Fiscal Year 2015 Budget Estimates

Office of the Secretary of Defense (OSD)

March 2014

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Office of the Secretary of Defense
Operation and Maintenance, Defense-Wide
Fiscal Year (FY) 2015 Budget Estimates

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

	FY 2013 Actual	Price Change	Program Change	FY 2014 Estimate	Price Change	Program Change	FY 2015 Estimate
OSD	2,006,840	54,938	-113,304	1,948,474	32,693	-90,004	1,891,163

* The FY 2013 Actual column **includes** $38,251 thousand of FY 2013 OCO Appropriations funding (PL 113-6).
* The FY 2014 Estimate column **excludes** $68,227 thousand of FY 2014 Overseas Contingency Operations Appropriations funding (PL 113-76).
* The FY 2015 Estimate **excludes** OCO.

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 Comptroller/Chief Financial Officer (OUSD(C)), the Under Secretary of Defense Intelligence (OUSD(I)), the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)), the Under Secretary of Defense Policy (OUSD(P)), the Deputy Chief Management Officer (DCMO), the Assistant Secretary of Defense (Legislative Affairs), the Assistant Secretary of Defense (Public Affairs), the Office of General Counsel, the Assistant to the Secretary of Defense (Intelligence Oversight), the Director of Administration and Management (DA&M), the Director, Cost Assessment and Program Evaluation (D,CAPE), the Director, Net Assessment

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

(ODNA), the Director, Operational Test and Evaluation (DOT&E), and the DoD Chief
Information Officer (DoD CIO).

<u>**Narrative Explanation of Changes from FY 2014 to FY 2015**</u>:
The Office of the Secretary of Defense (OSD) Operation and Maintenance (O&M) FY 2015
budget request is based on Department of Defense (DoD) strategic guidance, complies with
the Secretary of Defense (SECDEF) priorities for continuation of efficiency initiatives
that started in FY 2012, and includes reductions for streamlining of management
headquarters activities. The FY 2015 budget request reflects an overall decrease of
-$57.3 million when compared to the FY 2014 current estimate. The net decrease combines a
price adjustment of +$32.7 million and a program decrease of -$90.0 million resulting
from programmatic increases and decreases that include internal funding realignments
detailed in the Financial Summary (Part III).

<u>$ in Thousands</u>

	FY 2013 <u>**Actuals**</u>	**FY 2014** <u>**Estimate**</u>	**FY 2015** <u>**Estimate**</u>
A. <u>**Core Operating Program:**</u>	355,088	359,277	357,360

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 <u>all</u> civilian personnel
compensation and benefits. Costs/funding for Intergovernment Personnel Act (IPA) are
included in the Core Operating Program for FY 2013, FY 2014 and FY 2015.

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

<u>$ in Thousands</u>

	Civilian <u>Pay</u>	Full-Time Equivalents <u>(FTEs)</u>
Estimated FY 2015 Civilian Pay and Benefits for		
Major OSD Principal Staff Assistants (PSAs):		
OUSD(AT&L)	88,446	448
OUSD(Comptroller)	27,666	152
OUSD(Intelligence)	32,551	174
OUSD(P&R)	25,847	142
OUSD(Policy)	60,864	360
O,DCMO	15,548	87
D,CAPE	23,965	132
DoD CIO	21,009	109
Other DoD Offices	61,464	327
Total Estimated Civilian Pay and Benefits	**357,360**	**1,931**

I.   Description of Operations Financed (cont.)

$ in Thousands

	FY 2013 1/**Actuals**	FY 2014 **Estimate**	FY 2015 **Estimate**
B. Other DoD Programs and Initiatives:	194,386	275,329	328,580

1/**Excludes one-time congressional increase of FY13-$40258
and FY14-$44,000 for SECDEF Grants,(Sec 8078)**

This Subactivity is comprised of:

	FY 2013	FY 2014	FY 2015
Assistant Secretary of Defense, Legislative Affairs (ASD(LA))	423	703	481
Assistant Secretary of Defense, Public Affairs (ASD(PA))	5,893	5,906	6,100
Office of General Counsel (OGC)	100	701	672
Assistant to the Secretary of Defense(Intelligence Oversight)	109	914	863
Director of Administration and Management (DA&M)	4,683	5,030	3,852
Office of the Director Net Assessment (ODNA)	18,304	10,253	8,944
Boards, Commissions and Task Forces (BCTF)	5,889	7,780	9,145
Test Resource Management Center (TRMC)		4,442	3,629
Capital Security Cost Sharing (CSCS)(State Department Bill)	102,212	183,897	281,244
Other DoD Programs and Initiatives(*includes Grants)	*56,773	*55,703	13,650
Total Other DoD Programs and Initiatives	**194,386**	**275,329**	**328,580**

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

   a. **ASD (Legislative Affairs)** serves as the principal staff assistant and advisor to the Secretary of Defense for DoD relations with the U.S. Congress and has overall supervision of DoD legislative affairs. The OASD (LA) promotes the Administration's defense budget and the Department's strategy, legislative priorities, and policies 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. **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.

   d. **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. The office also serves as the proponent for DoD Intelligence Oversight policy.

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

   e. 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. DA&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.

   f. 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 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.

   g. 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

I.   Description of Operations Financed (cont.)

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. This program also provides resources and funding to support the Quadrennial Review of Military Compensation Board, Defense Business Board, and the 50th Anniversary Vietnam War Commemoration Board.

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

 i. 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.

$ in Thousands

	FY 2013 1/**Actuals**	FY 2014 2/**Estimate**	FY 2015 3/**Estimate**
C. Under Secretary of Defense (Acquisition, Technology, and Logistics):	283,548	286,761	244,515

1/FY 2013 Actuals **includes** $12,659 thousand OCO funding (PL 113-6)
2/FY 2014 Estimate **excludes** $5,000 thousand OCO funding (PL 113-76)
3/FY 2015 Estimate **excludes** OCO.

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

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 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).

    a. <u>Congressional Mandate</u>:

        1) <u>Contingency Business Tools</u>: This program funds and supports the DoD established 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 deployed in support of contingency operations. This is a "toolkit" approach that evolves as the phase of a mission in the area of operations 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.

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

2) <u>**Chief Financial Officers (CFO) Act Compliance**</u>: This program funds and supports the development and implementation of new policies, processes, and procedures required to meet the 2010 National Defense Authorization Act. This public law directs accounting for and valuing DoD resources, and addresses property accountability for general property, plant and equipment (GPP&E) audit preparation. The Department must be audit ready by 2017 and owns more than 80 percent of the GPP&E, operating materials and supplies, and inventory, which encompasses $1.4 trillion in acquisitions and a net book value of $827 billion. The program also supports additional mandates such as the Campaign to Cut Waste and Managers' Internal Control Program (OMB Circular A-123).

3) <u>**Committee on Foreign Investment in the United States (CFIUS)**</u>: This program funds and supports the 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. OUSD(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.

4) <u>**Electronic Business Center of Excellence (e-Business COE)**</u>: This program funds and supports the requirements for transforming the Department's business processes related to acquisition, procurement, and implementation of e-Government initiatives. This program facilitates procurement data standards implementation and compliance, as well as procurement data validation and

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

verification, supporting federal and departmental traceability and transparency efforts.

5) <u>**Legacy Resource Management**</u>: This program funds and supports 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) <u>**Native American Lands Remediation**</u>: This program funds and supports DoD's environmental impacts to Native American Lands, environmental mitigation projects on Indian Lands, training and technical assistance to tribes, and implementation of DoD Policy and consultation responsibilities to American Indians, Alaskan Natives, and Native Hawaiians.

7) <u>**BRAC Round Planning and Analyses**</u>: This program funds and supports the requested authority from Congress to conduct a new round of Base Realignment and Closure (BRAC) to align infrastructure with planned force structure changes. The BRAC process requires extensive up-front analysis including a 20-year force structure plan, a comprehensive inventory of installations, and a discussion of categories of excess infrastructure and infrastructure capacity. To support this effort, BRAC funds are required to develop recommendations and to manage these efforts.

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

b. <u>**Improve Acquisition & Logistics Processes**</u>:

1) <u>**Acquisition Programs Support Systems (APPS)**</u>: This program funds and supports the flow of mission-essential information, expedites acquisition decision making, and assures continuity of business/leadership operations through disaster recovery scenarios. Services include Portfolio Management, Information Assurance, Application Development, Application Hosting, Infrastructure Engineering, and Website Governance services for over 100 AT&L mission applications and tools. APSS supports over 50 public, intranet, and classified websites such as ACQweb. AT&L SharePoint has developed nearly 300 collaborative sites. Portfolio Management, Infrastructure and DoD Governance expertise is provided for Mission Applications such as DAMIR and related Acquisition Visibility Services, Unmanned Warfare Information Repository, DAB Calendar, DAE Tracker (DAT), and the Executive Information System (EIS). This program leverages Pentagon and OSD/WHS Enterprise Services and Data Center offerings on behalf of AT&L software application sponsors thereby delivering manpower efficiencies and cost savings. The customer base supported by this program and its applications includes the AT&L staff and approximately 7,300 external clients to include other DoD, Federal and Legislative entities.

2) <u>**Contingency Contracting**</u>: This program funds and strengthens combat power and support of contingency operations. Contractors now provide essential capabilities to all of our military Services and, in combat contingency operations, constitute over half of the personnel forward on the battlefield. This level of reliance brings key challenges to the (DoD) in planning, integrating, and managing requirements for contracted support in forward areas.

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

The Contingency Contracting program drives improvements to contracting in support of deployed forces, humanitarian or peacekeeping operations, and disaster relief through policy, guidance, and oversight. It enables the Military to focus on key initiatives; develop critical tools; and implement policy, processes, regulations, and doctrine to maximize speed and efficiency of responses to improve contingency support across the DoD.

3) <u>**Corrosion Prevention Program**</u>: This program funds and supports the implementation of DoD's long-term strategy to reduce corrosion and the effects of corrosion on military equipment and infrastructure throughout the acquisition and sustainment lifecycle as defined in 10 U.S.C. 2228.

4) <u>**Defense Management Initiative**</u>: This program funds and supports the improvements of 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)   <u>**Defense Industrial Base (DIB) Cyber Security**</u>: This program funds and supports critical DoD programs and technology by protecting DoD unclassified information resident on and transitioning DIB unclassified networks. This project further establishes the DoD Damage Assessment Management Office (DAMO) to coordinate the conduct of assessments involving the loss of DoD information requiring controls resulting from the unauthorized access and/or exfiltration of technical data maintained on unclassified DIB networks. The DAMO identifies and categorizes the impact of the loss of acquisition information contained on the affected systems, organizes and coordinates the assessment reports with all affected components

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

and DIB members, and establishes a process to appropriately share collected information with all affected parties. The DAMO establishes policy and procedures for conducting damage assessments applicable to all DoD components and in concert with Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation (DFAR) procedures pertaining to contracts with the DIB.

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

7) <u>**Defense Procurement & Acquisition Policy (DPAP)**</u>: This program funds and supports changes throughout the DoD Acquisition, Technology, and Logistics community; supports acquisition policy initiatives; supports the development, review, and coordination of DoD acquisition 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.

8) <u>**Developmental Test and Evaluation (DT&E):**</u> This program funds and supports DoD Developmental Test and Evaluation (DT&E), under Title 10, section 139b of the United States Code. For major defense acquisition programs, (DT&E) supports program managers in developing DT&E test strategies that support the development

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

and acquisition lifecycle. This includes reviewing and approving the
developmental test and evaluation plan within the test and evaluation master
plan; and monitoring and reviewing the developmental test and evaluation
activities of the program. DASD(DT&E) develops detailed technical assessments
to support significant acquisition decisions. In addition, DASD(DT&E) provides
advocacy, oversight, and guidance to elements of the acquisition workforce
responsible for developmental test and evaluation. This funding acquires
analytical support to accomplish the above efforts and is primarily focused on
development of analytical methods and processes that apply to all
services/programs.

9) <u>**Operational Energy Plans and Programs (OEP&P)**</u>: This program funds and supports
Operational Energy Plans and Programs (OEPP), under Title 10, section 138c of
the United States Code (USC). This requires the appointment of an Assistant
Secretary of Defense for Operational Energy Plans and Programs (ASD(OEPP)) to
serve as the principal advisor to the SECDEF and the principal policy official
within the senior management of DoD regarding operational energy security. The
USC also requires the ASD(OEPP) to have sufficient professional staff of
military and civilian personnel to enable the ASD(OEPP) to carry out the
prescribed duties and responsibilities. The ASD(OEPP) is responsible for: (1)
Providing leadership and facilitation of communications and management oversight
for OEPP within DoD; (2) establishing the DoD Operational Energy Strategy; (3)
coordinating and overseeing Planning, Programming, Budgeting, and Execution
(PPBE) activities for DoD related to implementation of the operational energy
strategy; and (4) monitoring and reviewing all operational energy initiatives
within DoD.

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

10) <u>**Environmental, Safety, & Occupational Health (ESOH)in Acquisition**</u>: This program funds and supports the Department's efforts to carry out newly assigned acquisition ESOH oversight functions in accordance with DoDI 5000.02. 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 2013 DoD Instruction (DoDI) 5000.02, including developing ESOH acquisition policy and guidance; conducting reviews of over 175 Major Defense Acquisition Programs (MDAPs) and Major Automated Information Systems (MAISs); 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. This is critical to ensuring system capabilities while ensuring ESOH risks and costs are minimized throughout system life cycles.

11) <u>**I&E Business Enterprise Integration (BEI)/(formerly Facilities Program Requirements FPRS)**</u>: This program funds and supports both I&E and DoD-wide information needs for installations management, energy management, environmental management, safety and occupational health. BEI develops IT information, data, and technical standards to enable lifecycle Real Property, Energy, Environment, Safety and Occupational Health management and; Oversees IT investment for all I&E systems to ensure compliant, cost- effective, and integrated solutions.

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

12) <u>**Emerging Contaminants**</u>: This program funds and supports early identification of Emerging Contaminants (EC), assessments of impacts to human health and DoD functions, and development of risk management options. The program applies lessons learned from DoD's experience with perchlorate and other ECs.

13) <u>**Human Capital Initiative (HCI**</u>): This program funds and supports the execution of the DoD-wide acquisition workforce statutory requirement to strengthen the workforce and continuously 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 Department-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), the Defense Acquisition Workforce Development Fund (DAWDF), and all supporting workforce initiatives.

14) <u>**Industrial Policy Program Support**</u>: This program funds and supports the Deputy Assistant Secretary of Defense (DASD) of Manufacturing and Industrial Base Policy (MIBP) who serves as 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. It acts as the Department's focal point for industrial and manufacturing base policy initiatives, studies, and reviews to determine effects of changes, as well as the overall health of, the industrial base to meet future needs. It funds efforts to sustain an environment that ensures the Industrial base on which the

I.   **Description of Operations Financed (cont.)**

Department depends is reliable, cost-effective, and sufficient to meet DoD
requirements. The DASD(MIBP) is the 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 Department's new point of contact for the statutory Committee on
Foreign Investment in the U.S. The committee findings are signed out by Deputy
Secretary of Defense and the President of the United States of America.

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

16) **Information Superiority Integration Support (ISIS):** This program funds
functional and acquisition oversight of all critical war-fighting
communications, command and control (C2), and cyberspace capabilities in DoD,
and funds programs, projects and activities to support the DASD C3 & Cyber. This
funding increment underwrites development of analyses of alternatives and
studies for selected capabilities; portfolio investment strategies, system
synchronization plans and roadmaps to support acquisition programs and

I.   Description of Operations Financed (cont.)

enterprise capabilities; and planning, resourcing and executing activities which improve operational capabilities for the war-fighter.

17) **Integrated Acquisition Environment (IAE) (GSA Bill)**: This program funds and supports the Department's share of mandatory GSA e-Government shared service costs for federally mandated procurement-related systems. The IAE portfolio, established in 2001, provides federal-wide regulatory required systems that are used to support the procurement and finance processes. The Military Services and Defense Agencies are the primary customers of IAE capabilities and data, and use them extensively to support procurement, grants, and vendor payment processes throughout the Department. Federal agencies' required monetary contributions to sustain the IAE budget are established by the Office of Management and Budget (OMB). Provided IAE capabilities include vendor identification and payment information through the Central Contractor Registration (CCR) system, centralized advertising of solicitation opportunities through FedBizOpps, and required collection of contract award data for congress and the public at the Federal Procurement Data System (FPDS). These are authoritative sources of data and provide a single federal interaction point with the vendor community for certain processes, all required to be used by statute and/or regulation. Capabilities do not exist in the Department to accomplish the processes they support

18) **The Joint Purchase Card Program Office**: This program funds and supports integration of policy, oversight, and data mining tools to combat fraud, waste, and abuse of the purchase card by purchase card officials. These requirements were directed federal government-wide by statute in FY2013.

