzes program alternatives, manages the Future Years Defense Program (FYDP) and validates the costing and funding of programs throughout DoD.

a. Long Range Planning: This program provides independent advice to the SECDEF for analysis and advice on program and budget decisions, cost estimation and cost analysis for acquisition programs, strategy and force planning, the Quadrennial Defense Review, and transformation. Specific areas of focus include:

- 1) Cost Estimating Analysis and Economic Research
- 2) Strategic, C4, and ISR Programs
- 3) Irregular Warfare Analysis
- 4) Conventional Forces Analytical Support
- 5) Defense Program Projection Support (DPP)
- 6) Force Structure, Weapons Systems, and Warfighting Analysis

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

- 7) Mobility Capability Analysis
- 8) Scenario Analysis and Simulation and Analysis Center (SAC)
- 9) Defense Contract and Resource Center (DCARC)

The program decreases from FY 2012 to FY 2013 are in accordance with FY 2010 SECDEF direction to reduce support from contractors over a 3-year period. FY 2013 will be the final year for the directed reductions.

b. Defense Resource Management Study Program (DRMS): This program provides support toward the reform of defense resource management processes of foreign countries that are establishing democratic control in the areas of defense and national security and will be concluded in FY 2012. The program decrease from FY 2012 to FY 2013 is in support of SECDEF direction. It was determined that DRMS is not part of CAPE's core mission, and, thus, funding is not required in CAPE's budget after current initiatives are completed.

c. Industrial Base Study Program: This program is a continuation of the congressionally directed effort focusing on Space and Ship programs initiated in FY 2009. The program provides for the collection and analysis of data to support assessment of industrial base health and tools to continually monitor program and contractor performance. Some of the current efforts include the development of automated tools for the analysis of industrial and government work forces, program performance data, investment trends, and assessment of alternative acquisition strategies.

d. Future Years Defense Program (FYDP) Improvement: This program is a transfer from OUSD (Comptroller), effective 2013. Maintain the FYDP information system used to collect, transform, disseminate, build reports, and provide analytical displays for PPBE deliverables. Improve the efficiency and effectiveness of PPBE processes and systems. Support PPBE decision making by the Secretary of Defense and senior DoD leadership.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

Beginning in FY 2013, transfers planned resources to Director, CAPE, from OUSD (Comptroller) for FY 2013 and beyond.

More detailed information on the mission and functions of CAPE can be found at the following website: <https://www.cape.osd.mil>.

	<u>\$ in Thousands</u>		
	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
	<u>Actuals</u>	<u>Estimate</u>	<u>Estimate</u>
I. <u>DoD Chief Information Officer:</u>	97,384	88,770	91,651

One of the Secretary of Defense's efficiency initiatives included standing up a refashioned and strengthened DoD Chief Information Officer (CIO), the Office of the Assistant Secretary of Defense for Networks and Information Integration was formally disestablished in early 2012.

NII Mission and Analysis Fund: Funds enable the development and integration of Command and Control (C2), spectrum oversight strategies and policies that support presidential, national and strategic planning initiatives and integration efforts for net-centric C2 to ensure structures and architectures are net-centric compliant and to enhance the efficiency of the Department. Funds will support C2 policy development activities, bandwidth assessments, Unmanned Aerial System encryption instructions, satellite communication and commercial wireless policy documents, domestic and international spectrum policy support, and C2 core data standards. Ensures C2 adaptive planning Warfighting goals, C2 management and oversight strategies for programs across DoD and for

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

specific ground, air, and land mobile platforms. Funds are used for various advocacy and oversight activities in support of National Leadership Command Capabilities, specifically the availability and provisioning for fully capable and collaborative nuclear and national C2 networks, systems, and devices. National and Presidential communications and information services will be improved by development of network status visualization tools, secure voice and crypto modernization, and systems engineering and architecture development for future systems. These funds also support the oversight and preparation of the OMB and Congressional justification materials for the DoD Information Technology budget.

a. Command Information Superiority Architecture (CISA): Supports a structured planning process based on Information Technology (IT) best business practices to define current and objective capabilities for IT support to assigned missions in a net-centric environment. The CISA program is the developer and maintainer of the DoD Architecture Framework and the DoD Information Enterprise Architecture, the Department's enterprise architecture as directed by the Clinger-Cohen Act (CCA) and OMB Circular A-130.

b. Information Superiority Integration Support (ISIS): Funds integrate the technical, programmatic and acquisition management oversight activities related to critical C2, communications, and non-intel space programs to optimize decision support and resource allocation for this key C3/space portfolio. ISIS funds enable technical analyses and evaluations of cost, schedule, performance, dependencies and requirements to provide leadership with solid acquisition strategies and economic alternatives. Specifically, funds provide Joint C2 capability area technical support, combat identification systems engineering and analyses, and C2 capabilities planning and portfolio synchronization. Similarly, in the communications area, funds are required for technical and acquisition oversight of network related programs, network modernization planning, portfolio

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

technical evaluation, assessment of acquisition strategies and requirements, analyses of alternatives, and surface, airborne and satellite communication systems integration. In the area of non-intel space, funds provide for technical and acquisition oversight of non-intel space programs and activities, including space protection, space situational awareness, space control, environmental monitoring, positioning, navigation and timing programs and space access activities including space range modernization and coordination with federal and state organizations to ensure consideration of federal and commercial equities, satellite operations, operationally responsive space, and space test programs. Funds are required for space portfolio strategic planning, technical evaluations, assessment of acquisition strategies and requirements, and analyses of alternatives.

c. Chief Information Officer: Supports all aspects of the Defense Information Enterprise - its strategic, business, infrastructure, and capital planning; resource (e.g., people, funds, and technology) management; and its design, development, configuration, acquisition, operation and protection. Emphasis is placed on providing plans, policies, processes, governance structures, analytic assessments, Enterprise-wide services, and IA/IT technical expertise to achieve a net-centric environment, capable of effectively and efficiently supporting the Department's outcome goals.

d. Information Systems Security Program (ISSP): Supports policy development, program oversight and integration of all DoD Information Assurance (IA) efforts such as Computer Network Defense (CND) and the restoration of information systems. Supports: IA and CND architecture development and oversight; IA and CND operations process integration, impact assessment and mitigation planning; Oversight and development of IA education, training and awareness, including IA Scholarship Program.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

f. e-Gov Initiatives and Government-Wide Councils: This program implements OMB IT Management requirements supporting the President's agenda for transparency, information sharing, and OMB's guidance on alignment of architectures, advancement of new technologies, Federal-wide management initiatives, and implementation of Federal-wide services. The funding will provide for the Department's annual share for support to the Federal government-wide councils (Chief Financial Officers Council, Chief Information Officers Council, Chief Human Capital Officers Council, Chief Acquisition Officers Council, and the President's Management Council).

g. NII Cyber Security: Supports the President's inter-agency Comprehensive National Cyber Security Initiative. Funding includes support for Supply Chain Risk Management (SCRM) activities. The SCRM activities are comprised of two types: SCRM piloting activities within DoD and continued expansion of SCRM threat assessment capability. DoD is piloting SCRM key practices within DoD acquisition programs through SCRM piloting centers of excellence, which place SCRM Subject Matter Experts (SMEs) within DoD acquisition programs to test SCRM key practices and leverage threat information from the SCRM threat assessment capability. In addition funds support cyber professional education and training activities at the service academies, senior service and defense colleges, service training schools, and for distributive/web-based training and mentoring.

h. NII Cyber Security, Defense Industrial Base: Supports the Defense Industrial Base Cyber Security/Information Assurance (DIB CS/IA) program. Program activities include US government, Interagency, and DoD-wide collaboration, DoD policy development, cyber threat information sharing, network incident reporting and remediation, Cyber intrusion damage assessment, digital forensic analysis, and the development of network security/IA capabilities and development of associated network security technologies, as well as network management and remediation tools. The DIB CS/IA Task Force (TF) oversees

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

implementation of roles and responsibilities assigned to DoD Components supporting the program (e.g., NSA, Defense Cyber Crime Center, OSD, Military Departments, USSTRATCOM/USCYBERCOM, Agencies, etc.) and coordination with the Interagency. The DIB CS/IA TF also supports DHS efforts to extend DoD's DIB information sharing model to other critical infrastructure sectors and the DIB CS/IA program for partnering with industry on cyber security and information assurance.

More detailed information on the mission and functions of DoD CIO can be found at the following website: <http://dodcio.defense.gov>.

	<u>\$ in Thousands</u>		
	<u>FY 2011 Actuals</u>	<u>FY 2012 Estimate</u>	<u>FY 2013 Estimate</u>
J. <u>Deputy Chief Management Officer:</u>	3,958	30,701	32,198

Funding for this mission was captured under "Other DoD Programs and Initiatives" in previous budgets. Beginning with the FY 2013 President's Budget, DCMO is reflected as a "stand-alone" sub-activity.

Deputy Chief Management Officer (DCMO) was established under the National Defense Authorization Act (NDAA) 2008, Section 904. On behalf of the DEPSECDEF, the DCMO leads and integrates DoD enterprise-wide performance improvement and business operations to enable and support the Warfighter. The DCMO provides acquisition oversight and investment review of defense business systems and leads the Department's continuous

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

I. Description of Operations Financed (cont.)

process improvement efforts. The DCMO advises both the SECDEF, and the DEPSECDEF, and also assists OSD officials and heads of DoD components in ensuring plans, performance goals, and measures are aligned with DoD strategic goals.

II. Force Structure Summary:

N/A

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

III. Financial Summary (\$ in thousands)

	FY 2012							FY 2013 Estimate
	FY 2011 Actuals	Budget Request	Congressional Action		Current Estimate	FY 2013 Estimate		
			Amount	Percent Appropriated				
A. BA Subactivities								
1. Core Operating Program	373,638	356,790	-12	0.0	356,778	356,783	380,351	
Core Operating Program	373,638	356,790	-12	0.0	356,778	356,783	380,351	
2. Other DoD Programs and Initiatives	242,340	227,818	32,519	14.3	260,337	260,332	205,540	
Other DoD Programs and Initiatives	242,340	227,818	32,519	14.3	260,337	260,332	205,540	
3. OUSD(AT&L) Congressional Mandate	20,990	10,870	11,760	108.2	22,630	22,630	35,911	
CFO Act Compliance	1,716	1,577	-1	-0.1	1,576	1,576	12,845	
Committee on Foreign Investment in the US (CFIUS)	0	0	0	n/a	0	0	2,579	
Contingency Business Tools	0	0	0	n/a	0	0	11,928	
E-Business COE	1,833	2,525	-1	-0.0	2,524	2,524	2,923	
Legacy Resource Management Program	5,261	6,532	-2	-0.0	6,530	6,530	5,404	
Native American Land Remediation - Sec 8045	12,180	236	11,7644,984.8		12,000	12,000	232	
4. OUSD(AT&L) Improve Acquisition & Logistics Processes	105,169	172,564	-75	-0.0	172,489	172,489	154,242	
Acquisition Programs Support Systems	8,427	8,357	-3	-0.0	8,354	8,354	8,885	
Contingency Contracting	1,870	3,400	-1	-0.0	3,399	3,399	2,884	
Corrosion Prevention Program	5,015	7,324	-3	-0.0	7,321	7,321	5,825	
Defense Industrial Base Cyber Security	1,911	2,636	-1	-0.0	2,635	2,635	3,072	
Defense Installation Spatial Data Infra (DISDI)	671	1,000	0	0.0	1,000	1,000	3,925	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