I.   **Description of Operations Financed (cont.)**

19) **Logistics Systems Modernization Support (LSMS)**: This program funds and supports essential L&MR activities necessary to effectively carry out functional mission of the ASD Logistics and Materiel Readiness (L&MR) who 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. These resources are designed to support the logistics mission area activities at an acceptable level that will move the Department towards critical improvements in logistics systems and processes. The program facilitates 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.

20) **Mission Capabilities (MC)/Systems Engineering (SE):** This program provides funding for Public Law 111-23, "Weapons System Acquisition Reform Act of 2009" (WSARA) which directed the appointment of a Deputy Assistant Secretary for System Engineering (DASD(SE)) and establishment of an SE office subordinate to the OUSD(AT&L). This program sets policy for SE practices and specialty engineering, and serves as functional leader for the systems engineering workforce. DASD(SE) also oversees effective policy and guidance implementation, including leading assessments of technical approaches and plans for major defense acquisition programs (MDAP); providing independent expert program review support to program managers as requested; and conducting systemic analysis of acquisition issues to identify causal factors contributing to program execution shortfalls. DASD(SE) develops technical risk assessments of (MDAPs) to ensure technical risk is effectively considered and managed through the MDAP development lifecycle.

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

21) <u>**Performance Assessment & Root Cause Analysis (PARCA)**</u>: This program funds and supports Public Law 111-23, "Weapons System Acquisition Reform Act of 2009" (WSARA) in support of MDAP programs 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).

22) <u>**DoD Siting Clearinghouse**</u>: This program funds and supports 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.

23) <u>**Research, Development, Test and Evaluation (RDT&E) Oversight**</u>: This program funds and supports centralized management and administrative expenses of RDT&E programs across the Assistant Secretary of Defense for Research and Engineering (ASD (R&E))enterprise.

24) <u>**Small Business Program Support**</u>: This program funds the Office of Small Business Programs of the Department of Defense implementation and management of the statutory and regulatory requirements within the office of small business programs as well as the Office of Small Business Programs market research Center of Excellence (COE) initiative, which supports Better Buying Power 2.0 and is key to improving effectiveness of the acquisition workforce and the Departments ability to achieve small business performance goals.

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

25) <u>**Space & Intelligence Major Defense Acquisition Program (MDAP) Oversight**</u>: This program funds and supports 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.

26) <u>**Strategic Sourcing**</u>: This program funds and supports development, implementation, governance and execution of the acquisition oversight framework for contracted services, and for the championing of strategic sourcing policy and initiatives, for DOD. Services acquisitions have accounted for more than half of all DOD contracting dollars spent in support of the Warfighter in recent years. Services Acquisition is responsible to ensure the proper process execution of services procurement results in the best value at the most reasonable cost. The Services Acquisition Directorate is also committed to reshaping the DoD acquisition enterprise through strategic sourcing to support customers making more efficient and effective business decisions about acquiring goods and services through the use of enterprises portfolio spend analyses. The Strategic Sourcing program conducts annual portfolio spend analyses and additional spend-related ad hoc studies and analyses that are utilized by, but not limited to, OUSD(AT&L), PDUSD(AT&L), OSBP(AT&L), DP(AT&L), DPAP(AT&L), and DoD Components to make business decisions that lead to greater efficiency and productivity in DoD spending for goods and services.

27) <u>**Countering Weapons of Mass Destruction (CWMD) Sustainment**</u>: This program funds and provides sustainment and the operational capability portion of CWMD. It

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

also funds the administrative costs associated with analyses, oversight, and portfolio management. Program funding will ensure the long-term success and stability of the CWMD System. The CWMD program is an integrated and interconnected CWMD capabilities-based system that defines and enables a comprehensive, global awareness and readiness for CWMD steady-state and surge postures.

28) <u>**Countering Weapons of Mass Destruction (CWMD) Expert Fellows Program**</u>: This program establishes a cost-effective and stable source of funding for Fellowship programs that allows the Department of Defense to compete annually for academic experts that provide direct benefit to AT&L. This provides funding for Fellows within AT&L each year, beginning with American Association for the Advancement of Science (AAAS) fellows and Nunn-Lugar fellows. Annual placements for experts with S&T and academic expertise will provide an infusion of fresh ideas and will ensure that DoD is no longer under-represented in specific fellowships that provide direct and cost-effective benefits to the Department.

c. <u>**Promulgate Policy**</u>

1) <u>**AT&L Knowledge Management System (AKMS):**</u> This program funds and supports an integrated "system of systems" consisting of knowledge repositories, communities of practice, performance support, learning tools, and discover/search capabilities. It provides reach-back to Defense Acquisition University's formal learning courses and collaborative tools, allowing the acquisition workforce access to the overall DoD AT&L knowledge base from their work locations. AKMS includes the Defense Acquisition Portal (formerly called

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

Acquisition Knowledge Sharing System, or AKSS), the Acquisition Community Connection, and various performance learning tools and job aids that focus on the performance needs of the AT&L workforce. AKMS funding is used to build, operate, and maintain all AKMS subsystems, to include development of job performance support tools, such as functional guidebooks and roadmaps. Additionally, the funding supports the development of new continuous learning modules in response to workforce competency requirements; review and update of existing content to provide up-to-date information to the AT&L workforce through the Continuous Learning Center; and incorporation of gaming and simulation delivery methods into courseware, when appropriate to learner needs.

2) <u>**Transform Procurement Regulations**</u>: This program funds and supports the continuing initiative to increase the efficiency and improve the quality and effectiveness of DoD procurement regulatory process and rule making capability. This ongoing initiative maintains the development, implementation, publication, and communication of hundreds of policies, laws, and changes in the FAR and DFARS as a web-based capability.

3) <u>**Acquisition Visibility (AV)**</u>: This program funds and supports the Defense Acquisition Executive (DAE), OSD senior leaders, and OSD and Component analysts in acquiring and sustaining war-fighting capability for the Department via Major Defense Acquisition Programs (MDAPs), Major Automated Information Systems (MAIS), and all other programs. AV is the capability that supports USD(AT&L) responsibilities by providing critical information for acquisition analysis, oversight, and decision making. AV institutionalizes governance of data and business rules used in acquisition decision making, and it combines and builds

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

   on functions of different capabilities. The product is a centrally accessible collection of tools, including Defense Acquisition Management Information Retrieval (DAMIR); capabilities; data and related access services; and data standards for use across Congress and the Department, particularly in support of the Defense Acquisition Executive and his decision authority.

d. **Regulatory Requirement:**

1) <u>**Defense Environmental International Cooperation**</u>: This program funds and supports bilateral and multilateral environmental initiatives with foreign defense departments and militaries in support of global basing/operations and the Secretary's Security Cooperation Guidance goals.

2) <u>**International Cooperation Program**</u>: This program funds and supports the requirements for the Department pursuing more effective cooperation with U.S. allies and friends in the research, development, production and support of weapons systems and related equipment. International Cooperation Program supports the USD(AT&L) in carrying out his responsibilities and exercising his authorities on all international matters. This mission involves developing and monitoring the implementation of defense policies on international cooperation in coordination with U.S. government agencies, foreign governments and industry.

3) <u>**Low Observable/Counter Low Observable Export Control (LO/CLO)**</u>: 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).

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

4) <u>**Readiness and Environmental Protection Initiative (REPI**</u>): This program funds and supports efforts to sustain military readiness while assisting in the protection of valuable habitat and open space. 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 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.

e. <u>**OSD Analysis and Support:**</u> This program funds and provides the Secretary and the entire OSD staff and Joint Chiefs of Staff with 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.

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

   f. <u>**OTHER:**</u>

      <u>**Travel Program**</u>:
      This program funds and supports travel for Acquisition, Technology and Logistics
      program managers throughout the AT&L community. Travel activities include, but
      are not limited to, travel in support of bilateral and multilateral
      International treaties, major acquisition program reviews, advancement of Small
      Business outreach, science and technology reviews, critical manufacturing and
      industrial base activities, nuclear treaties and security initiatives,
      strategic operational energy initiatives and defense installations and
      environment management.

<u>$ in Thousands</u>

	FY 2013 [1]/**Actuals**	FY 2014 [2]/**Estimate**	FY 2015 [3]/**Estimate**
D. <u>**Under Secretary of Defense (Policy)**</u>:	62,445	56,985	60,608

[1]/ FY 2013 Actuals **includes** $13,991 thousand OCO funding. (PL 113-6)
[2]/ FY 2014 Estimate **excludes** $19,463 thousand OCO funding. (PL 113-76)
[3]/ FY2015 Estimate **excludes** OCO.

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

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

security objectives; and represents the Secretary and Department of Defense in the
interagency process, with Congress, and in public/media outreach.

   a) <u>**OUSD(P) Operations:**</u> Funds support the day-to-day operations of the Office of the
      Under Secretary of Defense (Policy) by contracting for essential services and
      general contractor support. Program includes support requirements for the various
      OUSD (P) Staff Offices. Among the areas supported are administrative management,
      mission essential travel, systems acquisition and architecture, communications and
      software assurance, Intergovernmental Personnel Act (IPA) program, and comprehensive
      workforce training.

   b) <u>**OUSD(P) Mission Support:**</u> Funds support mission requirements within the OUSD(P) by
      allowing the USD(P) to represent the Department of Defense, as directed, in matters
      involving national security policy; develop DoD policy for defense-related
      international negotiations; develop DoD policy and positions for international
      negotiations on arms control implementation and/or compliance issues; develop DoD
      policy on the conduct of alliances and defense relationships with foreign
      governments, their military establishments, and international organizations; oversee
      the implementation of DoD policy to reduce and counter threats to the United States,
      U.S. Armed Forces, and U.S. allies, from weapons of mass destruction and other
      militarily significant technologies and force capabilities, to include counter-
      proliferation policy, arms control policy, and security policy. The program funding
      provides the Assistant Secretaries of Defense (ASDs) the capacity to execute their
      missions in a complex global environment, by allowing access to specialized
      technical support capabilities. Supported ASDs include ASD for International
      Security Affairs (ISA), ASD Asian and Pacific Security Affairs (APSA), ASD for

I.   **Description of Operations Financed (cont.)**

Homeland Defense & Americas Security Affairs (HD&ASA), ASD for Special Operations and Low-Intensity Conflict (SOLIC) and ASD for Global Strategic Affairs (GSA). Among the areas supported are oversight of capability development to include general-purpose forces, space and information capabilities, nuclear and conventional strike capabilities, missile defense, security cooperation programs and organizations, foreign military sales, military education and training, supervision of homeland defense activities of the Department of Defense, to include domestic antiterrorism, the Defense Continuity Program, other homeland defense-related activities, and alignment of homeland defense policies and programs with DoD policies for counterterrorism and counter narcotics.

c) **Defense Critical Infrastructure Protection:** 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 industries 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.

d) **International Defense Programs:** Program provides stable interface with US allies, the North Atlantic Treaty Organization (NATO) and its member states, responses to terrorism and unstable conditions in fragile and failed nation states that involves NATO-member state support (e.g. Syria), weapons of mass destruction bilateral measures, and support of overseas facilities. Program supports staff coordination

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

requirements on those matters both internal and external to the Department of Defense.

e) <u>**Rewards Program:**</u> This program provides resources needed to publicize the program and pay rewards for information to disrupt international terrorist activities. Funding for this mission enables combatant commanders to pay rewards for information and nonlethal assistance beneficial to force protection and operations against international terrorism. Information and nonlethal assistance derived through the program has led to the prevention of planned attacks against U.S. and allied armed forces, disruption of a planned foreign presidential assassination, capture of high-value individuals, interdiction of improvised explosive devices, seizure of weapons and ammunition caches, and recovery of missing service members and sensitive equipment. Originally implemented in FY 2004 in Iraq and Afghanistan with great success, combatant commands sought to expand and replicate that success, beginning in FY 2007, by implementing the Program in other non-OCO countries. Today, combatant commands have programs operating in 14 countries and are planning or considering implementation in another 17 countries. Of these 31 countries, only a handful is appropriate to fund using OCO. This evolution of the program to non-OCO countries has caused a significant shift in where funds are spent. Whereas in FY 2006 DoD spent ten percent of the baseline in non-OCO countries and 90 percent in OCO countries. By FY 2011, the program's baseline was reversing that trend with close to 70 percent of the baseline in non-OCO countries and only 30 percent of the baseline in OCO countries. In response to this evolution, in FY 2012, DoD started transitioning funds for this Program from OCO to Base. The DoD Rewards Program has proven to be a critical and effective tool, worldwide and not just in OCO countries, at protecting the force and disrupting international terrorism.

I.   **Description of Operations Financed (cont.)**

   f) **Strategy and Force Development:** The Under Secretary of Defense (Policy) is
      responsible for assisting the Secretary of Defense in the development of national
      security and defense strategy; advising the Secretary on the forces necessary to
      implement that strategy to include serving as the principal advisor to the Secretary
      of Defense for the planning phase of the Planning, Programming, Budgeting and
      Execution System (PPBES) and for monitoring the degree to which the program
      underwrites the strategy. USD(P) is also responsible for the development,
      coordination, and oversight of the implementation of international security strategy
      and policy; political-military policy on issues of DoD interest relating to foreign
      governments and their defense establishments, to include arrangements for U.S.
      military facilities, access and operating rights, and status of forces. Program
      funding informs the development of the future force by supporting external/internal
      research and analyses that provide independent and objective assessments of the
      broad range of potential threats and challenges the US and DoD may have to confront
      now and in the future, alternative approaches to countering those threats, and
      unbiased insights into current and future defense programs and policies that may be
      best suited or require adjustments to counter those threats. The program also
      supports requirements necessary to fulfill legislative requirements such as the
      Quadrennial Defense Review QDR), to include tailored modeling and simulation of
      future warfare, increased analysis of threats to U. S. security interests and the
      development and understanding of the implications of alternative U.S. strategies and
      force postures, and to examine the range of alternative force structures, budgets,
      and strategies. These resources also further support the Secretary's Title 10
      responsibility, delegated to the Under Secretary of Defense for Policy, to provide
      written policy guidance for the preparation and review of operational and
      contingency plans, including those for nuclear and conventional forces, and in
      reviewing such plans through the use of technical expertise to strengthen the

I.   **Description of Operations Financed (cont.)**

connection of plans to resources. Without funding support, the ability to ensure
that the Secretary and President have a broad range of executable defense strategy
options and sustainable defense program options to underwrite the strategy will be
severely diminished and the potential risk for an un-executable strategy will be
high. Furthermore the value of the QDR and defense strategies will be diminished to
the extent that it fails to take maximum advantage of external analyses and
alternative points of view.

$ in Thousands

	FY 2013 Actuals	FY 2014 Estimate	FY 2015 Estimate
E. **Under Secretary of Defense (Comptroller) and Chief Financial Officer:**	30,368	37,107	39,590

Comptroller and Chief Financial Officer: The Office of the Under Secretary of Defense
(Comptroller)/Chief Financial Officer (OUSD(C)/CFO) 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 four main areas of operations financed
include Comptroller Initiatives, Administrative Support, Next Generation Resource
Management System, and Enterprise Funds Distribution System Support.

I.   **Description of Operations Financed (cont.)**

    a. **Comptroller Initiatives**:

      1) Support for monitoring and reporting progress in achieving auditable financial statements for the Department; includes developing financial improvement and audit preparation methodologies and guidance and reviewing, improving, and executing Component financial improvement plans.

      2) Oversee Department business transformation efforts to a simplified, standard, cost effective environment characterized by accurate, timely, standard financial information, streamlined business processes, resource and asset visibility and accountability, and compliance.

      3) Maintain tools designed to display and track budgetary data and performance metrics such as the Comptroller's internal dashboard, the Overseas Contingency Operations support tool, and the legacy budget systems.

      4) Implement the course-based DoD Financial Management Certification Program to improve the professional and analytical skills and abilities of the financial workforce and to support financial improvement and audit readiness and the changing business needs of the department.

    b. **Administrative Support:** Funds services including general office support, data administration, records management, workflow and correspondence tracking, travel, communications, and other administrative tasks.

I.   Description of Operations Financed (cont.)

    c. Next Generation Resource Management System: Maintain automated system used to formulate, justify, and present the Department's budgets and to support delivery of timely and accurate budgets which reflect the goals of the Administration and the Secretary of Defense.

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

    More detailed information on the mission and functions of the OUSD(C) can be found at the following website: http://comptroller.defense.gov/.

                                                           $ in Thousands

	FY 2013 [1]/**Actuals**	FY 2014 [2]/**Estimate**	FY 2015 [3]/**Estimate**
F. Under Secretary of Defense (Personnel and Readiness):	765,815	653,895	656,989

[1]/FY 2013 Actuals **includes** $11,601 thousand OCO funding (PL 113-6)
[2]/FY 2014 Estimate **excludes** $13,764 thousand OCO funding (PL 113-76)
[3]/FY2015 Estimate **excludes** OCO.

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

I.   Description of Operations Financed (cont.)

capabilities into a 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:

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.

   a. **Assistant Secretary of Defense (Health Affairs) Operations**: 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 medicine, medical military construction, and the procurement, development, training and retention of medical military and civilian personnel.

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

  b. <u>**Assistant Secretary of Defense (Reserve Affairs) Operations**</u>: 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.

  c. <u>**Combatant Commanders' Exercise Engagement and Training Transformation (CE2T2):**</u> Supports the joint training requirements of the Department of Defense to include exercises for nine Combatant Commands as well as Service joint training down to the tactical level.

    CE2T2 ensures the Combatant Commanders' ability to conduct joint, combined, and interagency exercises to meet Unified Command Plan responsibilities, enhance Joint Force Readiness, and support each Combatant Command's Theater Campaign Plan (TCP). For example, in Fiscal Year 2013, CE2T2-funded exercises prepared U.S. and Israeli forces for ballistic missile defense, and CE2T2 funds U.S. Pacific Command's annual exercises for the defense of South Korea.

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

Aside from Overseas Contingency Operations and Title 22 Security Assistance programs, CE2T2 provides the lion's share of Combatant Commands' funds for military-to-military engagement.Because of their international political impact, Combatant Commanders' exercises are tools of national power, and the exercises directly advance U.S. national strategy. In addition to their primary purpose of training U.S. forces, the Combatant Commanders' exercises have corollary effects which build partner capacity and strengthen alliances. Furthermore, the exercises generate international interest and shape the geopolitical environment. For example, CE2T2 funds U.S. Central Command's International Mine Countermeasures Exercise in the Straits of Hormuz; by participating in this exercise, the U.S., allies, and partners demonstrate our collective resolve to protect freedom of navigation, thus deterring Iranian provocation.

For Service joint training, the CE2T2 program provides training enablers for realistic and robust combat training with interagency participation in Service events, realistic opposing forces, feedback and lessons learned, and development of a more adaptive joint force. In addition, the CE2T2 program provides funds for each of the Services to participate in the exercises of the other Services, for example, Air Force participation in Army's pre-deployment exercises at the National Training Center.

The consolidated CE2T2 program was established as a result of direction from the 2007 Quadrennial Defense Review that leveraged the Department's 2002 Training Transformation program, realigned joint training programs, and applied resulting efficiencies against new mission areas and existing joint training shortfalls. Ongoing efforts maintain a ready and capable force, support the Department's priority to strengthen joint warfighting capabilities, support the primary missions of the U.S.

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

Armed Forces, and advance U.S. national strategy. The CE2T2 funding resources the following critical training programs:

   1) <u>**The Joint Exercise Transportation Program (JETP)**</u>: Is a key component of the Combatant Commanders Exercise Engagement program and funds transportation of personnel and equipment to worldwide exercises. It enables CCMDs to train battle staffs and participating forces in joint and combined operations, evaluate Operation Plans (OPLANs), 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. Consistent with defense strategy, JETP funds have been redistributed across Combatant Commands to support the rebalance to the Asia-Pacific regions.

   2) <u>**Service Incremental Funding (SIF):**</u> funds Service participation in CCMD exercise and engagement events. Through a collaborative planning process, CCMDs identify forces required. SIF is then provided to pay for the additional costs that would otherwise be borne by the Services. This allows CCMDs to achieve Theater Campaign Plan objectives without having a detrimental impact on Service training budgets. SIF is essential to the realistic conduct of multi-echelon exercises – exercises which include forces on the ground, in the air, or at sea, rather than exercises merely for headquarters.

   3) <u>**J7 Support to Combatant Command (CCMD) Exercises**</u>: Each year, CCMDs conduct exercise/engagement events ranging from small-scale, unilateral to major, multi-lateral events. To maximize effectiveness of these events, the Joint Staff J7 annually supports two exercises per CCMD. This support includes scenario development; observer/trainers; exercise management; and subject matter expertise in Interagency,

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

Information Operations, Cyber Operations, Intelligence, Strategic Communications, Public Affairs, and other warfighting functional areas. J7 also provides this support to United States Forces Korea (USFK) and to select Federal organizations during one annual National Level Exercise (NLE).

   4) <u>Combatant Command Headquarters</u>: Provides the Combatant Commands with funding resources to facilitate their participation over 120 annual training, exercise, and engagement events to ensure overall CCMD readiness to conduct assigned missions. Additionally, the program supports the development, evaluation, and integration of a single, high quality training environment. In addition to serving as the operating budget for CCMD J7s, this program ensures readiness of CCMD and component staffs to execute key operational plans (OPLANs) in support of U.S. national strategy.

   5) <u>Joint National Training Capability (JNTC):</u> uses a mix of live, virtual, and constructive (LVC) training resulting in the most realistic joint mission experience possible. The LVC environment links and combines existing exercises with live forces, augmented by appropriate modeling and simulation, to create a more realistic training experience for the joint force. Through the use of over 42 persistent, networked training sites, JNTC also enables Joint, Interagency, Intergovernmental, and Multinational (JIIM) context to a greater extent than otherwise available. Through a network of subject matter experts, JNTC provides a vital link between joint training activities and ongoing operations. This linkage is crucial to institutionalizing lessons learned (and lessons anticipated) from 10+ years of conflict. JNTC also funds improvements to training realism, including advanced range instrumentation (threat replication), opposition forces, and Afghan role-players for pre-deployment exercises. Overall, JNTC increases training effectiveness while mitigating gaps and seams between Service-centric training programs.

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

6)   <u>**Joint Training Coordination Program (JTCP)**</u>: Provides funds for the Services and U.S. Special Operations Command to participate in the exercises of the other Services. Through such participation, U.S. forces develop the skills and cross-Service familiarity that are necessary to operate in a joint environment. JTCP facilitates the integration of special operations and conventional forces – critical to the defeat of terrorists, including al-Qaeda. By providing or replicating cross-Service participation in pre-deployment exercises at Army's National Training Center and the Marine Air Ground Task Force Training Command at Twenty-Nine Palms, JTCP improves training for the troops who will be on the front lines.

d. <u>**Defense Safety Oversight Council (DSOC):**</u> Supports mishap and injury prevention efforts and projects to meet the Secretary's accident reduction goals. It includes support for installations and sites pursuing Voluntary Protection Program recognition.

e. <u>**Defense Readiness Reporting System (DRRS):**</u> DRRS provides an adaptive, capabilities-based, near real time readiness information environment with tools, standards and policy for all of DoD. DRRS funding supports 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.

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

   f. <u>**Lost Work Days System (LWD):**</u> Lost Work Days aims to increase operational readiness by providing data and analysis to eliminate preventable mishaps.

   g. <u>**Military Naturalization Support:**</u> 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.

   h. <u>**Studies Program:**</u> 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.

   i. <u>**Training Transformation**</u>: Provides oversight of the Department's Joint training effort, including DoD training ranges.

I.   **Description of Operations Financed (cont.)**

$ in Thousands

	FY 2013 1/**Actuals**	FY 2014 2/**Estimate**	FY 2015 3/**Estimate**
G. Under Secretary of Defense (Intelligence):	179,754	143,811	75,736

1/ FY 2013 Actuals **includes** OCO funding (PL 113-6)

2/ FY 2014 Estimate **excludes** $30,000 thousand OCO funding (PL 113-76)

3/ FY2015 Estimate **excludes** OCO.

The Intelligence Management project includes funding for the staff in the four Directors for Defense Intelligence (DDI) and four direct report offices within the OUSD(I). The OUSD(I) recently realigned to better prepare for future strategic challenges and added a fourth DDI (formerly Deputy Under Secretary of Defense) staff organization. The USD(I) advises the Secretary of Defense and Deputy Secretary of Defense regarding intelligence, counterintelligence (CI), security, sensitive activities, technical collection, capabilities, special programs 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, CI, or security components; and exercises planning, policy, and strategic oversight over all DoD intelligence, CI, 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, the USD(I) reports to the DNI on Defense Intelligence matters.

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

a) <u>**The DDI Warfighter Support (WS):**</u> Ensures that intelligence support across the Department meets critical and timely warfighter requirements through policy development, planning, operational oversight, and resource advocacy. DDI WS aligns policies and programs with current operational requirements and Special Operations Intelligence Integration.

b) <u>**The DDI Intelligence Strategy, Programs and Resources (ISP&R):**</u> Develops DoD's investment strategy for ISR and environmental system capabilities, as well as governance, concepts, and technologies to enhance the Defense Intelligence Information Enterprise (DI2E). The office executes this investment strategy through management of the Military Intelligence Program (MIP) as well as the Battlespace Awareness (BA) Portfolio, balancing investment and risk over specific capability focus areas. The office also provides oversight support to USD(I) for ISR acquisition programs and synchronizes MIP investment with those investments in the National Intelligence Program (NIP) that support military planning and operations. Finally, the office identifies, manages, and coordinates ISR systems and programs through the OSD and DNI requirements and acquisition processes.

c) <u>**The DDI Intelligence and Security (I&S):**</u> Responsible for developing policy and planning, and conducting strategic oversight for the DoD in the areas of HUMINT, Counterintelligence (CI), security policy and oversight, clandestine operations and sensitive activities, national programs and policy support, insider threat, intelligence sharing and partner engagement, and defense analysis. Oversees and coordinates closely with DIA's HUMINT and CI enterprises. Supports management of resources and investments to meet evolving warfighter needs; expands defense HUMINT global reach; enhances CI and credibility assessment (CA) capabilities; transforms

I.   **Description of Operations Financed (cont.)**

defense security; and synchronizes SAP and other sensitive activities to provide enhanced operational integration and collaboration.

d) **The DDI Technical Collection & Special Programs (DDI/TCSP):** Newly added DDI established to strengthen operational oversight of the National Security Agency, National Geospatial-Intelligence Agency the Defense Intelligence Agency's Science and Technology Directorate, cyber operations and capabilities and other special programs. DDI/TCSP will drive development of new capabilities and responses to strategic situations and synergize efforts to cultivate new technologies. It oversees, enables and integrates technical collection, cyberspace activities, clandestine technical operations, capabilities development and the Foreign Materiel Program. DDI/TCSP advocates, as necessary, for Defense Intelligence Enterprise resources to support technical operations and other traditional military activities, as assigned, in support of DoD and National intelligence and intelligence related activities. DDI/TCSP represents OUSD(I) and OSD at DoD, IC, national, and international technical forums and conducts outreach activities with DoD components and other elements of the U.S. Government, as well as with our foreign partners. DDI/TCSP also ensures coordination and synchronization of technical capabilities, operations and activities among stakeholders, to include the IC and DoD components.

e) **Direct Report Offices (DRO):** Consists of the Chief of Staff Office, Human Capital Management Office, Congressional Activities, and the Special Access Program Central Office. This office serves as the focal point for coordination of organization-wide management and administrative matters; Defense Intelligence Mission Assurance; and Intelligence Policy. The office of the CoS provides customer focused administrative, management, policy, and operational support capabilities that enable the day to day functions of the OUSD(I). Responsible for managing OUSD(I) Continuity of Operations/Continuity of Government requirements and full integration with OSD; and

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

serves as the DoD lead for the Defense Intelligence Mission Assurance activities ensuring Combat Support Agencies are fully integrated into DoD and IC efforts. Responsible for the development and coordination of DoD intelligence, CI and security policy, strategy and planning guidance to reflect the USD(I)'s strategic direction and priorities; and provides a framework for effective intelligence operations worldwide. Synchronizes DoD policy with IC policy to foster intelligence integration in support of national intelligence requirements and the warfighter. Identifies and fills policy gaps to provide critical guidance in emerging and evolving intelligence mission areas. Ensures Joint Staff Intelligence Doctrine is accurate and correctly reflects intelligence policy guidance.

f) <u>**Human Capital Management Office (HCMO)**</u>: Exercises policy oversight of personnel in Defense intelligence positions to ensure that Defense intelligence, CI, and security Components are manned, trained, equipped and structured to support the missions of the Department. Develops and oversees the policies associated with the Defense Civilian Intelligence Personnel System (DCIPS). Develops policy and provides oversight on training, education, and career development of personnel within the Defense Intelligence, CI, and security Components and ensures integration of Defense intelligence into other DoD training within the DoD and IC, as appropriate. Oversees the implementation of DoD detailee policy within the Defense intelligence, CI, and security Components, and exercises approval authority over the assignment of personnel. Develops and advocates policy, strategies, and programs for meeting DIE needs for foreign language skills and country knowledge capabilities.

g) <u>**Congressional Activities**</u>: Works in support of the USD(I), the ASD (Legislative Affairs) and the OSD (Comptroller); and facilitates OUSD(I) interaction with Defense

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

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.

h) <u>**The Special Access Program Central Office**</u>: Manages security and ensures policy compliance for Special Access Programs (SAP) executed by OUSD (I). Provides guidance, direction and compliance support to SAPs executed by other DoD components and overseen by the USD(I). Serves as the Designated Accreditation Authority for SAP Information Systems within OUSD(I), and drives the modernization of SAP Information Technology for OUSD(I) staff, including ensuring interconnectivity with OUSD(I)'s customers and partners. Functions as the IC's primary focal point for DoD SAP issues. Represents USD(I) equity in DoD SAP Governance forums, and coordinates and de-conflicts compartmented activities between DoD and the IC.

<u>$ in Thousands</u>

	FY 2013 Actuals	FY 2014 Estimate	FY 2015 Estimate
H. <u>Director, Cost Assessment and Program Evaluation (CAPE):</u>	24,885	31,975	27,701

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

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

analyzes program alternatives, manages the Future Years Defense Program (FYDP) and validates the costing and funding of programs throughout DoD.

   a. <u>**Long Range Planning**</u>: This program provides independent advice to the SECDEF for analysis and advice on Planning, Programming, Budgeting, and Execution (PPBE) decisions, cost estimation and cost analysis for major Defense 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

   7) Mobility Capability Analysis

   8) Scenario Analysis and Simulation and Analysis Center (SAC)

   9) Defense Contract and Resource Center (DCARC)

   b. <u>**Industrial Base Study Program**</u>: 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.

I.   **Description of Operations Financed (cont.)**

   c. 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.