III. Financial Summary (\$ in thousands)

	FY 2012							
	FY 2011 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>			Current <u>Estimate</u>	FY 2013 <u>Estimate</u>	
			<u>Amount</u>	Percent	Appropriated			
A. BA Subactivities								
Defense Management Initiatives	4,400	2,120	-1	-0.1	2,119	2,119	1,734	
Defense Procurement & Acquisition Policy (DPAP)	1,460	17,769	-7	-0.0	17,762	17,762	2,409	
Developmental Test and Engineering (DT&E)	2,508	2,137	-1	-0.1	2,136	2,136	2,159	
DoD Siting Clearinghouse	0	0	0	n/a	0	0	1,876	
DOEP&P Office	4,538	10,252	-4	-0.0	10,248	10,248	9,465	
Emerging Contaminants	1,252	1,194	0	0.0	1,194	1,194	939	
ESOH in Acquisition	1,628	878	0	0.0	878	878	609	
Facilities Program Requirements	554	717	0	0.0	717	717	459	
Human Capital Initiative (HCI)	1,005	734	0	0.0	734	734	705	
Industrial Policy Program Support	947	2,595	-1	-0.0	2,594	2,594	5,067	
Information Superiority	0	0	0	n/a	0	0	6,868	
Integration Support (ISIS)	0	0	0	n/a	0	0	1,121	
Installation Climate Change Vulnerability Assessment	27,591	26,081	0	0.0	26,081	26,081	29,601	
Integrated Acquisition Environment (GSA Bill)	7,377	7,666	-3	-0.0	7,663	7,663	7,332	
Joint Purchase Card Office	13,046	24,714	-9	-0.0	24,705	24,705	22,904	
Logistics Systems Modernization (LSM)	3,120	5,945	-24	-0.4	5,921	5,921	6,545	
Mission Capabilities/Systems Engineering	8,563	11,190	-4	-0.0	11,186	11,186	10,933	
Performance Assessment & Root								

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates

III. Financial Summary (\$ in thousands)

	<u>FY 2012</u>						
	<u>FY 2011</u> <u>Actuals</u>	<u>Budget</u> <u>Request</u>	<u>Congressional Action</u>		<u>Current</u> <u>Estimate</u>	<u>FY 2013</u> <u>Estimate</u>	
			<u>Amount</u>	<u>Percent Appropriated</u>			
A. BA Subactivities							
Cause Analysis (PARCA) Office							
RDT&E Oversight	2,174	5,731	-2	-0.0	5,729	5,729	5,640
Small Business Program	538	794	0	0.0	794	794	4,768
Support							
Space and Intelligence MDAP	4,806	8,433	-3	-0.0	8,430	8,430	7,270
Oversight							
Strategic Sourcing	1,768	1,897	-1	-0.1	1,896	1,896	1,247
Synchronization Pre-	0	19,000	-7	-0.0	18,993	18,993	0
deployment and Operational							
Tracker Enterprise Suite							
(SPOT-ES)							
5. OUSD(AT&L) OSD Decision	8,309	12,916	-5	-0.0	12,911	12,911	13,126
Support							
OSD Studies Fund	8,309	12,916	-5	-0.0	12,911	12,911	13,126
6. OUSD(AT&L) Promulgate Policy	25,555	22,235	-8	-0.0	22,227	22,227	22,875
Acquisition Visibility	20,525	17,475	-7	-0.0	17,468	17,468	18,396
AT&L Knowledge Sharing	4,322	3,901	-1	-0.0	3,900	3,900	3,752
Systems							
Transform Procurement	708	859	0	0.0	859	859	727
Regulations							
7. OUSD(AT&L) Regulatory	110,016	67,650	-32	-0.1	67,618	67,618	58,259
Requirement							
Acquisition Workforce	2,880	3,869	-1	-0.0	3,868	3,868	4,008
Demonstration							
Defense Environmental	3,857	8,365	-3	-0.0	8,362	8,362	2,092
International Cooperation							
International Cooperation	0	928	0	0.0	928	928	1,257
Program Support							

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates

III. Financial Summary (\$ in thousands)

	FY 2011 Actuals	Budget Request	FY 2012				Current Estimate	FY 2013 Estimate
			Congressional Action		Appropriated	Estimate		
			Amount	Percent				
A. BA Subactivities								
Low Observable, CLO	220	316	-7	-2.2	309	309	304	
Readiness & Env. Protection Initiative (REPI)	103,059	54,172	-21	-0.0	54,151	54,151	50,598	
8. OUSD(AT&L) Other	2,913	4,663	-2	-0.0	4,661	4,661	4,183	
USD(AT&L) Travel	2,913	4,663	-2	-0.0	4,661	4,661	4,183	
9. OUSD(AT&L) OCO	26,617	0	0	n/a	0	0	0	
OCO OUSD(AT&L)	26,617	0	0	n/a	0	0	0	
10. OUSD(Policy)	149,305	55,074	-6,597	-11.0	48,477	48,477	65,282	
Defense Critical	12,055	9,032	-384	-4.3	8,648	8,478	8,289	
Infrastructure Protection								
Global Threat Management	8,639	3,636	-422	-11.6	3,214	3,214	5,766	
Homeland Defense Support	10,824	10,705	-807	-7.5	9,898	9,727	6,013	
Activities								
OCO OUSD(P)	70,197	0	0	n/a	0	0	0	
OUSD(P) Travel	5,518	4,755	-202	-4.3	4,553	4,753	5,566	
Policy Planning and Integration	17,856	5,553	-673	-12.1	4,880	4,880	10,617	
Regional Security Affairs	8,043	4,691	-405	-8.6	4,286	4,022	4,632	
Rewards Program	2,710	7,117	-2,860	-40.2	4,257	4,257	7,932	
US Mission to NATO	6,133	3,319	-297	-8.9	3,022	3,163	5,670	
Warfighting Support	7,330	6,266	-547	-8.7	5,719	5,983	10,797	
Activities								
11. OUSD (Comptroller)	21,109	30,535	-2,953	-9.7	27,582	27,582	24,966	
Comptroller Initiatives/DCFO	16,130	18,554	-592	-3.2	17,962	16,875	16,251	
Enterprise Funds Distribution	0	2,992	-667	-22.3	2,325	2,742	3,097	
System Support								
Next Generation Resource Management System	0	3,991	-890	-22.3	3,101	3,735	4,131	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

III. Financial Summary (\$ in thousands)

	FY 2012							
	FY 2011 Actuals	Budget Request	Congressional Action		Current Estimate	FY 2013 Estimate		
			Amount	Percent Appropriated				
A. BA Subactivities								
OUSD(C) Admin/CASS	1,267	1,164	-8	-0.7	1,156	1,164	1,205	
OUSD(C) FYDP Improvement	3,509	3,562	-794	-22.3	2,768	2,794	0	
OUSD(C) Travel	203	272	-2	-0.7	270	272	282	
12. OUSD(P&R)	837,939	909,221	-4,455	-0.5	904,766	904,766	821,782	
Administrative Support	1,278	995	0	0.0	995	995	1,779	
Advancing Diversity & EO	8,900	9,667	-7	-0.1	9,660	9,660	9,707	
ASD (Health Affairs)	1,936	1,131	0	0.0	1,131	1,130	855	
ASD (Reserve Affairs)	1,388	2,018	-1	-0.1	2,017	2,018	1,920	
Commander's Exercise Engagement & Training Transformation (CE2T2)	706,791	766,450	-1,695	-0.2	764,755	764,755	693,882	
Defense Readiness Reporting System (DRRS)	11,535	3,882	-2	-0.1	3,880	3,880	7,842	
Defense Safety Oversight Council	13,178	12,550	-8	-0.1	12,542	12,542	10,682	
Lost Work Day System	2,982	3,032	-2	-0.1	3,030	3,030	2,824	
Military Naturalization Support	532	6,463	-4	-0.1	6,459	6,459	6,688	
Military Spouse Internship	0	16,689	-10	-0.1	16,679	16,679	0	
OCO OUSD(P&R)	16,142	0	0	n/a	0	0	0	
OUSD(P&R) Travel	537	817	0	0.0	817	817	1,063	
Studies Program/CASS	2,240	2,792	-2	-0.1	2,790	2,790	2,600	
Training Transformation	5,155	5,112	-3	-0.1	5,109	5,109	4,772	
Wounded Warrior Care	65,345	77,623	-2,721	-3.5	74,902	74,902	77,168	
13. OUSD(Intel)	192,334	162,939	-62	-0.0	162,877	162,877	150,498	
Defense Civilian Intelligence Personnel System (365)	2,893	1,967	-201	-10.2	1,766	1,966	2,006	
Defense Military Deception	2,829	4,458	-2	-0.0	4,456	4,456	5,044	

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates

III. Financial Summary (\$ in thousands)

	FY 2011 <u>Actuals</u>	Budget <u>Request</u>	FY 2012				Current <u>Estimate</u>	FY 2013 <u>Estimate</u>
			<u>Congressional Action</u>		Percent Appropriated			
			<u>Amount</u>					
A. BA Subactivities								
Program Office (formerly Joint Military Deception Initiative)								
Intelligence Mission (365)	47,007	77,356	171	.2	77,527	77,327	73,238	
International Intelligence Technology and Architectures (365)	62,423	77,587	-29	-0.0	77,558	77,558	68,518	
OCO OUSD(I)	75,697	0	0	n/a	0	0	0	
OUSD(I) Travel (365)	1,485	1,571	-1	-0.1	1,570	1,570	1,692	
14. Director, CAPE	30,152	34,392	-1,095	-3.2	33,297	33,297	34,498	
D, CAPE Travel	554	386	0	0.0	386	386	418	
Defense Resource Management Study (DRMS)	2,188	1,094	0	0.0	1,094	1,094	0	
FYDP Improvement	0	0	0	n/a	0	0	3,688	
Industrial Base Studies	2,938	2,995	-2	-0.1	2,993	2,993	2,232	
Long-Range Planning	24,472	29,917	-1,093	-3.7	28,824	28,824	28,160	
15. DoD Chief Information Officer	97,384	99,280	-10,510	-10.6	88,770	88,770	91,651	
CIO Mission	12,394	12,586	-5	-0.0	12,581	12,581	11,617	
Command Information Superiority Architecture	3,651	3,522	-3,522	-100.0	0	0	0	
Cyber Security Initiative (OSD)	3,149	17,355	-7	-0.0	17,348	17,348	24,580	
Defense Industrial Base, Cyber Security (OSD)	2,336	3,212	-217	-6.8	2,995	2,995	2,969	
DoD CIO Travel	866	1,078	0	0.0	1,078	1,078	1,097	
Egov, Councils	19,434	18,804	-2,838	-15.1	15,966	15,966	17,810	
Information Superiority	7,546	7,292	-3,650	-50.0	3,642	3,642	0	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

III. Financial Summary (\$ in thousands)

	FY 2012						
	FY 2011 <u>Actuals</u>	Budget <u>Request</u>	<u>Congressional Action</u>		Current <u>Estimate</u>	FY 2013 <u>Estimate</u>	
			<u>Amount</u>	Percent Appropriated			
A. BA Subactivities							
Integration Support							
Information Systems Security Program	26,043	13,985	-263	-1.9	13,722	13,722	13,253
Mission & Analysis Fund	21,965	21,446	-8	-0.0	21,438	21,438	20,325
16. Deputy Chief Management Officer	3,958	35,017	-4,316	-12.3	30,701	30,701	32,198
Deputy Chief Management Officer (DCMO)	3,909	34,934	-4,316	-12.4	30,618	30,618	32,112
Deputy Chief Management Officer (DCMO) Travel	49	83	0	0.0	83	83	86
Total	2,247,728	2,201,964	14,157	.6	2,216,121	2,216,121	2,095,362

* FY 2011 includes \$188,653 thousand OCO funding from DoD Full-Year Continuing Appropriation Act (PL 112-10) **FY 2012 excludes \$143,870 thousand OCO funding from the Consolidated Appropriations Act (PL 112-74)

***FY 2013 excludes \$87,805 thousand OCO funding requested in the FY 2013 Defense-Wide Overseas Contingency Operations Budget Request

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

III. Financial Summary (\$ in thousands)

B. Reconciliation Summary

	Change FY 2012/FY 2012	Change FY 2012/FY 2013
Baseline Funding	2,201,964	2,216,121
Congressional Adjustments (Distributed)	-27,400	
Congressional Adjustments (Undistributed)	-3,584	
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	45,141	
Subtotal Appropriated Amount	2,216,121	
Fact-of-Life Changes (2012 to 2012 Only)		
Subtotal Baseline Funding	2,216,121	
Supplemental	143,870	
Reprogrammings		
Price Changes		65,885
Functional Transfers		-27,000
Program Changes		-159,644
Current Estimate	2,359,991	2,095,362
Less: Wartime Supplemental	-143,870	
Normalized Current Estimate	2,216,121	

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

III. Financial Summary (\$ in thousands)

	Amount	Totals
C. Reconciliation of Increases and Decreases		
FY 2012 President's Budget Request (Amended, if applicable)		2,201,964
1. Congressional Adjustments		14,157
a. Distributed Adjustments		
1) Additional Efficiencies based on Disestablishment of ASD (Network & Information Integration)	-10,000	
2) Unjustified Growth for Boards and Commissions	-7,300	
3) Unjustified Growth for OUSD (Policy) and Other OSD Programs	-10,100	
b. Undistributed Adjustments		
1) Unobligated Balances	-3,584	
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
1) Sec 8034 - Mitigation of Environmental Impacts	12,000	
2) Sec 8034 - Mitigation of Environmental Impacts (Offset)	-859	
3) Section 8079 - SECDEF Grants	44,000	
4) Unjustified Growth for Equipment Maintenance by Contract	-10,000	
FY 2012 Appropriated Amount		2,216,121
2. War-Related and Disaster Supplemental Appropriations		143,870
a. OCO Supplemental Funding		
1) FY 2012 Supplemental Appropriation	143,870	
3. Fact-of-Life Changes		
FY 2012 Baseline Funding		2,359,991
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2012 Estimate		2,359,991
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		-143,870
FY 2012 Normalized Current Estimate		2,216,121
6. Price Change		65,885
7. Functional Transfers		-27,000
a. Transfers In		

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
b. Transfers Out		
1) AT&L - Synchronization Pre-Deployment and Operational Tracker Enterprise Suite (SPOT-ES) Program transfers from AT&L to the Defense Human Resources Activity (DHRA) to be managed by the Defense Manpower Data Center (DMDC). This action enhances synergy, provide for potential efficiencies across personnel tracking systems, and maintains accountability for the total force. (FY 2012 Baseline: \$18,993)	-27,000	
8. Program Increases		115,338
a. Annualization of New FY 2012 Program		
b. One-Time FY 2013 Increases		
1) Core Operating Program - One Additional Compensable Day Additional compensable day is added for FY 2013. The number of paid work days changes from 260 in FY 2012 to 261 in FY 2013. (FY 2012 Baseline: \$355,922)	1,454	
c. Program Growth in FY 2013		
1) AT&L - CFO Act Compliance Supports software system upgrades and business process reengineering efforts to meet the legislative requirements to produce the department's statement of budgetary resources (SBR) by 2014 and preparation efforts for passing a full audit of its consolidated financial statements by the end of 2017. (FY 2012 Baseline: \$1,576)	11,242	
2) AT&L - Committee on Foreign Investment in the U.S. (CFIUS) Increase supports the realignment of functional responsibilities from Defense Technology Security Administration (DTSA), USD (Policy) to USD(AT&L). Program addresses Section 721 of the Defense Production Act	2,579	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
<p>statutorily mandated CFIUS reviews of foreign acquisitions that can negatively affect the Warfighter by threatening technology, security, and supply chain integrity. (FY 2012 Baseline: \$0)</p>		
<p>3) AT&L - Contingency Business Tools Resources for this mission were previously budgeted within the Defense Procurement & Acquisition Policy (DPAP) program in FY 2012. Starting in FY 2013, this program will be tracked outside of the DPAP umbrella to provide improved visibility. There is no increase in the OSD budget as a result of this realignment. The Contingency Business Tools Program establishes funding for enduring requirements in support of contingency contracting and property administration, planning, quality assurance and technical oversight in support of the Warfighter. (FY 2012 Baseline: \$12,300)</p>	11,928	
<p>4) AT&L - Defense Installation Spatial Data Infrastructure (DISDI) Increase reflects Department of Defense (DoD) determination to correct deficiencies in the Defense Property Accountability System, as well as a number of other acquisition and logistics systems, that are key components in the effort to accelerate DoD's Audit Readiness Initiative. The Department's initiative includes achieving audit readiness of the Statement of Budgetary Resources for General Funds by 2014. (FY 2012 Baseline: \$1,000)</p>	2,908	
<p>5) AT&L - DoD Siting Clearinghouse Supports the review and evaluation of backlogged commercial alternative energy projects for determining</p>	1,876	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
compatibility with military activities and establishes procedures for reviewing future projects. The effort was realigned from Defense Environmental International Cooperation to provide increased visibility (FY 2012 Baseline: \$0)		
6) AT&L - Industrial Policy Program Support Increase provides required support for new missions assigned to the Manufacturing and Industrial Base Policy (MIBP). No additional resources were provided when the two programs transferred to AT&L in FY 2010. Missions are assigned by the Defense Production Act Committee (DPAC), and the Committee on Foreign Investment in the United States (CFIUS). In January 2011, DEPSECDEF signed guidance moving the DoD lead for national security reviews of foreign acquisition of defense-related firms under Committee on Foreign Investment in the United States (CFIUS) from Defense Technology Security Administration (DTSA) in USD(Policy) to USD(AT&L). USD(AT&L) in turn gave operational lead to MIBP. DEPSECDEF also signed a memorandum directing MIBP to staff, administer, and fund the DPAC, which was signed into law September 2010 (PL 111-67). Increase also funds the mandated Sector-by-Sector, Tier-by-Tier Assessment Review of the Industrial Base for the Department, to include the required update to Congress, and the needed expertise to address the first phase of the industrial review, and the planning phase of Phase II. (FY 2012 Baseline: \$2,594)	2,429	
7) AT&L - Information Superiority Integration Support (ISIS) As a Department efficiency, the ASD(NII) has been disestablished. Starting in FY 2013 the funding in this	6,868	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

	Amount	Totals
<p>program has been transferred to AT&L. Funding continues efforts to support critical Command and Control (C2) communications, and non-intel space programs to optimize decision support and resource allocation for this key Command Control and Communications (C3)/space portfolio and to support acquisition related functions that will provide leadership with solid acquisition strategies and economic alternatives. (FY 2012 Baseline: \$0)</p>		
<p>8) AT&L - Integrated Acquisition Environment (GSA Bill) Program funds the GSA bill that pays for DoD's portion of the federal government-wide, electronic procurement portfolio, that includes several systems like Federal Procurement Data System (FPDS), Central Contractor Registration (CCR), and Federal Business Opportunities (Fed Biz Opps). Increase is driven by the addition of a new capability to the Integrated Acquisition Environment (IAE), more specifically the Past Performance functionality that includes software changes, upgrades, and system design changes. Changes and upgrades keep DoD in compliance with transparency reporting, small business requirements, recent statutes, executive orders, regulation changes, and other OMB directives. (FY 2012 Baseline: \$26,081)</p>	3,077	
<p>9) AT&L - Promulgate Policy Increase reflects a composite of minor budget adjustments within the Knowledge Sharing Systems, Acquisition Visibility and the Transform Procurement Regulations programs. The modest increase is consistent with the SECDEF efficiency guidelines to reduce contracts by</p>	270	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
achieving savings through consolidation of similar services, and prudent oversight to fund the Department's higher priorities. (FY 2012 Baseline: \$22,227)		
10) AT&L - Regulatory Requirements	377	
Increase reflects a composite of minor budget adjustments to the International Cooperation Program Support and the Acquisition Workforce Demonstration programs. The budget adjustment to this major program is consistent with the SECDEF efficiency guidelines and the Department's international commitments. (FY 2012 Baseline: \$5,101)		
11) AT&L - Small Business Program Support	3,961	
Increase supports new initiatives to foster innovation and competition in procurement actions to advance the implementation of the better buying power efficiency initiatives, increase outreach to small businesses, and achieve statutory small business contracting goals. (FY 2012 Baseline: \$794)		
12) Core Operating Program - DCMO Additional Civilian Pay and Benefits	4,841	
As a result of the Disestablishment of Business Transformation Agency (BTA) the associated workload and functionality transferred to the ODCMO. The implementation plan associated with the transfer required the restoration of +26 additional FTE to support conducting research and development of the Business Enterprise Architecture (BEA) for the Department's Business Mission Area (BMA) along with data standards development and war fighter support which provides the foundation for several Departmental priorities to include Financial Audit ability and directed efficiencies.		

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
(FY 2012 Baseline: \$355,922; +26 FTEs)		
13) Core Operating Program - DCMO FTE Realignment for Pay and Benefits	14,337	
Provides for a technical correction and realigns +77 Full Time Equivalents (FTEs) from Research, Development Test and Evaluation (RDT&E) as result of the Disestablishment of Business Transformation Agency (BTA). This adjustment meets the requirements of USC Title 31 and the Financial Management Regulation (FMR) for ensuring proper alignment of OSD Management Headquarters manpower.		
(FY 2012 Baseline: \$355,922; +77 FTEs)		
14) Core Operating Program - OUSD(C) Additional Civilian Pay and Benefits	190	
Provides initial funding for two (2) Full Time Equivalents (FTEs) to support the Department's audit readiness initiatives.		
(FY 2012 Baseline: \$355,922; +2 FTEs)		
15) Core Operating Program - Pay Adjustment	2,983	
This increase is a pay adjustment that will fully fund FTEs previously covered by non-pay mission funds in the year of execution. Also, this pay adjustment is needed to offset the traditional hiring lapse that is not expected due to current economic environment. (FY 2012 Baseline: \$355,922; 0 FTEs)		
16) Core Operating Program - Workforce Composition Changes	2,180	
Increase reflects a net increase of +11 Full Time Equivalents (FTEs) comprised of +30 FTEs for the Department's Acquisition Workforce and Audit Acceleration initiatives and a decrease of -19 FTEs of Senior Executive Service (SES) positions as part of the Departmental		