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

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$ in Thousands
</div>

	FY 2013 Actuals	FY 2014 Estimate	FY 2015 Estimate
I. **DoD Chief Information Officer**:	83,521	74,235	70,237

a. Chief Information Officer Mission: Responsible for all matters relating to information and the information environment including command and control (C2), communications, radio frequency spectrum, network operations, information systems, information assurance, defense cybersecurity, the joint information environment, and position, navigation, and timing (PNT) policy. Supports all aspects of the Defense Information Enterprise – its policy development and oversight; strategic, business, infrastructure, and capital planning; resource management (e.g., people, funds, and technology); and its design, development, configuration, operation and protection. Emphasis is placed on providing plans, policies, processes, IT governance structures and

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

compliance oversight, engagement with DoD,OMB, and Inter-Agency Governance forms/processes, analytic assessments, enterprise-wide architecture, and technical expertise to achieve the Department's Joint Information Environment (JIE). Funds support DoD CIO responsibilities for the development and integration of Command, Control, Communications, Computing Network, and Information Infrastructure Capabilities (C4&IIC) to include cloud, data center, identity/access management, and asset management policies to ensure successful implementation of the JIE. For initiatives impacting the Department's information sharing, supporting the full range of Defense operations from tactical through strategic levels. Provides for C4&IIC technical strategy development and analysis activities (e.g. bandwidth assessments, spectrum analysis, satellite communication, integrated joint C2 capability plans, and commercial wireless analysis), capability advocacy, and domestic and international policy engagement. Funds the analysis and oversight of implementation strategies for IT-based systems, services, standards, specifications and protocols to enhance the efficiency and effectiveness of capabilities and ensure compliance with the Department's JIE objectives. Enables management and oversight of Department and Component-level strategies for C4&IIC programs to include technical analyses and evaluations of cost, schedule, performance, dependencies and requirements, and provides leadership with solid capability strategies and economic alternatives. Funds technical analysis, architecture development, and systems engineering analysis of C4&IIC related programs, technical evaluation and assessments of acquisition strategies and requirements, analyses of alternatives, and systems integration and synchronization. The funds also support the DoD CIO role as the Secretary's Principal Staff Assistant (PSA) for command and control and National Leadership Command Capabilities, and supports the availability and provisioning of fully capable and collaborative nuclear and national C2 networks, systems, and equipment. Funds support efforts to: improve visualization of the status of National and Presidential communications networks and information services, oversee and monitor secure

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

voice and cryptographic device/equipment modernization (both nationally and nuclear command and control), and develop engineering and architecture of future systems. These funds also support the oversight and preparation of OMB and Congressional justification materials for the DoD Information Technology budget, to include the Department's cybersecurity budget

   b. <u>**Information Systems Security Program (ISSP):**</u> Supports policy development, program oversight, development of strategies, the integration of all DoD Information Assurance (IA) efforts such as Computer Network Defense (CND), and capabilities for the restoration of information systems. Supports: IA and CND architecture development and oversight; IA and CND operations process integration, and impact assessment and mitigation planning. Also supports oversight and development of IA education, training and awareness -- including IA Scholarship Program – defense information systems security programs, engagement with our allies on Internet Governance, and capabilities that support mission assurance and implementation processes.

   c. <u>**e-Gov Initiatives and Government-Wide Councils**</u>: This program implements OMB IT Management requirements supporting the President's agenda for IT Efficiency, transparency, information sharing, and OMB's guidance on alignment of architectures, advancement of new technologies, Federal-wide management initiatives (e.g., Information Resource Management Planning, Enterprise Architecture and Roadmaps, Shared Services, Digital Government, Mobile Enablement, Cloud Capabilities, Data Center Consolidation, Commodity IT, Privacy, Section 508 Compliance, Management of Information as a Strategic Asset, IPv6, IT Asset Management and Investment oversight), and implementation of Federal-wide services. The funding will also provide for the Department's annual share for support to the Federal government-wide councils (Chief Financial Officers Council,

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

Chief Information Officers Council, Chief Human Capital Officers Council, Chief Acquisition Officers Council, and the President's Management Council).

   d. <u>**Cyber Security Initiative**</u>: Supports the President's inter-agency Comprehensive National Cybersecurity Initiative (CNCI) in the areas of: FISMA compliance and increasing the security of the networks and information system; expanding education; and developing approaches for Global Supply Chain Risk Management (SCRM). Funding for SCRM activities are generally comprised of two types: 1) SCRM piloting activities within DoD, and; 2) 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. The goal is to mitigate risks to DoD's IT information systems from the global supply chain of hardware and software-based components. In addition funds support program protection plan analyses, and support for 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.

   e. <u>**Defense Industrial Base, Cyber Security Initiative**</u>: 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, 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 implementation of roles and responsibilities assigned to DoD Components supporting the

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

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 the Dept. of Homeland Security (DHS) efforts to extend DoD's DIB information sharing model to other critical infrastructure sectors, and supports 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>

	FY 2013 <u>**Actuals**</u>	**FY 2014** <u>**Estimate**</u>	**FY 2015** <u>**Estimate**</u>
J. <u>**Deputy Chief Management Officer:**</u>	27,030	29,099	29,847

The Office of Deputy Chief Management Officer (O, DCMO) was established through Section 904 of the Fiscal Year 2009 National Defense Authorization Act (NDAA) to lead and enable end-to end integration and improvement of the business operation. On behalf of the Deputy Secretary of Defense, the O,DCMO works across the Department to synchronize and coordinate cross-functional business activities and break down organizational stovepipes.

The DCMO also serves as DoD Performance Improvement Officer ensuring that both operational and institutional processes are delivering needed capability. The DCMO strives to ensure delivery of efficient, effective and agile business operations that support and enable the Warfighter.

I.   Description of Operations Financed (cont.)

O,DCMO creates this optimized enterprise-wide business environment by synchronizing and integrating the Department's business activities and management structures. Specifically, the DCMO is responsible for DoD business strategic planning, performance management, and oversight; successful implementation and oversight of defense business systems; effective business portfolio and investment management; providing rapid and agile solutions to the Warfighter; delivering the Business Enterprise Architecture, standards, and technology innovation; end-to-end business process optimization, integration and alignment; and utilization of business intelligence for effective decision making.

Overall, the O,DCMO provides DoD Components and stakeholders the guidance, tools, and resources needed to create a performance-oriented culture guided by an overarching business strategy that identifies cross-functional processes, tracks critical performance measures, manages investments to ensure Warfighter requirements are quickly and accurately met, and properly leverages information technology. This integrated management framework enhances DoD's ability to achieve important business outcomes in the Business Mission Area (BMA) and operational outcomes throughout the rest of the Department.

More detailed information on the mission and functions of the Office of the DCMO can be found at the following website: https://dcmo.defense.gov.

II. Force Structure Summary:
N/A

III. Financial Summary ($ in thousands)

A. BA Subactivities	FY 2013 Actual	Budget Request	FY 2014 Congressional Action		Appropriated	Current Estimate	FY 2015 Estimate
			Amount	Percent			
1. Core Operating Program	**355,088**	**388,252**	**-28,975**	**-7.5**	**359,277**	**359,277**	**357,360**
Core Operating Program	355,088	388,252	-28,975	-7.5	359,277	359,277	357,360
2. Other DoD Programs and Initiatives	**194,386**	**237,904**	**37,425**	**15.7**	**275,329**	**275,329**	**328,580**
Other DoD Programs and Initiatives	194,386	237,904	37,425	15.7	275,329	275,329	328,580
3. OUSD (AT&L) Congressional Mandate	**41,931**	**33,642**	**2,356**	**7.0**	**35,998**	**35,998**	**24,741**
BRAC Support	0	8,000	-8,000	-100.0	0	0	4,800
CFO Act Compliance	8,061	3,176	-201	-6.3	2,975	2,975	2,606
Committee on Foreign Investment in the US (CFIUS)	0	2,598	-164	-6.3	2,434	2,434	2,826
Contingency Business Tools	10,101	11,999	-756	-6.3	11,243	11,243	9,810
E-Business COE	2,443	2,877	-182	-6.3	2,695	2,695	2,537
Legacy Resource Management Program	9,313	4,941	-341	-6.9	4,600	4,600	2,158
Native American Land Remediation	12,013	51	12,000	23,529.4	12,051	12,051	4
4. OUSD (AT&L) Improve Acquisition & Logistics Processes	**143,190**	**158,053**	**-10,031**	**-6.4**	**148,022**	**148,022**	**139,037**
Acquisition Program Support Systems	7,969	8,998	-567	-6.3	8,431	8,431	7,359
Contingency Contracting	1,991	2,907	-184	-6.3	2,723	2,723	2,600
Corrosion Prevention	3,689	5,752	-363	-6.3	5,389	5,389	4,848

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III. __Financial Summary__ ($ in thousands)

| | | | FY 2014 | | | | |
| | | | Congressional Action | | | | |
A. __BA Subactivities__	__FY 2013 Actual__	__Budget Request__	__Amount__	__Percent__	__Appropriated__	__Current Estimate__	__FY 2015 Estimate__
Program CWMD Expert Fellows Program	5,882	1,912	-164	-8.6	1,748	1,748	2,160
CWMD Sustainment	1,973	2,825	-177	-6.3	2,648	2,648	2,702
Defense Industrial Base Cyber Security	2,662	3,065	-194	-6.3	2,871	2,871	2,579
Defense Installation Spatial Data Infra (DISDI)	633	724	-46	-6.4	678	678	601
Defense Management Initiatives	3,380	1,738	-110	-6.3	1,628	1,628	1,424
Defense Procurement & Acquisition Policy (DPAP)	1,786	2,405	-152	-6.3	2,253	2,253	2,101
Developmental Test and Engineering (DT&E)	1,871	2,185	-138	-6.3	2,047	2,047	1,885
DoD Siting Clearinghouse	1,297	3,015	-212	-7.0	2,803	2,803	2,341
Emerging Contaminants	1,041	672	-60	-8.9	612	612	505
Employee Safety Occupational Health (ESOH) in Acquisition	1,368	689	-44	-6.4	645	645	634
Human Capital Initiative (HCI)	1,536	2,994	-190	-6.4	2,804	2,804	2,521
I&E Business Enterprise Integration (Formerly Facilities Program Requirement)	8,490	2,723	-172	-6.3	2,551	2,551	1,986

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

A. <u>BA Subactivities</u>	FY 2013 Actual	Budget Request	FY 2014 Congressional Action			Current Estimate	FY 2015 Estimate
			Amount	Percent	Appropriated		
Industrial Policy Program Support	3,359	4,971	-314	-6.3	4,657	4,657	4,194
Information Superiority Integration Support (ISIS)	0	6,819	-430	-6.3	6,389	6,389	4,516
Installation Climate Change Vulnerability Assessment	697	963	-71	-7.4	892	892	760
Integrated Acquisition Environment (GSA Bill)	29,495	29,052	-1,698	-5.8	27,354	27,354	29,116
Joint Purchase Card Office	6,108	7,497	-473	-6.3	7,024	7,024	6,491
Logistics Systems Modernization (LSM)	21,658	23,284	-1,467	-6.3	21,817	21,817	18,921
Mission Capabilities/Systems Engineering	5,104	6,646	-419	-6.3	6,227	6,227	5,897
Operational Energy Plans and Programs (OEP&P) Office	7,371	6,599	-416	-6.3	6,183	6,183	5,569
Performance Assessment & Root Cause Analysis (PARCA) Office	7,704	10,950	-690	-6.3	10,260	10,260	8,914
RDT&E Oversight	2,917	3,836	-345	-8.0	3,491	3,491	4,935
Small Business Program Support	6,713	6,777	-427	-6.3	6,350	6,350	6,749
Space and Intelligence	6,189	6,833	-431	-6.3	6,402	6,402	5,743

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III. Financial Summary ($ in thousands)

			FY 2014					
			Congressional Action					
A. BA Subactivities	FY 2013 Actual	Budget Request	Amount	Percent	Appropriated	Current Estimate	FY 2015 Estimate
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MDAP Oversight Strategic Sourcing	307	1,222	-77	-6.3	1,145	1,145	986
5. OUSD (AT&L) Promulgate Policy	**23,328**	**23,455**	**-1,479**	**-6.3**	**21,976**	**21,976**	**19,498**
Acquisition Visibility	16,715	18,906	-1,192	-6.3	17,714	17,714	15,411
AT&L Knowledge Sharing Systems	6,026	3,836	-242	-6.3	3,594	3,594	3,354
Transform Procurement Regulations	587	713	-45	-6.3	668	668	733
6. OUSD (AT&L) Regulatory Requirement	**51,391**	**53,688**	**9,594**	**17.9**	**63,282**	**63,282**	**46,229**
Acquisition Workforce Demonstration	0	0	0	n/a	0	0	0
Environmental International Cooperation	2,899	2,037	-129	-6.3	1,908	1,908	1,642
International Cooperation Program Support	410	1,089	-81	-7.4	1,008	1,008	1,075
Low Observable, CLO	3,514	125	-8	-6.4	117	117	108
Readiness & Env. Protection Initiative (REPI)	44,568	50,437	9,812	19.4	60,249	60,249	43,404
7. OUSD (AT&L) Other	**11,049**	**18,660**	**-1,177**	**-6.3**	**17,483**	**17,483**	**15,010**
OSD Studies Fund	10,685	14,546	-917	-6.3	13,629	13,629	11,604
OUSD(AT&L) Travel	364	4,114	-260	-6.3	3,854	3,854	3,406
8. OUSD (AT&L) OCO	**12,659**	**0**	**0**	**n/a**	**0**	**0**	**0**
OCO OUSD (AT&L)	12,659	0	0	n/a	0	0	0

III. Financial Summary ($ in thousands)

A. BA Subactivities	FY 2013 Actual	Budget Request	FY 2014 Congressional Action Amount	FY 2014 Congressional Action Percent	FY 2014 Congressional Action Appropriated	Current Estimate	FY 2015 Estimate
9. OUSD (Policy)	62,445	66,058	-9,073	-13.7	56,985	56,985	60,608
Defense Critical Infrastructure Protection	7,455	8,640	-500	-5.8	8,140	8,140	7,710
Global Threat Management	4,147	7,087	-2,100	-29.6	4,987	4,987	0
Homeland Defense Support Activities	4,948	6,375	0	0.0	6,375	6,375	0
International Defense Program	0	0	0	n/a	0	0	5,638
Mission Support	0	0	0	n/a	0	0	5,908
OCO OUSD(Policy)	13,991	0	0	n/a	0	0	0
OUSD(P) Operations	0	0	0	n/a	0	0	29,962
OUSD(P) Travel	3,475	5,613	0	0.0	5,613	5,613	0
Policy Planning and Integration	7,835	8,750	-2,800	-32.0	5,950	5,950	0
Regional Security Affairs	3,500	5,958	-600	-10.1	5,358	5,358	0
Rewards Program	5,250	8,466	-500	-5.9	7,966	7,966	7,990
Strategy and Force Development	0	0	0	n/a	0	0	3,400
US Mission to NATO	5,497	6,100	-573	-9.4	5,527	5,527	0
Warfighting Support Activities	6,347	9,069	-2,000	-22.1	7,069	7,069	0
10. OUSD (Comptroller)	30,368	39,585	-2,478	-6.3	37,107	37,107	39,590
Comptroller Initiatives	23,224	30,709	-2,478	-8.1	28,231	28,231	30,424
Enterprise Funds	3,093	3,150	0	0.0	3,150	3,150	3,206

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III. Financial Summary ($ in thousands)

			FY 2014				
			Congressional Action				
A. BA Subactivities	FY 2013 Actual	Budget Request	Amount	Percent	Appropriated	Current Estimate	FY 2015 Estimate
Distribution System Support							
Next Generation Resource Management System	2,644	4,202	0	0.0	4,202	4,202	4,277
OUSD(C) Administrative Support	1,407	1,524	0	0.0	1,524	1,524	1,683
11. OUSD (P&R)	**765,815**	**693,296**	**-39,401**	**-5.7**	**653,895**	**653,895**	**656,989**
Advancing Diversity & EO	6,678	8,700	-494	-5.7	8,206	8,206	7,569
ASD (Health Affairs) Operations	728	858	-49	-5.7	809	809	678
ASD (Reserve Affairs) Operations	1,566	1,610	-91	-5.7	1,519	1,519	1,392
Combatant Commanders Exercise Engagement & Training Transformation	632,433	649,224	-41,333	-6.4	607,891	607,891	611,155
Defense Readiness Reporting System (DRRS)	7,143	7,387	-420	-5.7	6,967	6,967	6,169
Defense Safety Oversight Council (DSOC)	15,754	9,296	-528	-5.7	8,768	8,768	9,116
Lost Work Day System	2,583	2,785	-158	-5.7	2,627	2,627	2,781
Military Naturalization Support	6,645	6,774	-385	-5.7	6,389	6,389	6,019
OCO OUSD(P&R)	11,601	0	0	n/a	0	0	0