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
efficiencies to reduce overhead in various Under and Assistant Secretariat offices within the Office of the SECDEF. (FY 2012 Baseline: \$355,922; +11 FTEs)		
17) D,CAPE - Future Year Development Program (FYDP) Improvement	3,688	
Effort was realigned from OUSD(C) to D,CAPE for FY 2013 and beyond. This aligns funding with D,CAPE's mission to provide guidance and manage operations of the FYDP. This realignment is a net-zero change within the OSD budget for FY 2013 and beyond and reflects an increase to D,CAPE solely as a result of the realignment. The program continues as previously planned and approved. The FY 2012 baseline reflects a non-programmatic congressional mark of -\$793 thousand. There is no increase in the OSD budget as a result of this realignment. (FY 2012 Baseline: \$2,794)		
18) D,CAPE - Travel	25	
The increase in travel costs support in-person meetings to ensure the numerous changes in the Department's budget expected over the next fiscal years are not compromising mission-critical functions. (FY 2012 Baseline: \$386)		
19) DCMO - Deputy Chief Management Officer (DCMO) Mission Increase represents a portion of the direct support to the Office of Management and Budget (OMB) Performance Measurement Line of Business (PMLOB). The funding is the Department's fair share for the development of a requirement to transition from a print-based Government Performance and Results Act (GPRA) performance plans and reports to a shared, web-based performance portal required by the GPRA Modernization Act and the Promoting Efficient Spending Executive Order.	975	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
(FY 2012 Baseline: \$30,618)		
20) DoD CIO - Cyber Security Initiative (OSD) Funds additional Supply Chain Risk Management (SCRM) pilots with Defense Agencies and Military Departments for assessment of decentralized and centralized SCRM approaches. (FY 2012 Baseline: \$17,348)	6,937	
21) DoD CIO - Egov Councils Funding increases contractor support to the Office of Management and Budget (OMB) Information Technology (IT) Management requirements supporting the President's agenda for transparency, information sharing, and OMB's guidance on alignment of architectures, advancement of new technologies, Federal-wide management initiatives, and implementation of Federal-wide services. (FY 2012 Baseline: \$15,966)	1,573	
22) Other DoD Programs and Initiatives - Travel Increase due the SECDEF, Legislative and Public Affairs, Office of the General Counsel, and security support travel requirement to meet policy and real-world engagements. (FY 2012 Baseline: \$2,710)	910	
23) OUSD(C) - Enterprise Funds Distribution System Support Increase supports implementation of non-conventional appropriations and supports the Department's goal of achieving audit readiness. (FY 2012 Baseline: \$2,742)	308	
24) OUSD(C) - Next Generation Resource Management System Increase supports the continuing efforts to improve integration of legacy, stove-piped systems and updates new functionalities required to automate the production and improve quality of the Department's budget materials. (FY 2012 Baseline: \$3,735)	333	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
25) OUSD(C) - Travel Increase supports the required in-person meetings necessary to support the acceleration of audit readiness and financial workforce management initiatives. (FY 2012 Baseline: \$272)	5	
26) OUSD(I) - Defense Civilian Intelligence Personnel System Increase represents a small adjustment to meet minimum contract requirements. (FY 2012 Baseline: \$1,966)	7	
27) OUSD(I) - Defense Military Deception Program Office Increase for revitalization of the force multiplying capability, providing governance and direction of education and training to the Joint community and the Services. This will be done through acquisition and resource allocation of qualified Military Deception instructors and mentors and through support to the Joint Staff in its new role as the proponent for Military Deception. (FY 2012 Baseline: \$4,456)	512	
28) OUSD(I) - Travel Increase supports required in-person meetings. (FY 2012 Baseline: \$1,570)	95	
29) OUSD(P&R) - Administrative Support The USD (Personnel & Readiness) is placing additional emphasis on fiscal management and oversight of the Department's personnel and readiness programs. Funds will help to ensure that efficiencies are realized in the OUSD (P&R) - as well as throughout the Department - in support of personnel resources and troop readiness. (FY 2012 Baseline: \$995)	769	
30) OUSD(P&R) - Defense Readiness Reporting System (DRRS) Funding increase will bring the DRRS in compliance with	3,896	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
the Information Assurance requirements and will define the COCOMs capability requirements using a common language while enabling a joint view of department capability requirements. (FY 2012 Baseline: \$3,880)		
31) OUSD(P&R) - Military Naturalization Support Provides for the increase in U.S. Customs and Immigration Service (USCIS) processing costs for military naturalization fees. (FY 2012 Baseline: \$6,459)	119	
32) OUSD(P&R) - Transition Policy and Care Coordination (Wounded Warrior Care) Increase represents cost to print and distribute the DoD Compensation and Benefits Handbook for wounded, ill, and injured service members, their families, and caregivers. Cost also includes distribution of the transition publication Green to Gray-series to Military Family Readiness Centers, procurement and distribution of the Caregiver's Training Manual, and supports the Integrated Disability Evaluation System with publication of VA Single Rating for Disability (VASRD) materials for DoD-sponsored training. (FY 2012 Baseline: \$74,902)	994	
33) OUSD(P&R) - Travel Supports the necessary direct communication and interface throughout DoD for the development and management oversight of readiness programs and activities. (FY 2012 Baseline: \$997)	329	
34) OUSD(P) - Global Threat Management Increase represents the Department's strategic decision to continue to expand cultural understanding throughout the world and provide aid in preventing the expansion of terrorist cells. (FY 2012 Baseline: \$3,214)	2,497	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
35) OUSD(P) - Policy Planning and Integration Increase restores funding to the minimum operating level to establish and monitor strategic direction, planning, and force development. The initial reduction to this program was the result of overstatement of contract reductions to support SECDEF efficiencies. (FY 2012 Baseline: \$4,880)	5,824	
36) OUSD(P) - Regional Security Affairs Increase sustains the effort to provided analysis of management cultural situations in nations states and oversight in forming and implementing strategies to support the Department's programs and policies. (FY 2012 Baseline: \$4,022)	542	
37) OUSD(P) - Rewards Program The Department of Defense Rewards program provides Combatant Commanders a small footprint and low visibility to provide a significant impact in hunting down High Value Targets (HVT) or protecting globally deployed U.S. forces forward. The increase reflects the Department's decision to transition contingency funding to the base budget. The rewards program will slowly decrease in the current theater of conflict. However, as those theaters become steady state, other global areas, weak state actors, or ungoverned areas will continue with upward trends and the program should be institutionalized. This program is a critical tool for the Combatant Commander to influence combating terrorism actions. (FY 2012 Baseline: \$4,257)	3,603	
38) OUSD(P) - Travel Increase represents leadership responsibilities to continue to build upon the relationships with existing	732	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
partners and pave new relationships as policy changes direct. (FY 2012 Baseline: \$4,753)		
39) OUSD(P) - U.S. Mission to NATO	2,453	
Increase represents a technical correction to restore the program to the alternate FY2012 baseline amount that includes the Departments efficiencies for contracts. The initial reduction to this program for the Secretary of Defense efficiencies overstated the amount for contract reduction. This increase reverses the cut to the appropriate funding amount to provide regional stability with allies in areas of regional conflict. The modest increase is consistent with the SECDEF efficiency guidelines to reduce contracts by achieving savings through consolidation of similar services, and prudent oversight to fund the Department's higher priorities. (FY 2012 Baseline: \$3,163)		
40) OUSD(P) - Warfighting Support Activities	4,712	
Increase reflects the Department's efforts to support the drawdown of forces in Afghanistan. While the drawdown will ultimately result in a decrease in funding in the outyears, the current efforts require additional focus on operational requirements, strategies, and assessments to ensure the drawdown is accomplished effectively and efficiently. (FY 2012 Baseline: \$5,983)		
9. Program Decreases		-274,982
a. Annualization of FY 2012 Program Decreases		
b. One-Time FY 2012 Increases		
1) Congressional Adds - Sec 8034 - Mitigation of Environmental Impacts	-11,972	
2) Congressional Adds - Sec 8079 - Grants	-44,748	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
c. Program Decreases in FY 2013		
1) AT&L - Congressional Mandate	-881	
Reduction is a composite of budget adjustments to two Congressional Mandate secondary programs throughout ATL, and is the result of multiple efficiency initiatives being applied across the organization. Effort is consistent with the SECDEF efficiency guidelines to reduce contracts by achieving savings through consolidation of similar services, and prudent oversight to fund the Department's higher priorities. Some of the relevant programs contributing to this reduction are: E-Business Centers of Excellence and Legacy Resource Management Programs. (FY 2012 Baseline: \$9,054)		
2) AT&L - Corrosion Prevention Program	-1,620	
The Corrosion Prevention Program is responsible for approximately 20 percent of the Department of Defense's nearly \$100 billion annual weapon systems and infrastructure maintenance expenditures. Funding reduction will impact investment in corrosion prevention technologies, materials, and processes to reduce costs in corrosion maintenance and repair. However, the program remains viable at this reduced funding level. (FY 2012 Baseline: \$7,321)		
3) AT&L - Defense Procurement & Acquisition Policy (DPAP)	-7,965	
Decrease properly realigns the functions and the dollars to its intended financial structure, under the Contingency Business Tools a secondary program of AT&L's Congressional Mandate Program. The existing funding was placed correctly to the Industrial Policy and newly created Contingency Business Tools account. (FY 2012 Baseline:		

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
\$17,762)		
4) AT&L - DoD Environmental International Cooperation Reflects realignment of funding from the DoD Environmental International Cooperation program to two new start programs - the Renewable Energy Siting Clearinghouse and Installation Climate Change Vulnerability Assessment. Decrease also reflects efficiencies savings and realignment of funds to other mission essential requirements. (FY 2012 Baseline: \$8,362)	-6,412	
5) AT&L - Improve Acquisition & Logistics Processes Reduction is the result of multiple efficiency initiatives being applied across the organization. Effort is consistent with the SECDEF efficiency guidelines to reduce contracts by achieving savings through consolidation of similar services, and prudent oversight to fund the Department's higher priorities. Some of the relevant programs contributing to this reduction are: Contingency Contracting, Joint Purchase Card Office, Space and Intelligence MDAP Oversight, Strategic Sourcing, Developmental Test and Engineering and others. Also, decrease of \$777 thousand supports the centralization of acquisition services at Washington Headquarters Services. The consolidation of acquisition services complies with SECDEF direction to consolidate acquisition oversight, reduce costs associated with contract management, and improve performance of acquisition activities. (FY 2012 Baseline: \$80,519)	-4,336	
6) AT&L - Logistics Systems Modernization (LSM) Decrease reflects efforts to streamline supply chain, maintenance operations, and more effective inventory	-2,221	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
management. Efficiencies will also be realized by improving internal acquisition processes and transitioning to Firm Fixed Price contracts. (FY 2012 Baseline: \$24,705)		
7) AT&L - OSD Decision Support Decrease is consistent with the SECDEF efficiency guidelines to reduce contracts by achieving savings through consolidation of similar services, and prudent oversight to fund the Department's higher priorities. (FY 2012 Baseline: \$12,911)	-6	
8) AT&L - Readiness & Environmental Protection Initiative (REPI) Decrease reflects the Department's efforts to maintain costs and improve efficiencies and funding of higher priority programs. REPI manages encroachment grants around military installations across the Department of Defense (DoD). (FY 2012 Baseline: \$54,151)	-4,474	
9) AT&L - Travel Reduction decreases Acquisition, Logistics and Technology Office's travel. Reduction is the result of multiple efficiency initiatives being applied across the organization. Effort is consistent with the SECDEF efficiency guidelines to reduce travel to conferences and training. (FY 2012 Baseline: \$4,661)	-559	
10) Core Operating Program - Voluntary Separation Incentive Program Voluntary Separation Incentive Program (VSIP) decrease is based on anticipated personnel attrition in FY 2012 and the decreased number of personnel participating in this	-3,750	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
program in FY 2013. (FY 2012 Baseline: \$355,922; 2008 FTEs)		
11) Director, CAPE - Defense Resource Management Study (DRMS) In accordance with SECDEF direction, this program will come to conclusion by the end of FY 2012. It was determined that DRMS is not part of CAPE's core mission, and, thus, funding is not required in CAPE's budget after current initiatives are completed. (FY 2012 Baseline: \$1,094)	-1,113	
12) Director, CAPE - Industrial Base Studies Decrease reflects planned execution of more streamlined operations. Work that was completed independently is transitioning to a more collaborative effort to ensure work is completed efficiently. (FY 2012 Baseline: 2,993)	-812	
13) Director, CAPE - Long Range Planning Decrease in mission funding for contracts reflects the Department's efforts to reduce costs and improve efficiencies. Efficiencies are gained from focusing resources on contracts that provide the greatest value, resulting in decreased service support contracting cost. Also, decrease of \$98 thousand supports the centralization of acquisition services at Washington Headquarters Services. The consolidation of acquisition services complies with SECDEF direction to consolidate acquisition oversight, reduce costs associated with contract management, and improve performance of acquisition activities. (FY 2012 Baseline: \$28,824)	-1,154	
14) DoD CIO - CIO Mission Decrease is based on SECDEF direction to achieve	-1,178	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases

	Amount	Totals
efficiencies across the Department. Efficiencies are realized from reduction of contractor support to the Defense Information Enterprise - its strategic, business, infrastructure, and capital planning; resource (e.g., people, funds, and technology) management; and its design, development, configuration, acquisition, operation and protection. Also, decrease of \$300 thousand supports the centralization of acquisition services at Washington Headquarters Services. The consolidation of acquisition services complies with SECDEF direction to consolidate acquisition oversight, reduce costs associated with contract management, and improve performance of acquisition activities. (FY 2012 Baseline: \$12,581)		
15) DoD CIO - Defense Industrial Base, Cyber Security (OSD) Reduction is based on SECDEF direction to achieve efficiencies across the Department. Efficiencies are realized by reducing contractor support to the Defense Industrial Base Cyber Security/Information Assurance (DIBCS/IA) Program. (FY 2012 Baseline: \$2,995)	-77	
16) DoD CIO - Information Superiority Integration Support As a Department efficiency the ASD(NII) has been disestablished. Starting in FY2013 the funding in this program has been transferred to AT&L to support acquisition related functions. (FY 2012 Baseline: \$3,642)	-3,704	
17) DoD CIO - Information Systems Security Program Reduction is taken in support of the SECDEF decision to reduce contractor support. This decrease reflects efficiencies gained from reduction of contract support to policy development, program oversight and integration of all DoD Information Assurance (IA) efforts such as	-702	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
Computer Network Defense (CND) and the restoration of information systems (FY 2012 Baseline: \$13,722)		
18) DoD CIO - Mission & Analysis Fund	-1,477	
Efficiencies will be realized by reducing contractor support to Command and Control (C2) policy development activities, bandwidth assessments, Universal Authentication Server (UAS) encryption instructions, Satellite Communication (SATCOM) and commercial wireless policy documents, domestic and international spectrum policy support, and C2 core data standards. (FY 2012 Baseline: \$21,438)		
19) Other DoD Programs & Initiatives - Capital Security Cost Sharing (Bill to State Department)	-3,722	
Decrease encourages right-sizing assigned personnel in embassies, reassess redesign and construction costs, and correct invoicing procedures. (FY 2012 Baseline: \$155,057)		
20) Other DoD Programs & Initiatives - Defense Test Resource Management Center (DTRMC)	-636	
Defense Test Resource Management Center (DTRMC) decrease reflects efforts to reduce overhead to be more efficient in programs by reducing excess, duplication, and over-reliance on contractors. (FY 2012 Baseline: \$5,342)		
21) Other DoD Programs and Initiatives - Boards, Commissions, and Task Forces (BCTFs)	-4,496	
Decrease to Boards, Commissions and Task Forces (BCTF) realigns funding to higher priorities and initiatives to promote efficient spending in executing travel, printing, and contract support. Mandatory requirements are driven by the Department to address Executive and Congressional		

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
commissions. (FY 2012 Baseline: \$16,820)		
22) Other DoD Programs and Initiatives - Efficiencies Decrease to Net Assessment (\$-3,700 thousand), Immediate Offices (\$-1,300 thousand), and Public Affairs (\$-700 thousand) reductions reflects in communications, contract support, decrease of \$284 thousand supports the centralization of acquisition services at Washington Headquarters Services. The consolidation of acquisition services complies with SECDEF direction to consolidate acquisition oversight, reduce costs associated with contract management, and improve performance of acquisition activities, and (\$-41 thousand) other operating costs (other than personnel compensation). Reductions are consistent with the Secretary of Defense efficiency guidelines to reduce contracts by achieving savings through consolidations. (FY 2012 Baseline: \$30,952)	-5,711	
23) Other DoD Programs and Initiatives - Office of Administration and Management (O,DA&M) Office of Administration and Management (O,DA&M) support offices reduction reflect an adjustment to travel, communications, contract support and other operating costs (other than personnel compensation). Reductions are consistent with the SECDEF efficiency guidelines to reduce contracts and overhead by achieving savings through consolidations. (FY 2012 Baseline: \$5,395)	-820	
24) OUSD(C) - Comptroller Initiatives / DCFO Consolidation of IT services resulting in efficiencies and savings include: use of new consolidated wireless service contract (-\$248 thousand), enterprise technical support	-889	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
services (-\$152 thousand), and centralized secure data segment support for financial information (-\$204 thousand). Also, decrease of (-\$95 thousand) supports the centralization of acquisition services at Washington Headquarters Services. The consolidation of acquisition services complies with SECDEF direction to consolidate acquisition oversight, reduce costs associated with contract management, and improve performance of acquisition activities. Transfers funds for additional FTEs to support financial workforce management development initiative (-\$190 thousand). (FY 2012 Baselines: \$16,875)		
25) OUSD(C) - Future Year Development Plan (FYDP) Improvement Funding for the Future Years Defense Program (FYDP) improvement effort was realigned from OUSD(C) to D,CAPE. This aligns funding with D,CAPE's mission to provide guidance and manage operations for the FYDP. This realignment is a net-zero change within the OSD budget and reflects a reduction from OUSD(C) and an increase to D,CAPE solely as a result of the realignment. The program continues as previously planned and approved. (FY 2012 Baseline: \$2,794)	-2,841	
26) OUSD(I) - Intelligence Mission Decrease is based on efficiencies gained from multiple adjustments to advisory and assistance services and other intra-Governmental purchases. Also, decrease of \$482 thousand supports the centralization of acquisition services at Washington Headquarters Services. The consolidation of acquisition services complies with SECDEF direction to consolidate acquisition oversight, reduce costs associated with contract management, and improve	-5,404	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
performance of acquisition activities. (Fy 2012 Baseline: \$77,327)		
27) OUSD(I) - International Intelligence Technology Assessment, Advancement, & Integration Decrease is attributed to a consolidation of services among the BICES data centers. Virtualization will reduce sustainment requirements; reductions to equipment maintenance and advisory and assistance services, and other intra-Governmental purchases. (FY 2012 Baseline: \$77,558)	-10,358	
28) OUSD(P&R) - Advancing Diversity & Equal Opportunity Reduction supports Department's efficiency and reduction of contractor support goals by reducing the workforce recruitment program employing student interns with targeted disabilities. (FY 2012 Baseline: \$9,660)	-117	
29) OUSD(P&R) - Commander's Exercise Engagement & Training Transformation (CE2T2) Reduces support for the Joint Staff Joint Exercise Program and Combatant Command (COCOM) training and exercises to support Department goals to increase efficiency and reduce contractor support. Also, decrease of \$2,656 thousand supports the centralization of acquisition services at Washington Headquarters Services. The consolidation of acquisition services complies with SECDEF direction to consolidate acquisition oversight, reduce costs associated with contract management, and improve performance of acquisition activities. (FY 2012 Baseline: \$764,755)	-115,968	
30) OUSD(P&R) - Defense Safety Oversight Council Reduction supports Department goals to increase efficiency and reduce contractor support. Reduces OSD contract	-2,073	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
support for DoD installations pursuing Voluntary Protection Program Recognition of excellence and safety performance and management; increases installation responsibility for accident reduction. (FY 2012 Baseline: \$12,542)		
31) OUSD(P&R) - Health Affairs Contractor reductions and reduced overhead resulting in program efficiencies. (FY 2012 Baseline: \$1,125)	-296	
32) OUSD(P&R) - Lost Work Day System Contractor reductions and reduced overhead resulting in program efficiencies. (FY 2012 Baseline: \$3,030)	-258	
33) OUSD(P&R) - Military Spouse Internship Eliminates program in support of Department's goals to gain efficiencies and reduce contractor support. The existing Spouse Education and Career Opportunity Program will subsume this program to support the requirement. (FY 2012 Baseline: \$16,679)	-16,963	
34) OUSD(P&R) - Reserve Affairs Contractor reductions and reduced overhead resulting in program efficiencies. (FY 2012 Baseline: \$1,843)	-226	
35) OUSD(P&R) - Studies Program/CASS Reduction supports Department goals to increase efficiency and reduce contractor support. Reduces the total number of studies conducted by OUSD(P&R). (FY 2012 Baseline: \$2,790)	-237	
36) OUSD(P&R) - Training Transformation Eliminates congressionally mandated report directed by Section 366, NDAA 2003 and Section 348, NDAA 2007; reporting requirement ends FY 2012. (FY 2012 Baseline: \$5,109)	-424	

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

III. Financial Summary (\$ in thousands)

C. Reconciliation of Increases and Decreases	Amount	Totals
37) OUSD(P) - Defense Critical Infrastructure Program Decrease reflects the Department's efforts to reduce costs and improve efficiencies. Efficiencies are gained from focusing resources on engineering and technical services that provide the greatest value to the Department in the most cost-effective way. (FY 2012 Baseline: \$8,478)	-333	
38) OUSD(P) - Homeland Defense Support Activities Decrease reflects the Department's cost cutting efficiency initiatives to reduce overhead and contract costs. (FY 2012 Baseline: \$9,727)	-3,879	
39) OUSD(P) - Policy Planning and Integration Decrease of \$170 thousand supports the centralization of acquisition services at Washington Headquarters Services. The consolidation of acquisition services complies with SECDEF direction to consolidate acquisition oversight, reduce costs associated with contract management, and improve performance of acquisition activities. (FY 2012 Baseline \$4,880)	-170	
FY 2013 Budget Request		2,095,362

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

A. Under Secretary of Defense, Acquisition, Technology, and Logistics (OUSD(AT&L)):

The Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L) is the principal staff assistant and advisor to the Secretary of Defense and Deputy Secretary Defense for all matters concerning acquisition, technology, and logistics. AT&L's primary responsibilities include: 1) Supervising (DoD) acquisition, 2) Establishing policies for acquisition (including procurement of goods and services, research and development, developmental testing, and contract administration) for all elements of the Department of Defense, 3) Establishing policies for logistics, maintenance, and sustainment support for all elements of the DoD, and 4) Establishing policies of the Department of Defense for maintenance of the defense industrial base of the United States. The following Performance Evaluation Metrics are a sample from two of the largest programs under AT&L: Readiness and Environmental Protection Initiative (REPI), and Logistics Systems Modernization (LSM) Support. These two programs account for 25% of AT&L's total Operations and Maintenance (O&M) in FY 2013.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Major Program Title: Regulatory Environment

Measure/Description	Actual	Projected	Projected
	FY11	FY12	FY13
Readiness and Environmental Protection Initiative			
Metric #1: Percent funding to highest tier priority installations (Target is 70%)	N/A	70%	70%
Metric #2: Percent of validated projects funded (Target is 80%)	N/A	80%	80%
Metric #3: Percent partner cost-share (Target is 50%)	N/A	50%	50%

The risk of incompatible land use threatens mission capabilities essential for realistic training and testing for current and future force. Investments for the Readiness and Environmental Protection Initiative (REPI) address Component requirements to enter into agreements with private conservation organizations and/or state and local governments to acquire off-base property interests, usually conservation easements. These agreements protect mission capability by cost-sharing the long-term protection of high-value habitat and limiting incompatible land uses around DoD ranges and installations. REPI projects meet critical, near-term but time limited opportunities, to preserve DoD installation and range capabilities resulting from the current precipitous drop in real estate values nationally, and the increasing numbers of willing sellers in the existing economic downturn. REPI leverages the capabilities, resources and priorities of the private sector and state and local governments to obtain land and/or easements that will prevent development or other land uses that impact military operations. REPI partnerships

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

support sound planning, ecological integrity and interagency coordination, and help avoid more expensive costs, such as the need for training workarounds or segmentation and future Military Construction (MILCON) to modify or relocate training assets to less-restricted locations.

Major Program Title- Improve Acquisition & Logistics Processes - Logistics Systems Modernization Support

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
Produce Support Assessment			
Metric #1: Acquisition Programs Meeting Sustainment Key Performance Parameter, Key System Attribute, Full Rate Production at Critical Acquisition Position, Key Leadership Position, Milestone C or Full Rate Production	N/A	80%	85%
Metric #2: Product Support Manager's meeting CAP/KLP Requirements	N/A	70%	80%

Product Support Assessment: Implementation was initiated with Product Support process improvement initiatives developed in conjunction with the Services/Industry/Academia. These process improvement initiatives include incorporation of Sustainment Quad Chart used in Defense Acquisition Board (DAB).

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

**Major Program Title- Improve Acquisition & Logistics Processes - Logistics Systems
 Modernization Support**

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
Supply Chain Management Improvement			
Metric #1: Customer Wait Time (days)			
Army	N/A	15.5	15.0
Navy	N/A	15.0	15.0
Air Force	N/A	7.5	7.5
Metric #2: Perfect Order Fulfillment for DLA (actual not avail until March 2012)	N/A	85.1	85.1
Metric #3: On-Order Excess Inventory (actual not avail until March 2012)	N/A	6.6	6.3
Metric #4: On-Hand Excess Inventory (actual not avail until March 2012)	N/A	10%	10%

Supply Chain Management Improvement: In October 2010, the ASD(L&MR) submitted to Congress a Comprehensive Inventory Management Improvement Plan (CIMIP), including a detailed Plan of Actions and Milestones to drive improvements in demand forecasting and asset visibility with the goals of reducing on-hand and on-order inventory that is excess to

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

requirements and reduce the time it takes to provide spare parts to the customer. Additionally, the Department is leading an initiative, Strategic Network Optimization, to drive efficiencies throughout the DOD's distribution network and eliminate unneeded inventory and warehouses.