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

			FY 2014				
			Congressional Action				
A. <u>BA Subactivities</u>	FY 2013 Actual	Budget Request	Amount	Percent	Appropriated	Current Estimate	FY 2015 Estimate
OUSD(P&R) Administrative Support	4,810	3,267	-186	-5.7	3,081	3,081	3,158
OUSD(P&R) Travel	504	1,049	-60	-5.7	989	989	948
Studies Program/CASS	890	2,346	-133	-5.7	2,213	2,213	2,159
Training Transformation	0	0	4,436	n/a	4,436	4,436	5,845
Wounded Warrior Care	74,480	0	0	n/a	0	0	0
12. OUSD (Intel)	**179,754**	**153,239**	**-9,428**	**-6.2**	**143,811**	**143,811**	**75,736**
Defense Civilian Intelligence Personnel System	2,078	2,100	-100	-4.8	2,000	2,000	1,903
Defense Military Deception Program Office	4,461	5,820	-2,203	-37.9	3,617	3,617	3,724
Defense Operation Security Initiative	0	0	0	n/a	0	0	4,300
Intelligence Mission	111,916	75,773	-4,102	-5.4	71,671	71,671	65,809
International Intelligence Technology and Architecture	61,299	69,546	-3,023	-4.4	66,523	66,523	0
OCO OUSD(INTEL)	0	0	0	n/a	0	0	0
13. Director, CAPE	**24,885**	**34,110**	**-2,135**	**-6.3**	**31,975**	**31,975**	**27,701**
CAPE Travel	192	450	0	0.0	450	450	245
FYDP Improvement	3,601	3,748	0	0.0	3,748	3,748	3,816
Industrial Base Studies	1,840	2,268	0	0.0	2,268	2,268	2,308
Long-Range Planning	19,252	27,644	-2,135	-7.7	25,509	25,509	21,332

III. Financial Summary ($ in thousands)

A. BA Subactivities	FY 2013 Actual	Budget Request	FY 2014 Congressional Action Amount	Percent	Appropriated	Current Estimate	FY 2015 Estimate
14. DoD Chief Information Officer	**83,521**	**79,192**	**-4,957**	**-6.3**	**74,235**	**74,235**	**70,237**
CIO Mission	29,287	32,375	-2,055	-6.4	30,320	30,320	29,257
Cyber Security Initiative	23,072	11,394	-723	-6.4	10,671	10,671	9,951
Defense Industrial Base, Cyber Security Initiative	2,285	3,410	-217	-6.4	3,193	3,193	3,038
DoD CIO Travel	350	1,097	0	0.0	1,097	1,097	673
Egov, Councils	16,272	17,738	-1,126	-6.4	16,612	16,612	15,809
Information Superiority Integration Support (ISIS)	0	0	0	n/a	0	0	0
Information Systems Security Program (ISSP)	12,255	13,178	-836	-6.3	12,342	12,342	11,509
Mission & Analysis Fund	0	0	0	n/a	0	0	0
15. Deputy Chief Management Officer	**27,030**	**31,042**	**-1,943**	**-6.3**	**29,099**	**29,099**	**29,847**
DCMO Integration and Policy	27,030	31,042	-1,943	-6.3	29,099	29,099	29,847
Total	**2,006,840**	**2,010,176**	**-61,702**	**-3.1**	**1,948,474**	**1,948,474**	**1,891,163**

* The FY 2013 Actual column **includes** $38,251 thousand of FY 2013 OCO Appropriations funding (PL 113-6).
* The FY 2014 Estimate column **excludes** $68,227 thousand of FY 2014 Overseas Contingency Operations Appropriations funding (PL 113-76).
* The FY 2015 Estimate **excludes** OCO.

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B. <u>Reconciliation Summary</u>	Change FY 2014/FY 2014	Change FY 2014/FY 2015
Baseline Funding	**2,010,176**	**1,948,474**
Congressional Adjustments (Distributed)	-95,185	
Congressional Adjustments (Undistributed)		
Adjustments to Meet Congressional Intent		
Congressional Adjustments (General Provisions)	33,483	
Subtotal Appropriated Amount	**1,948,474**	
Fact-of-Life Changes (2014 to 2014 Only)		
Subtotal Baseline Funding	**1,948,474**	
Supplemental	68,227	
Reprogrammings		
Price Changes		32,693
Functional Transfers		
Program Changes		-90,004
Current Estimate	**2,016,701**	**1,891,163**
Less: Wartime Supplemental	-68,227	
Normalized Current Estimate	**1,948,474**	

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C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
FY 2014 President's Budget Request (Amended, if applicable)		**2,010,176**
1. Congressional Adjustments		-61,702
a. Distributed Adjustments		
1) Distributed Adjustments	-95,185	
b. Undistributed Adjustments		
c. Adjustments to Meet Congressional Intent		
d. General Provisions		
1) Section 8023 (FFRDC)	-1,065	
2) Section 8034 (Indian Lands)	11,250	
3) Section 8077 (Red Cross)	24,000	
4) Section 8077 (USO)	20,000	
5) Section 8108 (Review of Superintendents of SVC Academies)	1,000	
6) Section 8140 (WCF Excess Cash)	-21,702	
FY 2014 Appropriated Amount		**1,948,474**
2. War-Related and Disaster Supplemental Appropriations		68,227
a. OCO Supplemental Funding		
1) Anticipated OCO Supplemental Funding	68,227	
3. Fact-of-Life Changes		
FY 2014 Baseline Funding		**2,016,701**
4. Reprogrammings (Requiring 1415 Actions)		
Revised FY 2014 Estimate		**2,016,701**
5. Less: Item 2, War-Related and Disaster Supplemental Appropriations and Item 4, Reprogrammings		-68,227
FY 2014 Normalized Current Estimate		**1,948,474**
6. Price Change		32,693
7. Functional Transfers		-67,720
a. Transfers In		
b. Transfers Out		
1) OUSD(I) - International Intelligence Technology and	-67,720	

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

C. <u>**Reconciliation of Increases and Decreases**</u>	<u>**Amount**</u>	<u>**Totals**</u>
Architectures		
Program transferred to the Air Force from the USD(I) as a part of the Department's efforts to appropriately align programs as a result of the SECDEF Organizational Review. No FTEs were transferred. (FY 2014 Baseline: $66,523 thousand; +0 FTEs)		
8. Program Increases		109,803
a. Annualization of New FY 2014 Program		
b. One-Time FY 2015 Increases		
c. Program Growth in FY 2015		
1) DCMO - Integration and Policy	224	
Increase will support the DCMO's ability to comply and support legislated requirements to include mandated Business Process Reengineering activity and Department of Defense business systems. (FY 2014 Baseline: $29,099 thousand; +0 FTEs)		
2) Other DoD Programs and Initiatives	48,296	
Department of State increased OSD's capital security cost sharing allocation for Capital Security Cost-Sharing and Maintenance Cost-Sharing Programs in support of Embassy Security and Maintenance. (FY 2014 Baseline: $275,329 thousand; +0 FTEs)		
3) OUSD (AT&L) - Committee on Foreign Investment in the United States (CFIUS)	348	
Increase ensures compliance with section 721 of the Defense Production Act (DPA), which states that MIBP is required to conduct national security reviews within 75 days, or 30 days in case of a heightened concern to determine the risks of an acquisition		

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>

transaction. This enhancement will allow the
Department to meet the statutory deadlines and
protect U.S. national security interests. (FY 2014
Baseline: $2,434 thousand; +0 FTEs)

| 4) OUSD (AT&L) – Integrated Acquisition Environment (GSA Bill) | 1,270 | |

Increase represents GSA cost passed along to DoD to
fund software support bill. (FY 2014 Baseline:
$27,354 thousand; +0 FTEs)

| 5) OUSD (AT&L) – Transform Procurement Regulations | 53 | |

Account was slightly increased to fund necessary
contracted efforts. (FY 2014 Baseline: $668 thousand;
+0 FTEs)

| 6) OUSD – (AT&L) BRAC 2015 Round Planning and Analyses | 4,800 | |

Increase reflects contractor support for preparation
of analysis for possible BRAC. (FY 2014 Baseline: $0
thousand; +0 FTEs)

| 7) OUSD – (AT&L) International Cooperation Program Support | 48 | |

Account was slightly increased to fund necessary
contracted efforts. (FY 2014 Baseline: $1,008
thousand; +0 FTEs)

| 8) OUSD – (AT&L) RDT&E Oversight | 1,380 | |

The increase represents the realignment of funds from
compensation and benefits to mission funding due to
reduction of 3 IPA planned hires in FY15. (FY 2014
Baseline: $1,145 thousand; +0 FTEs)

| 9) OUSD – (AT&L) Small Business Program Support | 285 | |

Increase in in the level of effort for the Office,
Small Businee Programs (OSBP) initiative for

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>

      continuing the implementation of the DoD Small
      Business Market Research Center of Excellence, which
      supports Better Buying Power 2.0 and is key to
      improving effectiveness of the acquisition workforce
      and the Department's ability to achieve small
      business performance goals. (FY 2014 Baseline: $6,350
      thousand; +0 FTEs)

   10) OUSD(AT&L) - Countering Weapons of Mass Destruction   381
   (CWMD) Expert Fellows Program
      The increase represents the realignment of funds from
      compensation and benefits to mission funds due to the
      reduction 3 IPAs. (FY 2014 Baseline: $1,748 thousand;
      +0 FTEs)

   11) OUSD(AT&L) - Countering Weapons of Mass Destruction   6
   (CWMD) Sustainment
      Increase in contractor support for the Global CWMD
      Awareness System (GCAS) prototype development. (FY
      2014 Baseline: $2,648 thousand; +0 FTEs)

   12) OUSD(C) - Administrative Support   132
      Increase funds additional requirements for conference
      call support which reduces travel costs and also
      funds price change for administrative support
      contract. (FY 2014 Baseline: $1,524 thousand; +0
      FTEs)

   13) OUSD(C) - Comptroller Initiatives   1,685
      Increase funds program support for the Department's
      financial improvement plans and audit readiness
      goals. (FY 2014 Baseline: $28,231 thousand; +0 FTEs)

   14) OUSD(I) - Defense Military Deception Program Office   40
      Increase support in managing the formulation of

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>

     MILDEC policies and plans related to Department of
Defense (DoD) activities and advising on security
matters, with emphasis on national, DoD,
intelligence, missile defense, arms control, space
control, acquisition, electronic warfare, and
training. (FY 2014 Baseline: $3,617 thousand; +0
FTEs)

15) OUSD(I) - Defense Operations Security Initiative   4,300
(DOSI)
     The internal realignment of FY 2015 DOSI funding
between Operations and Maintenance and Research &
Development is due to the maturation of the DOSI
Program from mainly a developmental focus to a more
equitable balance between continued development and
sustainment of the development already completed. As
the defense-wide OPSEC program progresses, DOSI O&M
functions are progressing and maturing respectively.
(FY 2014 Baseline: $0 thousand; +0 FTEs)

16) OUSD(P&R) - Administrative Support   21
     Increase provides funding for the continued support
of a Department of Defense (DoD) Veteran Affairs
Office for the accomplishment of SECDEF-directed
improvements in the coordination of Veterans'
programs throughout DoD. (FY 2014 Baseline: $3,081
thousand; +0 FTEs)

17) OUSD(P&R) - Defense Safety Oversight Council (DSOC)   190
     Supports the increasing number of installations and
sites improving their safety management systems and
submitting Voluntary Protection Programs (VPP)
progress applications, resulting in decreases in job

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>

related injuries and claims. (FY 2014 Baseline: $8,768 thousand; +0 FTEs)

18) OUSD(P&R) - Lost Work Day System (LWD)   107
Supports the information assurance requirements and transition of hosting the Force Risk Reduction tool in accordance with the DoD IT consolidation. (FY 2014 Baseline: $2,627 thousand; +0 FTEs)

19) OUSD(P&R) - Training Transformation   1,329
Supports Training Readiness and Strategy Analytical; and Policy contracts which adhere to the Defense-wide initiatives to increase readiness. Effort provides scientific, engineering, technical, and analytical services in support of training policy and strategy development. (FY 2014 Baseline: $4,436 thousand; +0 FTEs)

20) OUSD(P) International Defense Programs   5,638
OUSD(P) restructured its programs to more accurately reflect the support it provides to the Secretary of Defense. Increase is a result of realigning the US Mission to NATO program funding. (FY 2014 Baseline: $0 thousand; +0 FTEs)

21) OUSD(P) Mission Support   5,908
OUSD(P) restructured its programs to more accurately reflect the support it provides to the Secretary of Defense. Increase is a result of funding realignment from OUSD(P) Warfighting Support Activities and Global Threat Management. (FY 2014 Baseline: $0 thousand; +0 FTEs)

22) OUSD(P) Operations   29,962
OUSD(P) restructured its programs to more accurately

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>

reflect the support it provides to the Secretary of Defense. Increase is a result of OUSD(P) funding realignment from OUSD(P) Travel, Regional Security Affairs, Policy Planning and Integration, Homeland Defense Support Activities, Warfighting Support Activities, and Global Threat Management. (FY 2014 Baseline: $0 thousand; +0 FTEs)

    23) OUSD(P) Strategy and Force Development   3,400
OUSD(P) restructured its programs to more accurately reflect the support it provides to the Secretary of Defense. Increase is a result of OUSD(P) funding realignment from Global Threat Management and Warfighting Support Activities. (FY 2014 Baseline: $0 thousand; +0 FTEs)

9. Program Decreases   -132,087
  a. Annualization of FY 2014 Program Decreases
  b. One-Time FY 2014 Increases
  c. Program Decreases in FY 2015
    1) CAPE - Long Range Planning   -4,638
    Reduction in the Long Range Planning program beginning this cycle to support realignment of management headquarters resources to combat capabilities to streamline management headquarters activities. (FY 2014 Baseline: $25,509 thousand; +0 FTEs)
    2) CAPE Travel   -212
    Reduction in travel funding by leveraging technologies for video-teleconferencing, minimizing the number of individuals traveling to events and locations, and continuing to ensure the organization

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

C. <u>**Reconciliation of Increases and Decreases**</u>	<u>**Amount**</u>	<u>**Totals**</u>

conducts only mission-essential travel to streamline management headquarters activities. (FY 2014 Baseline: $450 thousand; +0 FTEs)

3) Core Operating Program - Compensation and Benefits   -5,505
   The program decrease of $-5,505 thousand is due to a strategic efficiency reduction in management headquarters and staffing for better alignment and to provide support to a smaller military force. Cost associated with non-consulting Intergovernmental Personnel Act (IPA) was reduced from $9,520 thousand to $3,575 thousand, a program decrease of $-6,040. Cost for direct civilian full-time equivalents program increased by $535 due to anticipated change in workforce cost. (FY 2014 Baseline: $359,277 thousand; +0 FTEs)

4) DoD CIO - CIO Mission   -1,608
   Reduce contractor support to C2 policy development activities, bandwidth assessments, UAS encryption instructions, SATCOM and commercial wireless policy documents, domestic and international spectrum policy support, and C2 core data standards. In addition to reducing 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. (FY 2014 Baseline: $30,320 thousand; +0 FTEs)

5) DoD CIO - Cyber Security Initiative OSD   -911
   Reduce contractor support to the Supply Chain Risk

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>

Management (SCRM) threat assessment capability and
will reduce efforts for support program protection
plan analysis, and support for 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. (FY 2014 Baseline:
$10,671 thousand)

6) DOD CIO - Defense Industrial Base, Cyber Security Initiative	-213	

Reduction to contractor support to the Defense
Industrial Base Cyber Security/Information Assurance
(DIB CS/IA) program. Support to 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, the development of network security/IA
capabilities and development of associated network
security technologies. (FY 2014 Baseline: $3,193
thousand; +0 FTEs)

7) DoD CIO - Egov, Councils	-1,102	

Reduce contractor support to IT Management
requirements supporting the President's agenda for
transparency, information sharing, and alignment of
architectures, advancement of new technologies,
Federal-wide management initiatives, and
implementation of Federal-wide services. (FY 2014
Baseline: $16,612 thousand; +0 FTEs)

8) DoD CIO - Information Systems Security Program (ISSP)	-1,055	

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
Reduce contractor support to 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. (FY 2014 Baseline: $12,342 thousand; +0 FTEs)		
9) DoD CIO - Travel	-444	
Reduce Travel costs by more efficient use of video Teleconfrencing (VTC) in lieu of travel and, where possible, consolidation of mission travel requirements into fewer trips to streamline management headquarters activities. (FY 2014 Baseline: $1,097 thousand; +0 FTEs)		
10) OUSD (AT&L)-Legacy Resource Management Program	-2,525	
Deferral of eight natural and/or cultural resource projects aimed at improving access to, or use of, training lands and development/fielding of tools to increase efficiency of installation-level programs. (FY 2014 Baseline: $4,600 thousand; +0 FTEs)		
11) OUSD - (AT&L) Acquisition Program Support Systems	-1,224	
Reduces leverage Enterprise software licensing and postpones support to emerging requirements. (FY 2014 Baseline: $8,431 thousand; +0 FTEs)		
12) OUSD - (AT&L) Acquisition Visibility	-2,623	
Significant decrease of contract support to execute information for milestone decision support, Defense Acquisition Executive Summary (DAES), and the ability to measure the Department's overall acquisition performance. (FY 2014 Baseline: $17,714 thousand; +0 FTEs)		