Major Program Title- Improve Acquisition & Logistics Processes - Logistics Systems Modernization Support

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
Third Party Certification of Armed Private Security Companies (PSC)			
Metric: Percentage of Required Private Security Companies (PSC) Contracts and Contractors registered in Synchronized Pre-deployment and Operational Tracker (SPOT) vs Number Reported In Census.	100%	100%	100%

Third Party Certification of Armed Private Security Companies (PSC):

The objective is to develop policies and procedures for third-party certification of contractor compliance with the industry standard. HR 5136 includes the requirement for independent third-party certification of contractor compliance with the industry standard. DoD must identify and recognize independent bodies to certify PSCs as being compliant with the industry standard. DoD must engage existing organizations that offer certification to higher quality management standards, or are capable of doing so, and determine willingness and costs to conduct such certification in accordance with

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

internationally recognized standards (e.g., ISO 17021:2006). This must be followed with a process to implement such recommendations for certification.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Major Program Title- Improve Acquisition & Logistics Processes - Logistics Systems Modernization Support

Measure/Description	Actual FY11	Projected FY12	Projected FY13
DoD Maintenance Restructuring			
Metric #1: Total Maintenance Cost	\$83.5B	\$83.4B	\$83.0B
Metric #2: Depot Maintenance Expenditures	\$32.4B	\$32.1B	\$32.0B
Metric #3: Number of Maintainers	657,000	656,800	656,750
Metric #4: % Depot Mx Funding Visible in PPBES	52%	58%	75%
Metric #5: Depot Mx Backlog (Unfunded Requirements)	\$1.7B	\$1.6B	\$1.4B
Metric #6: Depot Mx Public/Private Shares	54/46	53/47	52/48

DoD Maintenance Restructuring: DASD (Maintenance) monitors and guides maintenance program development and execution in accordance with administration and Department priorities, as well as national security and fiscal environments. To guide outcomes towards a more efficient, leaner maintenance program, DASD (Maintenance) monitors the metrics above to provide a baseline of program information for continuous tracking, analysis, and summarization of important service actions and initiatives that affect maintenance resourcing and restructuring efforts. Broad based efficiency initiatives are

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

formulated to influence costs and expenditures that drive these metrics. These initiatives, and related continuous process improvement and resource monitoring activities designed to balance maintenance actions and op-tempo to provide desired capability with acceptable risk. The entire program focuses upon restructuring maintenance in response to operational requirements and fiscal drivers.

Major Program Title- Improve Acquisition & Logistics Processes - Logistics Systems Modernization Support

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
Transportation Policy Initiatives			
Metric #1: Defense Transportation Coordination Initiative (DTCI): On-time Delivery	97%	97%	98%
Metric #2: Personal Property Regionalization Total Cost Savings	N/A	\$9.03M	\$17.15M

Transportation Policy Initiatives:

Defense Transportation Coordination Initiative (DTCI): DTCI is a third party logistics contract for the movement of the Department's freight within the Continental United States. The contract is in its fourth year of operation with reported savings of over \$120M. The Contractor is meeting or exceeding all of the Key Performance Indicators (KPIs), including On-Time Delivery at 97%. As part of the SECDEF efficiencies, a Joint

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Service Team is reviewing additional third party logistics opportunities in other transportation functional areas that would yield similar savings.

Personal Property Regionalization: The Department plans to reduce the number of personal property shipping offices from 151 to 17 offices worldwide by 2016. This initiative will help leverage the Department's buying power and standardize business practices across the Department. Regionalizing personal property offices is a Logistics efficiency initiative with estimated cost savings of \$92.10 million from FY 2012 to FY 2016, not FY 2017. This includes estimated savings of \$9.03 million in FY 2012 and \$17.15 million in FY 2013.

B. Under Secretary of Defense, Comptroller (OUSD(C)) / Chief Financial Officer:

The Office of the Under Secretary of Defense (Comptroller) OUSD(C)/Chief Financial Officer (CFO) is the Principal Staff Assistant and advisor to the Secretary of Defense and Deputy Secretary Defense for all Department of Defense financial matters. This office oversees, and sets policy for budget and fiscal matters, including financial management, accounting policy and systems, management control systems, budget formulation, execution, and contract audit administration. The following Performance Evaluation Metrics are a sample from three of the largest programs under OUSD (C): Comptroller Initiatives, Enterprise Funds Distribution Support System (EFDSS), and Next Generation Resource Management Systems (NGMRMS). These three programs account over 75% of Comptroller's total Operations and Maintenance in FY 2013.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Major Program Title- Comptroller Initiatives

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
Financial Improvement and Audit Readiness			
Metric #1: Percent of Statement of Budgetary Resources (SBR) Validated Audit Ready	14%	14%	20%
Metric #2: Percent of Appropriations Received Validated Audit Ready	80%	83%	100%
Metric #3: Percent of Funds Balance with Treasury Validated Audit Ready	9%	9%	30%
Metric #4: Percent of Mission Critical Asset Existence and Completeness Validated Audit Ready	4%	40%	42%

Statement of Budgetary Resources (SBR) Audit includes all processes, internal controls, systems and supporting documentation that must be audit ready before the SBR can be audited. Audit readiness activities executed in line with these established priorities allow for the successful completion of dependencies necessary for remediation of subsequent line items. Significant processes in this wave include Procure-to-Pay, Hire-to-Retire, Order-to-Cash and Budget-to-Report, in addition to Fund Balance with Treasury. An audit of Appropriations Received focuses on one section of the SBR, the Budget Authority section. The benefits of focusing improvement efforts on budgetary information and the SBR include:

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

- Improving the visibility of budgetary transactions resulting in more effective use of resources,
- Providing for operational efficiencies through more readily available and accurate cost and financial information,
- Improving fiscal stewardship (ensures that funds appropriated, expended and recorded are reported accurately, reliably and timely),
- Improving budget processes and controls (reduces Anti-deficiency Act violations), and
- Linking fund execution to the President's Budget (more consistency with the financial environment).

Mission Critical Asset Existence and Completeness Audit focuses primarily on the Existence and Completeness (E&C) financial statement assertions, but also includes the Rights assertion and portions of the Presentation and Disclosure assertion. That is, Components must ensure that all assets recorded in their accountable property systems of record exist (Existence), all of the Components' assets are recorded in their system (Completeness), and Components have the right to report all assets (Rights). The asset categories included in this wave are Military Equipment (ME), Real Property (RP), Inventory, Operating Materials and Supplies (OM&S) and General Equipment (GE).

A Component's audit readiness assertion is validated audit ready, and the metric result increased, when an Independent Public Accounting (IPA) firm or other qualified, independent reviewer to perform an examination to validate whether their SBR is audit ready

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Major Program Title- Comptroller Initiatives

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
Increase total Financial Management Test-based Certifications			
Metric #1: Deployment of Basic Account Symbols / Appropriations in support of the Audit Readiness Efforts for Appropriations Received underway by FIAR	15%	16%	17%

The Department of Defense recognizes that achieving professional certification is beneficial for both an individual and the Department. Professional certification can be a voluntary commitment to a career field of knowledge or part of required competencies. Either way, professional credentials are an indicator of an employee's willingness to invest in their own professional development. In turn, the Department realizes the benefit organizations garner through an increased capability across the workforce. Section 5757 of title 5, United States Code, provides the authority to reimburse civilian employee costs associated with obtaining and maintaining Financial Management professional credentials. The Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) budgets resources for the DoD approved professional certifications eligible for reimbursement under the NDAA authority to reimburse DoD civilian employees costs associated with obtaining and maintaining Financial Management professional credentials. OUSD(C) centrally controls the funds available and allocates the funds to Components and Defense Agencies for approved certifications. OUSD(C) Memorandum, Financial Management-

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Related Certifications, Licenses and Related Expenses—Updated List of Eligible Certifications, dated September 13, 2011, provides guidance within the Department.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Major Program Title - Enterprise Funds Distribution Support System (EFDSS)

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
Enterprise Funds Distribution Support System			
Metric #1: Deployment of Basic Account Symbols / Appropriations in support of the Audit Readiness Efforts for Appropriations Received underway by FIAR	N/A	62%	100%

Enterprise Funds Distribution Support System (EFDSS) system continues to deploy by appropriation and title to support:

- a. Improving quality, visibility and transparency of information
- b. Increasing exchange and reconciliation of budget execution information via automated methods

Implementation of Military Construction, Family Housing, and Defense Health Programs will occur during FY 2012. FY 2012 and FY 2013 efforts will include implementation or closure of remaining non-conventional appropriations.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Major Program Title- Next Generation Resource Management Systems (NGRMS)

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
Next Generation Resource Management Systems			
Metric #1: Number of agencies operating exhibit automation system tool	N/A	28%	28%
Metric #2: Man-hours saved using new resource management decision tool	N/A	3%	3%
Metric #3: Increase in data reliability	N/A	25%	25%
Metric #4: Decrease in data access/report development time	N/A	50%	50%

The Next Generation Resource Management System (NGRMS) will utilize emerging technology, processes, trends, capabilities and techniques to incorporate state-of-the-art information technology enabling the ability to process, administer and report resource management data and to automate business processes within a more robust analytical environment within the Office of the Under Secretary of Defense (Comptroller) OUSD(C). NGRMS will replace redundant inefficient legacy systems to provide for the effective formulation and justification of the Defense Budget. NGRMS will increase the exchange and reconciliation of budget data, improve efficiency through the utilization of a unified budgetary data model, the timely ability to generate data, for management reviews and decisions, and the capability to accommodate emerging business practices as required.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

A key accomplishment for FY 2012 will be the deployment of the Exhibit Automation System (EAS) tool to twenty-eight (28) defense agencies and automating eight (8) exhibits. The ability to automate up to thirty (30) exhibits will be explored for FY 2013. Data reliability will improved; time and effort to access data and develop reports will be reduced when data is represented virtually as a single source using the service oriented architecture methodology.

C. Deputy Chief Management Officer (DCMO):

The Deputy Chief Management Officer (DCMO) is the Principal Staff Assistant (PSA) and advisor to the Secretary and Deputy Secretary of Defense for matters relating to management and improvement of integrated DoD business operations. This includes providing leadership in terms of acquisition oversight and investment review of Defense business systems. Inherent in these management responsibilities, DCMO leads and integrates DoD Enterprise-wide performance improvement and business operations to enable and support the Warfighter.

With the disestablishment of the Department of Defense (DoD) Business Transformation Agency (BTA), an Agency under the purview and cognizance of the Office of the DCMO (ODCMO), DCMO was directed by the Secretary of Defense (SECDEF) to transition appropriate oversight and integration functionality heretofore performed by the BTA into the ODCMO.

In FY 2013, the ODCMO has realized this transformational reshaping and realignment of select functionality. This growth in scope within the ODCMO policy and oversight core mission areas accommodate greater visibility in orchestrating and synchronizing effective and efficient business operations across all Departmental Components. This growth and

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

redefinition in ODCMO mission requirements has also prompted the separation of the office into a stand-alone reporting budgetary entity within OSD. It has also accommodated review and expansion of ODCMO performance based budget metrics as described in this document.

Major Program Title - Management Systems Support

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
Enterprise Software/Hardware Deployment	67%	70%	80%

The Management Systems Support program success depends on the quick deployment of its assets. Evaluation shows the percentage of Enterprise-level information technology software and hardware deployed as business services, within 18 months of the capability business cases approval.

The purpose of this metric is to drive down the time to deploy, and the incremental costs, of delivered business capabilities through Defense Business Systems (DBS). In the past, DBS scope had been defined in increments so large that time to delivery was measured in years with great risk to the overall success in delivering envisioned business capabilities. DBS, once delivered, would then be based on technologies that are outdated. This technology misalignment to other DBS caused expensive and risky interoperability issues.

The sample selection for DBS for this metric remains small due to the nature of the DBS that currently exist in the acquisition process, however, with the increased use of the Business Capability Lifecycle (BCL), and the emphasis on standards and consistent

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

technologies, DBS will, with very few exceptions, be driven to meet the intent of this metric. This metric is fully consistent with objectives of the Federal Chief Information Officer (CIO) "25 points" for Information Technology (IT) transformation and the DoD initiative for IT Acquisition Reform (ITAR).

The goal for this metric in FY 2011 was 50%. The overall sample size of DBS that met the entrance criteria for the metric and could achieve at least limited deployment was only three (3) systems. This sample size is rapidly increasing with the application of service-oriented DBS solutions and smaller capability increments. Two of the three systems in the sample set for FY 2011 achieved the 18 month deployment objective making the actual metric value 67%.

The DCMO continues to drive more DBS into the intent of the metric by offering guidance and direction through IRBs, transformation of the BEA and proofing of concepts such as the Enterprise Information Web (EIW).

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
MAIS Significant Breaches	2	≤1	≤1

Number of Major Automated Information System (MAIS) "significant" breaches (equal to or greater than 15% of Acquisition Program Baseline total cost or within schedule slippages greater than six months).

The Significant breach metric is defined as the number of Major Automated Information System (MAIS) programs for which the Deputy Chief Management Officer (DCMO) has been

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

designated the Milestone Decision Authority (MDA) or the Senior Acquisition Executive (SAE) and either of the following two conditions exist for the program: A schedule delay of more than six months but less than one year for any program schedule milestone or significant event as a deviation from the baseline; The estimated program development cost or full life-cycle cost for the program has increased by at least 15%, but less than 25%, above the baseline.

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
MAIS Critical Breaches	1	≤2	≤2

Number of Major Automated Information System (MAIS) "critical" breaches (equal to or greater than 25% of Acquisition Program Baseline total cost or within schedule slippages of one year or more).

The Critical Breach metric is defined as the number of Major Automated Information System (MAIS) programs for which the Deputy Chief Management Officer (DCMO) has been designated the Milestone Decision Authority (MDA) or the Senior Acquisition Executive and either of the following two conditions exist for the program: A schedule delay of one year or more in any program schedule milestone or significant event as a deviation from the baseline; The estimated program development cost or full life-cycle cost for the program has increased by 25% or more, above the baseline.

	Actual	Projected	Projected
Measure/Description	FY11	FY12	FY13
Expanded Procure-to-Pay	94.6%	75%	95%

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

The Expanded Procure-to-Pay (P2P) Match metric depicts the number of contract actions that can be successfully identified across the complete Procure to Pay (P2P) process, i.e., commitment to obligation to entitlement and disbursement in the systems of record. The metric indicates how successful the Department of Defense (DoD) procure-to-pay business systems are in supporting needs of a combatant command operating in a contingency environment.

The metric will measure the percentage of system traceability for all DoD funds obligated in theater, electronically capturing DoD approved and funded requirements, obligations, entitlements and disbursement.

For FY 2011, the evaluation goal was 95%. The program executed at 94.6%. The Expeditionary Business Operations (EBO) Directorate determined the program met its intended goal, as considerable effort went into working with finance and contracting teams in theater to reconcile and improve data quality. EBO determined that the greater benefit to in-theater business processes could be achieved in the coming fiscal year through establishment of higher data quality and standardized processes.

For FY 2012, the metric goal is 75%. This percentage is a smaller value; as the FY 2011 P2P metric was expanded to include the full procure to pay process, from requirements, through obligations, entitlement and disbursement. Given the greater complexity of this metric, and the fact the end-to-end P2P process is not fully known in theater, EBO felt the 75% was a reasonable target to ensure the team fully identified and captured all data sources for this metric. Since the beginning of the fiscal year, EBO is at 44.65% for this metric and believes the team is well-positioned to achieve this year's target.

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

In FY 2013, the goal is 95% as the team feels lessons learned during the current fiscal year will help us continue to improve data quality in-theater, which will only enhance the understanding of the full P2P process in contingency business environments.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

D. Under Secretary of Defense Intelligence (OUSDI):

The Under Secretary of Defense for Intelligence (OUSDI) is the principal staff assistant and advisor to the Secretary of Defense and Deputy Secretary Defense for all matters concerning intelligence, counterintelligence, security, sensitive activities, and other intelligence-related matters. OUSD(I) exercises planning, policy, and strategic oversight over all DoD intelligence assets. The following Evaluation Metrics are samples from the Intelligence Mission and International Intelligence Technology Assessment and Architectures programs, the largest programs under OUSDI. These two programs account for over 90% of OUSDI's total Operations and Maintenance in FY 2013.

Major Program Title: Intelligence Mission

Measure Description	Actual			Projected		
	FY11	FY12	FY13	FY12	FY13	FY13
Sensitive Activities (SA)						
Cover oversight reviews	3	4	4	4	4	4
Clandestine Quarterly (CQ) activity reports	4	4	4	4	4	4
Sensitive Execute Orders (EXORD) coordination	7	6	6	6	6	6
Compartmented Approvals	9	8	8	8	8	8
Cover plan/annex reviews	120	120	120	120	120	120

In accordance with DoD Directive 5143.01, Office of the Under Secretary of Defense, Intelligence (OUSDI) is responsible for oversight of the Defense Cover Program. The

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Sensitive Activities Directorate conducts a strategic oversight review of a Defense Cover Component each quarter to assess effectiveness and compliance with policy. This formal review program began in 2QFY2011. An annex to the Annual Defense Appropriations Act directs DoD to provide quarterly reports on certain clandestine activities. The directorate compiles and reviews inputs from DoD Components and distributes the Clandestine Quarterly (CQ) activity report to six Congressional Committees and senior Executive Branch officials. The directorate collaborates with the Joint Staff and the Office of the Under Secretary for Policy to prepare and coordinate sensitive and compartmented EXORDs for signature by the Secretary of Defense. Approvals for and notifications of sensitive deployments for clandestine special operations are coordinated by the directorate for signature by the OUSD(I) and Secretary of Defense. The directorate coordinates OSD-level approvals to conduct certain compartmented activities, conducts periodic reviews of these activities, and prepares/coordinates reports to the OUSD(I), Secretary of Defense, and Congressional oversight committees. The directorate reviews cover plans and annexes in accordance with DoD Directive 5105.63.

Major Program Title: Intelligence Mission

Measure Description	Actual	Projected	
		FY12	FY13
Military Intelligence Program (MIP) Resources	FY11	FY12	FY13
MIP execution reviews (mid and end of year)	2	2	2
MIP Quarterly Execution Reports	4	4	4
MIP Congressional Justification Book (7 volumes)	1	1	1

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

OUSD(I) is responsible for the oversight of the DoD MIP. OUSD(I) monitors components' (Services and Agencies) execution of MIP resources and recommends the reprogramming of resources from under-executing projects to higher priority requirements. OUSD(I) also reports MIP execution to Congress via the OSD Comptroller. OUSD(I) produces budget materials to explain and justify the MIP portion of the annual DoD budget request.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Major Program Title: International Intelligence Technology and Architectures (IITA)

Measure Description	Actual	Projected	
	FY11	FY12	FY13
US Battlefield Information Collection and Exploitation Systems (US BICES)			
Number of multilateral/bilateral intelligence information sharing connections with partner nations or Communities of Interest (COI) (e.g., Operation Unified Protector)	30	66	81
Number of US releasable intelligence products to coalition partners or COIs	Approx 200,000*	300,000+ (50%)	500,000+ (60%)
Number of coalition releasable intelligence products to US	Approx 60,000*	85,000 (40%)	130,000 (50%)
Number of US organizations producing intelligence products to US BICES	36	40	45
Number of US and coalition partner personnel trained through classroom and mobile courses	1200	1320	1452
Number of US Government personnel within the US BICES program management office	2	3	5

The IITA Directorate is tasked with developing the information sharing technologies and Combatant Command coalition information sharing architectures through the US BICES program mechanisms to increase the amount of intelligence information shared with coalition allies and partner nations bi-laterally and multi-nationally. Expansion of US BICES capabilities across the COCOMs, Services, and Agencies is key to implementation of the OUSD(I) plan to establish an enduring coalition intelligence sharing enterprise supporting both conventional forces and special operations forces worldwide. US BICES has

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

expanded to access over 65,000 US, NATO, and Non-NATO users during FY 2011 and FY 2012. Commander, US SOCOM has designated US BICES as the system for coalition operations with the Special Operations Forces globally. The increase in the number of multilateral/bilateral intelligence information sharing connections with partner nations or COIs is based on actions taken in FY 2011 to establish Coalition Data Centers (CDC) at each COCOM that will expand the number of communication connections funded by O&M which will result in an increase in the number of people connected. Number of US releasable intelligence products to coalition partners or COIs will increase based on the FY 2011/2012/2013 funded CDCs and the resulting increased capability to process products. Number of coalition releasable intelligence products to US will increase due to the establishment of the CDCs which provide increased capabilities to process products both being released to coalition partners and products received from coalition partners. As the CDCs become operational, the number of US intelligence organizations requesting connectivity to US BICES will increase thereby increasing the number of products released to US BICES from these organizations. The US Intelligence organizations requesting US BICES connectivity fund their own equipment and connectivity. The number of US and coalition partner personnel trained through classroom and mobile courses will increase as the US BICES on-line training becomes available. This training will be available through US BICES connectivity and is approved for US and non US. The number of US Government personnel within the US BICES program management office will grow from its current number of two to three in FY 2012 once a CECOM billet is approved. It is planned to increase the government personnel by two additional CECOM billets in FY 2013 making the total PMO government strength five.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Major Program Title: Intelligence Mission

Measure Description	Actual	Projected	
	FY11	FY12	FY13
Reform the Department of Defense (DoD) Personnel Security Clearance Process			
Beginning 2010, DoD will adjudicate the fastest 90% of initial top secret and secret personnel security clearances within 20 days	90%/9 days	90%/20 days	90%/20 days
By October 2012, 90% of DoD adjudicators will be certified	23% certified	90% certified	90% certified
By October 2011, 90% of Single Scope Background Investigations and Top Secret Periodic Investigations will meet 2009 adjudication documentation standards; by October 2012, 95% will meet adjudication documentation standards	90% met 2009 adjudication standards	95% will meet 2009 adjudication standards	95% will meet 2009 adjudication standards

Congress mandated specific security clearance process investigation and adjudication timeliness goals as part of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). The DoD is responsible for adjudication of completed background investigations and has focused on ensuring that the time to adjudicate the fastest 90% of investigations does not exceed an average of 20 days. In order to ensure that emphasis on timeliness has not degraded the quality of adjudications, the DoD has implemented policy and procedures for review of the quality of adjudications and for the professional certification of adjudicators.

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Major Program Title: Intelligence Mission

Measure Description	Actual	Projected	
	FY11	FY12	FY13
Defense Civilian Intelligence Personnel System (DCIPS)			
Number of organizations transitioned to grades	1 of 7	7 of 7	N/A

The OUSD(I) HCMO is responsible for developing policy, overseeing implementation, assessing and continuously improving the effectiveness of human capital programs across the Defense Intelligence Enterprise (DIE). Resources requested by the HCMO are necessary to conduct effective oversight and improvement of human capital programs for the effective and efficient conduct of the Defense and National Intelligence missions. Investment and sustainment funds ensure the effectiveness of strategic human capital and workforce planning, and ongoing workforce management, in accordance with both good business practices and Congressional mandates imposed under the FY 2010 National Defense Authorization Act.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

E. DoD Chief Information Officer (DoD CIO):

Build agile and secure Information Technology capabilities to enhance combat power and decision-making while optimizing value.