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
13) OUSD - (AT&L) AT&L Knowledge Sharing Systems Halts development and updates of performance learning tools (PLTs), job aids, and other knowledge sharing services that directly support on-the-job learning. Reduction in the updates to continuous learnining module. (FY 2014 Baseline: $3,594 thousand; +0 FTEs)	-305	
14) OUSD - (AT&L) Contingency Business Tools Reduces the overall level of effort of for the Contingency Acquisition Support Model and Joint Contingency Contract Systems requirements. (FY 2014 Baseline: $11,243 thousand; +0 FTEs)	-1,635	
15) OUSD - (AT&L) Contingency Contracting Reduction of contractor support. (FY 2014 Baseline: $2,723 thousand; +0 FTEs)	-172	
16) OUSD - (AT&L) Corrosion Prevention Program Reduces contract support that determines mission critical projects affecting weapon systems' availability due to corrosion. (FY 2014 Baseline: $5,389 thousand; +0 FTEs)	-638	
17) OUSD - (AT&L) Defense Industrial Base Cyber Security Reduces level of effort for the Institute of Defense Analyses (IDA). (FY 2014 Baseline: $2,871 thousand; +0 FTEs)	-344	
18) OUSD - (AT&L) Defense Installation Spatial Data Infra (DISDI) Decrease reduces contract support. (FY 2014 Baseline: $678 thousand; +0 FTEs)	-89	
19) OUSD - (AT&L) Defense Management Initiatives Decrease is due to a one-time effort in FY14 to support energy initiatives. Eliminates of contractor	-233	

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

C. <u>**Reconciliation of Increases and Decreases**</u>	<u>**Amount**</u>	<u>**Totals**</u>

support, defers contractor efforts to automate
analytics for energy, requiring continued use of
manual spreadsheets to analyze data. (FY 2014
Baseline: $1,628 thousand; +0 FTEs)

20) OUSD - (AT&L) Defense Procurement & Acquisition   -192
Policy (DPAP)
Reduction of contractor support. (FY 2014 Baseline:
$2,253 thousand; +0 FTEs)

21) OUSD - (AT&L) Developmental Test and Engineering   -200
(DT&E)
Reduces FFRDC support by approximately 1.2 Staff
Technical equivalent(STE). This decrease would
impact the technical data analysis and development of
detailed written performance assessments for all MDAP
and MAIS programs entering EMD (MS B), proceeding to
MS C, or IOT&E. (FY 2014 Baseline: $2,047 thousand;
+0 FTEs)

22) OUSD - (AT&L) DoD Siting Clearinghouse   -512
Decrease is due to a one-time effort in FY14 to
comply with FY11 NDAA requirements. (FY 2014
Baseline: $2,803 thousand; +0 FTEs)

23) OUSD - (AT&L) E-Business COE   -207
Reduction of contractor support. (FY 2014 Baseline:
$2,695 thousand; +0 FTEs)

24) OUSD - (AT&L) Emerging Contaminants   -117
Elimination of one Phase I Impact Assessment for a
potential high risk chemical, and one Phase II Impact
Assessment for decaBDE, a fire retardant chemical
previously identified as high risk due to a
production phase-out. (FY 2014 Baseline: $612

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

C. <u>**Reconciliation of Increases and Decreases**</u>	<u>**Amount**</u>	<u>**Totals**</u>
thousand; +0 FTEs)		
25) OUSD - (AT&L) Employee Safety Occupational Health (ESOH) in Acquisition	-22	
Reduces the number of ESOH acquisition reviews for systems in the acquisition pipeline by approximately (10) ten. (FY 2014 Baseline: $645 thousand; +0 FTEs)		
26) OUSD - (AT&L) Environmental International Cooperation	-300	
Decrease is due to a one-time effort in FY14 to meet support requirements to the Joint Staff. Defers several engagements originally approved through the DEIC process. (FY 2014 Baseline: $1,908 thousand; +0 FTEs)		
27) OUSD - (AT&L) Human Capital Initiative (HCI)	-333	
Reduction in contractor support. (FY 2014 Baseline: $2,804 thousand; +0 FTEs)		
28) OUSD - (AT&L) I&E Business Enterprise Integration	-611	
Decrease is due to a one-time effort in FY14 to accelerate activities that were reduced due to the disestablishment of BTA. (FY 2014 Baseline: $2,551 thousand; +0 FTEs)		
29) OUSD - (AT&L) Industrial Policy Program Support	-546	
Reduction in contractor support. (FY 2014 Baseline: $4,657 thousand; +0 FTEs)		
30) OUSD - (AT&L) Information Superiority Integration Support (ISIS)	-1,988	
Reduces portfolio oversight of DASD(C3&Cyber) programs, to include development and enforcement of policies and practices of DoDD 5000.01, DoDI 5000.02 and DoDD 7045.20; engineering, analytic and technical		

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
support such as metric development, issue resolution, cost, schedule, risk and performance assessments relating to tactical and strategic military systems. Oversight responsibilities do not diminish in proportional to reductions in acquisition programs. Technical oversight and planning for long-term capabilities will be impaired. (FY 2014 Baseline: $6,389 thousand; +0 FTEs)		
31) OUSD - (AT&L) Installation Climate Change Vulnerability Assessment	-148	
Delays schedules to develop policy for climate change adaptation. (FY 2014 Baseline: $892 thousand; +0 FTEs)		
32) OUSD - (AT&L) Joint Purchase Card Office	-659	
Reduction of contractor support. (FY 2014 Baseline: $7,024 thousand; +0 FTEs)		
33) OUSD - (AT&L) Logistics Systems Modernization (LSM)	-3,289	
Decrease is a result of the transfer of funding to the Defense Logistics Agency to support the Center for Joint and Strategic Logistics ($-469K), no FTEs were transferred. Decrease is also a result of efficiencies realized through successful efforts to streamline supply chain and maintenance operations, and more effective inventory management. Efficiencies also realized by improving internal acquisition processes. (FY 2014 Baseline: $21,817 thousand; +0 FTEs)		
34) OUSD - (AT&L) Low Observable, CLO	-11	
Reduction in contractor support. (FY 2014 Baseline: $117 thousand; +0 FTEs)		

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

C. <u>**Reconciliation of Increases and Decreases**</u>	<u>**Amount**</u>	<u>**Totals**</u>
35) OUSD - (AT&L) Mission Capabilities/Systems Engineering	-421	
Reduces contractor support for the follow-on JHU/APL software analysis in support of major defense acquisition programs. (FY 2014 Baseline: $6,227 thousand; +0 FTEs)		
36) OUSD - (AT&L) Native Amer Land Remediation Section 8045	-12,264	
Reduces program support provided by the Corps of Engineers to efficiently close out projects funded in prior years. (FY 2014 Baseline: $12,051 thousand; +0 FTEs)		
37) OUSD - (AT&L) Operational Energy Plans and Programs (OEP&P) Office	-725	
Reduction in contractor support. (FY 2014 Baseline: $6,183 thousand; +0 FTEs)		
38) OUSD - (AT&L) OSD Studies Fund	-2,270	
Numerous research studies that would be used to inform senior decision makers regarding investment, strategy, performance, and policy issues will be deferred or cancelled. Other studies will be conducted with reduced scope or with deferred phases. (FY 2014 Baseline: $13,629 thousand; +0 FTEs)		
39) OUSD - (AT&L) Performance Assessment & Root Cause Analysis (PARCA) Office	-1,509	
Reduces contractor support to provide multiple performance assessments and root cause analyses. (FY 2014 Baseline: $10,260 thousand; +0 FTEs)		
40) OUSD - (AT&L) Readiness Environmental Protection Initiative (REPI)	-17,933	

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>

Decrease is due to a one-time effort in FY14 to mitigate encroachment around military installations. (FY 2014 Baseline: $60,249 thousand; +0 FTEs)

41) OUSD - (AT&L) Space and Intelligence MDAP Oversight   -774
Decrease reflects the consolidation of MDAP Oversight related studies with enterprise level space systems architecture studies for the USD(AT&L). (FY 2014 Baseline: $6,402 thousand; +0 FTEs)

42) OUSD - (AT&L) Strategic Sourcing   -180
Reduction in contractor support. (FY 2014 Baseline: $1,145 thousand; +0 FTEs)

43) OUSD - (AT&L) Travel   -517
Reduces travel funding by leveraging video teleconferencing technology to streamline management Headquarters. (FY 2014 Baseline: $3,854 thousand; +0 FTEs)

44) OUSD(AT&L) - CFO Act Compliance   -422
Reduces contractor effort to support the 2017 Full Financial Audit Directive. (FY 2014 Baseline: $2,975 thousand; +0 FTEs)

45) OUSD(I) - Intelligence Mission   -7,155
Decrease is predominantly due to reduced requirements for Quick Reaction Capability (QRC) oversight and direct support to Theater commensurate with the draw down in Afghanistan. The Intelligence, Surveillance, Reconnaissance (ISR) Task Force has transitioned to a permanent Directorate within OUSD(I), and is staffed appropriately to enable rapid fielding of new ISR capabilities in support of global warfighter requirements. (FY 2014 Baseline: $71,671 thousand)

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

C. <u>**Reconciliation of Increases and Decreases**</u>	<u>**Amount**</u>	<u>**Totals**</u>
46) OUSD(I) Defense Civilian Intelligence Personnel System	-134	
Reduce analytical support required for oversight of DCIPS Implementation across the Defense Intelligence Enterprise. (FY 2014 Baseline: $2,000 thousand; +0 FTEs)		
47) OUSD(P&R) - Advancing Diversity & EO	-785	
Program reduction represents a decrease in the number of student interns hired under the Workforce Recruitment Program, cost-saving efficiency measures in strategic outreach efforts, and reduced support for the OSD-sponsored Science, Technology, Engineering and Math (STEM) Program. (FY 2014 Baseline: $8,206 thousand; +0 FTEs)		
48) OUSD(P&R) - ASD (Health Affairs) Operations	-145	
Reduction in contract support to streamline management headquarters. (FY 2014 Baseline: $809 thousand; +0 FTEs)		
49) OUSD(P&R) - ASD (Reserve Affairs) Operations	-154	
Reduction in contract support to streamline management headquarters. (FY 2014 Baseline: $1,519 thousand; +0 FTEs)		
50) OUSD(P&R) - Combatant Commanders Exercise Engagement & Training Transformation (CE2T2)	-8,217	
Decrease is based on expected decline in the number of Forces that will participate in CE2T2 exercises across the Combatant Commands leading to programmatic funding decreases for various programs and operations within CE2T2 - including transportation and cargo operations of the Joint Exercise		

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>

Transportation Program (JETP). (FY 2014 Baseline: $607,891 thousand; +0 FTEs)

51) OUSD(P&R) - Defense Readiness Reporting System (DRRS)   -923

Contract support funding will be prioritized with respect to maintaining Mission Assurance Category (MAC)1 certification, over other performance parameters. (FY 2014 Baseline: $6,967 thousand; +0 FTEs)

52) OUSD(P&R) - Military Naturalization Support   -485
Reduction in contract support. (FY 2014 Baseline: $6,389 thousand; +0 FTEs)

53) OUSD(P&R) - Studies Program/CASS   -94
Reduces P&R Studies Program funding. Studies supporting P&R policy and program initiatives will be funded in accordance with their priority. (FY 2014 Baseline: $2,213 thousand; +0 FTEs)

54) OUSD(P&R) - Travel   -59
Efficiencies will be achieved through the increased use of tele-conferencing to streamline management headquarters. (FY 2014 Baseline: $989 thousand; +0 FTEs)

55) OUSD(P) Defense Critical Infrastructure Protection   -577
Efficiencies are gained from building deep partnerships with other government agencies, public, and private sector groups within similar goals. (FY 2014 Baseline: $8,140 thousand; +0 FTEs)

56) OUSD(P) Global Threat Management   -5,077
OUSD(P) restructured its program to more accurately reflect the support it provides to the Secretary of

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>

Defense. Decrease reflects funding realignment to the new program structure designation OUSD(P) Operations, OUSD(P) Mission Support and Strategy and Force Development. (FY 2014 Baseline: $4,987 thousand; +0 FTEs)

57) OUSD(P) Homeland Defense Support Activities	-6,490	

Decrease reflects funding realignment to revised program structure designation OUSD(P) Operations and OUSD(P) Mission Support. (FY 2014 Baseline: $6,375 thousand; +0 FTEs)

58) OUSD(P) Policy Planning and Integration	-6,056	

Programmatic decrease reflects funding realignment to revised program structure designations OUSD(P) Operations and OUSD(P) Mission Support. (FY 2014 Baseline: $5,950 thousand; +0 FTEs)

59) OUSD(P) Regional Security Affairs	-5,455	

Programmatic decrease reflects funding realignment to revised program structure designations OUSD(P) Operations and OUSD(P) Mission Support. (FY 2014 Baseline: $5,358 thousand)

60) OUSD(P) Rewards Program	-119	

Reduces Rewards Program funding. Program initiatives will be funded in accordance with department's priorities. (FY 2014 Baseline: $7,966 thousand; +0 FTEs)

61) OUSD(P) Travel	-5,714	

Programmatic decrease reflects funding realignment to revised program structure designation OUSD(P) Operations for travel of personnel. (FY 2014 Baseline: $5,613 thousand)

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

C. <u>Reconciliation of Increases and Decreases</u>	<u>Amount</u>	<u>Totals</u>
62) OUSD(P) US Mission to NATO	−5,626	
Programmatic decrease reflects funding realignment to revised program structure designation International Defense Programs to support Department of Defense/NATO coordination requirements. (FY 2014 Baseline: $5,527 thousand; +0 FTEs)		
63) OUSD(P) Warfighting Support Activities	−7,196	
Programmatic decrease reflects funding realignment to revised program structure designation OUSD(P) Operations, OUSD(P) Mission Support and Strategy and Force Development. (FY 2014 Baseline: $7,069 thousand; +0 FTEs)		
FY 2015 Budget Request		**1,891,163**

IV. <u>Performance Criteria and Evaluation Summary</u>:

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

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 samples from three of the top four programs under AT&L: Readiness and Environmental Protection Initiative (REPI), Logistics Systems Modernization (LSM) Support and Acquisition Visibility Program. These three programs account for 35% of AT&L's total Operations and Maintenance (O&M) in FY 2015.

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

Major Program Title: Regulatory Environment

Measure/Description	Actual	Projected	Projected
Readiness and Environmental Protection Initiative	**FY 2013**	**FY 2014**	**FY 2015**
Metric #1: Percent funding to highest tier priority installations (Target is 70%)	57%	78%	70%
Metric #2: Percent of validated projects funded (Target is 80%)	58%	55%	51%
Metric #3: Percent partner cost-share (Target is 50%)	50%	49%	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. 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 incompatible development or other land uses that impact military operations. REPI partnerships support sound planning, ecological integrity and interagency coordination, and help avoid more expensive costs, such as the need for training

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

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

Measure/Description	Actual[1] FY 2013	Projected[2] FY 2014	Projected[2] FY 2015
Supply Chain and Inventory Management			
Metric #1: DLA Perfect Order Fulfillment (POF)for Stocked Items (Percentages)	87.3		
Metric #2: Customer Wait Time – Army (Days)	13.0	15.0	15.0
Metric #3 Customer Wait Time – Air Force (Days)	5.8	7.5	7.5
Metric #4 Customer Wait Time – Navy (Days)	16.0	15.0	15.0

Note 1: The actual DLA Perfect Order Fulfillment (POF) Percentage is reflected based on the cumulative year to date performance through the end of the second quarter of FY2013. The actual Customer Wait Time (CWT) for Army, Air Force and Navy are reflected based upon performance through the end of the third quarter of FY2013. The Navy's monthly CWT performance in the third quarter of FY2013 was well within 15 days -- April (13.5 days), May (13.8 days), and June (12 days).   These figures will be updated for total annual performance in conjunction with the FY2015 President's Budget.

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

Note 2: DLA Perfect Order Fulfillment (POF) Percentage will no longer be reflected in the Performance Budget for FY2014 and beyond. DLA consistently meets performance objectives for this measure.