1. Execute the DoD IT Enterprise Strategy and Roadmap.

- Reduce data centers by 18% in 4QFY12 and an additional 12% 4QFY13.
- Reduce Networks by 10% in 4QFY12 and an additional 10% in 4QFY13.
 - 2QFY12 - Publish Implementation Plan
 - 1QFY13 - Publish DoDI 8440, Computing Infrastructure
 - 2QFY13 - Publish Reference Architecture for GIG
 - 3QFY13 - Publish Enterprise Services Adoption Plan
- Percentage of Services transitioned to, or designed as, Enterprise Services
 - 1QFY12 - Implement Enterprise Services compliance reporting and oversight process
 - 3QFY12 - POM 14 Issues supporting Enterprise Services Sustainment of and mandated Enterprise Services.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Build agile and secure Information Technology capabilities to enhance combat power and decision-making while optimizing value (continued).

2. Strengthen the Oversight of Information Technology investments.

- Percentage of component networks compliance with resilient network architecture and standards by all new investments and technology refresh activities by 4QFY15.
 - 1QFY12 - Establish Commercial Mobile Device policy.
 - 2QFY13 - Establish an Enterprise Services Compliance Policy as part of investment review processes.
 - 3QFY13 - Establish processes for monitoring compliance with architecture & standards within existing investment and acquisition processes.
 - 4QFY13 - Institutionalize a repeatable process to harmonize IT investments across COCOMs/Services/Agencies.

3. Integrate cyber security across the DoD Information Enterprise.

- Create and maintain strong boundary defenses across DoD NIPRnet Perimeter.
 - 4QFY12 - Complete migration of applications into DoD Demilitarized Zone extensions.
 - 4QFY13 - Physical or logical data separation complete.

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

- NIPRNet Hardening allowing robust protection capabilities.
 - 1QFY12 - Web content filter rule sets in place at the Internet Boundary.
 - 3QFY12 - Complete Installation of HBSS baseline on NIPRNet.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Build agile and secure Information Technology capabilities to enhance combat power and decision-making while optimizing value (continued).

- Enforce Cryptographic Logon with PKI Hardware Tokens on SIPRNet.
 - 4QFY12 - Cryptographic Logon with PKI Hardware Tokens on 50% of SIPRNet accounts.
 - 4QFY13 - Cryptographic Logon with PKI Hardware Tokens on 75% of SIPRNet accounts.

- Reduce time to effect DoD network configuration change.
 - 3QFY12 - Issue DoDI.
 - 4QFY12 - Develop implementation plan.
 - 4QFY13 - Establish a CM database and issue instructions on use and maintenance.

4. Develop long term strategy to provide for and protect mission critical access to radio frequency spectrum.

- 2QFY13 - "At risk" bands and associated missions/functions identified and prioritized.
- 4QFY13 - Number of priority bands analyzed for feasibility of relocation and/ or sharing completed.

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

F. Under Secretary of Defense (Personnel and Readiness) (OUSD (P&R)):

Major Program Title: Combatant Commander's Exercise Engagement & Training Transformation

Performance Measure #1: Percent of Combatant Commander (COCOMs) that are ready to execute their Core or Theater Campaign Plan missions.

Long Term Performance Goal: For each fiscal year, DoD COCOMs will be ready to execute 100 percent of their Core or Theater Campaign plan missions

Annual Performance Goal: FY 2013 100%

Performance Measure #2: Percent of DoD Combatant Commander (COCOMs) Contingency plans which they report ready to execute.

Long Term Performance Goal: For each fiscal year, DoD Combatant Commanders will be ready to execute at least 80 percent of their contingency plans

Annual Performance Goal: FY 2013 80%

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

IV. Performance Criteria and Evaluation Summary:

Major Program Title: Wounded Warrior Care

Performance Measure #1: Percentage of wounded, ill and injured Service members who are enrolled in a Service recovery care plan administered by a DoD training Recovery Care Coordinator (RCC).

Long Term Goal: By 2012, 100% of wounded, ill and injured service members are enrolled in a Service recovery care coordination program will have an established and active recovery care plan administered by a DoD trained recovery care coordinator.

Annual Performance Goal: FY 2013 100%

Performance Measure #2: Percent of wounded, ill and injured who are assigned to a DoD trained Recovery Car Coordinator within 30 days of being enrolled in a Wounded Warrior Program.

Long Term Goal: By 2012, 100% of wounded, ill and injured (WII) Service members will be assigned to a DoD Recovery Care Coordinator (RCC) within 30 days of being enrolled in a Wounded Warrior program, at a ratio not to exceed on RCC per 40 WII Service members.

Annual Performance Goal: FY 2013 100%

Major Program Title: Defense Readiness Reporting System

Performance Measure: Percent of DoD Combatant Commander (COCOMs) Contingency plans which they report ready to execute.

Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates

IV. Performance Criteria and Evaluation Summary:

Long Term Performance Goal: For each fiscal year, DoD Combatant Commanders will be ready to execute at least 80 percent of their contingency plans.

Annual Performance Goal: FY 2013 80%

Office of the Secretary of Defense
 Operation and Maintenance, Defense-Wide
 Fiscal Year (FY) 2013 Budget Estimates

<u>V. Personnel Summary</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Change FY 2011/ FY 2012</u>	<u>Change FY 2012/ FY 2013</u>
<u>Active Military End Strength (E/S) (Total)</u>	423	408	404	-15	-4
Officer	395	382	382	-13	0
Enlisted	28	26	22	-2	-4
<u>Reserve Drill Strength (E/S) (Total)</u>	27	27	27	0	0
Officer	22	22	22	0	0
Enlisted	5	5	5	0	0
<u>Reservists on Full Time Active Duty (E/S)</u>	12	12	12	0	0
Officer	11	11	11	0	0
Enlisted	1	1	1	0	0
<u>Civilian End Strength (Total)</u>	2,037	2,122	2,240	85	118
U.S. Direct Hire	2,037	2,122	2,240	85	118
Total Direct Hire	2,037	2,122	2,240	85	118
Memo: Reimbursable Civilians Included	10	26	26	16	0
<u>Active Military Average Strength (A/S)</u>	405	405	405	0	0
(Total)					
Officer	388	388	388	0	0
Enlisted	17	17	17	0	0
<u>Reserve Drill Strength (A/S) (Total)</u>	69	69	69	0	0
Officer	57	57	57	0	0
Enlisted	12	12	12	0	0
<u>Reservists on Full Time Active Duty (A/S)</u>	63	63	63	0	0
(Total)					
Officer	60	60	60	0	0
Enlisted	3	3	3	0	0
<u>Civilian FTEs (Total)</u>	2,037	2,034	2,150	-3	116
U.S. Direct Hire	2,037	2,034	2,150	-3	116

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

<u>V. Personnel Summary</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	Change FY 2011/ FY 2012	Change FY 2012/ FY 2013
Total Direct Hire	2,037	2,034	2,150	-3	116
Memo: Reimbursable Civilians Included	10	26	26	16	0
Average Annual Civilian Salary (\$ in thousands)	178.5	177.3	178.0	-1.2	.7
 <u>Contractor FTEs (Total)</u>	 <u>2,755</u>	 <u>2,602</u>	 <u>2,572</u>	 <u>-153</u>	 <u>-30</u>

Explanation of Changes:

FY 2011 - FY 2012 Civilian E/S: Increase is due to increased number of employees on-board (16 in reimbursable counternarcotics drug initiative and 69 in direct-funded efforts) for critical positions.

FY 2011 - FY 2012 Civilian FTE: Decrease of -3 is the net change resulting from Deputy Secretary of Defense (DSD) guidance to restrict civilian FTEs in FY 2012 and the increase of +16 for reimbursable counternarcotics drug initiative.

FY 2012 - FY 2013 Civilian E/S and FTE: Increases are expected due to realignment of +77 FTES from RDTE to O&M for ODCMO, addition of +26 to ODCMO for former-BTA functions, +2 for OUSD(Comptroller) support of the audit acceleration initiative, and the remaining due to hiring for critical positions.

FY 2011 - FY 2012 / FY 2012 - FY2013: CONTRACTORS - Decreases are due to efficiencies and reduced funding amounts available for contract efforts.

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

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

<u>OP 32 Line</u>	FY 2011 <u>Actuals</u>	Change FY 2011/FY 2012		FY 2012 <u>Estimate</u>	Change FY 2012/FY 2013		FY 2013 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
101 Exec, Gen'l & Spec Scheds	361,833	0	-10,161	351,672	1,319	24,583	377,574
107 Voluntary Sep Incentives	75	0	4,175	4,250	0	-3,750	500
199 Total Civ Compensation	361,908	0	-5,986	355,922	1,319	20,833	378,074
308 Travel of Persons	99,707	1,795	8,178	109,680	1,865	-4,910	106,635
399 Total Travel	99,707	1,795	8,178	109,680	1,865	-4,910	106,635
680 Building Maint Fund Purch	0	0	6,015	6,015	953	-723	6,245
699 Total DDCF Purchases	0	0	6,015	6,015	953	-723	6,245
703 JCS Exercises	194,382	-6,415	-8,859	179,108	12,538	-21,598	170,048
711 MSC Cargo (fund)	31,900	8,581	-12,448	28,033	673	-457	28,249
719 SDDC Cargo Ops-Port hndlg	40,140	12,243	23,306	75,689	23,691	-10,708	88,672
771 Commercial Transport	365	7	1,715	2,087	35	-347	1,775
799 Total Transportation	266,787	14,416	3,714	284,917	36,937	-33,110	288,744
912 GSA Leases (SLUC)	1,400	25	2,780	4,205	71	-1,647	2,629
913 Purch Util (non fund)	957	17	1,484	2,458	42	-48	2,452
914 Purch Com (non fund)	18,866	340	-8,258	10,948	186	-1,730	9,404
915 Rents, Leases (non GSA)	151,126	2,720	1,783	155,629	2,646	-3,720	154,555
917 Postal Svc (USPS)	0	0	302	302	5	6	313
920 Supplies/Matl (non fund)	16,946	305	-11,345	5,906	100	371	6,377
921 Print & Reproduction	210	4	1,681	1,895	32	406	2,333
922 Eq't Maint Contract	52,858	952	1,744	55,554	944	8,246	64,744
923 Facilities Maint by Contr	2,520	45	-827	1,738	30	58	1,826
925 Eq't Purch (Non-Fund)	8,219	148	-4,609	3,758	64	435	4,257
932 Mgt Prof Support Svcs	236,040	4,249	136,560	376,849	6,406	-13,835	369,420
933 Studies, Analysis &	159,003	2,862	-75,282	86,583	1,472	-3,268	84,787

**Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2013 Budget Estimates**

<u>OP 32 Line</u>	FY 2011 <u>Actuals</u>	Change <u>FY 2011/FY 2012</u>		FY 2012 <u>Estimate</u>	Change <u>FY 2012/FY 2013</u>		FY 2013 <u>Estimate</u>
		<u>Price</u>	<u>Program</u>		<u>Price</u>	<u>Program</u>	
Eval							
934 Engineering & Tech Svcs	221,642	3,990	-11,480	214,152	3,641	-27,816	189,977
987 Other IntraGovt Purch	203,458	3,663	32,475	239,596	4,073	34,755	278,424
988 Grants	52,950	953	-5,117	48,786	829	-44,557	5,058
989 Other Services	381,842	6,873	-156,692	232,023	3,944	-109,351	126,616
990 IT Contract Support Ser	11,289	203	7,713	19,205	326	-7,039	12,492
999 Total Other Purchases	1,519,326	27,349	-87,088	1,459,587	24,811	-168,734	1,315,664
Total	2,247,728	43,560	-75,167	2,216,121	65,885	-186,644	2,095,362

FY 2011 includes \$188,653 thousand OCO funding from DoD Full-Year Continuing Appropriation, 2011 (PL 112-10) FY 2012 excludes \$143,870 thousand OCO funding from the Consolidated Appropriations Act, 2012 (PL 112-74)
FY 2013 excludes \$87,805 thousand OCO funding requested in the FY 2013 Defense-Wide Overseas Contingency Operations Budget Request