Supply Chain Management: Responsiveness and reliability are desired attributes of the DoD Supply Chain in support of maximizing materiel readiness for warfighters. Customer Wait Time (CWT) is the measure that best reflects the responsiveness of the supply chain. Perfect Order Fulfillment reflects the reliability of the supply chain in providing items from Defense Logistics Agency's inventory items to warfighters. These items are either held in inventory in the Defense Distribution Depots or directly delivered from commercial vendors to customers of the DoD Supply Chain. These measures are being tracked and updated in the Defense Performance Measurement Systems.

Inventory Management Initiative: The Comprehensive Inventory Management Improvement Plan (CIMIP) was developed to guide and direct DoD's collective efforts to improve inventory management and support to warfighters. This plan details specific objectives to ensure that inventory accurately reflects the needs of warfighters. It established actions to improve management of the Department's inventory. The overall objective of the plan is to prudently reduce current and future excess inventory. In that vein, by the end of FY2016, the Department will reduce the total percentage of excess on-order secondary item inventory to 4.0%. The Department will also maintain the percentage of excess on-hand secondary item inventory at a "not to exceed" goal of 8% by FY2016. These measures are being tracked and updated in the Defense Performance Measurement System.

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IV. <u>Performance Criteria and Evaluation Summary</u>:

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

Measure/Description	Actual FY 2013	Projected FY 2014	Projected FY 2015
Transportation Policy Initiatives			
Metric #1: Defense Transportation Coordination Initiative (DTCI): On-time Delivery	97%	97%	98%
Metric #2: Personal Property Regionalization Total Cost Savings	$13.0M	$13.0M	$13.0M

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 final year of operation and the Contractor is meeting or exceeding all of the Key Performance Indicators (KPIs), including On-Time Delivery at 97%. USTRANSCOM / SDDC are reviewing the Department's overall surface transportation strategy and options for continuing the third party logistics concept.

Personal Property Regionalization: The Department plans to reduce the number of personal property shipping offices from 63 to 12 offices worldwide by 2018. This initiative will help leverage the Department's buying power and standardize business practices across the Department, saving approximately 13M per year beginning in FY14.

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

Major Program Title: Promulgate Policy: AT&L Acquisition Visibility (AV)

Measure/Description	Actual	Projected	Projected
Acquisition Visibility (AV)	**FY 2013**	**FY 2014**	**FY 2015**
Metric #1: Number of Authorized Users with Access to AV Services	5,803	6,650	7,700
Metric #2: Number of Acquisition Information Elements and Acquisition Decision Documents under AT&L Control	1,601	1,850	2,300
Metric #3: Number of Acquisition Reports Submitted using AV Services to meet statutory requirements	(see chart)	(see chart)	(see chart)

	FY-13	**FY-14**	**FY-15**
SAR	90	94	94
MAR	44	44	44
DAES	468	468	468
MQR	127	127	130

Acquisition Visibility (AV) is the AT&L transformational activity to fundamentally alter the way in which Defense acquisition information is governed, shared and trusted among the community of senior analysts, managers and officials responsible for oversight, analysis, and decision making for Major Defense Acquisition Programs (MDAP), Major Automated Information Systems (MAIS), and special interest programs. AV provides the

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

institutional governance of acquisition information, working across DoD to regulate definitions, technical standards, and authoritative sources for critical acquisition decision-making. AV also provides the USD AT&L and the Department the capabilities to make acquisition information available to support the Department's acquisition business analysis, acquisition reporting and informed acquisition decisions. Because one of AV's core mission areas is to collect and share information that can support AT&L and OSD senior-level officials, as well as Congress, a small but significant portion of AV performance may be measured by the amount of data under governance and the number of users with access to that data.

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

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. Performance Evaluation Metrics have been developed for the major programs under OUSD(C): Comptroller Initiatives, Enterprise Funds Distribution Support System (EFDSS), and Next Generation Resource Management Systems (NGMRMS). These programs account for 95% of Comptroller's total Operations and Maintenance budget in FY 2015.

IV. <u>Performance Criteria and Evaluation Summary</u>:

Major Program Title- Comptroller Initiatives

Measure/Description	Projected FY 2013	Actual FY 2013	Projected FY 2014	Projected FY 2015
Financial Improvement and Audit Readiness				
Metric #1: Percent of General Fund Schedule of Budgetary Activity (SBA) Validated Audit Ready	20%	19%	84%	100%
Metric #2: Percent of Appropriations Received Validated Audit Ready	100%	100%	n/a	n/a
Metric #3: Percent of General Fund Funds Balance with Treasury Validated Audit Ready	30%	9%	98%	98%
Metric #4: Percent of Mission Critical Asset Existence and Completeness Validated Audit Ready	42%	50%	60%	72%

The Department has implemented a strategy to audit the Statement of Budgetary Resources (SBR) through a Schedule of Budgetary Activity (SBA). Beginning in FY 2015, the Department will undergo a series of audits of the current year's budgetary activity, which will assess interim progress through improved business processes and controls. Each year, DoD will build upon successful audits of the SBA to support the audit of the full SBR.

The Department has reached its goal for audit readiness for Appropriations Received. The Department will continue to monitor its internal controls through periodic testing to

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

support sustainment of this process, as it continues to prepare for full financial statement audit.

The Mission Critical Asset Existence and Completeness assertion focuses primarily on the Existence, Completeness, Rights and Obligations, and Presentation and Disclosure financial statement assertions. The asset categories included in this assertion are Military Equipment, Real Property, Inventory, Operating Materials and Supplies, and General Equipment.

Major Program Title- Comptroller Initiatives

Measure/Description	Actual FY 2013	Projected FY 2014	Projected FY 2015
Implement the DoD Financial Management (FM) Certification Program			
Metric: DoD FM personnel (military and civilian) participating in the FM Certification Program	2.3%	46%	90%

The Department has initiated a multi-year effort to develop a competency-based FM Certification Program that is applicable to the FM workforce. The FY12 NDAA provides the legal authority to implement the FM Certification Program. The Program is designed to ensure DoD meets the FM workforce and lifecycle management needs. All FM positions, civilian and military, are being coded as Level 1, Level 2 or Level 3. Enterprise-wide, FM competencies applicable to each FM occupation series have been established. Each certification level requires a minimum number of training course hours and FM experience.

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

Training is targeted to specific FM technical competencies, DoD leadership competencies, and specific topics such as audit readiness, fiscal law and ethics.

The FM Certification Policy was finalized in a Department of Defense Instruction signed on November 20, 2013, superseding the March 22, 2013 Directive-Type Memorandum.

Phased Implementation for the DoD FM Certification Program began in June 2013 with the initial launches of 5 organizations. By the end of Calendar Year 2013, over 5,000 users, consisting of both military and civilian users, were launched in the DoD FM Learning Management System. Those users came from 19 components: Air Force, Army, Department of Navy, DCAA, DFAS, DARPA, DAU, DCMA, DeCA, DISA, DLA, DSCA, JCS, MDA, NDU, OSD, DTSA, PFPA, and WHS.

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

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IV. <u>**Performance Criteria and Evaluation Summary**</u>:

Measure/Description	Actual FY 2013	Projected FY 2014	Projected FY2015
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	40%	55%	75%

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

During FY 2014, remaining Family Housing appropriations are scheduled to be implemented. FY 2014 and FY 2015 efforts will include implementation or closure of remaining non-conventional appropriations.

Defense Logistics Agency (DLA) is the acquisition Program Manager and service provider. The metrics shown above address Phase 1 funds distribution only. Metrics for funds distribution below Congressional reporting levels are reported separately under DLA.

IV. Performance Criteria and Evaluation Summary:

Major Program Title- Next Generation Resource Management System

Measure/Description	Actual FY 2013	Projected FY 2014	Projected FY 2015
Exhibit Automation System (EAS)			
Metric #1: Number of Agencies Utilizing the EAS tool	33	34	34
Metric #2: Man-Hours Saved Using Resource Management Decision Tool	10%	12%	13%
Metric #3: Number of Exhibits Automated	12	18	19

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.

A key accomplishment for FY 2013 was the deployment of the Exhibit Automation System (EAS) to additional accounts such as the Defense Health Program (DHP) and Overseas

IV. **Performance Criteria and Evaluation Summary**:

Contingency Operations (OCO). In FY 2014, four new Exhibits have been automated for OUSD(C) and the Defense Agencies. Additionally, functionality was implemented to assist OUSD(C) and SOCOM meet emerging Congressional requirements for budget justification. In the remainder of FY 2014, a new exhibit will be automated for the Defense Agencies to assist with reporting civilian reimbursable and civilian pay costs, as well as, a new Exhibit to assist DHP to report medical costs. In 2015 additional exhibits will continue to be automated to further streamline the budget build process and reduce data re-entry, saving time, and reducing errors.

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

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

mission areas accommodate greater visibility in orchestrating and synchronizing effective and efficient business operations across all Departmental Components. This growth and 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- Disciplined MAIS Program Oversight

	Actual	Projected	Projected
Measure/Description	**FY 2013**	**FY 2014**	**FY 2015**
Disciplined MAIS Program Oversight	62.5%	75%	90%

Disciplined MAIS Program Oversight: Number of cost, schedule and performance baselines that exist for Major Automated Information System (MAIS) Defense Business Systems (DBS). DCMO is the MDA for 16 programs.

Major Program Title- Agile Investment Review

	Actual	Projected	Projected
Measure/Description	**FY 2013**	**FY 2014**	**FY 2015**
Agile Investment Review	N/A	100%	100%

Agile Investment Review: This is a new DCMO Metric based on the Section 2222 of Title 10, USC. DCMO is responsible for establishing single IRB process for Business Mission Area programs. 100% of the Defense Business Systems (DBS) submitted to the Defense Business Council (DBC)/Investment Review Board (IRB) are arranged into portfolios, reviewed for BEA/BPR compliance, strategic alignment, utility and cost and as appropriate funds

IV. Performance Criteria and Evaluation Summary:

certification provided by portfolio. DCMO must maintain 100% compliance IAW with statutory requirements.

Major Program Title- Expanded Procure-to-Pay

	Actual	Projected	Projected
Measure/Description	**FY 2013**	**FY 2014**	**FY 2015**
Expanded Procure-to-Pay	0%	0%	0%

The Expanded Procure to Pay (P2P) metric established to evaluate the number of contract actions that can be successfully identified across the complete P2P process, i.e., from requirements through obligation to entitlement and disbursement in the systems of record was discontinued for FY13 and FY14. This metric was removed officially from the DoD Strategic Management Plan.

We achieved 89.6% for FY12 which far surpassed our target for FY13 of 75%. The reason this metric was removed is environment in Afghanistan drastically shifted in FY13 with the deployment of the enterprise target system of the Army's General Fund Enterprise System in theater which automated the traceability of procure to pay process. Furthermore, the operational environment has shift significantly to drawdown of personnel and equipment.

IV. <u>Performance Criteria and Evaluation Summary</u>:

D. <u>Under Secretary of Defense Intelligence OUSD(I)</u>:

The Under Secretary of Defense for Intelligence OUSD(I) 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 and Architectures programs, the largest programs under OUSD (I). These two programs account for over 90% of OUSD (I)'s total Operations and Maintenance in FY 2015.

Major Program Title: Intelligence Mission

Measure Description	Actual	Projected	
Sensitive Activities (SA)	**FY 2013**	**FY 2014**	**FY 2015**
Cover oversight reviews	4	4	4
Clandestine Quarterly (CQ) activity reports	4	4	4
Compartmented Approvals and Sensitive Execute Orders (EXORD) coordination	8	8	8
Cover plan/annex reviews	120	120	120

In accordance with DoD Directive 5143.01, OUSD (I) is responsible for oversight of the Defense Cover Program. The Clandestine Operations and Sensitive Activities Directorate

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IV. <u>Performance Criteria and Evaluation Summary</u>:

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 2Qtr FY 2011. 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) Activities Report to six Congressional Committees and senior Executive Branch officials. The directorate coordinates with the Office of the Deputy Under Secretary of Defense (Warfighter Support) to address potential cover-related issues on sensitive and compartmented EXORDs for signature by the 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 Instruction 5105.63.

Major Program Title: Intelligence Mission

Measure Description	Actual	Projected	
Reform the Department of Defense (DoD) Personnel Security Clearance Process	**FY 2013**	**FY 2014**	**FY 2015**
DoD will adjudicate the fastest 90% of initial top secret and secret personnel security clearances within 20 days	90%/7 days	90%/20 days	90%/20 days
90% of DoD adjudicators were certified	90% certified	90% certified	90% certified
90% of Single Scope Background Investigations and Top Secret Periodic Investigations will meet 2009 adjudication documentation standards	Assessment not yet completed	99% will meet 2009 adjudication standards	99% will meet 2009 adjudication standards

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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.

Major Program Title: Intelligence Mission

Measure Description	Actual	Projected	
Compliance, Currency, and Relevance of DoD Counterintelligence and Credibility Assessment Policies	**FY 2013**	**FY 2014**	**FY 2015**
Review 100% of existing policy documents which are five years old and either revise, cancel or extend the issuance	100%	100%	100%
Complete development of new policy documents. (Two new policy documents in FY 2013, one new policy document in FY 2014 and one in FY 2015.)	100%	100%	100%

Counterintelligence and Federal Law Enforcement Support (CI&FLES) Directorate is responsible for identifying and developing new policy documents related to CI and Credibility Assessment, reviewing and updating current policy documents, and maintaining four National level agreements.

IV. **Performance Criteria and Evaluation Summary**:

Major Program Title: Intelligence Mission

Measure Description	Actual	Projected	
Establish All-Source Intelligence Analysis Policy	**FY 2013**	**FY 2014**	**FY 2015**
Completed review of USD(I) issuances to identify All-Source Intelligence Analysis roles and responsibilities and align and incorporate in DRAFT DoDI "All-Source Intelligence Analysis."	100%	N/A	N/A
By September 2014, conduct quarterly reviews of All-Source Intelligence Analysis requirements policies, procedures, and tools. Including policy gaps gleaned through Oversight assessments/reviews. Identify issuances to develop and/or modify existing requirements process. Complete draft issuance submission within a target time period of no more than six months.	60%	75%	100%

Defense Analysis is responsible for developing new policies and procedures to structure and guide All-Source Intelligence Analysis. The reviews of All Source Intelligence Analysis requirements, policies, procedures and tools exceeded existing manpower to accomplish the requirement in FY 2013. We expect efficiencies and experience gained during the FY 2013 review will permit us to achieve 75% of requirements in FY 2014 and complete the review by FY 2015.

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IV. <u>**Performance Criteria and Evaluation Summary**</u>:

In FY 2013, DODI "All-Source Intelligence Analysis" was drafted to address changes in business process and governance within Defense Intelligence All-Source Analysis community.   This issuance is in formal coordination; however, recent and anticipated changes in DoD All-Source Analysis Community resulting from the ongoing review will require additional updates. Therefore, this document will be revised in FY 2014 to address needed changes in DoD All-Source Analysis Enterprise business processes.

Major Program Title: Intelligence Mission

Measure Description	Actual	Projected	
All-Source Intelligence Analysis Oversight	**FY 2013**	**FY 2014**	**FY 2015**
Establish an Oversight Program that includes assessments/reviews to selected Enterprise Components responsible for All-Source Intelligence Analysis with priority on the Services (Production Centers and MIP funded within Service), the Defense Intelligence Agency (DIA)- Defense Intelligence Analysis Program (DIAP) and the Directorate for Analysis (DI), and the Combatant Commands.	1	4	6
Formalize into the Oversight Program Structure- Evaluation of Warning tools and certification requirements and All-source intelligence analysis certification requirements.	N/A	2	4

IV. <u>Performance Criteria and Evaluation Summary</u>:

Defense Analysis is responsible for executing strategic and policy oversight assessment and reviews of the executors of DoD All-Source Intelligence Analysis. DA also coordinates with the Office of the Director of National Intelligence regarding development, implementation, and compliance to National directives and related issuances.

During FY 2013 we began a nascent oversight program resulting in one oversight review in FY 2013. We expect that program to expand to four oversight visits in FY 2014 and six visits in FY 2015. Despite its limited scope in FY 2013, the program has demonstrated value. As a result of this first review, we have exposed two areas demanding additional focus – Defense Warning tools and certification, and All-Source analysis training-certification. These two areas have been added to the DA Oversight Program agenda.

Major Program Title: Intelligence Mission

Measure Description	Actual	Projected	
Policy Oversight (Counterintelligence & Federal Law Enforcement Support)	**FY 2013**	**FY 2014**	**FY 2015**
For FY 2013, completed eight DoD components and five ad hoc policy oversight initiatives; for FY 2014, complete nine DoD components and five ad hoc policy oversight initiatives, and for FY 2015 complete four ad hoc policy oversight initiatives.	100%	100%	100%
For FY 2013, FY 2014, and FY 2015 follow-up on 100% of those DoD components that were identified as non-compliant.	100%	100%	100%

IV. **Performance Criteria and Evaluation Summary**:

The CI & FLES Directorate is responsible for conducting CI and credibility assessment (CA) policy oversight assessments to determine if DoD Components are executing CI and CA policies in accordance with DoD guidance and to identify needed changes in existing policies. These are conducted via visiting all DoD Components during a three-year cycle and identifying special "ad hoc" assessments that are issue-oriented and may involve multiple Components. The process includes follow-up reviews to determine if recommended actions were implemented.

Measure Description	Actual	Projected	
US Battlefield Information Collection and Exploitation System (US BICES)	**FY 2013**	**FY 2014**	**FY 2015**
Number of multilateral/bilateral intelligence information sharing connections with partner nations or Communities of Interest (COI)(e.g., Operation Unified Protector)	67	81	90
Number of US releasable intelligence products to coalition partners or COIs	125,000	200,000+	250,000+
Number of coalition releasable intelligence products to US	22,000	40,000	100,000
Number of US organizations producing intelligence products to US BICES	45	50	55
Number of US and coalition partner personnel trained through classroom and mobile courses	1342	1700	2050
Number of US Government personnel within the US BICES program management office	5	6	6

IV. **Performance Criteria and Evaluation Summary**:

The Intelligence Systems and Architectures Directorate develops 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 both bi-laterally and multi-nationally. US BICES capability expansion across the COCOMs, Services, and Agencies is key to implementing USD (I) effort to establish an enduring coalition intelligence sharing enterprise supporting both conventional forces and special operations forces worldwide. US BICES expanded to access over 125,000 US, NATO, and Non-NATO users during FY 2013. Commander, US SOCOM designated US BICES as the intelligence system of choice for global coalition special operations. Coalition Data Centers (CDC) established at each COCOM in FY 2011 allow increased multilateral/bilateral intelligence information sharing connections with partner nations or communities of interest (COIs). The expanded number of communication connections funded by O&M will result in an increased number of people connected. Incorporation of the Trusted Network Environment (TNE) as an overarching architecture used within all of the CDCs will allow for even more rapid establishment of bilateral and multilateral cross-domain intelligence sharing. The number of US releasable intelligence products to coalition partners or COIs will increase based on the FY 2013/2014/2015 funded TNE and the resulting increased capability to process products. Number of coalition releasable intelligence products to US will increase to provide increased capabilities to process products both being released to coalition partners and products received from coalition partners. As the TNE becomes 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 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.

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IV. <u>**Performance Criteria and Evaluation Summary**</u>:

E. <u>**Department of Defense, Chief Information Officer (DoD(CIO))**</u>:

The DoD CIO is the PSA and advisor to the Secretary of Defense for information technology (IT), national security systems (NSS), and information resources management (IRM) matters. The DoD CIO shall be responsible for all matters relating to information and the information environment including command and control (C2), communications, radio frequency spectrum, network operations, information systems, information assurance (IA), defense cyber security, the Global Information Grid, and positioning, navigation, and timing (PNT) policy.

Major Program Title: Information Enterprise

Measure/Description	Actual	Projected	Projected
Train the Total Defense Workforce with the right competencies. Protect DoD critical infrastructure.	**FY13**	**FY14**	**FY15**
Metric #1: Percent of information assurance positions and contract requirements filled with personnel meeting certification requirements.	85%	90%	95%
Metric #2: Percentage of systems supported by Enterprise Data Centers (EDCs) and Installation Processing Nodes (IPN)		15%	35%

IV. <u>Performance Criteria and Evaluation Summary</u>:

Investments for Information Enterprise are to develop strategies and policies governing the DoD Information Enterprise; consisting of the DoD information resources, assets, and processes required to achieve an information advantage and share information across DoD and with mission partners. Establish enterprise-wide architectures, standards, policies and guidance to support effective implementation of the DoD enabling infrastructure, enterprise services, and effective information management. Provide functional oversight for the development and sustainment of the IT and cyber workforce. Support governance through engagement with the key DoD decision processes. Engage with international partners and mission partners to ensure DoD enterprise information strategies meet information sharing requirements for all mission areas.

Major Program Title: C4 Information Infrastructure Capabilities

Measure/Description	Actual	Projected	Projected
Expand capacity to succeed against adversary states armed with anti-access capabilities and/or nuclear weapons and improve capabilities to conduct effective operations in cyberspace and space.	**FY13**	**FY14**	**FY5**
Metric #1: Percent of DoD's NC3 crypto-modernization plan completed.	44%	56%	90%
Metric #2Percentage of secure mobile devices supported by enterprise mobile device management and contracted through DISA	1%	2%	10%

IV. <u>Performance Criteria and Evaluation Summary</u>:

Investments for C4 Information Infrastructure Capabilities are to assess success of critical Department information technology programs and initiatives and engage where necessary to make sure they deliver on time and at the level of performance required. Assess compliance with enterprise strategy and mission requirements. Develop Capability Architecture Views, Fielding/Deployment/Synchronization Plans, and Roadmaps. Provide oversight and guidance for the fielding of key enabling infrastructures and capabilities. Oversee policies, programs, and strategic plans regarding net-centric capabilities in support of nuclear and non-nuclear strategic strike, integrated missile defense, Continuity of Government (COG), and Senior Leadership Communications, including National Leadership Command Capabilities (NLCC).

Major Program Title: Cybersecurity

Measure/Description	Actual	Projected	Projected
Protect critical DoD infrastructure and partner with other critical infrastructure owners in government and the private sector to increase mission assurance.	**FY13**	**FY14**	**FY15**
Metric #1: Percentage of inspected military cyberspace organizations attaining a passing score on a comprehensive cybersecurity inspection that assesses compliance with technical, operational, and physical security standards, resulting in improved hardening and cyber defense.	89%	90%	94%
Metric #2: Percent of applicable IT and NSS that are certification and accreditation	95%	95%	99%

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

compliant. **Metric #3:** Cumulative percentage of DoD SIPRNet accounts with PKI cryptographic logon capability.	20.0%	90%	95%

Investments for Cybersecurity are to manage security architectures, programming, and risk to provide a more defensible information environment and enable safe sharing of information across the enterprise and with mission partners. Ensure DoD has an effective, properly funded cybersecurity program.

F. <u>**Under Secretary of Defense (Personnel and Readiness) (OUSD(P&R)):**</u>

The Under Secretary of Defense for Personnel and Readiness (OUSD (P&R)) is the principal staff assistant and advisor to the Secretary of Defense and Deputy Secretary Defense for all matters concerning personnel and readiness. OUSD (P&R) funds the operation and support of programs like Commanders Exercise Engagement& Training Transformation (CE2T2), Defense Readiness Reporting System (DRRS), Defense Safety Oversight Council, Training Transformation, and others. In FY 2015 the top two programs are; CE2T2, Defense Oversight Council. CE2T2 accounts for 94% of P&R's program.

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IV. <u>**Performance Criteria and Evaluation Summary**</u>:

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

Measure/Description	Actual FY 2013	Projected FY 2014	Projected FY 2015
CE2T2			
Metric #1: Percent of validated CCMD (Combatant Command) Joint Exercise Transportation Requirements executed with support of JETP (Joint Exercise Training Program)	74.60%	93%	85%
Metric #2: Percent of CCMD (Combatant Command) JMETs (Joint Mission-Essential Tasks) with assigned training performance assessments (TPAs)	86%	79%	100%
Metric #3: Percent of JNTC (Joint National Training Center) JTCP (Joint Training Coordination Program) supportable enabler requests filled	100%	100%	75%

The CE2T2 program has supported DoD joint training needs, consistent with the new defense strategy. The program has provided the resources and expertise for training that has:

- Improved the joint, integrated training of DoD components at the tactical through strategic levels of operations;
- Assisted the DoD components with the fielding of robust opposing force capabilities, after action and ground truth instrumentation/capabilities, and

IV. <u>**Performance Criteria and Evaluation Summary**</u>:

    improved realistic training;
- Improved Combatant Command TCP and OPLAN readiness, through regional and country-specific engagements and exercises, including exercises in South Korea and Israel;
- Supported the rebalance between the Middle East and Asia-Pacific regions;
- Deterred aggression and shaped the global security environment;
- Prepared U.S. forces for operations in Afghanistan and the Horn of Africa.

Budget uncertainty and budget reductions have recently compelled the cancellation or elimination of some CE2T2-funded exercises and enablers, including the following:

- Elimination and consolidation of six Combatant Command exercises with partners in the Middle East, including special operations and counterterrorism exercises;
- Reduction in scope of six exercises with European and NATO partners;
- Cancellation of four exercises in the Asia-Pacific region as well as the reduction in scope of an additional three exercises;
- Reduction in scope of one nuclear command and control exercise;
- Reduction in scope of three U.S. Special Operations Command exercises;
- Cancellation of one U.S. Transportation Command exercise;
- Cancellation of four exercises in Africa, including a counterterrorism exercise;
- Cancellation of three exercises in Central and South America, including FUERZAS COMANDO, a counterterrorism exercise, as well as the reduction in scope of an additional two exercises.

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IV. **Performance Criteria and Evaluation Summary**:

Major Programs Title: Defense Safety Oversight Council and Lost Workdays System

Measure/Description	Actual FY 2013	Projected FY 2014	Projected FY 2015
Metric #1: Number and rates of military fatalities and injuries, civilian lost time injuries and occupational illness, and aviation class A mishaps.	40% reduction from FY 2002 baseline	Continuous improvement	Continuous improvement

The Defense Safety Oversight Council provides governance on DoD-wide efforts to reduce preventable mishaps. It reviews accidents and incidents trends, ongoing safety initiatives, private sector and other governmental agency best practices, and make recommendations to the Secretary of Defense for safety improvement policies, programs, and investments.

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V. __Personnel Summary__	FY 2013	FY 2014	FY 2015	Change FY 2013/ FY 2014	Change FY 2014/ FY 2015
Active Military End Strength (E/S) (Total)	394	404	394	10	-10
Officer	375	382	373	7	-9
Enlisted	19	22	21	3	-1
Reserve Drill Strength (E/S) (Total)	27	27	18	0	-9
Officer	22	22	14	0	-8
Enlisted	5	5	4	0	-1
Reservists on Full Time Active Duty (E/S)	12	12	10	0	-2
Officer	11	11	9	0	-2
Enlisted	1	1	1	0	0
Civilian End Strength (Total)	2,005	1,928	1,946	-77	18
U.S. Direct Hire	2,005	1,928	1,946	-77	18
Total Direct Hire	2,005	1,928	1,946	-77	18
Active Military Average Strength (A/S) (Total)	394	404	394	10	-10
Officer	375	382	373	7	-9
Enlisted	19	22	21	3	-1
Reserve Drill Strength (A/S) (Total)	27	27	18	0	-9
Officer	22	22	14	0	-8
Enlisted	5	5	4	0	-1
Reservists on Full Time Active Duty (A/S) (Total)	12	12	10	0	-2
Officer	11	11	9	0	-2
Enlisted	1	1	1	0	0
Civilian FTEs (Total)	1,945	1,931	1,931	-14	0
U.S. Direct Hire	1,945	1,931	1,931	-14	0
Total Direct Hire	1,945	1,931	1,931	-14	0

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V. __Personnel Summary__	__FY 2013__	__FY 2014__	__FY 2015__	Change __FY 2013/ FY 2014__	Change __FY 2014/ FY 2015__
Average Annual Civilian Salary ($ in thousands)	183.7	186.1	185.1	2.4	-1.0
Contractor FTEs (Total)	2,487	2,097	2,923	-390	826

Note: Contractor FTEs increase represents change in methodology used to determine number of contractors FTEs, instilling more accuracy & consistency.

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

	FY 2013	Change FY 2013/FY 2014		FY 2014	Change FY 2014/FY 2015		FY 2015
OP 32 Line	Actual	Price	Program	Estimate	Price	Program	Estimate
101 Exec, Gen'l & Spec Scheds	357,072	2,678	-973	358,777	3,588	-5,505	356,860
107 Voluntary Sep Incentives	298	0	202	500	0	0	500
199 Total Civ Compensation	**357,370**	**2,678**	**-771**	**359,277**	**3,588**	**-5,505**	**357,360**
308 Travel of Persons	84,196	1,599	1,243	87,038	1,567	-2,993	85,612
399 Total Travel	**84,196**	**1,599**	**1,243**	**87,038**	**1,567**	**-2,993**	**85,612**
672 PRMRF Purchases	6,971	351	-7,322	0	0	0	0
680 Building Maint Fund Purch	0	0	4,120	4,120	32	-4,152	0
699 Total DWCF Purchases	**6,971**	**351**	**-3,202**	**4,120**	**32**	**-4,152**	**0**
703 JCS Exercises	103,100	2,784	34,752	140,636	18,001	-19,215	139,422
708 MSC Chartered Cargo	11,945	1,326	10,565	23,836	-215	-2,335	21,286
719 SDDC Cargo Ops-Port hndlg	50,959	19,874	-11,551	59,282	-13,220	7,150	53,212
771 Commercial Transport	35,569	676	-994	35,251	635	-2,379	33,507
799 Total Transportation	**201,573**	**24,660**	**32,772**	**259,005**	**5,201**	**-16,779**	**247,427**
912 Rental Payments to GSA (SLUC)	1,859	35	-636	1,258	23	725	2,006
913 Purchased Utilities (Non-Fund)	2,006	38	791	2,835	51	-791	2,095
914 Purchased Communications (Non-Fund)	8,789	167	-5,131	3,825	69	-360	3,534
915 Rents (Non-GSA)	102,737	1,952	80,815	185,504	3,339	94,321	283,164
917 Postal Services (U.S.P.S)	19	0	17	36	1	-7	30
920 Supplies & Materials (Non-Fund)	10,617	202	2,296	13,115	236	-1,409	11,942
921 Printing & Reproduction	578	11	-347	242	4	157	403
922 Equipment Maintenance By Contract	62,902	1,195	-13,379	50,718	913	-32,076	19,555
923 Facilities Sust, Rest, & Mod by Contract	431	8	556	995	18	-528	485
925 Equipment Purchases (Non-Fund)	15,582	296	-9,511	6,367	115	-2,675	3,807
932 Mgt Prof Support Svcs	425,486	8,084	-60,613	372,957	6,713	-8,891	370,779
933 Studies, Analysis & Eval	110,800	2,105	-39,040	73,865	1,330	-15,736	59,459
934 Engineering & Tech Svcs	364,891	6,933	-161,458	210,366	3,787	-25,151	189,002
951 Other Costs (Special Personal	6,625	0	-6,625	0	0	0	0

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OP 32 Line	FY 2013 Actual	Change FY 2013/FY 2014 Price	Program	FY 2014 Estimate	Change FY 2014/FY 2015 Price	Program	FY 2015 Estimate
Svc Pay)							
958 Other Costs (Investments and Loans)	17	0	-17	0	0	0	0
960 Other Costs (Interest and Dividends)	40	1	-41	0	0	0	0
985 Research & Development, Contracts	0	0	0	0	0	5,094	5,094
987 Other Intra-Govt Purch	95,075	1,806	108,928	205,809	3,705	-12,881	196,633
988 Grants	40,258	765	8,064	49,087	884	-45,224	4,747
989 Other Services	102,790	1,953	-47,214	57,529	1,036	-13,774	44,791
990 IT Contract Support Services	5,228	99	-801	4,526	81	-1,369	3,238
999 Total Other Purchases	**1,356,730**	**25,650**	**-143,346**	**1,239,034**	**22,305**	**-60,575**	**1,200,764**
Total	**2,006,840**	**54,938**	**-113,304**	**1,948,474**	**32,693**	**-90,004**	**1,891,163**

* The FY 2013 Actual column **includes** $38,251 thousand of FY 2013 OCO Appropriations funding (PL 113-6).
* The FY 2014 Estimate column **excludes** $68,227 thousand of FY 2014 Overseas Contingency Operations Appropriations funding (PL 113-76).
* The FY 2015 Estimate **excludes** OCO.

Note: The increase in OP-32 line 915 Rents (Non-GSA) is attributed to the increase in the DoD's allocated share of the Capital Security Cost Sharing bill as determined by the Department of State.